



EXTRA-FINANCIAL REPORT



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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Up Group: Committed to serving a societal ambition



Up group's singularity, strength and ambition are embodied in its strategic project, with five programmes that feed into the daily activity and commitment of all our employees in France and in the world. The democratic model of management that has defined the parent company from the outset is a model with characteristics and virtues that must be promoted, because they contribute to giving a voice to every individual for effective participation in the shared destiny of a company of a different kind.

The social programme deployed by the Group is its natural extension, and is characterized by our determination to ensure that social dialogue is at the heart of our common progress.

2017 was a strong year, with innovation being a key driver.

Wherever the Group has operations, the development of our activities is driven by a constant desire to bring new solutions to our beneficiaries, to enhance services offered to our customers, and to use digital technology to serve these ambitions.

Up group's societal commitments were further strengthened in 2017.

A new philanthropy policy was launched, our subsidiaries got on board, and our Foundation became a Corporate Foundation, contributing to the "power" of taking action together and connecting with civil society wherever we are present, on such key issues as health, education, housing and food.

Lastly, the Group's environmental commitments played out in specific actions in 2017, in France and in all of our subsidiaries, specifically to fight against global warming.

All of these ambitions explain why, as a member of the United Nations Global Compact for France, we reiterate our support for the 10 principles of the Global Compact and the Sustainable Development Goals. This support expresses a strong ambition, the ambition of a Group that wants our society to be fairer, more caring and more sustainable."

CATHERINE COUPET,
Up Group President and CEO

Up group has always been a committed organization, asserting its values from the very beginning, and carrying out actions that demonstrate that its responsibility is not limited to generating profit. Being responsible within the Group means to combine democratic governance, wealth creation and well-being at work, close bonds with civil society and protecting the environment.

The Group's strategic project includes all aspects of Corporate Social Responsibility (CSR) through its five programmes. This aim is being driven at the highest level of the Group's decision-making bodies, and is embodied in the engagement of the Group's nearly 3,500 employees.

Up Group has contributed to social progress since its origin, through its cooperative model, its democratic governance, its products, its services and its commitments to civil society.

The Group is one of the key players in the social and solidarity economy (SSE), a growth industry that combines modernity, innovation and sustainable development.

THE STRATEGIC PROJECT IS STRUCTURED IN 5 PROGRAMMES

01 GOVERNANCE

Governing democratically in line with its cooperative status and its values. Claiming affiliation with the social economy and a commitment to an alternative economy that chooses to place people at the heart of its success. Leading the ambition to be and remain a free, independent, and innovative Group.

02 ECONOMIC

Innovating in order to generate sustained and sustainable growth. The Group is aiming for an issue volume of 10 billion euros, and 500 million in revenue for 2018. It also aims to increase its digital issue volume to meet the needs of its new customers and distributors. These ambitious targets will ensure the sustainability of the Group and enable it to develop new relationships with its customers, partners and users.

03 SOCIAL

Enable every employee to play a part in our collective ambition. Listen, support and recognize employees in order to involve them in our business success and enable them to enjoy the fruits of their labor.

Up group has been engaged in a free and voluntary process of Corporate Social Responsibility (CSR) since 2010. Up started publishing a CSR report in 2012, presenting its commitments and accomplishments in the area of sustainable development, illustrated with figures and trends.

Since 2014, Up Group has submitted its report to voluntary verification by an independent third-party body.

In 2015, a year ahead of its obligations, the Group voluntarily had an extra-financial audit performed by an independent third-party body. This organization certified the completeness and sincerity of the factual criteria in the report.

In 2016, the Group reached the regulatory thresholds. It was therefore audited for the second consecutive year by the independent body, which once again issued a certification of presence and a reasoned opinion on reliability, which are included in the report.

This year, Up group wants its extra-financial report to once again display, monitor and manage its strategic goals in full transparency. That is why the report shows indicators and achievements with

respect to its responsibility policy for the previous year.

This report also indicates the Group's determination to leverage everything it is doing in support of its commitments, like the Global Compact of the United Nations, the Diversity Charter and the commitments made with the SSE Lab...

Subsidiary reports were also created to enable each subsidiary the ability to report, monitor and communicate its extra-financial data. This provides them with a genuine management tool that every entity can own.

In an era of integrated reporting, financial and extra-financial information complement each other in a relevant way and will be merged into a single management report that will include the Statement on Extra-Financial Performance (DPEF).

A protocol specific to the 2017 extra-financial report presents the following in detail: the scope, data collection methods, timeline, methodology and rules for consolidation that were used to produce this report. A summary of this document is presented at the end of the report in the section entitled "Reporting framework".

04 SOCIAL

Creating bonds to give each individual the power to take action through an ambitious philanthropy policy. Engaging our subsidiaries worldwide in a procurement process that is in line with our sustainable performance strategy.

05 ENVIRONMENT

Engaging employees to reduce our impact on the environment. Contributing more proactively and responsibly in fighting against global warming and acting in the interest of future generations.



Coop



erate

BUILT ON FOUNDATIONS THAT ARE SPECIFICALLY COOPERATIVE, UP GROUP IS ONE OF THE MAJOR PLAYERS IN THE SOCIAL AND SOLIDARITY ECONOMY (SSE). THE GROUP'S PARENT COMPANY WAS ESTABLISHED IN 1964. AND BELONGS MORE SPECIFICALLY TO THE CATEGORY OF **COOPERATIVE AND PARTICIPATORY COMPANIES** (SCOP). THIS STATUS SIGNIFIES THAT THE COMPANY IS SUBJECT TO BUSINESS IMPERATIVES BUT OPERATES ON DEMOCRATIC AND PARTICIPATORY PRINCIPLES.

For 53 years, through its entrepreneurial model and its solutions in the service of social and societal progress, Up group has demonstrated that it is possible to succeed in business while adopting a development model that is different, fairer and more sustainable.

NURTURING THE COOPERATIVE DIFFERENCE ACROSS THE GROUP

Nurturing the cooperative difference is part of the Group's strategic goals, with the determination to channel the key principles of the cooperative model to all of its countries of operation. In 2016, 10 commitments stemming from these principles which were formalized by the Group's Board of Directors, and were deployed in May 2017 at the Senior Executive strategic seminar.

With 3,465 employees, sustained growth and a presence in 19 countries, it has become a priority for the Group to work on a foundation of common values on which its strategy is based.

To translate this strategy into action, workshops were organized in 2016 in different countries: Spain, Italy, Romania, Poland, Morocco and France. They continued through 2017 in the following countries: Czech Republic, Slovakia, Mexico, Belgium and Brazil. They will later continue in other countries.

The goal of these workshops is to promote individual expression and accountability to build a Group culture and identity going beyond the diversity of origins and feeding the subsidiaries' human resources information system.

UP GROUP PRINCIPLES AND COMMITMENTS

PRINCIPLES	COMMITMENTS
DRIVING PARTICIPATORY GOVERNANCE	Regularly inform and exchange with employees on strategies, objectives and results for the Group and the subsidiaries. Encourage employee representation and engagement within the company to foster social dialogue.
ENSURING FULL SOCIAL RESPONSIBILITY	Take action that benefits the community at large. Maintain balanced relations with our stakeholders.
DEVELOPING A COOPERATIVE MANAGEMENT SYSTEM	Coordinate, mobilize and unite the collective to empower and involve the employee.
THINKING THE COMPANY AS A SOURCE OF INDIVIDUAL DEVELOPMENT	Think of work as a factor for personal development. Foster equality and diversity and encourage peaceful coexistence. Organizing financial and social protection of the employee and his family.
CREATING WEALTH TO FOSTER OUR DEVELOPMENT AND SHARE IT IN COMPLIANCE WITH GROUP VALUES	Spread the wealth produced collectively in accordance with the values of the Group (distribute some of the income: incentives, profit sharing...) Ensure the sustainability of the company.

P1-Figure 1



THIS BUSINESS'S SUCCESS IS THE RESULT OF A COOPERATIVE GOVERNANCE MODEL.

Every day, the model is proving that it is possible to be successful while doing business differently.”

Catherine Coupet, Up Group President and CEO

UP - COMMITTED TO PROMOTING ITS COOPERATIVE MODEL

Up group's business success and international development are inseparably related to its historic commitment to cooperative values that nourish its identity. The Group focuses on spreading this differentiating culture in its teams and subsidiaries all over the world, while also striving to be heard by public authorities and civil society, and to promote a more equitable and sustainable development model based on democratic governance.

In France, Up is recognized today as being an emblematic player in the social and solidarity economy (SSE). Its presence in many countries has also led Up group to open up to new networks internationally in order to contribute to disseminating entrepreneurial approaches of a different kind, embodying both values and meaning. This rationale is based on openness and commitment is clearly anchored in the Group's strategic goals.

As a committed player within its ecosystem, Up group is participating on a regional, national and international scale in many representative structures of the SSE that are working toward recognition of the cooperative model on supporting its development, promoting networking and exchanges, and building advocacy with institutions and political actors.

As the premier Scop in France in terms of revenue, the Up cooperative is one of the main financial contributors to the General Confederation of Scop Cooperatives, the voice of the Scop movement, whose President since October 2016 is Jacques Landriot, the former CEO of Up.

In this capacity, Up is providing strong support to the main activities of the regional Scop cooperative Unions, whose objectives are to support the establishment of new cooperative and participatory companies, to contribute to the transformation of traditional companies into Scop cooperatives, and to lend their support to existing cooperatives. The figures show steady growth (more than 4% per year over several years) in the number of companies and jobs created in the regions through the Scop cooperative network.

2017 marked a first step in implementing an ambitious plan supported by the Scop movement, namely to create 20,000 jobs by 2020. The goal is to increase the total number of cooperative personnel in France to 70,000 employees by that deadline.

Through its membership in Avise (SSE Development Agency) as a Board Director, the Group helps to implement experiments and innovative actions in the field (such as the Jeun'ESS programme) that will enable the SSE to move forward and mobilize new partners, both public and private.



THE MAIN AMBITION OF AVISE AS AN ENGINEERING AND SERVICES AGENCY IS TO INCREASE THE NUMBER AND PERFORMANCE OF SSE ENTITIES, THAT ARE A SOURCE OF BUSINESS GROWTH, OF JOBS, INNOVATION AND SOCIAL COHESION.

The presence of Up in our Board of Directors, side by side with the great families and companies in the SSE ecosystem, enhances the legitimacy of our action. Specifically, financial contributions from our members allowing us to innovate, experiment and to encourage new partners to follow us in increasingly ambitious action programmes. As an example, Avise hosts a community of 106 entities (incubators, initiative factories...) dedicated to the emergence and acceleration of social innovation. We also host the HubESS, initiated by the CDC (Caisse des Dépôts et Consignations), to guide SSE entrepreneurs towards stakeholders most likely to support them in their development projects.”

Jérôme Saddier, President of Avise

Through its history, its culture, development and position within the cooperative movement, Up group is also making an important contribution to the exchanges, considerations and promotional actions designed to move the co-operative model and the SSE forward.

In 2017, the Group participated in a national two-day event organized by Coop FR, September 13-14, in Paris, themed: "Cooperative Planet: cooperatives for a better world!" The aim of these 2 days were to present cooperative action, its legal framework, its principles, and to initiate some forward thinking on the future of this model in society.

Coop FR is the organization that represents the French cooperative movement. It is the voice of more than 23,000 cooperative companies from all different families of the movement (agricultural coops, consumer cooperatives, cooperative banks... and also Scop cooperatives).

The Group is also active in the SSE Lab, a think-tank that is working to raise awareness and recognition for the SSE through its research, publications and public events.

The Group contributed to the deliberations organized as part of the Prospectiv'ESS series. Up group is also actively involved in representative organizations of the cooperative movement, both internationally and at the European level. It is an associate member of the Leadership Circle of the International Cooperative Alliance and contributes strongly to promoting democratic, cooperative and participatory models. In 2017, its involvement and speaking opportunities enabled the Group to leverage its experience.



SUPPORT FROM ACTORS SUCH AS UP ENHANCES THE LEGITIMACY OF OUR ACTION"

Jerôme Saddier,
President of Avise

GROUP DECISION-MAKING BODIES

BOARD OF DIRECTORS

The Board of Directors was elected for a term of 4 years by the cooperative members during their General Meeting held in June 2015. The Board consists of 12 Directors, 10 men and 2 women. In 2017, 8 meetings of the Board of Directors were held, with a participation rate of 97.92%.

12 BOARD MEMBERS
(2 WOMEN 10 MEN)



4 YEAR TERM



8 MEETINGS



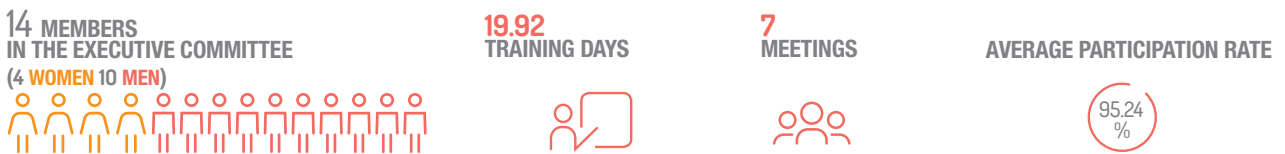
AVERAGE PARTICIPATION RATE



P1-Figure 2

EXECUTIVE COMMITTEE

The Executive Committee includes the President and CEO, the Functional Group Directors and Regional Directors. In 2017, this Committee included 29 percent women, and 7 meetings were held with an average participation of 95.24%.

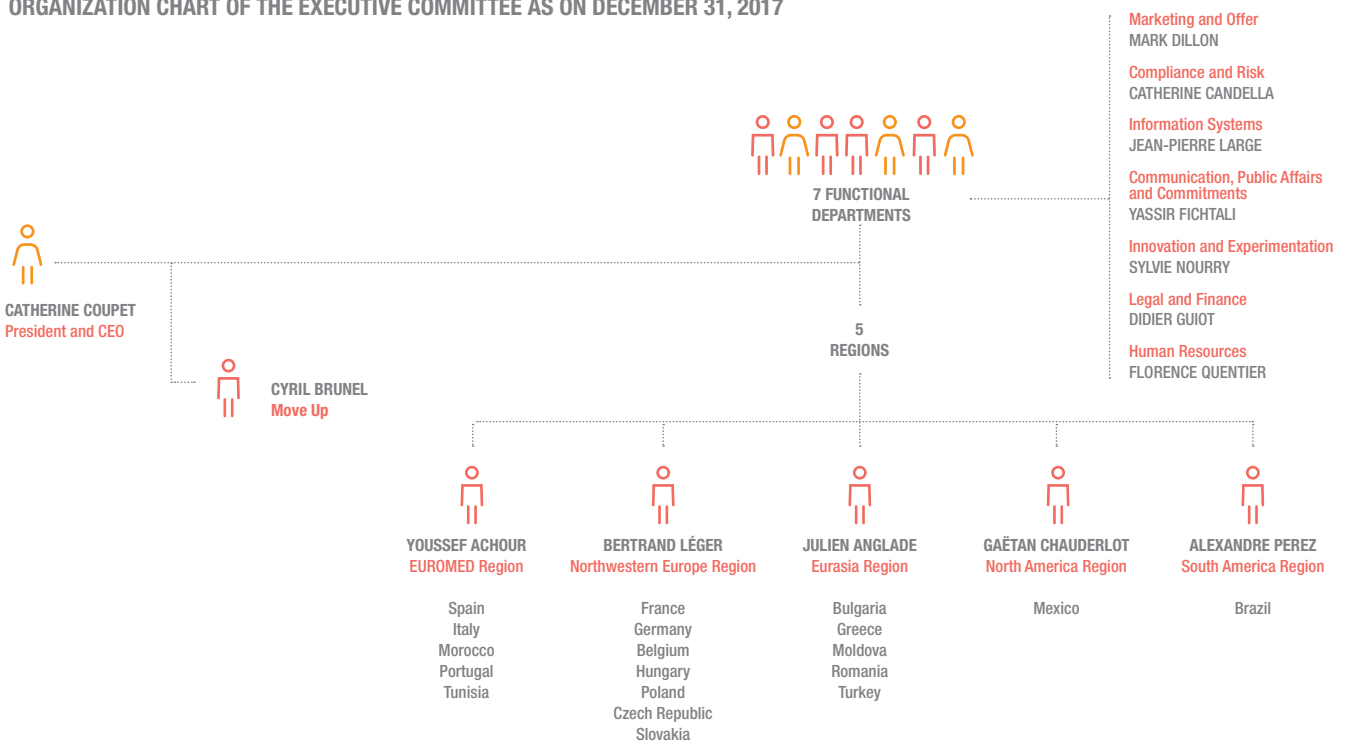


The drop in the number of training days is due to the fact that in 2016 training was given in several foreign language courses in “Design Thinking”.

P1-Figure 3

GROUP'S 2017 ORGANIZATION GEARED TOWARD SERVING STRATEGIC PROJECT

ORGANIZATION CHART OF THE EXECUTIVE COMMITTEE AS ON DECEMBER 31, 2017



P1-Figure 4

PERCENTAGE OF WOMEN IN SOCIAL MANDATES POSITIONS



The change in wording (“Women in Management Bodies” in 2016 to “Women in Social Mandates Positions” in 2017) means that a comparison with 2016 cannot be made.

P1-Figure 5

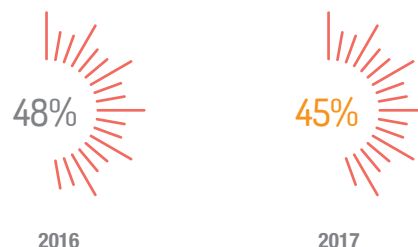
PERCENTAGE OF WOMEN IN THE TOP 10% OF HIGHEST REMUNERATIONS IN THE GROUP



P1-Figure 6

In 2017, the Group’s Executive Management included 22% women. The number of women in the top 10% of highest remunerations decreased slightly in 2017, to 33%.

PERCENTAGE OF WOMEN HIRED WITH PERMANENT EMPLOYMENT CONTRACTS IN THE GROUP



P1-Figure 7

CERTIFICATES, LABELS AND RATINGS

Thanks to the adjusted scope for data collection, the number of certifications increased significantly, from 18 to 25 certifications for the year 2017. For instance, the ISO 9 001 certificates of the Alios, Kalidea, Up Bulgaria and Up Viroba subsidiaries were included this year.

2017 PANORAMA OF CERTIFICATES, LABELS AND RATINGS

Coverage: 100%	France	Czech Republic	Slovakia	Belgium	Italy	Spain	Turkey	Romania	Bulgaria	Brazil	Mexico	TOTAL
CERTIFICATIONS												
ISO 9001 Certification	3	2	1		1	1	1	1	2		1	13
ISO 27001 Certification								1	1	1		3
ISO 14001 Certification	1				1			1				3
SA 9000 Certification					1							1
ISO 10002 Certification							1					1
PEFC Certification	1											1
FSC Certification					1						1	2
OHSAS 18001 Certification								1				1
Total	5	2	1		4	1	2	4	3	1	2	25
ASSESSMENTS												
IQNet SR10 Evaluation						1						1
ECOVADIS Rating	3		1	1		1			1		1	8
Great Place To Work Label											1	1
CARBON BALANCE SHEETS												
Carbon footprint assessment						1		1				2

In 2016, certificates and labels were only collected for subsidiaries having Principal status (see Terms of reference at the end of report). This year, the inventory was performed for all the subsidiaries in order to highlight the work done by all employees. Ecovadis 2016/2017 ratings must have at least 6 months validity in 2017 to be taken into account.

P1-Figure 8

The number of Ecovadis ratings (from 14 to 8 subsidiaries) decreased between 2016 and 2017 because the subsidiary ratings from early 2016 were not included, since they were only valid until early 2017.

These choices reflect the Group's constant search for accuracy and reliability in the data collection process used by Up group to illustrate its certification and evaluation procedures.

VOLUNTARY EVALUATION PROCESS WITH ECOVADIS

Up group is aware of what is at stake in Corporate Social Responsibility (CSR), and consequently requested to be evaluated by Ecovadis as early as 2014. Ecovadis is an independent platform that is recognized across 140 countries, and is used by companies from 150 different industries.

The Ecovadis methodology is based on international sustainable development standards, in particular the "Global Reporting Initiative", the UN Global Compact and the ISO 26000 standard.

The platform performs an assessment based on 21 criteria organized in 4 themes:

- Environment
- Social aspects
- Business ethics
- Responsible purchasing

In 2017, the Group renewed the evaluation process, with results improving consistently over the past four years.

The Cooperative achieved "Gold" level for the second consecutive year, with an overall score of 72/100, thus enhancing its overall score by 10 points over its 2016 score. This places the Group in the TOP 1% of the 40,000 most virtuous businesses, as evaluated by Ecovadis.

This year, 9 other subsidiaries wanted to be evaluated, both to improve and to communicate with their partners about their strong commitment.

To facilitate the integration of sustainable development criteria in its relations with customers and suppliers, the Group recently renewed its business partnership with Ecovadis for the next 3 years, thereby enabling each subsidiary wishing to do so to improve its CSR practices and provide oversight for its various action plans within the organization.

The Group's ambition is for this process to be a genuine performance driver for its stakeholders.



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UP GROUP DRAWS ITS VALUES FROM A MODEL OF SOCIAL RESPONSIBILITY, AND IS INVESTING IN A SUSTAINABLE ECONOMY WHOSE DYNAMICS OF INNOVATION AND ENTREPRENEURSHIP AIM TO SERVE A SOCIETY THAT IS FAIRER, MORE SOCIAL AND MORE DEMOCRATIC. IN ITS 5 MARKETS AND IN EACH OF ITS 19 COUNTRIES OF OPERATION, THE GROUP FOLLOWS A **PROACTIVE INNOVATIVE APPROACH** INVOLVING ITS EMPLOYEES AND MANY EXTERNAL PARTNERS. IN 2017, THE VITALITY OF THE GROUP DROVE IT TO LAUNCH NEW SOLUTIONS TO FURTHER IMPROVE THE DAILY LIVES OF ITS CUSTOMERS AND BENEFICIARIES.

Every day, Up connects individuals, businesses and regions by developing management, transaction and relationship platforms that contribute to well-being and performance.

By designing integrated solutions that meet the needs of its various clients and beneficiaries, the Group facilitates access to food, education, leisure, culture, home assistance, social aid, business expense management as well as motivation and loyalty systems coordination. In 2017, Up was present in the everyday lives of 24.5 million people worldwide.

In recent years, digital technology has profoundly revolutionized people's living and consumption habits. Citizen-consumers are now equipped with digital tools and understand what this change implies, and how they can benefit. They develop new expectations, demand immediate responses, interactivity and individual recognition. As for merchants, businesses and communities, they are looking for new solutions that are innovative, efficient and secure, to be able to meet these expectations.

Up Group supports these transformations. It is working on evolving their products and services which will be designed to adapt to these new uses.

True to its founding values centered on people, the Group intends to develop solutions that have meaning and that add value on a daily basis while fostering social bonding.

A CLIENT-ORIENTED ORGANIZATION

To meet these challenges which require agility, creativity, innovation and openness to an ecosystem of new actors, Up group has redesigned its organization. It has set up new Departments in charge of collectively contributing more actively to the strategic project. They became operational early 2017.

To build a forward-looking vision of the different markets across the world, the new Group Marketing and Offer Department (DMOG) is exploring new consumer uses and is assessing

their impact on the business model with the aim of speeding up the strategic development of the Group. It is also striving to identify growth drivers: future countries for new operations, acquisitions and partnerships projects, consistently in line with the strategy of the Group.

The Group Information Systems Department (DISG) aims, for its part, to support the marketing and evolution of digital offerings. It offers technical support to the subsidiaries and to support them in developing their projects and securing their systems. It is especially working on ensuring consistency and pooling of all the tools in the Group. This is the goal of the "Happy Place" programme, which aims to facilitate the reuse of IT developments and therefore to speed up the marketing of solutions proposed by the Group. By facilitating the deployment of applications and the sharing of software "bricks", this space contributes to creating a collaborative culture between subsidiaries, thereby increasing the agility of the Group.

The new Group Innovation and Experimentation Department (DIEG), is in charge of stimulating, structuring and coordinating the Group's technological transformation process in order to speed up the development of a high use-value digital offer. Working as a genuine laboratory, it interacts with all the Group's Departments and Subsidiaries, but also with external partners, start-ups and investment funds, following an open innovation rationale. To do this, the Department relies on two resources: the "booster", which provides support for experimentation and launch of targeted projects in line with the Group's objectives; and a 30 million euros innovation fund for a 5 year period to support these developments in the long term.

THE GROUP AS ACTIVE INNOVATOR

Driven by the Group Innovation and Experimentation Department, the Group's commitment to innovation initiated in late 2016 continued to organize and build throughout the year 2017.

This policy has begun to bear fruit, through two projects in particular.

As part of the innovation fund, an initial investment was made in the spring of 2017 with the French start-up Les Habitues, which created a

prepayment-based loyalty solution currently deployed in 15 cities in France. This mobile and Internet application enables consumers to credit an account with a neighborhood merchant. In return, the latter offers benefits and promotions based on the customer's level of loyalty. This project is a perfect fit with Up group's determination to develop new services for merchants and to forge new neighborhood bonds in cities.

In keeping with the strategic partnerships established with different investment funds such as Idinvest or Paris&Co, Up Group also joined the Lafayette Plug&Play accelerator. This initiative is driven by the Galeries Lafayette and by Plug&Play Tech Center, the premier innovation platform in the world, based in the Silicon Valley. Its aim is to support French and international startups and connect them with large corporations to promote the emergence of a new ecosystem in the trade and fashion industry. In line with the Group's strategic project, this association will also open access for its subsidiaries to the international network of Plug&Play in Europe, the United States and South America.

Another mission of the Group Innovation and Experimentation Department is to instill a culture of innovation among the Group's employees, and give them the opportunity to express their creativity. Initiated in France in 2016, the Innovation Challenge was launched in 2017 in the Czech Republic, Slovakia and Italy. This Challenge invites people, in connection with start-ups, to imagine and formalize innovative solutions that are likely to evolve the services of the Group.

In France, the winning project led to the creation of Kenkoi, a web platform launched and marketed in 2017, which offers businesses a turnkey solution for quality of life at work through a collective and connected game.

DIGITALIZATION AND INTEGRATED OFFERS: ANTICIPATING CUSTOMER NEEDS

Supported by all the subsidiaries, the innovation momentum is unfolding in all of the Group's countries of operation. Its aim is to integrate new customer, beneficiary and affiliate uses by

IN SPAIN, UP ACQUIRED THE START-UP HEYPLEASE

In 2017, Up group expanded its offer with the acquisition of the start-up HeyPlease and its mobile application. How it works: HeyPlease provides users with a solution that integrates secure payment in restaurants and many online services, including management fees, access to loyalty points and preferential offers... The network of restaurants was already well underway in 2017 and will continue to build with a target of 1,000 to 1,500 affiliates in June 2018.

speeding up the process of digitalization and implementing an increasingly cross-functional offers approach. The point is at the same time to offer easier payment solutions, or even solutions that extend to other areas, and to include, through Internet and mobile platforms, a range of new services and features that cover the entire world of consumption (food, health, gifts, education...).

After a year of experimenting, 2017 was the year for the industrial development of the Group's mobile payment solution, with performance levels adapted for deployment in the subsidiaries. 2018 will be the year of mobile payments included in the integrated digital offers in several countries. Slovakia, the Czech Republic and France will be the first countries to offer a payment application to their beneficiaries.

Parallel to this innovation, many subsidiaries have launched new dematerialized instruments in 2017: the holiday card in Romania, and meal cards in Slovakia and the Czech Republic.

In Turkey, the Bravo solution offers an alternative to classic bank accounts. With just a few clicks using the digital wallet Bravo, customers can order a MasterCard which provides access to a universal network as well as to different features, such as checking payment history in real-time, payments by QR code, searching for promotions and discounts, bill payments, money transfers, etc. In addition, using the Bravo card gives access to a whole series of discounts and cash back programmes.

In Belgium, Up Monizze is now offering three benefits on the same card. The eco-voucher was added to the meal vouchers in 2016, and the gift voucher was added in 2017. The subsidiary is now planning the development of a benefits management platform.

In this area, several advances were also made in 2017.

The Slovak subsidiary opened its platform Don Apetit. This offer makes it easier to create relationships between clients and affiliate merchants (geolocation, booking, access to special rates...).

In Italy, taking advantage of changes in employee benefits legislation, Day launched the Up Welfare voucher, backed by an online solution for managing a range of benefits that are tax-free in such diverse fields as nursing, education, transportation, welfare and culture. This integrated approach experienced strong growth in 2017 despite a highly competitive market.

In Poland, the web platform for managing human resources-related benefits and employee rewards, OpenBenefit, created as early as 2014, has been optimized in terms of security and usability. It includes new offerings that enabled to strengthen its position in the gift vouchers market.

In France, Up revolutionized the employee benefits market and the ticketing market, providing access to Up Kiosque a site with thousands of offers at discounted prices throughout the year. Corporate Works Councils (CSE) can now offer employees a way to discover different activities by facilitating access to culture and recreation through an innovative digital offering, while providing them with discounts and many additional benefits.

In the incentive market, Up launched an innovative new reward solution in France that is 100% digital. The Up Cadeau space is proposed to businesses to boost their incentive programmes and reward their employees: access to the largest e-card shop, branded vouchers and gift kits that can be used online or in stores.

UP, ALWAYS CLOSER TO CITIZENS...

Public and social programme markets are also affected by cross-operational offers. As a partner to communities, social agencies and other organizations that implement public policies, Up group is developing specific resources and expertise (ERP, trading platforms) to support public policy implementation and facilitate administrative processes for citizens.

Up also, on behalf of the Government and the Ministry of the Interior, manages allowance payments to asylum seekers (ADA). The digital solution that is used for this purpose provides security and traceability of allocated sums while facilitating the lives of the beneficiaries.

In 2017, 5 subsidiaries operating in this market (ABC Engineering, Apologic, Arcan, Implicit and Info DB) came together to offer a more consistent and efficient offer as well as comprehensive user monitoring. This initiative resulted in creating the company CityZen in late 2017, in order to accelerate the development of global services and platform offers. Achieving this requires a closer relationship with end-beneficiaries by providing services directly to individuals. These solutions are now in place, supporting citizens throughout their life: childhood, youth, working life and aging. Beyond a strategic positioning in this market, CityZen brings greater consistency to procedures, improving the process of public aid stewardship.

Through its potential for innovation, Up is thus positioned as a State partner in the process of modernizing public action and improving the relationship between State services and citizens.

Faced with crisis situations related to political or climatic events, the State is regularly obliged to help people in trouble, often in emergency contexts. To do this, the government must be able to rely on trustworthy and responsive operators. At its request, in 2017, Up teams were mobilized to carry out and secure aid payments to the victims of Hurricane Irma in Saint-Martin and Saint-Barthélemy, on a very tight schedule, via the preloaded card Cohesia.

DU CÔTÉ DES RESTOS A PORTAL DEDICATED TO RESTAURATEURS

Launched in October 2017 in France, Du Côté des Restos includes a unique offer for food and restaurant professionals. Co-developed with restaurateurs, this digital portal offers both a professional social network (news thread, classifieds, discussion forums...) and a supply platform from a selection of specialized suppliers (food products and professional equipment) and privileged access to business services (accounting, legal advice, recruitment) at negotiated rates.

With the French experience acquired in this market, the Group wishes to support its subsidiaries in developing the Cohesia card model for their respective countries. In the Czech Republic, Up tested a computing solution to help municipalities manage benefits which they give their constituents, enabling them to access leisure and holiday centers in Prague.

... AND TO BUSINESSES

In the business expenses management market, in Mexico, and in the context of fluctuating fuel prices and liberalization of monopoly, the subsidiary Si Vale is speeding up the digitalization process with the development of the mobile solution Inteligas. This solution enables users to adjust their fuel purchases and, via an online account, to access information about their vehicle, its consumption and costs, so they can manage these elements more effectively. This application also earned Si Vale recognition in 2017 as one of the 5 most innovative companies in Mexico.

Si Vale, a company that stays close to its beneficiaries and customers, launched two benefits clubs in 2017:

- Good 2 Great, which offers daily assistance services (healthcare, funeral assistance, roadside assistance...) via a monthly subscription.
- PyMe, for SMEs, offering legal assistance services, HR advice... at competitive rates.

SUSTAINED EXTERNAL GROWTH

Clearly positioned today as an international group, and after a major phase of external growth in recent years, Up group is now engaged in a phase of consolidation and is building a common identity in all of its subsidiaries, located in 19 countries and divided into five major geographic areas. The Group nevertheless remains alert to any opportunities that may arise and that could strengthen its international base.

In line with the ambitions of its strategic project, Up group has accelerated its growth momentum in 2017, with an issue volume of 7.3 billion euros, a 3% increase over 2016, and a turnover of 494 million euros, i.e. growth of 9%. Acquisitions helped to consolidate the Group's international base and reinforce its activities.

In Tunisia, Up group acquired Top Checks, a local operator specializing in issuing meal vouchers and gift vouchers. Established in 2010, the company relies on a network of over 3,500 restaurants and affiliate merchants catering to more than 8,000 beneficiaries. The company employs 7 people, with an issue volume of approximately 852,000 euros. The Group is the 2nd international issuer who has chosen to invest in the country. The goal is to develop existing offerings and expand the business to other products and services in a context of the country's gradual return to growth.

At the same time, the Group has chosen to strengthen its presence in the Eurasia zone, by creating a new subsidiary in Moldova, which became the Group's 19th country of operation in November 2017. In anticipation of a law on meal vouchers, adopted on March 1, 2018, Up Moldova has developed a lunch offer, Up Dejun. In 2018, the new subsidiary will launch a card associated with mobile applications. Its ambition is to become a major player in this high growth local market.

UP GROUP'S 2017 LOCATIONS MAPPING



P2-Figure 1

2017 KEY FIGURES



19 COUNTRIES
ON 4 CONTINENTS



€494 M
IN REVENUE



1.1 M
CLIENTS

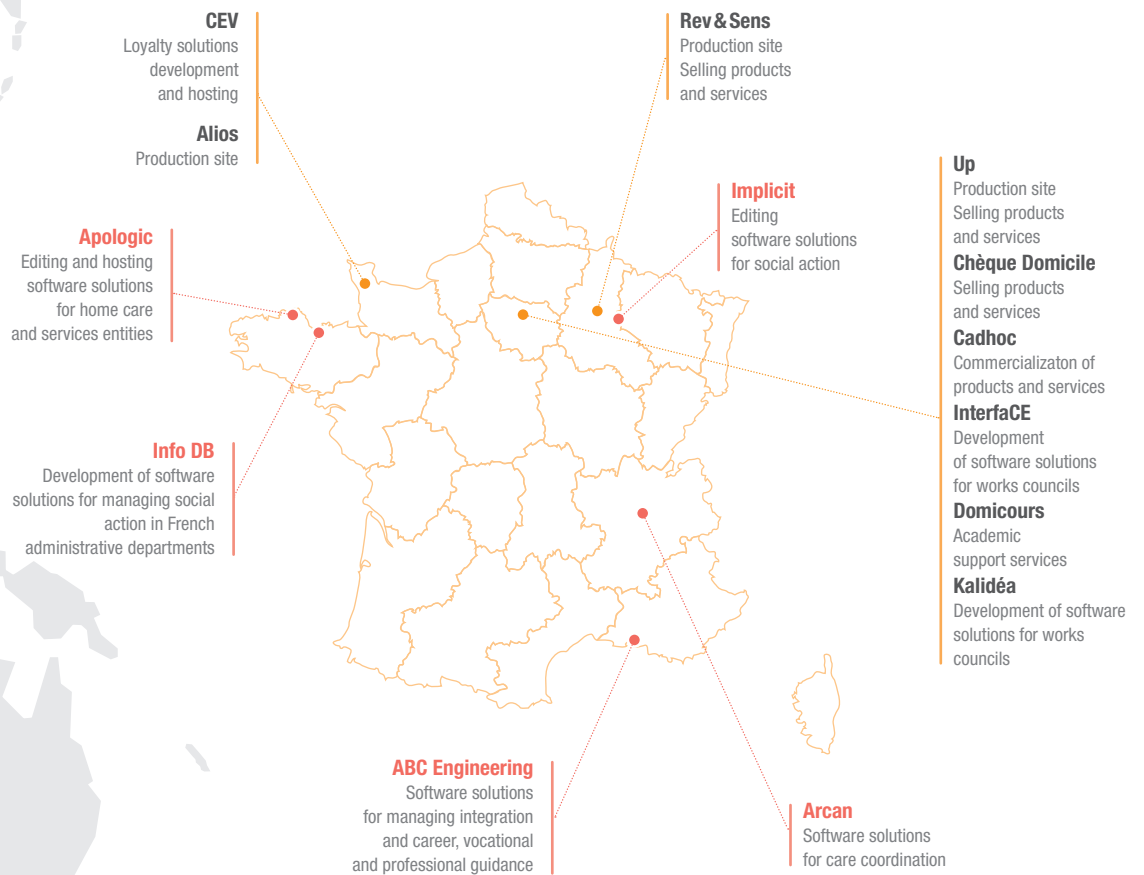
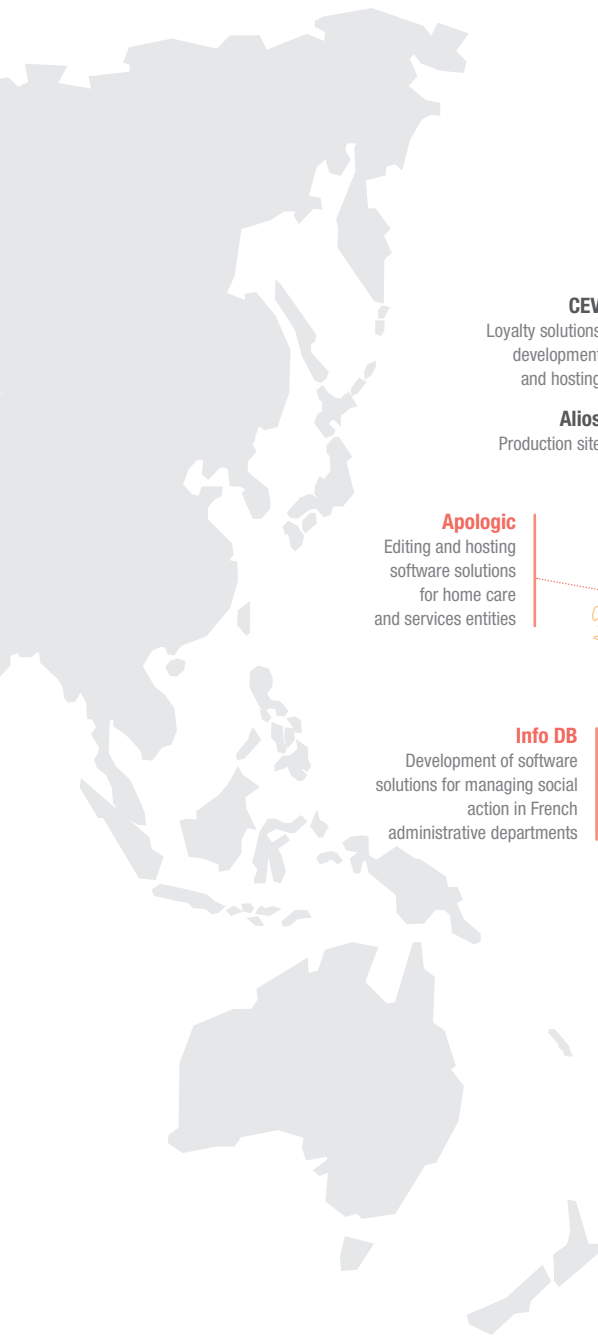


26.6 M
BENEFICIARIES



€7.3 BN
ISSUE VOLUME

P2-Figure 2



● Subsidiaries that were merged on December 31, 2017, to create CityZen.

P2-Figure 3

A blue-tinted photograph showing two people, likely students or colleagues, leaning over a desk. They are looking at a laptop and a tablet. The laptop is open, and the tablet is placed in front of it. The background is a wooden desk. The overall mood is collaborative and focused.

encou



urage

UP GROUP'S HUMAN RESOURCES POLICY COMBINES BUSINESS PERFORMANCE, SHARING VALUES AND PERSONAL DEVELOPMENT. TO SUPPORT ITS STRATEGIC AMBITIONS, THE GROUP STRIVES TO **GUARANTEE EVERYONE EQUAL OPPORTUNITIES FOR PERSONAL DEVELOPMENT** AND FULFILLMENT IN THE WORKPLACE.

After experiencing a significant period of development marked by the integration of new subsidiaries in France and abroad, Up group is now in a process of consolidation. The aim is to build a common identity for all employees around the Up brand, and asserting a difference that is present both in the Group's values and in its roots as a cooperative culture.

As indicated in the strategic project, the ambition is to move from being a group of voucher issuers to being a global Group that can imagine integrated solutions in response to the needs of its various markets. This ambition is part of a profound transformation of the Group's businesses, and is linked to the digitalization process.

A HUMAN RESOURCES ORGANIZATION SERVING THE GROUP

To support these developments and respond effectively to these challenges, the Group chose in 2017 to merge France and Group Human Resources into the same Department. This new cross-functional Human Resources organization is a better way of serving all the subsidiaries. It is also more effective in facilitating ownership of the strategic goals and their deployment.

The Group Human Resources Department (DRHG) is now organized into four departments:

- Human Resources Development
- Management Transformation and HR Support to Organizational Change
- Cooperative Difference
- Compensation and Social Compliance

HR DEVELOPMENT	MANAGEMENT TRANSFORMATION AND HR SUPPORT TO ORGANIZATIONAL CHANGE	COOPERATIVE DIFFERENCE	COMPENSATION AND SOCIAL COMPLIANCE
<ul style="list-style-type: none"> • Supporting employee development and career planning by building a learning organization serving employability, transformation and performance. 	<ul style="list-style-type: none"> • Develop a managerial momentum that cultivates identity and values, supporting the transformation of the Group. 	<ul style="list-style-type: none"> • Turn the cooperative model into a competitive advantage supported by the Up brand. • Include cooperative-members as players in the success of the collective project, and deploy Up principles through the entire Group. • Foster constructive social dialogue and be socially innovative • Drive and deploy a policy of diversity and QLW (quality of life at work) at Group level. 	<ul style="list-style-type: none"> • Guarantee compliance with the social commitments of the Group and secure decisions legally.

This new organization interacts with the Human Resources organization in each subsidiary, some of which have themselves undergone developments in 2017.

PROMOTING A MODEL OF COOPERATIVE MANAGEMENT AND ENSURE OPERATIONAL PERFORMANCE

Digital technology is a challenge and a major performance driver for businesses. In support of this digital transformation, managers must rethink their roles and facilitate change within their teams. In a context where economic models are growing and evolving as a result of the digitalization of its offerings, Up group decided to set up a team dedicated to managerial transformation. Its role is to advise and support the Group on subjects relating to business transformation, and to respond to requests from the Departments regarding organizational issues. A key aspect of its missions is adapting management to the impacts of digitization and strengthening Group culture through managerial practices. Redefining Group expectations from its managers in 2017 was the focus of a three-day meeting for managers, starting out with the Group's vocation and moving on to drafting specifications for managerial practices.

New practices were tested in 2017: workshops with actors, an e-learning module on the process for attributing raises, a board game dedicated to project management. A remote coaching system was implemented for newcomers who had not yet undergone the training course for managers.

SUPPORTING EMPLOYEE SKILLS DEVELOPMENT AND ENSURING EMPLOYABILITY

TRAINING

In the context of major developments in the company and its businesses, the training effort which is now handled by the new HR Development Department continued in 2017 in line with actions carried out in previous years. This effort is intended to deal with the many issues relating to the Group's transformation, from seeking performance, to supporting

CREATING THE INDUCTION PORTAL

In order to meet the challenge of building a common identity for all employees, in France and abroad, Up group inaugurated an induction portal for new recruits in September 2017. The goal, with this sharing tool, is to offer newcomers a first connection with the Group. Co-developed by the Group HR Department, with the support of the Turkish and Romanian subsidiaries that had expressed the need, this portal includes two separate areas: one dedicated to Up group (its organization, its values, its strategic goals) and common to all countries, the other directly managed by the subsidiary. For the time being, the portal has been developed in 5 languages (French, Spanish, Turkish, Romanian and Czech). It was launched in France, in the parent cooperative, and in the Romanian subsidiary. In 2018, it will be deployed in Turkey, the Czech Republic and Mexico, as well as in other areas based on the needs of the Group's subsidiaries.

employees' professional development and ensuring their employability.

More generally, the trend is to diversify tools and training materials (e-learning, one minute learning formats...) used individually and often combined with more collaborative approaches (workshops, simulation exercises).. A MOOC (Massive Open Online Course) was set to roll out a training module dedicated to digital products in 2017.

Another important aspect in the Group's Forward Planning Policy for Jobs and Skills (GPEC) is preparing for the transition to new occupations as a result of offer digitalization, both in France and internationally.

Lastly, as part of the Group's internationalization process, the Human Resources Development Department is providing support, in France and 5 other countries (Spain, Italy, Slovakia, Romania, Czech Republic) for the deployment of tools and content (guide, tutorials, games) that will facilitate employee ownership of Office 365. This deployment relies on the commitment of "ambassador" employees who were previously trained, and will continue.

PROGRESS REVIEWS

In 2017, 56% of the Group's workforce underwent a progress review.

The Americas region, however, has not carried out any progress reviews, which significantly penalizes coverage rates for the Group as a whole.

SHARE OF EMPLOYEES WHO UNDERWENT PROGRESS REVIEWS, BY GENDER

	WOMEN		MEN		TOTAL	
	2016	2017	2016	2017	2016	2017
UP COOPERATIVE	0%	82%	0%	78%	0%	81%
FRANCE (excluding Up cooperative)	0%	53%	0%	70%	0%	63%
AMERICAS	0%	0%	0%	0%	0%	0%
EURASIA	43%	86%	26%	72%	33%	77%
WESTERN EUROPE	39%	100%	48%	100%	43%	100%
EUROMED	69%	89%	80%	88%	73%	89%
GROUP	15%	57%	12%	55%	13%	56%

P3-Figure 1

As stated in the 2016 Report, the campaign for progress reviews takes place at year end, therefore the interviews started in December 2016 are recorded in the year 2017.

MAKING SOCIAL DIALOGUE A TOOL THAT SERVES CONTINUOUS IMPROVEMENT AND AN INNOVATIVE SOCIAL POLICY

Up group became a pioneer early 2016 by reorganizing social dialogue within the parent company through a single body - the Economic and Social Committee (CES). This merger of employee representative bodies (Works Council, Staff Representatives and the Health & Safety Committee) enabled the Group to anticipate the new legal provisions of the Order dated September 22, 2017 that makes it mandatory to create a single body.

Elected in December 2016 for a period of 3 years, the 30 members of the CES (15 members and 15 alternates) were organized into 6 thematic sections, and began their work in 2017:

- Strategy and finance
- Organization, jobs and skills
- Health, safety, and quality of life at work
- Staff representation
- Social policy
- Social and cultural activities

The establishment of the CES, combined with the new HR organization, has led the Executive Committee to postpone new negotiations for an agreement by one year. This new agreement would deal with issues of union rights and the recognition of skills acquired by elected officials as part of their mandates.

In 2017, the CES worked on establishing an Inter-Company Committee (CIE), a major social innovation for Up group. This new entity, since January 1, 2018, enables the pooling of social and cultural activities of the parent company and the 14 French subsidiaries of the Group, thus giving all French employees full access, regardless of which subsidiary is employing them and of its contribution. This effort to dis-



THE ESTABLISHMENT OF THE INTER-COMPANY COMMITTEE IS THE RESULT OF LONG-STANDING COLLECTIVE EFFORTS conducted by the Human Resources Department and elected officials. I see this as a real achievement. Year after year, we have seen new subsidiaries come into the Group, or be established, and the number of employees has increased. It quickly became apparent that not all of them were on equal footing in terms of social benefits. That was an inconceivable gap in a social enterprise that wants to be different, that defends the values of fairness, and in which all employees are to experience and share the same history of the Group. This change in scope, this sharing of social and cultural activities, are meaningful in the current context of building a culture and a group identity.

Thomas Delpéch, Secretary of the CES of the Up cooperative

tribute social benefits helps strengthen cohesion within the Group and fully corresponds to the values of equity and solidarity that the Group defends.

This aim of cohesion and innovation in social dialogue is deployed beyond France, thereby contributing to developing the Group's identity internationally.

In 2017, the European Works Council (EWC) began its 3rd year of operation. It includes 18 elected officials from six countries: France, Spain, Romania, Slovakia, the Czech Republic and Italy. Two plenary meetings were held during the year.

The EWC leads to learning multicultural social dialogue via different working methods and social dialogue approaches in different countries. With this in mind, a working group on Forward Planning Policy for Jobs and Skills (GPEC) was set up in 2017.

NUMBER OF AGREEMENTS SIGNED WITH TRADE UNIONS OR STAFF REPRESENTATIVES IN FRANCE

	2016	2017
HEALTH AND SAFETY	1	0
COMPENSATION AND RELATED	2	3
TRAINING	0	0
EMPLOYMENT	2	0
WORKING TIME	5	0
DIVERSITY AND PROFESSIONAL EQUALITY	1	0
OTHER TOPICS	6	1
OVERALL TOTAL	17	4

P3-Figure 2

NUMBER OF AGREEMENTS SIGNED WITH THE TRADE UNIONS OR STAFF REPRESENTATIVES OUTSIDE FRANCE

(RC: RATE OF COVERAGE)	2016			2017	
	PUBLISHED	RESTATED	RC	PUBLISHED	RC
HEALTH AND SAFETY	4	4	75.8%	2	94.2%
COMPENSATION AND RELATED	5	5	75.8%	4	99.2%
TRAINING	16	16	75.8%	13	99.2%
EMPLOYMENT	3	3	75.8%	0	99.2%
WORKING TIME	3	3	75.8%	1	99.2%
DIVERSITY AND PROFESSIONAL EQUALITY	2	2	75.8%	0	99.2%
OTHER TOPICS	8	0	75.8%	0	99.2%
OVERALL TOTAL	41	33	75.8%	20	98.5%

P3-Figure 3

The 2016 data concerning collective agreements outside France "Other topics" was reprocessed in 2016 because this data could not be justified in 2017.

RENEWED COMMITMENT FOR DIVERSITY AND QUALITY OF LIFE AT WORK

Diversity, promoting equal opportunity and quality of life at work, are key social policies for Up group. These policies are specifically supported by the Cooperative Difference Department, one of the missions of which is to ensure deployment in the entire Group.

GROUP DISABILITY POLICY

Since December 2016, Up group in France signed an agreement on the employment of people with disabilities which has been approved in 2017 by the Labor administration. This is a continuation of an agreement with the Association de Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées (AGEFIPH, Fund for the professional integration of persons with disabilities), signed for the scope of activities in France. This agreement aims, over the period 2017-2019, to facilitate the recruitment and retention of workers with disabilities. The aim is to reach a total employment rate of 4% before the agreement comes to an end. The goal is also to increase revenues from the sheltered sector by 2019, from 5 to 7 percent.

The increase in the number of employees with disabilities in France and in the parent company is the result of awareness and training actions undertaken over a period of several years.

Several employees have taken the step of seeking recognition for their handicap with the Maison départementale des personnes handicapées (MDPH, Departmental Home for Disabled Persons) or sent their administrative recognition to Human Resources.

WORKFORCE WITH DISABILITIES AS ON 2017/12/31

	WORKFORCE WITH DISABILITIES		TREND
	2016	2017	
UP COOPERATIVE	21	31	↗ 48%
FRANCE (excluding Up cooperative)	13	15	↗ 15%
AMERICAS	17	13	↘ -24%
EURASIA	10	8	↘ -20%
WESTERN EUROPE	4	3	↘ -25%
EUROMED	7	6	↘ -14%
GROUP	72	76	↗ 6%

P3-Figure 4

To support this policy, a network of 12 diversity correspondents was set up in France in 2017. Two Task Officers at headquarters coordinate this mission. During the year, 26 actions were carried out to maintain employees with disabilities in their job. At the same time, awareness training continued, including in November during the European week for the employment of persons with disabilities, with events held at Headquarters (Blind Dancing with the Odaas association, meeting with the founder of the RogerVoice application...), as well as in subsidiaries (digital game Handiscover).

WORK-LIFE BALANCE POLICY

Another innovation: in France, a social worker is present every week since June 2017 (in person or over the phone) to support employees experiencing a problem in their lives. This intervention is part of a process to create a positive work-life balance, and more generally to “improve the quality of life at work”. Other actions were developed in France and internationally to adjust work schedules and promote telecommuting.

These two major issues continued to be supported in 2017, including through participation in the Quality of Work Life (QWL) Week in October, with workshops on addiction awareness and road hazards offered to employees at headquarters.

Impacting the factors that improve the balance between employees’ work and their personal obligations is one of the Group’s commitments to their clients. It is natural that this should also apply for the Group’s own employees.

In 2017, the Up Romania subsidiary, committed to this issue for several years, received an award for the longevity of its programmes promoting positive Work Life Balance.

On the International Women’s Rights Day in March 2017, the Group implemented measures to develop employee awareness of professional equality by publishing the journal 50/50 in 11 countries of the Group.

On this occasion, the Group mobilized employees to help break down stereotypes by participating in the #Ilooklike challenge, the aim of which was to prove to others that passions, professions, and character are not determined by gender. 90 Group employees participated in this action. In France, two actors toured the major delegations in France (Atrium, Bron, Epernay, Dinan, Plérin) to build awareness of gender stereotypes in a fun format.

THE DEFINITION OF A SOCIAL FOUNDATION

In 2017, Human Resources started to work on defining a social foundation that would be common to all of the employees of the Group. The goal is to define the minimum social benefits guaranteed by the Group for all its employees internationally. The Board of Directors began to examine this undertaking in September together with Human Resources, a process which led to identifying five different areas: working hours, social protection, social benefits, working conditions, remuneration. This first examination was supplemented by a meeting of the international HR teams. In parallel, several meetings were organized with major corporations having undertaken a similar approach, to capitalize on this experience and collect best practices.

WORKFORCE STRUCTURE

CHANGES IN THE WORKFORCE

The Up group workforce (permanent and non-permanent jobs) increased by 2% in 2017. The number of employees in the parent company, in France and the Western Europe and Euromed regions increased by about 6%, while Eurasia and the Americas areas saw a drop of 3%.

The international workforce accounts for 58% of the Group's employees in 2017.

The average age of the employees of the Group was 37.66 years in 2017. The Eurasia region has a young workforce: the average age is 34.85 years.

GROUP WORKFORCE ON 2017/12/31 2016 - 2017



P3-Figure 5

EMPLOYEES BY AREA

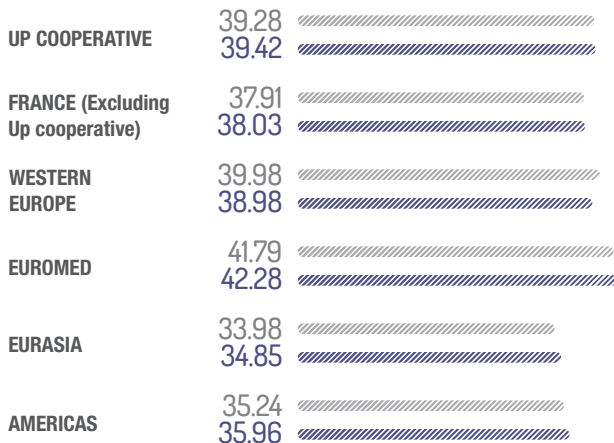
2016 - 2017



P3-Figure 6

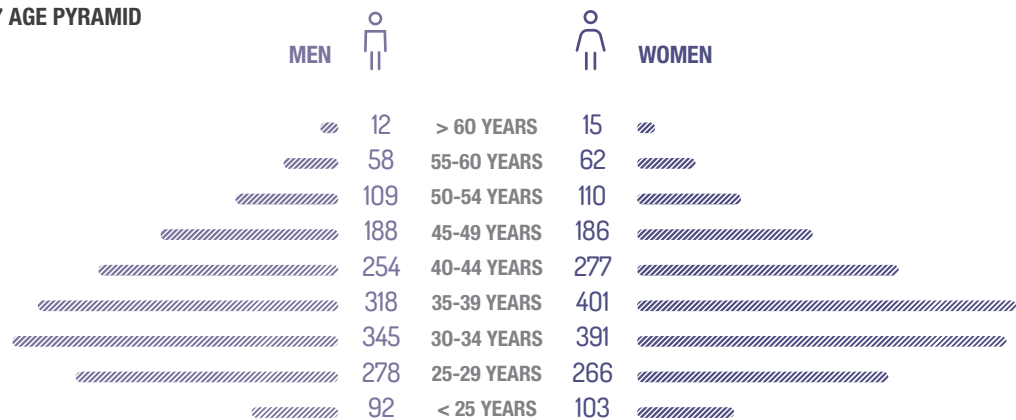
AVERAGE AGE BY AREA

2016 - 2017



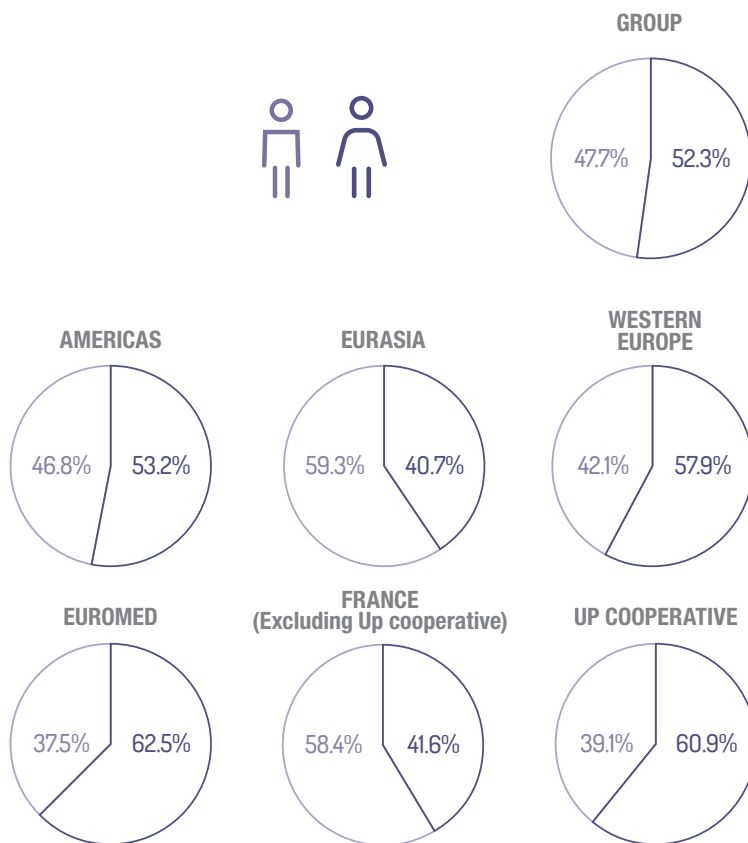
P3-Figure 7

2017 AGE PYRAMID



P3-Figure 8

BREAKDOWN OF THE WORKFORCE BY GENDER AND AREA



P3-Figure 9

The pyramid of ages presents a relatively young population, with 43% of employees under the age of 35. Moreover, 11% of employees are over 50: they are given special attention as part of policies to promote employment for seniors. Lastly, gender parity is widely respected, with a balance that benefits the female population in all age groups, with the exception of the 25-29 year and the 45-49 year age bracket.

EMPLOYEE DISTRIBUTION BY GENDER

In 2017, the number of women in the Group decreased slightly. The Up group workforce is composed of 52% female employees and 48% male employees. This observation is shared in the Western Europe, Euromed and Americas areas, as well as in Up's parent company, featuring a mostly female workforce.

Only France (excluding the Up cooperative) and Eurasia areas are exceptions to this balance. With regards to the Eurasia area, this feature can be explained by the predominance of a male workforce in the Group's Turkish companies. As for France (excluding the Up cooperative), the Group's software publishing companies show a predominantly male workforce.

EMPLOYMENT

PERMANENT AND NON PERMANENT EMPLOYMENT

Creating permanent jobs is a strong focus that translates into most employees having permanent employment contracts (“CDI”) in the Group. The rate of jobs with fixed term contracts (“CDD”) is 5.3% at Group level, including taking into account work-study programmes and trainees.

The concept of permanent and fixed term contracts (“CDI” and “CDD”) is a very French one; it is not used in other areas. However, a distinction between permanent and non-permanent employment does actually exist in the Group as a whole.

Fixed-term contract employees in France, with the Up cooperative workforce, account for 69% of all non-permanent contracts in the Group.

DYNAMICS OF HIRING BY GENDER AND BY TYPE OF CONTRACT

This new data enables an analysis of hiring by gender and establishing a parallel with the distribution in the total workforce. This provides a view of parity trends in the Group workforce.

JOB CLASSIFICATION

Signed in June 2014, the classification of jobs was deployed in France on January 1, 2015. Job classification is supporting the Group’s development and transformation, by fostering a match between job positions, current and future needs. Some positions will be emerging, others will disappear or change depending on the context of the organization. In 2017, the job classification grid had 99 identified jobs connected to a salary grid which had been defined for France.

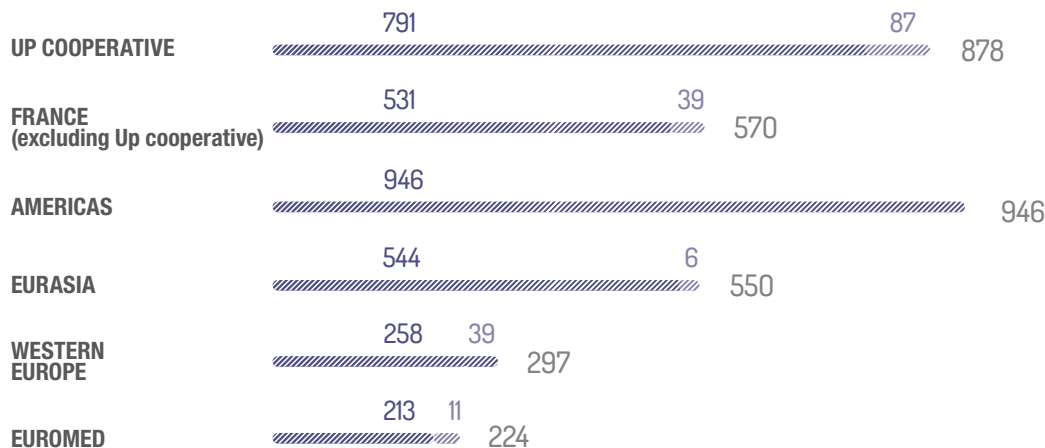
HIRING BREAKDOWN BY GENDER IN 2017

	Femmes	%	Hommes	%
UP COOPERATIVE	42	56.8%	32	43.2%
FRANCE (excluding Up cooperative)	44	48.9%	46	51.1%
AMERICAS	132	46.8%	150	53.2%
EURASIA	29	26.6%	80	73.4%
WESTERN EUROPE	18	45.0%	22	55.0%
EUROMED	7	43.8%	9	56.3%
GROUP	272	44.5%	339	55.5%

P3-Figure 10

2017 JOBS BREAKDOWN

PERMANENT - NOT PERMANENT - TOTAL



P3-Figure 11

NUMBER OF HIRES BY CONTRACT TYPE IN 2017

	2017		
	Permanent	Non-permanent	Work-Study
UP COOPERATIVE	74	111	24
FRANCE (excluding Up cooperative)	90	53	9
AMERICAS	282	7	3
EURASIA	109	9	2
WESTERN EUROPE	40	41	16
EUROMED	16	11	1
GROUP	611	232	55

P3-Figure 12

This year, all new hires on permanent and non-permanent contracts throughout the 2017 workforce were included in recruitments. Employees on work-study programmes and trainees were not counted. This new method of calculation means that this data cannot be compared with 2016 data, which is therefore not published.

A Rating Committee met in 2017. Their task was to update job records and rate new job records. The Rating Committee is composed of members whose function or experience enables them to make cross-functional assessments in different businesses and subsidiaries, and one Union representative. 10 jobs were presented this year: 7 were newly created and 3 were revised.

Within the Group, the Trades and Skills Observatory facilitates the process of adapting job positions based on major development trends in different trades, with one trade involving several jobs. The Trades Observatory includes several “trades experts” as well as an International Human Resources Manager and two elected staff representatives. In the first year, an elected representative of the European Works Council participated in the trade observatories process as an elected staff representative. In 2017, three meetings of the Trades and Skills Observatories were held on trades repositories: Logistics resources, Purchasing and Finance.

COMPENSATION

In 2017, Up group payroll grew by 6%. French staff, including the Cooperative, accounts for 58% of the Group’s payroll and 42% of the total number of employees. Payroll increased in all geographies, except Eurasia. This is mainly due to a decline in payroll in Turkey and Bulgaria. Payroll variations between different geographies are due to their differences in standard of living and compensation, based on national contexts in which the Group’s companies are operating.

Until the extra-financial report of 2016, payroll amounts were stated by the Group Human Resources Department (DRHG), with figures originally sent to the Department by the subsidiaries. These amounts stemmed from a different method of calculation, and showed small differences compared to figures from the Group Administrative and Financial Department (DAFG). For the year 2017, the choice was made to communicate payroll information via the DAFG, from the consolidated accounts. This amount will therefore be identical to the amount set forth in the financial report and will have been verified by the Auditors.

TOTAL PAYROLL IN MILLION EUROS

	2016		2017	TREND
	Published	Retraité	Published	
UP COOPERATIVE	38.16	38.30	39.90	↗ 4%
FRANCE (excluding Up cooperative)	19.09	17.30	19.30	↗ 12%
AMERICAS	14.40	14.39	17.63	↗ 23%
EURASIA	13.33	11.92	10.22	↘ -14%
WESTERN EUROPE	5.91	6.00	6.98	↗ 16%
EUROMED	6.25	7.56	7.61	— 1%
GROUP	97.14	95.47	101.64	↗ 6%

P3-Figure 13

SENIORITY

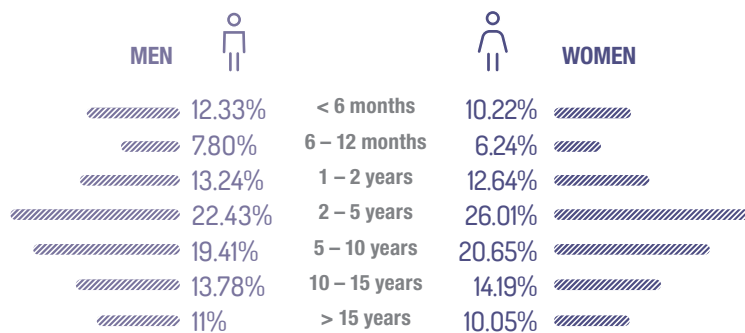
Average seniority within Up group is 6.36 years versus 6.39 years in 2016. This figure is broadly stable from one year to another with, however, many variations balancing each other out in the different regions. Eurasia and the Americas saw their average seniority increase, while the average length of seniority in the parent company and in France remained stable. Western Europe and Euromed, however, saw their average seniority decrease significantly. This is especially true in the Euromed region, mainly explained by the inclusion, in the 2017 workforce, of a new company in Tunisia with a very recent workforce.

AVERAGE SENIORITY IN YEARS

	2016	2017
UP COOPERATIVE	9.19	9.05
FRANCE (excluding Up cooperative)	7.36	7.47
AMERICAS	3.47	3.76
EURASIA	4.51	4.94
WESTERN EUROPE	7.52	6.99
EUROMED	10.16	6.59
GROUP	6.39	6.36

P3-Figure 14

2017 GROUP TENURE PYRAMID



P2-Figure 15

EXIT RATE

The Group's overall exit rate increased significantly this year. The Americas, Western Europe and Euromed geographies were particularly affected.

In 2017, the number of departures increased by 14% compared to 2016. The Americas and Eurasia areas were particularly impacted, because of a very competitive job market in these regions, as well as some organizational changes.

GROUP EXIT RATE

2016 - 2017

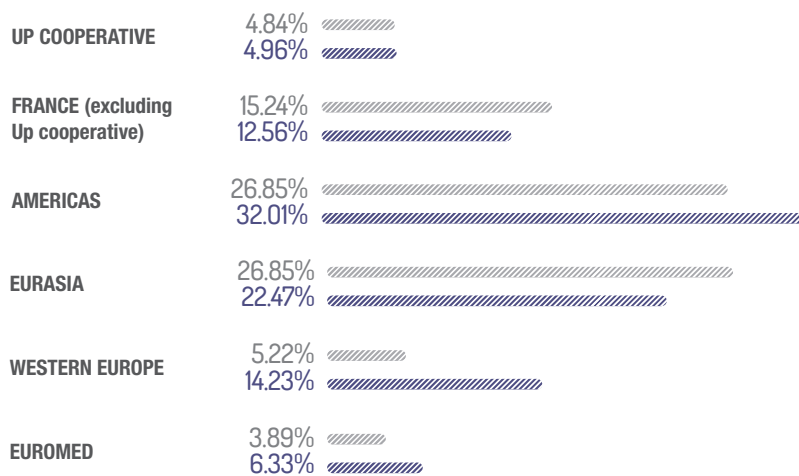
2016  16.61%

2017  17.57%

P3-Figure 16

EXIT RATE BY GEOGRAPHY

2016 - 2017



The calculation of the Group exit rate is as follows: total exits for the year in the entire Full Time Equivalent Workforce (FTE), equals its rate of turnover.

P3-Figure 17

NUMBER OF DEPARTURES BY REASON AND BY AREA
2016 - 2017

		UP COOPERATIVE	FRANCE (excluding Up cooperative)	AMERICAS	EURASIA	WESTERN EUROPE	EUROMED	GROUP
Retired	2016	8	2	-	-	-	-	10
	2017	3	-	-	1	2	-	6
Economic layoffs	2016	-	6	5	-	-	-	11
	2017	-	-	-	-	-	-	-
Resignations	2016	8	24	116	67	-	2	217
	2017	4	33	117	50	8	7	219
Other layoffs	2016	6	16	132	41	7	6	208
	2017	3	7	190	19	14	1	234
Contractual terminations	2016	12	11	-	48	5	-	76
	2017	26	14	-	53	14	1	108
End of trial period	2016	-	-	-	-	-	-	-
	2017	4	3	-	-	3	3	13
Transfers	2016	-	-	-	-	-	-	-
	2017	-	11	1	1	-	2	15
Death	2016	-	-	-	-	-	-	-
	2017	1	-	-	-	-	-	1
TOTAL	2016	34	59	253	156	12	8	522
	2017	41	68	308	124	41	14	596
TREND		21%	15%	22%	-21%	242%	75%	14%

P3-Figure 18

ORGANIZATION OF WORK

There are substantially different working times in the different international geographies where Up group is present. In 2017, 145 employees were employed part-time.

The French workforce, including the Up cooperative, accounts for 70% of part-time employees throughout the Group.

EMPLOYEES WORKING PART-TIME BY AREA
2016 - 2017

	TOTAL STAFF		PERCENTAGE OF EMPLOYEES WORKING PART TIME		NUMBER OF EMPLOYEES WORKING PART TIME		TREND	
	2016	2017	2016	2017	2016	2017		
UP COOPERATIVE	826	878	6.54%	6.49%	54	57	↗	6%
FRANCE (excluding Up cooperative)	539	570	7.98%	7.89%	43	45	↗	5%
AMERICAS	979	946	-	-	-	-		-
EURASIA	565	550	0.71%	1.09%	4	6	↗	50%
WESTERN EUROPE	278	297	1.80%	2.02%	5	6	↗	20%
EUROMED	209	224	13.88%	13.84%	29	31	↗	7%
GROUP	3 396	3 465	3.98%	4.18%	135	145	↗	7%

P3-Figure 19

HEALTH AND SAFETY

ABSENTEEISM

In 2017, absenteeism fell by 0.02%. The figure dropped from 3.66% to 3.64% throughout the Group. All the geographies saw a decline in absenteeism, except the Group's parent company where this rate increased.

OVERALL ABSENTEEISM BY AREA

2016 - 2017

	2016	2017
UP COOPERATIVE	5.20%	6.62%
FRANCE (excluding Up cooperative)	4.75%	3.86%
AMERICAS	1.00%	1.13%
EURASIA	2.67%	2.60%
WESTERN EUROPE	9.02%	7.65%
EUROMED	3.05%	2.88%
GROUP	3.66%	3.81%

P3-Figure 20

ABSENTEEISM BY REASON AND BY AREA

2016 - 2017

		UP COOPERATIVE	FRANCE (excluding Up cooperative)	AMERICAS	EURASIA	WESTERN EUROPE	EUROMED	GROUP
Illness	2016	2.62%	2.51%	0.14%	0.84%	2.65%	1.57%	1.52%
	2017	3.46%	2.41%	0.68%	0.85%	2.42%	1.30%	1.85%
Work-related accident	2016	0.14%	0.28%	0.03%	0.11%	0%	0.27%	0.12%
	2017	0.18%	0.26%	0.14%	0.07%	0%	0%	0.14%
Maternity	2016	1.55%	0.78%	0.50%	0.96%	4.13%	0.78%	1.18%
	2017	1.78%	0.56%	0.31%	0.89%	2.67%	0.94%	1.05%
Paternity	2016	0.06%	0.07%	0%	0.01%	0%	0.05%	0.03%
	2017	0.06%	0.09%	0%	0.03%	0.02%	0.10%	0.04%
Parental leave and other leave without pay	2016	0.84%	1.11%	0.33%	0.75%	2.23%	0.39%	0.81%
	2017	1.14%	0.55%	0%	0.76%	2.53%	0.54%	0.74%

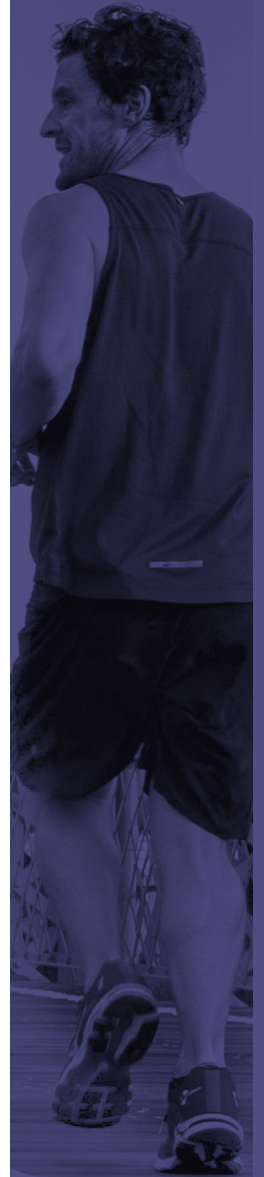
P3-Figure 21

WORKING CONDITIONS IMPROVEMENT

Employee well-being is a key priority for Up group. Specific actions are carried out all year around in the Group's companies.

In 2017, in France, during Quality of Work Life Week, The Human Resources Department organized workshops, conferences and a film viewing about good habits to adopt in case of a stroke. This year, the conferences focused on psychiatric disorders, risks on the road and addictions. Workshops were also organized on nutrition and tobacco prevention with the presence of a tobacco expert.

Internationally, Si Vale distinguished itself by receiving the "Empresa Socialmente Responsable" certification, for the third consecutive year. This certification awards companies engaged in virtuous approaches to corporate social responsibility. On its thirtieth anniversary, Day, Up group's Italian subsidiary, chose to honor its employees, as they are the first asset of the company. A company wellness programme was implemented to make employees' daily life easier: nearly 600 euros in benefits, services that facilitate work/life balance, concierge services, organic food basket, etc.



TRAINING

FORWARD PLANNING POLICY FOR JOBS AND SKILLS (GPEC)

In 2009, Up group began a process of skills management with the goal of developing employability for long-term employees by supporting their adaptation to technological and societal transformations. Training is an integral part of the overall system, an instrument serving this goal.

ACCESS TO TRAINING

In 2017, training investment remained stable at 1,501k euros with some significant variations in different areas. Among significant variations, France and Eurasia experienced a drop in training costs while Western Europe saw these costs increase. Despite investment in training equivalent to 2016, there were less hours of training in 2017, which did not, however, impact the number of employees trained and the rate of access to training in 2017.

EDUCATIONAL TRAINING COSTS BY AREA IN THOUSAND EUROS 2016 - 2017

(RC: rate of coverage)	2016		2017		TREND
	Published	RC	Published	RC	
UP COOPERATIVE	931	100%	979	100%	↗ 5%
FRANCE (excluding Up cooperative)	201	97.4%	84	69.60%	↘ -58%
AMERICAS	139	100%	151	100%	↗ 9%
EURASIA	128	100%	77	100%	↘ -40%
WESTERN EUROPE	15	100%	108	100%	↗ 616%
EUROMED	86	100%	102	95.50%	↗ 18%
GROUP	1 501	99.6%	1 501	94.70%	— 0%

P3-Figure 22

NUMBER OF HOURS OF TRAINING BY AREA 2016 - 2017

	2016	2017	TREND
UP COOPERATIVE	20,002	13,560	↘ -32%
FRANCE (excluding Up cooperative)	4,423	4,737	↗ 7%
AMERICAS	24,341	23,534	↘ -3%
EURASIA	16,000	8,187	↘ -49%
WESTERN EUROPE	3,306	3,690	↗ 12%
EUROMED	4,854	4,698	↘ -3%
GROUP	72,926	58 404	↘ -20%

P3-Figure 23

For one-day in-person training sessions, the posted hourly equivalent is 7 hours, and for half-day sessions, the posted hourly equivalent is 3.5 hours. Remote training (e-learning modules) consists of an effective training time that is calculated by the software "LMS 360 Learning", and practice time, which is estimated upstream by the creator of the training programme, depending on the nature of the programme. (See Methodology for e-learning "Comptabilisation_Form_CRM2017 (002)").

NUMBER OF EMPLOYEES TRAINED
2016 - 2017

	2016	2017	TREND
UP COOPERATIVE	609	619	↗ 2%
FRANCE (excluding Up cooperative)	178	276	↗ 55%
AMERICAS	782	741	↘ -5%
EURASIA	437	470	↗ 8%
WESTERN EUROPE	188	171	↘ -9%
EUROMED	196	184	↘ -6%
GROUP	2 390	2 461	↗ 3%

P3-Figure 24

ACCESS TO TRAINING - PERCENTAGE
2016 - 2017

	2016	2017	TREND
UP COOPERATIVE	82%	78%	↘ -4%
FRANCE (excluding Up cooperative)	35%	52%	↗ 49%
AMERICAS	80%	78%	↘ -2%
EURASIA	79%	86%	↗ 9%
WESTERN EUROPE	75%	66%	↘ -11%
EUROMED	100%	86%	↘ -14%
GROUP	74%	75%	↗ 1%

P3-Figure 25

**ILO CONVENTION PROVISIONS -
PROMOTION AND COMPLIANCE**

Up Group commits to comply with the International Labor Organization (ILO) fundamental conventions' measures, these being covered by the national rights of the countries of the Group. Only Mexico has not ratified the 1949 Convention (No. 98) on the right to collective organization and bargaining.

insky





priority

SUPPORTING CIVIL SOCIETY THROUGH A NEW PHILANTHROPY PROGRAMME, DEVELOPING ACTIONS FOR SOCIAL AND SOLIDARITY ECONOMY PLAYERS, AND UPHOLDING COMMITMENTS ON THE IMPACT OF PURCHASING - THESE WERE THE **PRIORITY GUIDELINES FOR UP GROUP'S SOCIETAL PROGRAMME IN 2017.**

Up group's societal programme experienced significant developments in 2017.

These developments are a result of the Group's new Corporate Foundation and the implementation of a new framework for all its philanthropy activity in France and abroad.



"WE HAVE BEEN ACTORS ALONGSIDE THE UP FOUNDATION FOR THREE YEARS NOW. Every year, our subsidiary carry out solidarity actions to help people in need. This new policy will provide a common framework for the Group and impel a new dynamic for us 3".

Up Romania

"THIS IS A BEAUTIFUL PROJECT THAT WE ARE PROUD TO JOIN so that our actions are in line with the Group while being socially very useful locally".

Up Ceska Republica

"THIS PHILANTHROPY INITIATIVE IS BENEFICIAL because it gives more meaning to our daily action and is very complementary with our core business, which is to support funders in the areas of integration, economic and social aid."

Info DB

"THROUGH THE PHILANTHROPY POLICY THAT WE ARE BEING PRESENTED WITH we have the feeling that we are given as much consideration as the other subsidiaries. That is heartening, and makes us want to join in quickly, to participate together in the Social and Solidarity Economy."

Dôme

SUPPORTING CIVIL SOCIETY

AN ENGAGED PHILANTHROPY POLICY THAT DRIVE THE POWER TO TAKE ACTION TOGETHER

Engaged in a profound transformation of its business, Up has given close attention to its philanthropy policy. At the end of an original collaborative process that included all relevant stakeholders, a resolutely differentiating project was developed in 2016 around the "power to take action". This central concept presently underpins the Group's philanthropy activities for civil society, which cover 4 major areas: food, housing, health and education / culture.

The year 2017 was a decisive year for the implementation of this new policy, which was internally labeled "Impulse".

After 18 years of commitment under the aegis of the Fondation de France, the Up Corporate Foundation was created on November 25, 2017 with the mission of mobilizing all internal and external stakeholders with a strong commitment to action that will serve various projects and facilitate the deployment of the new "Impulse" philanthropy policy in the subsidiaries. In France and abroad, every person is now invited to take ownership of these principles and to adapt them locally and independently, through their own philanthropy activities.

In support of this devolutionary process, a philanthropy Guide was distributed to all the subsidiaries in March 2017. It was completed between May and August by means of video-conference sessions which were attended by most of the subsidiaries. Over 40 contact persons were identified in 17 countries to drive, select and support the sponsorship projects.

At Headquarters, 3 Up cooperative employees are available from the Foundation to manage its activities and provide support to the entire community of philanthropy actors around the world, for instance by offering a set of tools for managing and facilitating the approach, and completing it successfully and consistently.

PHILANTHROPY ACCORDING TO UP

In 2017, the operational implementation of the new “Impulse” philanthropy policy started to take shape through 30 funding operations distributed over 17 projects that were directly supported by the Corporate Foundation (8 projects), by the French subsidiaries (3 projects) or international subsidiaries (6 projects), with a total budget in 2017 of 225.21k euros.

It is important to point out that this is a 3-year financial commitment, which means that for the period 2017/2019, the Foundation and its subsidiaries have already committed a total of 675,63k euros for projects of general interest, which are expected to give over 40,000 beneficiaries the power to take action.

Five countries - France (through the subsidiaries Up, Apologic, CityZen, Info DB, CEV and Alios), Italy (Day), Spain (Up Spain), Czech Republic (Up Ceska Republica) and Romania (Up Romania) - are already engaged in the foundational rationale of Up’s new philanthropy principles. This momentum will expand in 2018, while the actors on the ground fully embrace the process and select “Impulse” projects.

As for the method, the decision was made to support fewer projects than in the past, but to do so more qualitatively (consultation, monitoring and evaluation), by becoming involved over a longer period (minimum 3 years) during which the annual grants are guaranteed. This approach facilitates the development and evaluation of projects, giving players greater capacity to take action.

This approach also makes it possible to detect possible needs for support in kind, in skills or time, to supplement financial support. Up group employees can become involved in funded projects, beyond the first year of the agreement. As concerns the fields in which the subsidiaries and the Foundation are active for Impulse project funding, a clear predominance emerges in Education / Culture (50%) and Health (30%), followed by Housing (13%) and Food (7%).

UP FOUNDATION LAUNCH DAY AT THE ATRIUM

The launch of the Up Corporate Foundation was an opportunity to organize an event at the Up group Headquarters on September 21, 2017. On that launch day, all stakeholders (Foundation Board of Directors members, employees, associations and Foundation partners) who are part of the Foundation’s ecosystem came together in the Atrium.

Workshops helped to concretely illustrate the “call to action” and to create synergies between participants. The non-profit associations Biocycle and La Tablee des Chefs joined forces to have employees create meal trays from unsold products, to be then redistributed to a local non-profit organization. Some 200 employees were also able to meet the organization Library without Borders, La Cloche, Music’O Senior, ODAAS (Diversification Awareness Advocacy). This day was an opportunity to also propose solidarity commitment missions for employees who would like to volunteer. Several subsidiaries relayed the event and/or attended the speeches through video conferencing, such as Apologic, CEV, Info DB, Day, and Up Romania.

ORIGIN OF PHILANTHROPY BUDGETS IN K€ IMPULSE - NON-IMPULSE

	IMPULSE	NON-IMPULSE
UP COOPERATIVE	156*	14.40
FRANCE (excluding Up cooperative)	51	0.37
AMERICAS	-	19.75
EURASIA	5	12.04
WESTERN EUROPE	5	0.84
EUROMED	8.21	10
GROUP	225.21	57.39

P4-Figure 1

*These are actions carried out by the Foundation.

NUMBER OF PHILANTHROPY PROJECTS FUNDED
IMPULSE - NON-IMPULSE

	IMPULSE	NON-IMPULSE
UP COOPERATIVE	14*	3
FRANCE (excluding Up cooperative)	10	4
AMERICAS	-	2
EURASIA	1	9
WESTERN EUROPE	2	1
EUROMED	3	1
GROUP	30	20

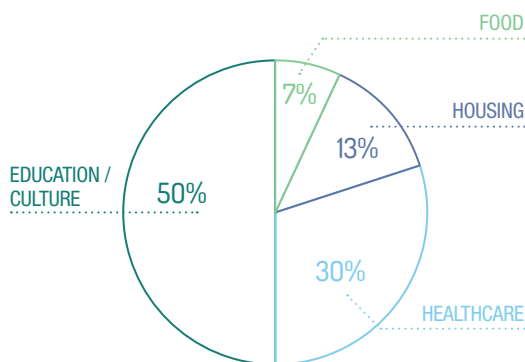
P4-Figure 2

*These are actions carried out by the Foundation.

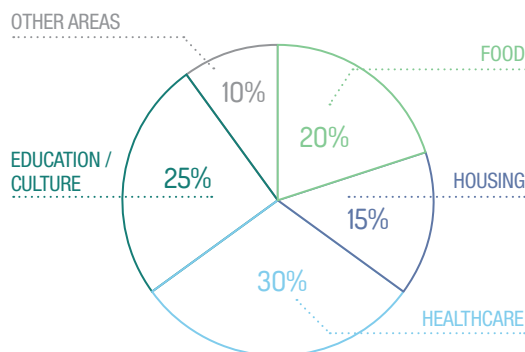
DATA COMPARISON BETWEEN 2016 AND 2017

In November 2017, the Foundation, which was under the aegis of the Fondation de France, became a Corporate Foundation. With a multi-annual programme over a period of 5 years and a complete redefinition of its scope and fields of action, the decision was made not to compare 2016 data with 2017 data. This transition year will be used to establish a solid foundation for the years to come. Given the fact that the launch occurred late in the year 2017, the Up 2017 funds (327k euros) donated to the Up Corporate Foundation will be used in the calendar years 2017-2018.

PHILANTHROPY AS PART OF IMPULSE



PHILANTHROPY EXCLUDING IMPULSE



P4-Figure 3 & 4

Parallel to the convergence process, philanthropy activities outside of the “Impulse” policy (without specific action framework) are continuing. There were 20 such activities in 2017, with 57.39k euros, carried out by Apologic, Info DB and Up in France; Up Romania, Day, Up Policard (Brazil) and Up Ceska Republica internationally. These actions are often a response to local issues of general interest and are intended to coexist to a small extent.

We can observe a natural convergence toward “Impulse” fields of intervention which resulted from a general awareness of the new philanthropy programme. The health topic accounts for 30% of payouts, and education / culture account for 25% of funding.

Further consideration will have to be given, including with the Foundation’s Board of Directors, to Food and Housing activities, which are a more delicate area for all Up group participants.

FOCUS ON IMPULSE PHILANTHROPY PROJECTS

HOUSING

• Project “A Shelter for Everyone”

The Foundation and Info DB are supporting homeless women in order to change their living conditions in mixed emergency homeless shelters. This partnership is fully in line with the relationship initiated and reported in 2016.

Why do homeless women refrain from going to homeless shelters? Because these places are often for both men and women and make them feel unsafe. This is the starting point for the “A Shelter for Everyone” project, launched toward the end of 2017 by the *Fondation des Femmes* (Women’s Foundation) that is active in defending the rights of women in precarious situations. This combined action-research project aims to organize secure intake for women in 3 pilot mixed shelters in the Isle de France region (Paris area), and to ultimately propose a process of dissemination of best practices in all shelters in France.

• Project “Housing Rehabilitation”

The Up Spain subsidiary and the Foundation are supporting families living in difficult situations.

The operation carried out by the Association “Cooperacion Internacional” consists in offering improvements in homes that are in bad condition and whose inhabitants cannot afford to renovate them. This activity is performed by groups of young people aged 16 to 30 who are determined to have a positive impact in society.

HEALTH

• Project “Memory through singing”

The Foundation, together with the subsidiaries CEV and Alios, support seniors with reduced autonomy to enable them to find a bit of life and memories.

The goal of the association Music’O Senior is to create opportunities for young classical artists to meet with and perform for dependent adults, and involve them in artistic events with residents, staff and families.

• Project “A Hospital Where Sun Rhymes with Joy”

The subsidiary Apologic is supporting the association “Je veux du Soleil” (I want Sun), in Saint-Malo. The purpose of this association is to bring some relief to hospitalized children in their daily lives and that of their families, by giving them an opportunity to step outside, and go to a place that is “out of the ordinary” to escape from the hospital and not think about the illness.

FOOD

• Project “Developing self-reliance and food security for young people”

The Up Foundation is supporting the association “La Tablée des Chefs”, that works through cooking and sharing to combat inequality access to healthy and food and balanced nutrition.

This association focuses its efforts on the culinary education of future generations, especially for youth in foster care and families in very difficult circumstances.

EDUCATION / CULTURE

• Project “A Story to tell”

The subsidiary Info DB supports children who were victims of violence, through the association Adaléa, in Saint-Brieuc. The association takes groups of people suffering difficult situations, for instance women who were victims of violence, often accompanied by their children. These children are also victims of the circumstances, and do not always have the opportunity to express their feelings. Based on this observation, the association launched the project “A Story to tell” to provide them with an open space for expression, particularly through artistic and cultural activities, organized on Wednesday afternoons, when children are off from school in France. Under the sponsorship programme “Access to culture and education”, the project is supported directly by Info DB.

• Project “Assistance to women, mothers and victims of domestic violence”

The subsidiary Up Ceska Republica and the Foundation provide support to children who witness domestic violence, through the project of the association Rosa, which aims specifically to help children with their mothers who are victims of social violence.

These families are housed in a shelter home, a friendly and safe place in a specialized environment. The aim of this support is to strengthen assistance to the children in the form of play therapy, offering them leisure activities as well as supplementary learning activities.

• **Project “Crossing the threshold”**

The subsidiary Day and the Foundation decided to help families impacted by poverty fit into society through the Foundation “L’Arbre de la Vie” (The Tree of Life).

This entity aims to mitigate poverty by helping families to enter into a process of social, educational, economic and relational integration. The support is intended to remedy the educational poverty of families through education and extra-curricular laboratories that involve all stakeholders in the educational process.

• **Project “Educlick”**

The subsidiary Up Romania and the Foundation are providing support that gives disadvantaged children access to digital technologies since 2014, through the association Ateliere Fara Frontiere, which has developed a digital solidarity programme to support education in disadvantaged communities in Romania. The goal is to have computers collected and repackaged by a sheltered workshop, and to give them to entities that use digital technologies for educational and local projects.

GETTING EMPLOYEES ON BOARD

As an extension of the deployment of its new philanthropy policy, one of the Group’s ambitions is to encourage its employees to become involved in solidarity projects, and to create the conditions that will allow them to do so. This momentum was initiated in 2017 with aims to ultimately set up a platform for dynamic and participatory commitment.

The approach, here too, brings together all internal stakeholders who are involved in implementing such processes as compassionate leave, skills-based sponsorship, solidarity-based sales, collections and travel, as well as salary round-up operations.

In the interests of consistency, one possibility being considered is to offer volunteer employees to carry out missions directly linked to pro-

jects that are already being supported by the Foundation and/or subsidiaries.

Employee commitment during working hours has been successfully tested in France in 2017, with 20 employees performing solidarity actions during their working day.

Seven of them, for instance, participated in a day dedicated to collecting and sorting books, organized by Library Without Borders. Up is also supporting this association in a project to provide access to information and culture for homeless people, in Parisian gymnasiums, during the winter cold weather plan organized by Paris municipal services.

Other employees also provided assistance to the Biocycle association by collecting unsold organic vegetables and fruits in order to redistribute them to disadvantaged people.

Lastly, 5 staff and 4 authorized persons went on a solidarity trip to Cambodia with the contribution of the Works Council to help local families become more self-sufficient.

Internationally, many initiatives were carried out by Si Vale (Mexico), Up Multinet (Turkey), Up Ceska Republica, Up Spain...

The salary round-up, another form of engagement

In September 2017, France celebrated 3 years of its “salary round-up” operation. This operation enables employees to support a public interest entity of their choice, through micro-donations made each month from their net pay. This anniversary coincided with two major developments: the renewal of the projects to be supported, on the one hand, and on the other, the convergence of the “Salary Round-up” operation with the philanthropy policy.

The outcome is that in October, Group employees in France chose to give their micro-donations to four new “favorite” associations supported by the Foundation: La Cloche, ODASS, La Table des Chefs and Women’s Foundation.

The micro-donations from salaries operation was also adopted by two other Group subsidiaries: Day and Up Ceska Republica.

CONTINUING SOCIETAL COMMITMENT...

In parallel to - and as a process distinct from - its philanthropy policy, Up group also aims to be involved in projects with a societal dimension (social responsibility actions*) that are entirely consistent with its positioning as an economic player whose engagement is manifested in products and services. The Group is determined to continue to leverage these actions, which contribute to expressing its difference.

In 2017, these social responsibility actions*, driven by many actors inside the Group (8 countries: Turkey, Spain, Mexico, Italy, Brazil, Czech Republic, Romania and France, through the subsidiaries: Apologic, Dome, Domicours, Kalidea, Interface and Up), supported a total of 51 projects, with total funding in the amount of 193.63k euros.

This considerable development is justified by the fact that these actions are being leveraged more effectively, and by the improved relationships with key in-house players under the impetus of the new philanthropic ambition which aims to identify and provide feedback on all solidarity actions carried out in the Group.

KEY DATA

IN FRANCE

(over a period of 3 years)

12 subsidiaries engaged

€22,009 collected, including €9,249 in 2017

3 associations and the Up Foundation beneficiaries

475 donors

IN ITALY

Day

€998,44 collected in 2017

2 beneficiary entities

81 employee-donors

IN THE CZECH REPUBLIC

Up Ceska Republica

€1,755 collected in 2017

1 beneficiary association

19 donors

On another point, there was no significant use of emergency aid in 2017, with only one project where funding amounted to 17.67k euros. The Up subsidiary Multinet continued to provide assistance in Turkey, in the community of Soma, which was impacted by a mining disaster in 2014. Since the tragedy, the Turkish subsidiary has been helping families of the victims in the form of an annual grant to enable children of missing miners to go to school and university.

PROJECT "INITIATING SENIORS TO DIGITAL TECHNOLOGY", A COLLECTIVE INITIATIVE

In November and December 2017, a team of 19 employees in the Group organized an introduction to digital technology for seniors in a Seniors Assistance organization (ASAD, Association providing services including home assistance), in the town of Dinan in the Côtes d'Armor region of France.

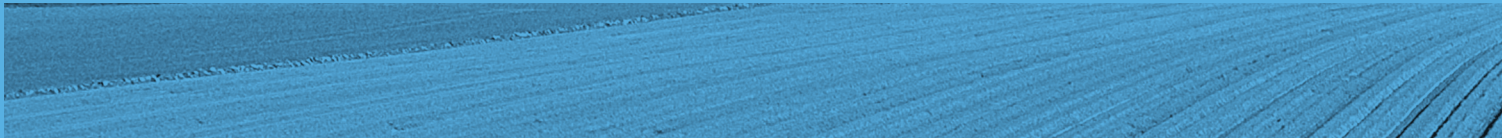
In the 4 sessions, these volunteer employees worked with 12 seniors, to help them learn how to use a touchscreen tablet for everyday needs. The originality of the project lies in the fact that employees from 4 different entities in the Group (Apologic, Domicours, Up, and Dome) came together for this undertaking, each contributing their know-how and expertise to serve the common good.

SOCIAL RESPONSIBILITY ACTIONS

	NUMBER OF PROJECTS	BUDGET IN K€
UP COOPERATIVE	24	165.48
FRANCE (excluding Up cooperative)	7	2.40
AMERICAS	7	10.36
EURASIA	5	9.50
WESTERN EUROPE	4	2.48
EUROMED	4	3.41
GROUP	51	193.63

P4-Figure 5

* A social responsibility action seeks direct value in exchange for an effort, in contrast to Impulse / non-Impulse philanthropy.



SSE

SOCIAL AND SOLIDARITY ECONOMY (SSE) SERVING SUSTAINABLE DEVELOPMENT

In line with actions engaged with players from the world of cooperatives to strengthen the Group's business model and democratic practices (see Cooperate, Governance programme), Up has actively and for many years supported the recognition and development of the SSE both in France and worldwide. As an international Group founded on a legacy cooperative, and positioning itself as an emblematic player of the SSE, Up has primarily relied on cooperative values and principles to affirm its identity and its difference.

Up group also supports the Association Movement, on the basis of a multi-annual agreement. This organization represents 13 million volunteers and 1.8 million employees, which makes it the voice of the French non-profit association movement, and one of the most dynamic forces in the country.

Up group's support is part of the Group's ambition to develop a powerful non-profit sector that is useful and creative. This Movement is active in four major areas of reflection and action: engagement, the economy, public action and employment.

In 2017, Up group also contributed financially to the National Council of Regional Chambers of the Social Economy (CNCRESS) and supported the organization of the 10th edition of the Month of the SSE, with its 1,800 events which took place during the entire month of November 2017 all over France.

In terms of the international recognition of the SSE, Up group is a founding member of the SSE International Forum, a non-profit association that organizes the Mont Blanc meetings every two years, the major forum for SSE players and leaders. For more than 10 years, this international network has been a true laboratory of ideas, pursuing three objectives: collecting, co-creating, and influencing.

As the standing Co-Secretary of the international pilot group of the SSE (GPIESS), of which it spearheaded the creation, SSE International Forum is accredited by the UN Economic and Social Council (ECOSOC) and is an observer member of the interagency task force of the United Nations on the SSE (UNTFSSSE).

Lastly, Up group is a founding member of the ICOSI. This association for development cooperation, founded in 1983, initiates and executes on-the-ground programmes with partners from the world of cooperatives, mutual companies, non-profit associations and trade unions. Its primary purpose is to contribute to creating, implementing and/or developing SSE entities. Its areas of intervention are Europe, North and West Africa, and the Americas.

In the past several years, this association has supported dozens of entrepreneurial projects, essentially cooperatives and mutual entities, or contributed to strengthening civil society.

Up group's contribution to ICOSI is based in its statutory membership. In 2017, the association dedicated its efforts to launching a project for developing family agricultural cooperatives in Benin and in Senegal.



IN 2017, WE LAUNCHED A PROJECT FOR THE DEVELOPMENT OF FAMILY AGRICULTURAL COOPERATIVES IN TWO COUNTRIES: BENIN AND SENEGAL.

The project started in April, and will have a 36-months duration. It involves 1,280 farmers, in 128 cooperatives, and has 11,500 beneficiaries.

The aim of this project is to meet the three major challenges of West-African agriculture: improving food security, poverty reduction and job creation. Thanks to this approach, the SSE models demonstrated their relevance for achieving sustainable development goals.

The total budget for this project is 889,837 euros, of which 48% is financed by the French Development Agency. Without the support of members like Up group, this type of effort would simply never happen, because this project would not have the capital needed to receive the support of major donors."

Oumar Camara, Project Manager at ADER/ICOSI-RIED

RESPONSIBLE PURCHASING

DEPLOYING THE CHARTER OF RESPONSIBLE PURCHASES

For Up, being an economic player that is different and engaged also means that procurement must be different. In order to develop an approach to purchasing that is in line with its strategy of sustainable performance and to build lasting relationships with its suppliers, Up has developed a Responsible Purchasing Charter in 2015, based on collaborative efforts with buyers in the Group's different countries of operation.

Inspired by its values (commitment, solidarity, fairness, innovation, entrepreneurship), this Charter comprises 3 commitments:

- Placing co-creation of economic, social, societal and environmental value at the heart of buyer-supplier relations;
- Respecting all stakeholders involved in the value chain;
- Working to preserve the common good for future generations.

2017 examples of the Responsible Purchasing Charter deployment within the Group:

- In Turkey, the Charter has been translated and adapted in a document released on the intranet. It states the rules to be applied during a tender. In the same mindset, an internal audit was performed, based on categories of purchases.
- In Slovakia, the Charter has also been translated.
- In France, the implementation of the Charter principles resulted in concrete progress, in particular with concerns to energy purchases, with continued reflection especially in view of developing subcontracting with the sheltered sector, and the development of a "greener" vehicle fleet

ORGANIZING PURCHASES IN THE SUBSIDIARIES

As part of supporting the subsidiaries in the process of professionalizing the purchasing function and implementing the Responsible Purchasing Charter, an initial questionnaire on how purchases are organized was sent to Up subsidiaries in November. This will contribute to

a clear understanding of the risks associated with purchases, and specifically as concerns critical suppliers.

Several subsidiaries sent their response about the purchase organization they have set up, and more specifically about their main suppliers (identified by volume of business, area of activity and tenure of the relationship):

- In Germany: 7 main suppliers were identified.
- In Poland: 30 main suppliers.
- In Italy: 34 suppliers account for the largest expenditures.

In the latter case, a supplier evaluation policy was presented to General Management in September 2017. This policy, which combines the principles of the Charter, standard requirements (ISO 9 001-14 001 and SA 8 000) and local regulations (organizational model 231), was validated by the General Manager. Two supplier audits were performed. They also incorporated aspects relating to safety at work.

- In Mexico, the Purchasing Manager is a member of the local CSR Committee and encourages employees to make responsible purchases. An evaluation questionnaire incorporating CSR criteria is being given to suppliers as part of the ISO 9001 process.

Coordination of the Purchasing community began in 2016 in all the subsidiaries, and continued in 2017 with a workshop organized on December 19. This workshop included 8 Purchasing staff representing France, Germany, Belgium and the Czech Republic. The theme of the day was "How to reconcile ethical issues and business issues?".

The workshops will be evolving in the future into an e-learning module dedicated to responsible purchasing. The goal is to improve the process of targeting specific audiences with the support of General Management in subsidiaries and regions, and by adopting a more educational approach. The positioning of each subsidiary in the maturity grid has been postponed, and will become easier after this module is implemented.

GROUP SUPPLIER ASSESSMENT

Last year, 32 suppliers were evaluated by 4 entities, as follows:

- Day: 2 suppliers
- MultiNet: 2 suppliers
- Up Spain: 26 suppliers
- Up: 2 suppliers

In 2017, these 4 companies continued their efforts and new subsidiaries adopted the approach:

- Day: 2 suppliers
- MultiNet: 2 suppliers
- Up Spain: 24 suppliers
- Up: 36 suppliers
- Up Romania: 55 suppliers
- Si Vale: 11 suppliers
- Up Ceska Republika: 28 suppliers

A total of 158 supplier assessments were performed by 7 entities, i.e. 5 times more than last year.

DEPLOYING THE RESPONSIBLE PURCHASING CHARTER IN FRANCE

The efforts of the Purchasing department are primarily focused on France, before moving on to other subsidiaries.

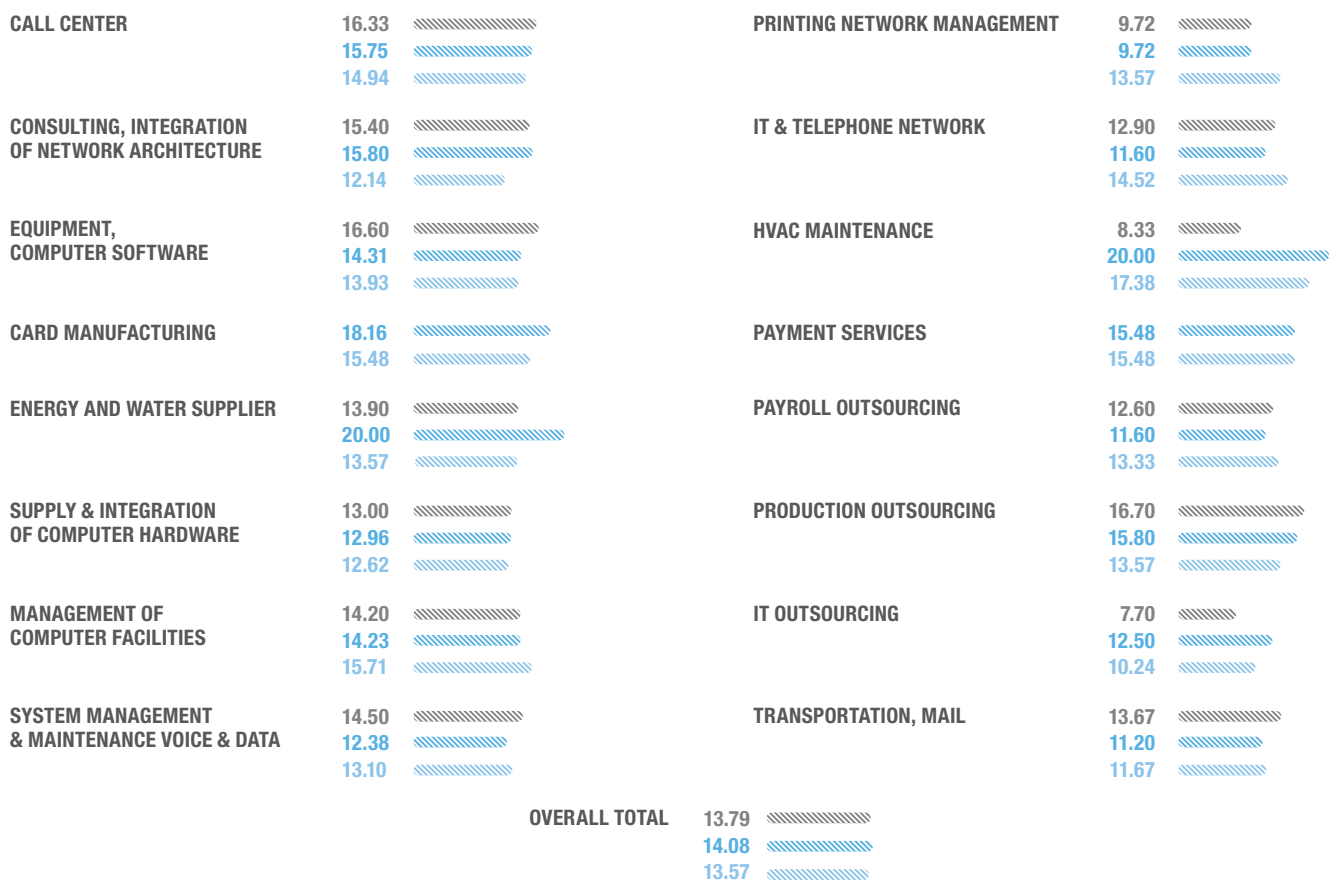
STRONGER DIALOGUE WITH SUPPLIERS

To maintain its position as an economic player as well as a responsible partner vis-à-vis its stakeholders, Up is attentive to developing both solid and transparent relationships with its suppliers.

KEY SUPPLIER EVALUATION BY ACTIVITY

RATING BASED ON 20

Average internal rating 2016 - Average internal rating excluding CSR - Average internal rating including CSR 2017



P4-Figure 6

In 2017, in line with this approach, the cooperative renewed the process of evaluating critical suppliers, a process already performed in 2016. The new campaign began in December, with a broader scope this time since the decision was made to include CSR criteria in the evaluation. The aim now is not just to measure economic, technical and qualitative aspects of critical suppliers, but to also qualify their commitments to environmental, social and societal topics and their position in terms of ethics and governance. On March 23, 2018, the assessment is still ongoing. A total of 34 key suppliers were identified, and 25 have been completely assessed.

CSR commitments and responsible purchasing were also the core of a supplier consultation launched in December. Through this process which was already carried out in 2014, Up and its interlocutors are developing a dialogue on their respective perceptions of their own responsible commitments.

A questionnaire with 40 items was sent to 56 suppliers, including key suppliers, with a response rate of 44.64% (25 responses).

Large corporations appear to be more receptive to CSR themes, and so are more likely to respond than small entities for whom these topics are more difficult to deal with.

Comparing with the 2014 results, it appears that CSR commitment among suppliers is growing, including with improvements on social aspects and more significant investments in certification and labeling. Up is clearly seen as a committed and innovative partner in terms of CSR. Up stands out specifically on social issues, while efforts in the environmental field are particularly popular. As part of its purchasing practices, Up is improving its selection process with integrated CSR criteria, and is being more strongly perceived as a trusted counterpart. However, suppliers did express some expectations in terms of co-creating values (innovation, reducing environmental impacts) and contracting (preparation, follow-up and termination of commitments).

In order to complete this consultation and fine-tune the collected information, a campaign of interviews was carried out by an outside firm in January 2018 with 10 suppliers. Through some 50 questions, they were asked about topics relating to their economic development, their responsible commitment and their perception of Up.

RENEWABLE ELECTRICITY

The parent company chose to contract with a new electricity supplier: the Public Interest Cooperative Enercoop, which now supplies almost all French sites as well as, since January 1st, 2018, the head office at Gennevilliers for a 3 year period. The relationship with this operator from the cooperative movement has a dual benefit for the cooperative: it belongs to the same community of values, and provides access to 100% renewable electricity from water, photovoltaic, wind and biomass.

The relationship between Up and Enercoop is a historic one, since the Up Foundation was one of its first sponsors when Enercoop was established 13 years ago. The two co-operatives operate in the same ecosystem. The Enercoop project, from the very start, is a grouping of 20 players from the world of renewable energy, the SSE and civic associations that are eager to work on a decentralized basis toward energy transition in France. Up chose them as a supplier in 2017, pursuant to a commitment made in the SSE lab at the COP21 Paris Conference to use renewable energy. This relationship is now not only a business relationship, but a genuine partnership.

WORKING WITH THE PROTECTED WORKERS SECTOR (STPA)

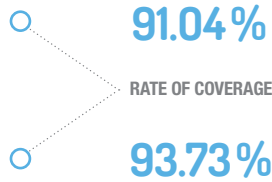
In compliance with the objectives of the Disability Agreement signed in 2017 for France, Up is working on developing subcontracting with Work Help Establishments and Services (ESAT) and Sheltered Companies (EA). Given some difficulties in achieving the goal of a 7% increase in the volume of purchases from ESAT and EA organizations, the French Purchasing Division performed a diagnosis of categories of purchases that can be made from this protected sector. The diagnosis was carried out using the purchasing platform Handeco.

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GROUP ESAT/EA SUPPLIERS IN 2017

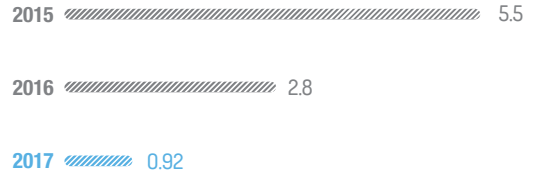
€83K

GROUP PURCHASES FROM ESAT/EA ORGANIZATIONS IN 2017



P4-Figure 7 et P4-Figure 8

NUMBER OF BENEFICIARY UNITS IN FRANCE



P4-Figure 9

24 suppliers from the protected worker sector were identified in the Group’s supplier base in France.

In 2017, the number of beneficiary units carried out with the protected and adapted sector on sites subject to the obligation of employing disabled workers was 0.92 beneficiary units. Actions undertaken in 2017 to improve the supplier database will enable an easier follow-up of services contracted with the sheltered sector. In addition,

the disability agreement, which includes proactive objectives for this issue, will enable the Group to entrust these organizations with more service contracts more easily in 2018.

DEVELOPING AN ENVIRONMENTALLY FRIENDLY VEHICLE FLEET

As far as its vehicle fleet is concerned, Up has been working for two years to develop a “greener” fleet. The goal is to gradually reduce the number of thermal vehicles and to encourage hybrid and electric alternatives. This determination is still largely dependent, however, on evolutions in manufacturer catalogs. The fact that the cooperative’s main automotive partner terminated its hybrid model has led the Purchasing Department to turn to other manufacturers.

This being said, the cooperative is systematically able to offer at least one electric or hybrid vehicle in each category, for its commercial and company cars.

An electric vehicle is also available on loan for occasional travel.

UP, MEMBER OF THE RESPONSIBLE PURCHASING OBSERVATORY (OBSAR)

Since 2011, Up is a member of the ObsAR, a non-profit association that aims to share best practices for Responsible Purchasing. Its aim is to make available to its members various indicators and metrics, evolutions in business practices, and provide a space for stakeholders to meet.

By being a member, Up is committed to sharing responsible purchasing practices, to relaying them, to taking part in experiments, to advancing its own company.

A DIFFERENT KIND OF CONCIERGE AT HEADQUARTERS IN GENNEVILLIERS

Since January 2017, Up offers Concierge services at the headquarters in Gennevilliers, in response to employee demand. Employees can enjoy a range of services, including laundry, shoe repair, sewing, phone repair, mail, cleaning vehicles, cosmetic services, massages, fresh produce deliveries... A concierge is present on location 3 days a week, to coordinate all of these services.

The concept has a dual feature: the *Conciergerie Solidaire* is a company that integrates workers through economic activity, and most of its services are performed by SSE entities and by the sheltered sector. Its priorities are to create social bonds and to focus on the local economy.

In Gennevilliers, for its first year of operation, the Concierge totaled 376 users, 2,863 services and generated a total of 24,600 euros in services from local actors such as the ESAT des *Muguets* (laundry), the *ESAT de Gennevilliers* or *Le Panier Citadin* (delivery of organic fruit and vegetables).

Starting in 2015, Up took an active part in a task force on the subject of “Best Offers”. The teaching methodology was finalized in 2017, and was presented to the public in March 2018.

Up regularly attends conferences in which the ObsAR participates (the Produrable fair, the informal Handeco meetings,...), answers responsible purchases inquiries, and relies on the work done in this context.

The year 2017 was an eventful one. The standard recommendations of ISO 20400 were published in April and presented by the ObsAR at the 10th Responsible Purchasing Forum. Up used the 14 indicators in the “Indicators & Reporting” working group to drive its own responsible procurement approach.

UP AND LOCAL IMPACT

Every day, Up contributes to the transformation of its economic and social environment. With the kind of products and services Up develops, the Group is contributing to improving quality of life for employees who are recipients of its various payment vouchers. It supports businesses, communities and social partners by helping them implement their social commitments, and participates in the economic development of its affiliates, food businesses and more generally, merchants.

ECONOMIC IMPACT: THE ADDED VALUE OF PAYMENT VOUCHERS

A study* carried out in 2017 with other meal voucher operators in France gave a precise measure of the economic and social impact of Up group’s historic product. Nearly 4 million employees from 140,000 companies and municipalities use it daily to pay 180,000 merchants. The payment voucher is strongly rooted in local areas, with 8 out of 10 companies having fewer than 25 employees.

According to the study, the vouchers alone are injecting 8 billion euros into the national economy, with the 6 billion euro issue and 2 billion in additional consumption.

This means that the payment voucher is contributing 15% of total food business sales and directly or indirectly generates 164,000 jobs in

the restaurant industry. According to projections, this figure could reach 190,000 jobs by 2020.

The study concludes that meal vouchers represent a net balance of 870 million euros in 2016 public accounts, with a projection in the order of 1 billion euros by 2020.

Although measured somewhat less precisely, the economic impact of cultural and gift vouchers is also considerable. It amounts to around 1.5 billion euros in new business for merchants who accept these vouchers (1 billion in net emission and an estimated 500 million euros in additional consumption). It is estimated that some 6 million employees benefit from these vouchers, including 36% who are employed by SMEs and micro-businesses.

As for the pre-funded CESU, this amounts to 1 billion euros in annual volume issue and 1 million beneficiaries/users, including 300,000 workers who receive it as additional compensation. According to estimates, this voucher accounts for 25-30% of direct employment in the human services sector.

At the same time, Up group is positioned as an active partner with the government in facilitating the deployment of their policies, both domestically and in overseas territories.

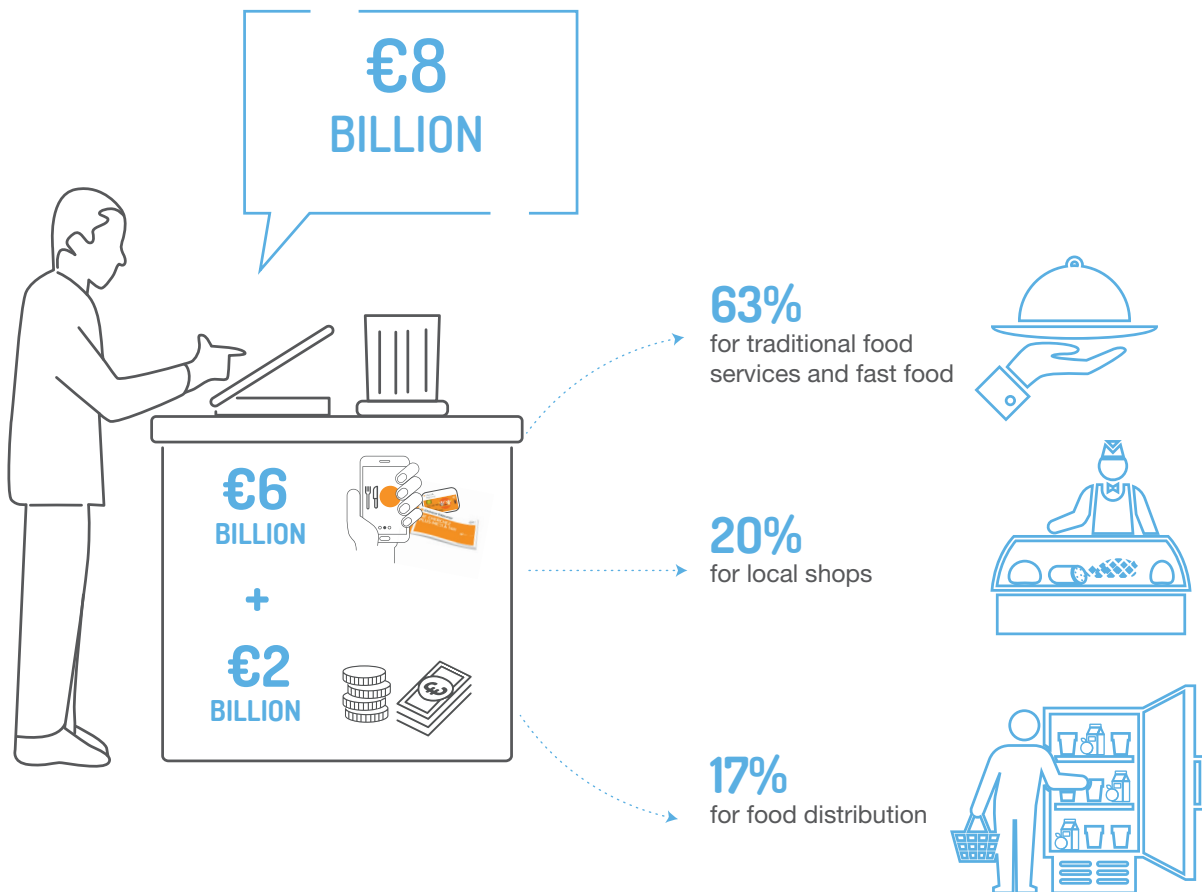
23 
**NEW BENEFICIARIES
GENERATE 1 JOB**

* Study sources: APETR, FIDAL, KPMG, CNTR, INSEE, Robert Half, Alternatives économiques, ICOSI, ILO, Food At Work.

THE MULTIPLIER EFFECT



GENERATING NEW BUSINESS



P4-Figure 10

SOCIAL IMPACT: ACTIVITIES SERVING THE GEOGRAPHIES

Up sees its social role further reinforced by its leadership position in supporting public authorities for the payment of aid and funds. Over 2.5 billion euros in social aid handed out by cities and regional departments are presently going through its information systems.

The establishment of CityZen late 2017, as a single entity incorporating five subsidiaries from the Public and Social Programmes Market (ABC Engineering, Apologic, Arcan, Implicit and Info DB), will help to improve the quality of services to Up's public partners and enhance the efficiency of public aid.

Thanks to CityZen's expertise, Up is now able to consistently and continuously support aid recipients throughout their lives, from early childhood to the end of life.

Moreover, the solutions implemented by CityZen provide an effective relay between funders, providers and citizens, with fluid intervention in all the phases of aid delivery (investigation of the case, aid attribution, payment, delivery of service, verification).

This market continues to innovate. After the deployment of the Cohesia system in 2016 as part of the aid given to asylum seekers by the French Office of Immigration and Integration (OFII), Up group was chosen, in 2017, by the French government to issue emergency aid to the inhabitants of the islands of Saint-Martin and Saint-Barthélemy who were impacted by the hurricane Irma, in the form of a filtered payment card. This card is set up to be exclusively used in the French part of the islands of Saint-Martin and Saint-Barthélemy, with no restrictions for any type of merchant. This card made it possible to avoid cash distribution, and to ensure that the funds were being used in a specific geographical area and within a given time limit.

At a time where public action is modernizing, and where improved relations between the government and citizens are among the Government's priorities in France, the Group intends to make an active contribution to this development.

In the near future, Up will be creating and managing platforms that offer new and optimized digital services that will change and simplify the relationship between citizens and their Government.

pres



erive

WITHIN THE GROUP, FIGHTING AGAINST GLOBAL WARMING AND FOR THE PRESERVATION OF BIODIVERSITY HAS BECOME PART OF EMPLOYEES' EVERYDAY LIFE. DESPITE ITS RELATIVELY MODERATE IMPACT ON THE ENVIRONMENT, THE GROUP HAS CHOSEN TO ENGAGE IN A PROACTIVE ENVIRONMENTAL APPROACH.

In the wake of its joining the United Global Compact Nations in 2006, the Group has set ambitious objectives that are fully in line with the principle of a sustainable economy and the aim of contributing every day to preserving the planet for future generations.

In 2017, this commitment was reaffirmed in the new strategic project. It revolves around two main objectives:

- Mobilizing collective resources and encouraging individual initiatives to combat global warming.
- Stimulating waste reduction, and more specifically fighting against food waste.

Up group have been working on reducing its environmental footprint for several years.

Initially, the goal was to get a better understanding of the impact of its activities. Carbon footprints were calculated as early as 2011, although the Group was under no regulatory obligation. In the past 3 years, the Carbon footprint has been enhanced to take into account all

of the Group's activities. A process was initiated in 2016 to systematize carbon footprint calculation by including these figures in the annual financial data collection. The data collected in 2016 did not provide a sufficiently precise overview of the carbon footprint. It was therefore decided to change the method for collecting data, and to develop a tool which would automatically process it. The data collected in 2017 will provide the carbon footprint for the main subsidiaries some time in 2018.

This first step was essential in order for the Group to become familiar with environmental issues.

The strategic goals are broken down into different action priorities defined by the Group:

- Team awareness,
- Measuring the environmental impact of the business and of the products,
- Taking action to reduce the carbon footprint, or even consider a compensation approach.

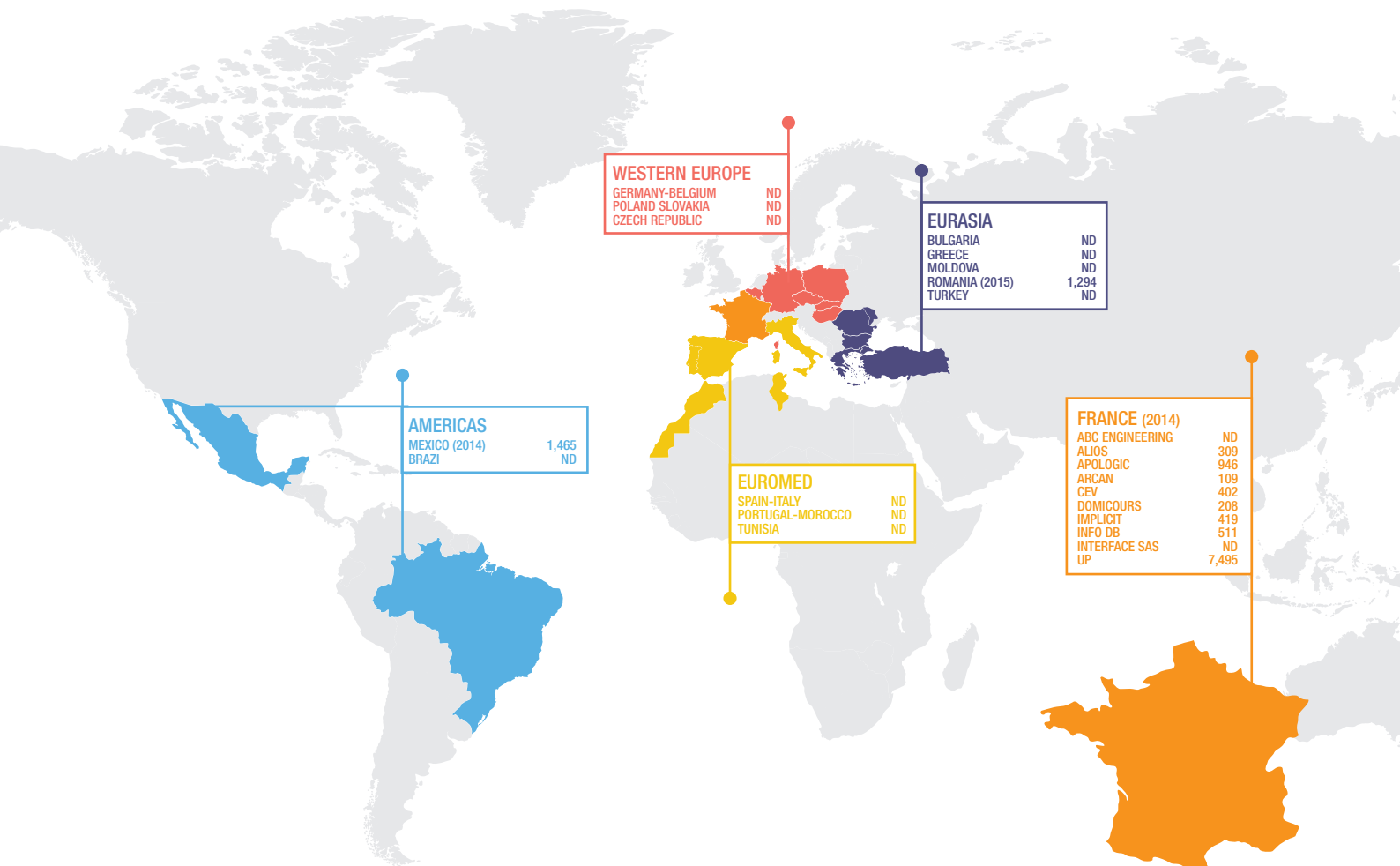
Both in France and around the world, the last two points are played out on a decentralized basis. Every subsidiary owns the process and adapts it to the reality of its business and its environment.

At the Group's headquarters, a resource person is in charge of supporting subsidiaries in this process and of providing them with the necessary resources.

CERTIFICATION AS A CHOICE

In order to structure and guide their environmental policy, three entities in the Group have chosen, for the past several years, to undergo an ISO 14001 certification process: the Up cooperative (parent company of the Group), Up Romania and the Italian subsidiary Day. In these three entities, a specific communication effort in the form of information and awareness materials is being deployed to address employees.

CARBON FOOTPRINT ASSESSMENT: AN INTEGRATED PRACTICE AT UP
MAP OF THE CARBON FOOTPRINT ASSESSMENTS ON DECEMBER 31, 2017
 (t CO₂ equivalent - ND: not determined - (20XX): data year)



As of the writing of the present report, 2017 carbon footprint calculations are ongoing. They are not available for this report.

P5-Figure1

CHALLENGES SHARED WITH EMPLOYEES

The principle of employees' active participation in the strategy is enshrined in the very heart of the culture of the Group. Every co-worker is invited to take action at his or her own level and in their daily activity, to reduce the company's environmental impact and to make environmental considerations an integral part both of the company's internal organization and of the design of new eco-responsible products. Communication, awareness and training are the

main drivers that will enable the Group's employees to approach the challenges of the strategic project, to measure their capacity to act and encourage them into hands-on engagement.

This active coordination process continues and is reinvented from year to year through different types of initiatives:

- Transversal actions, such as "Planet Guardians", an international digital game launched in the Group at the end of 2017 (see box),

- Participation in national events, such as Quality and Environment Day and European Waste Reduction Week, which mobilized the group's headquarters on November 10 and 24, with special communication actions (with the newsletter "My Zero Waste Life - Portrait of a Passionate Person");
- Local initiatives are becoming a more significant part of employees' daily lives: in Belgium, for instance, Monize installed a fountain connected to city water. Every employee has a gourd; reusable glasses and cups are also made available. As for training, in France, the e-learning module for new hires includes a segment dedicated to environmental topics. Originally scheduled for 2017, deployment was postponed to 2018 due to technical and content updates.

Staff representative bodies are also fully involved in the process and are invited to get on board so that they can spread the information on the ground. In December 2017, at the request of the elected representatives of the European Works Council, a detailed presentation was given of the actions carried out under the environmental programme and relevant indicators.

At Up Spain, the local Works Council spontaneously took the initiative on September 19, 2017 of organizing a workshop on the topic of energy performance. The goal was to educate employees about energy savings, in both the professional and the private environment. Almost half of the company's employees participated in this event, which was a reflection of the Group's commitments and from which the workshop drew its legitimacy.

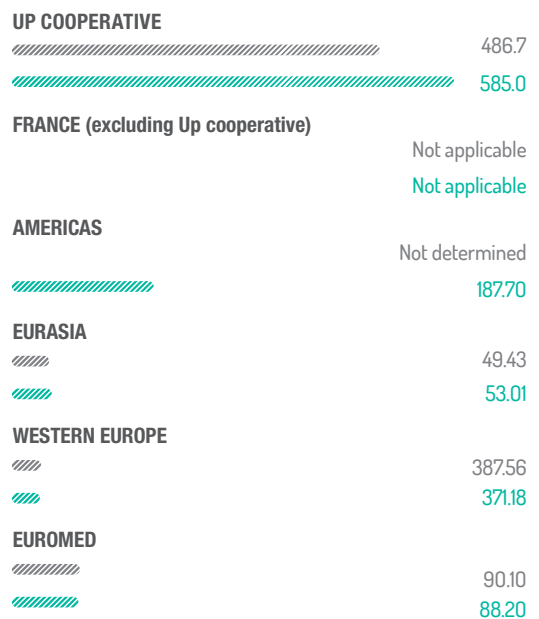
PLANET GUARDIANS, A DIGITAL GAME TO LEVERAGE THE GROUP'S ACTIONS

In response to the Bonn conference on global warming (COP 23), Up group launched, in November 2017, the game Planet Guardians, available on a digital platform and relayed on social networks. Participants were invited to browse a map of the world to discover the environmental actions undertaken by the Group and its subsidiaries in its 18 countries of operation, through explanations and interactive games (discovering renewable energies, collecting caps, donating food and sorting waste...). This operation was both internal and external, and generated 17,529 followers, reaching 8 million people on social networks.

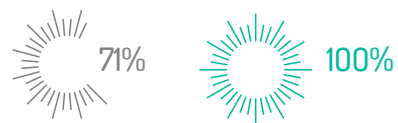
CONTROLLING THE IMPACT OF UP GROUP PRODUCTS

The environmental impact of UP group's products is essentially linked to the paper used to manufacture for its various payment instruments.

QUANTITY OF PRODUCTION PAPER PURCHASED, IN TONS 2016 - 2017



Rate of Coverage 2016 - 2017



The parent company is the only company producing paper vouchers in France. For the parent company, the quantities of paper means the quantities of paper ordered in the year. The amount of paper purchased by the parent company in 2017 is greater than in 2016 because orders were regrouped. The quantity ordered in the year is not equal to the quantity consumed in the year.

P5-Figure 2

In order to limit the impact of paper use and contribute to protecting biodiversity, subsidiaries with a production activity have different strategies.

France and Italy are focusing on using certified paper (PEFC for Up, FSC for Day) that stems from sustainable forest management. This source accounts for 52.2% of the Group's paper purchases.

Alternative processes are used in different countries: optimizing consumption by increasing voucher unit value - which reduces the volume produced - or using manufacturing processes that reduce waste. The Up cooperative, for example, has extended the use of its color machine, to simplify the industrial process and optimize inventory. In Bulgaria, Up Tombou acquired a folding machine which reduces scrap by 80%.

In the near future, the global trend towards dematerialization will de facto lead to a significant reduction in paper-related emissions. Within the Group, the share of dematerialized emissions accounts for 42% of the total volume in 2017. Several subsidiaries already operate with 100% dematerialized products. In France, Italy, Slovakia and Romania, actions for further dematerialization will speed up this process.

However, digital formats are not suitable for all uses. In Mexico, for instance, the Mexican Government, with whom Si Vale does business, prefers paper vouchers to be used in certain isolated parts of the country.

Over and above various actions aiming to limit emissions from its historical products, the Group is now proactively engaged in developing and promoting new environmental products and services. In 2017, three examples illustrate this positioning.

In March, Si Vale launched the Inteligas platform, which provides customers with online access to data about their vehicle. The tool makes it easy for them to control fuel costs, particularly in a context where prices fluctuate significantly. It also provides information about energy consumption and vehicle performance.

EMPLOYEES MOBILIZED FOR THE ENVIRONMENT

In France and internationally, Up group's employees volunteer individually for the environment. Two examples for 2017:

- As part of the plan to reduce its carbon footprint, Up Romania has started engaging with the non-profit organization Se poate! (We can!) for a project that aims to plant 15,000 trees. In addition to the financial support provided by the company, on November 25, 2017, 40 of the company's employees worked alongside volunteers to plant 500 trees. Then, by the end of 2017, the 14,500 remaining trees were planted using mechanical planting techniques.
- In Taden, in 2017, Apologic renewed its collaborative garden project which is located around its buildings. Renamed "Apotager", this project is supported by the General Management and the Works Council, and enables employees to do some gardening during their lunch break. A composter was set up to collect coffee grounds and organic waste.

In Belgium, Monize is the only issuer to offer eco-vouchers exclusively in dematerialized form. The eco-voucher is a special benefit that increases workers' purchasing power while guiding consumer behavior toward environmental products and services that participate - directly or indirectly - in the preservation of our planet. This is a mechanism for raising awareness that involves all actors (employers, employees, merchants) in reducing greenhouse gases. In Belgium, one in two employees receives this benefit, amounting to a total of 1.6 million beneficiaries. In 2017, the Belgian subsidiary committed, alongside both social partners and the National Labor Council, to promoting this voucher and advising beneficiaries as to how they can use them. A communication campaign was launched in December on using this voucher as a year-end gift. A communication effort in January 2018 focused on heating and energy savings.

In 2017, in France, Up developed its regional aid platform for habitat energy restoration with the region of Normandy. Intended for municipalities, this innovative solution supports administrations in renovating their housing, by connecting them with various relevant public and private actors (auditors, renovators, public finance, banks, etc.).

The Up cooperative has thus positioned itself as the relay for a public policy aimed at reducing energy consumption, and as a central player in a trusted chain that fosters ecological transition.

TAKING ACTION EVERY DAY

Over and above transformations of the products themselves, things such as the company's everyday operations, how work is organized and employee habits can also influence the environmental impact of the business. In the three most impacting areas of the Group's carbon footprint, namely travel, paper used in the offices, and electricity consumption, the Group is committed to adopting responsible consumption patterns. It is also encouraging its teams to adopt virtuous behaviors and to be more vigilant about waste.

UP GROUP AGAINST FOOD WASTE

Fighting against food waste is one of the major guidelines in the Group's strategic project. This concern is played out in different ways, and specifically through partnerships:

- In France, the Up cooperative has begun to work with the Paris non-profit organization Biocycle, which takes on unsold food from professional vendors (shops, restaurants, cafeterias...) to redistribute it to charitable associations, on bicycles. Two joint actions were carried out in 2017: awareness training about food waste at the Up head office during the launch event for the Corporate Foundation, and implementation of solidarity actions (employee commitment as part of the solidarity leave programme).
- In Italy, the partnership with the start-up Last Minute Sotto Casa continues. Its aim is to connect merchants with unsold product and customers eager to take advantage of great offers. In 2017, 994 outlets (stores and supermarkets) and 69,118 users were signed up. In total, based on estimates by the affiliates, several tons of food were saved in financial year 2017.

TRAVEL

In the area of fleet management, efforts were pursued in 2017 to develop a more environmentally friendly fleet. The objective is to gradually limit the number of thermal vehicles in favor of electric or hybrid vehicles.

This transition is nevertheless partly dependent on the vehicle supply offered by manufacturers. In 2017, the Group's fleet increased by 11% in number of vehicles. The share of hybrid vehicles decreased.

Nevertheless, long-term actions will help to reverse this trend:

- Renovations were carried out at Group Headquarters to provide 26 electric charging terminals.
- Electric and hybrid vehicles are now offered in each category of the vehicle policy in the French subsidiaries. Whenever possible, hybrid rechargeable vehicles were included.
- The average CO₂ emission rate of the fleet in France is lower < 120 gCO₂//km (98% of the recent fleet).
- An electric vehicle is available on loan for occasional travel (at the Co-op's headquarters).
- 84% of the vehicle fleet of Up Romania in 2017 has CO₂ emissions < 105 gCO₂//km. Up Romania is mobilizing to meet this threshold for new vehicles, while respecting expressed needs.

For 2018,

- In France, the hybrid and electric fleet is due to increase, since vehicles ordered in 2017, to be delivered in 2018, are hybrid and electric vehicles.
- A test will be carried out in the Ile-de-France region by two volunteer sales representatives. They will use electric vehicles, and assess their compatibility with their daily professional needs, specifically in terms of autonomy and parking possibilities.

The increase in the rate of coverage shows an improvement in the comprehensiveness of the data collected. The Group's total fuel consumption increased by 8% in 2017, consistent with the 11% increase in the number of vehicles.

Awareness training for eco-responsible driving was not carried with the sales representatives of Day in 2017.

VEHICLE BREAKDOWN BY TYPE OF ENGINE

(RC: rate of coverage)	2016			2017	
	Published	Restated	RC	Restated	RC
Petrol/Diesel	87.50%	87.36%	82%	88.97%	100%
Hybrid	12.20%	12.32%	82%	10.60%	100%
Electric	0.30%	0.32%	82%	0.44%	100%

P5-Figure 3

Reprocessed 2016 data covers the exit of Up Morocco from the scope of reporting (5 vehicles).

FUEL CONSUMPTION IN LITERS

(RC: rate of coverage)	2016			2017			TREND
	Total	Per vehicle	RC	Total	Per vehicle	RC	
GROUP	832,101.81	1,318.70	79%	901,472.91	1,314.10	84%	↗ 8%

P5-Figure 4

Another important driver for reducing carbon footprint is to rethink the way work is organized on a day to day basis to limit travel. Many initiatives have been taken to that effect. In the Up parent company, remote meetings have become much more frequent. The same trend is present in Turkey, where Multinet is now focusing on video conferences to meet with its subsidiaries and regional offices.

In Mexico, Si Vale headquarters have organized more flexible schedules to enable their employees to avoid traffic jams and reduce commuting time. This type of measure produces effects both in terms of quality of life at work and limiting emissions.

The remote work agreement, signed in November 2016 in the cooperative, follows the same rationale. During its first year of implementation, it has enabled 41 employees to work remotely. When asked about their motivation, 70% of them gave reduced travel times as a motive.

PAPER CONSUMPTION IN THE OFFICES

In various subsidiaries of the group, actions and initiatives are converging to reduce the amount of paper used in the offices. The first step in this

approach is to educate employees in their everyday work environment. In Turkey, Multinet sent out information e-mailings to encourage its employees to be attentive to paper use and prefer e-mail to print-outs. Also, the Company's HSE Committee (Health and Safety Committee) has posted messages on printers to encourage double-sided printing. This approach was also adopted by Info DB and Si Vale, with an update of the rules for using printers.

QUANTITY OF OFFICE PAPER PURCHASED, IN TONS

(RC: rate of coverage)	2016			2017		TREND
	Published	Restated	RC	Restated	RC	
UP COOPERATIVE	ND	69.24	100%	66.93	100%	↘ -3%
FRANCE (excluding Up cooperative)	ND	3.74	97%	1.93	100%	↘ -48%
AMERICAS	ND	3.30	48%	6.21	89%	↗ 88%
EURASIA	ND	12.64	100%	11.10	100%	↘ -12%
WESTERN EUROPE	ND	5.19	91%	5.78	100%	↗ 11%
EUROMED	ND	3.00	55%	3.40	100%	↗ 13%
GROUP	97.20	97.11	79%	95.35	97%	↘ -2%

P5-Figure 5

This data was not published by geography in 2016. The increase in the Americas geography is explained by the inclusion of the Brazilian companies in the scope (Plan Vale, Policard and Vale Mais). The decrease in the France scope is due to several factors. This scope includes software publishers that use little paper. The choice was also made, in 2017, to count the total consumption of the cooperative's head office for the parent company, whereas in 2016, this consumption was prorated per subsidiary.

Process digitalization also reduces our paper consumption. This applies to both internal operations - for instance with digital archiving (Day), all leave requests to be submitted by e-mail (Si Vale) - and relationships with customers, affiliates and suppliers. In 2017, electronic billing

expanded to many subsidiaries (Italy, Romania, Slovakia, Spain). In parallel, various actions were undertaken to encourage customers and affiliates to place their orders online. At Up Romania, 59% of customers place their orders through their online accounts.

QUANTITY OF OFFICE PAPER PER FTE IN KG

(RC: rate of coverage)	2016			2017		TREND
	Published	Restated	RC	Published	RC	
UP COOPERATIVE	ND	88.14	100%	80.93	100%	↘ -8%
FRANCE (excluding Up cooperative)	ND	7.04	97%	3.57	100%	↘ -49%
AMERICAS	ND	3.49	48%	6.45	100%	↗ 85%
EURASIA	ND	21.76	45%	20.11	100%	↘ -8%
WESTERN EUROPE	ND	19.38	48%	20.04	61%	↗ 3%
EUROMED	ND	14.57	55%	15.37	100%	↗ 6%
GROUP	41.80	29.27	68%	28.11	97%	↘ -4%

P5-Figure 6

This data was not published by geography in 2016. The increase in the Americas geography is explained by the inclusion of the Brazilian companies into the scope (Plan Vale, Policard and Vale Mais). The rationale of sourcing paper from responsible sources also applies for office paper. In 2017, certified paper accounted for 83.2% (coverage rate: 97%) of the Group's supplies.

ENERGY CONSUMPTION

Among the measures taken to promote sustainable use of resources, controlling electricity consumption and looking for better energy performance continues to be a Group priority.

In 2015, in the wake of COP 21 and as part of its participation in the “SSE Lab”, Up group took part in the “1,000 SSE companies committed to civic energy transition” initiative. The Group specifically undertook to perform an in-depth study with the aim of achieving 100% of all French power to be contracted with a 100% renewable power supplier: Enercoop.

This company stems from the world of cooperatives, and sources from a network of 87 hydraulic power plants, 55 photovoltaic installations, 17 wind turbines and a biomass plant. Enercoop is the first electricity supplier to have guaranteed its customers 100% renewable power sourced in France. Enercoop’s prime objective is to develop electricity production from renewable sources, and to promote responsible energy behaviors among its consumers. To achieve this, Enercoop aims to make renewable energies more competitive by developing their market and encouraging reduced consumption.

For Up group, Enercoop now powers most French sites since 2017. Since January 1st, 2018, the contract has been extended to the Headquarters of the Group.

In Italy, Day has also chosen renewable electricity sources.

In 2017, for the head offices, the 100% renewable power supply represents 9% of total electricity supply. In 2018, the Group is aiming, for its head offices, to achieve over 60% of its electricity supply from 100% renewable sources.

At the same time, more targeted actions are being taken to promote energy savings. Following the same logic as for paper consumption, Multinet’s HSE Committee (Health, Safety and Environment) has taken several very concrete initiatives in 2017: daily manual shut-down of air conditioners, carried out by security guards, messages sent to employees to invite them to turn off their computers during the mid-day break and lights when they are not needed. The Committee itself carries out checks to ensure that these recommendations are followed.

In Bulgaria, Kavi reduced its consumption by acquiring new, less energy-consuming equipment - including computers - and by reducing its office space.

ELECTRICAL CONSUMPTION AT MAIN OFFICES IN kWh

(RC: rate of coverage)	2016			2017		TREND
	Published	Restated	RC	Published	RC	
ELECTRICITY CONSUMPTION	8,974,194	9,453,562	99%	9,550,623	87%	↗ 1%
FRANCE	6,380,102	6,690,446	98%	6,624,085	93%	↘ -1%
OUTSIDE FRANCE	2,594,092	2,763,116	100%	2,926,538	83%	↗ 6%

P5-Figure 7

The restatement for France is to be explained by the change in consumption by CEV (694,063 kWh instead of 383,719 kWh - integration of consumption for Alios (cards manufacturing). For the area “outside of France”, the restatement is due to the change in consumption at Up Ceska Republika (300,986 kWh instead of 118,625 kWh - integration of consumption at Vyroba (paper vouchers production).

GAS CONSUMPTION AT MAIN OFFICES kWh

(RC: rate of coverage)	2016			2017		TREND
	Published	Restated	RC	Published	RC	
TOTAL GAS CONSUMPTION	1,258,762	1,113,162	90%	1,102,967	91%	↘ -1%
FRANCE	266,633	121,033	68%	133,450	69%	↗ 10%
OUTSIDE FRANCE	992,129	992,129	100%	969,517	100%	↘ -2%

P5-Figure 8

The restatement of 2016 data is due to the fact that Info DB information had not been factored in because of information reliability issues.

STEAM CONSUMPTION (DISTRICT HEATING) AT MAIN OFFICES IN kWh

(RC: rate of coverage)	2016		2017		TREND
	Published	RC	Published	RC	
TOTAL STEAM CONSUMPTION	189,994	83%	220,285	100%	↗ 16%
FRANCE	-	-	-	-	-
OUTSIDE FRANCE	189,994	83%	220,285	100%	↗ 16%

P5-Figure 9

The increase in consumption is due to a better coverage rate. It should be noted that Day and Up Czeska Republika have decreased their consumption.

The Group's diagnostics tool: measuring for progress

As part of the "1,000 SSE companies committed to civic energy transition" initiative, UP group is also committed to improving energy performance in the buildings it owns worldwide.

In order to achieve this objective, the Group developed a specific methodology in 2016 which it applies to all its buildings, whether it is a tenant or owner. This method is used to evaluate building performance and establish comparisons from one year to the next, while ignoring the climate variable. The classification is based, in terms of its form, on the visual scale used for standard Energy Performance Diagnostics (ECD), but the methodology used is clearly distinct.

Building performance was evaluated using the existing method for the year 2017. A slight change in buildings overall is to be noted.

A plan of action must be developed for the buildings that consume the most energy, with a ranking based on priority of action.

WASTE MANAGEMENT

Waste management is an integral part of Up group's strategic goals, although it does not have a significant impact on the carbon footprint of the Group (which mainly provides services), and is an area that is monitored daily. Selective sorting is adapted to the context of each country.

As a follow-up of the operation carried out in 2016 with all the subsidiaries, caps collection was continued in 7 companies of the Group (Apologic, Day, Monize, Si Vale, Up, Up Spain and Up Romania).

In order to continue its commitment in this area, the parent company wants to improve its Zero Waste practices in the events it will be organizing.

GENNEVILLIERS: COLLECTED AND REPURPOSED OBJECTS

The Concierge Solidarity Services set up at Group headquarters in Gennevilliers has taken over the management of the Hummingbird Box, in partnership with a recycling organization: La Fabric'A. Various clothing and objects are collected from employees.

In 2017, the initiative was able to collect and repurpose, in a short cycle, 1,648 kg of clothing, 284 kg of footwear and 511 kg of books, DVDs and cassettes.

NUMBER OF MAIN OFFICES PRACTICING SELECTIVE WASTE SORTING

(RC: rate of coverage)	2016			2017		TREND	
	Published	Restated	RC	Published	RC		
Paper/cardboard	14	13	99%	15	100%	↗	15%
Glass	10	9	99%	6	100%	↘	-33%
Plastic	14	13	99%	12	100%	↘	-8%
Cans	6	5	99%	5	100%	—	0%
Batteries	14	13	99%	12	100%	↘	-8%
Equipment waste Electrical and electronic	13	12	99%	11	100%	↘	-8%
Compostable waste	2	2	99%	3	100%	↗	50%
Chemical waste (Solids and liquids)	3	2	99%	2	100%	—	0%
Printer Toners	17	15	99%	19	100%	↗	27%
Light bulbs/Tubes	9	8	99%	9	100%	↗	13%
Microchips	6	6	99%	3	100%	↘	-50%

Up Morocco exited the scope for reporting in 2017 because of a change in status.

P5-Figure 10

COST OF WASTE PROCESSING IN k€

2016 - 2017



Rate of coverage

2016 - 2017



P5-Figure 11

WATER CONSUMPTION AND SUPPLY ACCORDING TO LOCAL CONSTRAINTS

Most of the Group sites are sales offices where water is used only for sanitary purposes. Production activities have micro-production printers that do not use water. They too use water only for sanitary purposes. This type of consumption is often included in utilities as a whole, and it is difficult to collect this information specifically. Lastly, analyzing the data is complex because the quantities are frequently distributed by landlords based on number of square meters occupied, which does not always match the actual quantities consumed. For all these reasons, water consumption is not being monitored.

RESOURCES INVESTED FOR THE PREVENTION OF ENVIRONMENTAL RISKS AND POLLUTION

Because Up group mainly operates in the service industry, its environmental impact is low. As a result, no provision for risks and charges has been made.

The Group is nonetheless convinced of the importance of committing to reducing its impact.

FACTORING IN ANY FORM OF POLLUTION SPECIFIC TO A GIVEN ACTIVITY, INCLUDING NOISE AND LIGHT POLLUTION

Up group is essentially a service business. Its impact on air, water and soil is insignificant. Most of its sites are commercial agencies. Production sites are printing entities that do not produce any emissions in the water, the air or the ground. The Group's activities and locations present a minimal risk in terms of noise or other disturbances to the neighborhood. These impacts are therefore considered irrelevant in this report.

Total existing impacts are nevertheless taken into account and prioritized in the three entities that are ISO 14001 certified for all their locations. The ad hoc action plans are carried out by the relevant subsidiaries (Up cooperative, Day and Up Romania).

INTERNAL CONTROL FRAMEWORK

Internal control is a system implemented by Up group to manage its risks and continuously improve the efficiency of its business processes in order to ensure the sustainable development of its activities and the achievement of its objectives. Internal control is therefore an integral part of the Up group governance. It involves all employees and the entire management chain.

This report presents the general organization of Up group's risk management and internal control system. Approved by the Board of Directors, it covers Up, the Group's parent company and subsidiaries that are majority-owned by the Group.

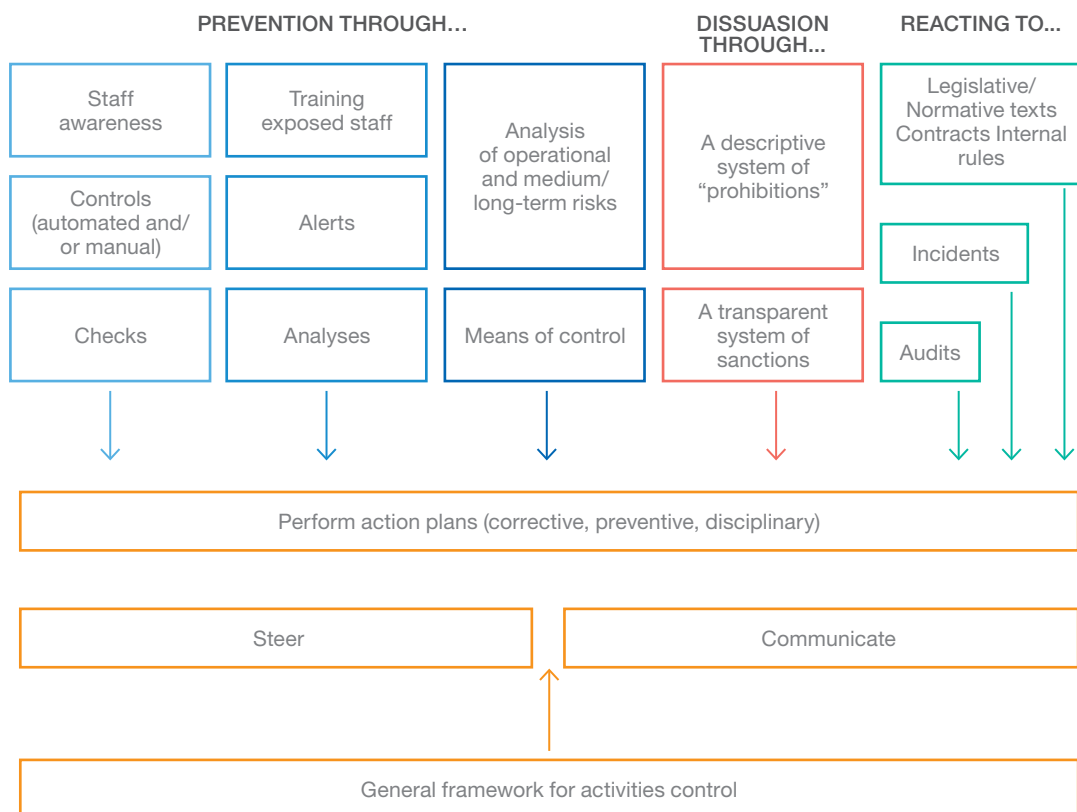
INTERNAL CONTROL REPOSITORY SELECTED BY UP GROUP

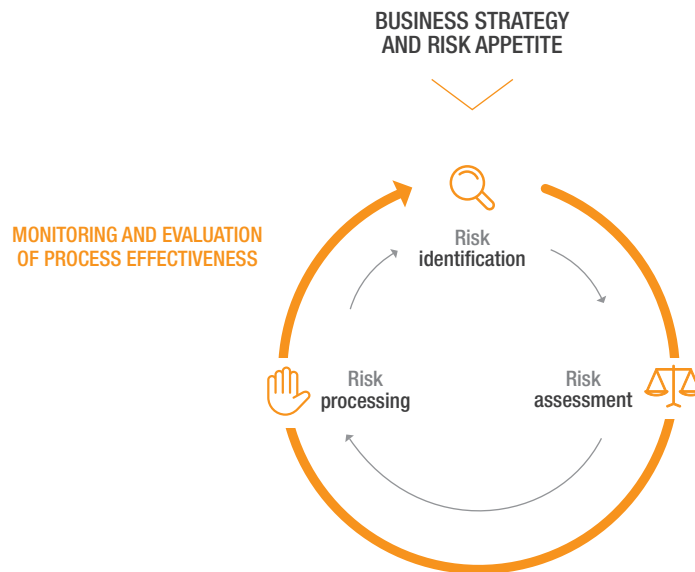
In compliance with the definition of the "COSO Report" (Committee of Sponsoring Organizations of the Treadway Commission), which is the internal control repository chosen by the Group, the mechanism of internal control involves the permanent establishment and adaptation of appropriate management systems, with the aim of providing Directors and Managers with reasonable assurance that:

- Financial information is reliable,
- Legal and internal regulations are complied with,
- The company's main processes work efficiently.

As is the case for any control system, an absolute guarantee cannot be given that all risk of error or fraud is eliminated or controlled.

A PROCESS FOCUSING ON 6 KEY AREAS





PREVENTION

Anticipating medium-and long-term risks, as well as daily operational risks, is the focal point of the activity control process. Controlling risks requires, on the one hand, implementing regular surveys and analyzing the main risks the Group could face, on the other hand, deploying and permanently running a risk management system to eliminate or reduce the likelihood of risks materializing and to limit their impact.

Risk identification and analysis is structured around several coordinated approaches:

- The Group's risk mapping identifies the main risks to which the Group is exposed, enable security measures to be implemented in the parent company and all the Group's subsidiaries. The status of these initiatives is presented to the Audit and Risks Committee.
- This process-based approach guides subsidiaries in formalizing local procedures with the aim of identifying the data used, which must be protected, and the operational risks that must be controlled by establishing regular inspections.

The risk management system set up in the Group is constantly being adapted to deal with new issues and risks that the Group has to face. Awareness building in the entire workforce, and training exposed personnel, are the most effective ways to limit risks and in particular non-compliance. Awareness-building and training are the underpinning of the Group's prevention initiatives in its business control process. Resources are made available to French and foreign sub-

siidiaries. The subsidiaries are then in charge of organizing awareness and training sessions in French, English or in their local language. In 2017, the focus was on combating corruption and fraud, and on protecting personal data.

DISSUASION

This initiative is driven by the surveillance systems in the Group's sites (safety of persons) and by the various regulations to which employees are subject:

- The Organizational Principles present the Group governance and define responsibilities at different levels of the organization;
- The Rules of the Group are the common foundation that all entities in the Group must implement. They are the key principles for improving performance and meeting the Group's commitments towards its stakeholders (clients, employees and partners);
- The Code of Business Conduct defines rules of conduct such as complying with laws and regulations, preventing conflicts of interest, showing respect for individuals and the environment, protecting the Group's assets, financial transparency, the importance of internal control, implementing the of rules of conduct and failure.

Employees who violate these rules are exposed to locally defined sanctions that are specified in the Rules of Procedure in France and in any equivalent document internationally.

THE REACTION

The Group expects its subsidiaries to actively monitor the economic, political, legislative and societal environment. In response, regulatory or normative compliance actions must be defined and followed rigorously. Likewise, customers and suppliers are asking for an increasingly fine-tuned framework for the contractual relationship. Vigilance when accepting customer clauses and formalizing supplier clauses includes the business control process.

IT or technical incidents and incidents of fraud need to be recorded locally, with a precise description of the incidents, identification of the causes and lastly definition of the immediate actions to be taken followed by more in-depth actions. Each subsidiary must, with a view to cross-fertilization, decide which incidents to share with the other subsidiaries. These incidents are then fed upwards to the Group, informing a major incident database. Each major incident is recorded in a detailed file that is communicated to the Audit and Risks Commission and to the Executive Committee.

Every subsidiary decides what kind of periodic control it should set up. As for the parent company, it defines which actions should be taken to test the robustness of the systems set up in the subsidiaries. Any audit initiated by the parent company is incorporated into the annual audit plan approved by the Audit and Risks Commission. The summary of the audits is presented to this Commission, as well as to the relevant geographies and subsidiaries.

An alert system should enable subsidiaries to detect anomalies in their processes, including fraud, corruption, money-laundering and financing of terrorism. Every subsidiary, to date, is autonomous on this point.

In order to enable employees to report unethical behavior, particularly cases of corruption, regular discussion times are organized in all the subsidiaries in the presence of the President of the Group. Alerting management, whenever possible, is of course the most direct way to report unethical behavior.

ACTIONS

The Group expects its subsidiaries to determine which relevant actions to undertake when dealing with incidents, audits and new regulations. Likewise, the Group expects local organizations to handle:

1. Everyday risks,
2. Longer-term risks.

The former are subject to formal and regular control plans, the latter require setting up security actions.

COMMUNICATION

To communicate and support the subsidiaries in deploying this process locally, Up group makes available to its employees a complete set of documents and many tools.

- Key rules and principles: all the Group's internal rules and policies are applicable to all the Group's employees. They are available in the Group document database.

- A process repository: macro-processes cover the meshing between Up's Strategic project, the Group Rules, the commitments stemming from the Roots and Wings Project (DREDA) and Group major risks; macro processes break down into Group processes that define the responsibilities of the functional Departments and of local the General Management. For each process, the expected key indicators are specified, as well as the points that require special vigilance.

STEERING

Up group has implemented an integrated approach to risk management and internal control, the purpose of which is to ensure that risks are assessed and managed at the appropriate levels of the organization: depending on their nature, control actions are driven either locally or at the Group level.

The Group's internal control system is based on principles defined by the Board of Directors and ensuing policies, the application of which must be implemented by each subsidiary according to local specificities.

A network of internal control managers provides an avenue for permanent dialogue between the local and central levels. This network works like a conveyor and an amplifier for the "internal control culture" that the Group wants to develop.

The Group Rules state that internal control is one of the fundamental responsibilities of the General Management in each entity. Functional and operational managers are in charge of disseminating and enforcing the rules, policies and procedures, to ensure that practices at every level of the organization are in line. They also have a duty to follow the key indicators that will account for the maturity of the subsidiaries, the status of deployment and ownership of the subject matter, both at the central and local levels. Tools are made available to the subsidiaries in order to enable dual handling, locally to monitor actions and centrally for consolidated follow-up. At the end of 2017, a major risk-monitoring module was launched, centralizing all major risk-securing actions. It is now possible, for both the subsidiary and the Group, to share these actions more easily and report issues more factually.

PARTIES CONCERNED

Internal control is concerns all of Up group's General Management bodies, relying both on the commitment of the General Management and on a culture of internal control at all levels of responsibility.

The Board of Directors establishes the principles of the internal control framework, and ensures that the Group's internal control and risk management policy is implemented by Senior Management at all levels of the organization.

Because of its general mission of providing reasonable assurance to the company's shareholders as to the achievement of the Organization's objectives, this ensures that:

- Risk control based on the level of risk that the Group is willing to accept
- The effectiveness of the organization and procedures in place
- Compliance with laws and regulations
- The existence of appropriate financial supervision.

The Audit and Risk Commission, an offshoot of the Board of Directors, is in charge of monitoring the effectiveness of the internal control and risk management systems: monitoring the existence and relevance of the activity control process, receiving information about weaknesses identified via internal and external audits, and the status of action plans.

The Executive Committee shall apply the principles of internal control as defined by the Board of Directors. The Committee coordinates the actions resulting from these principles, by:

- Deploying risk control tools
- Following-up on the action plans laid down at Group level, in particular the plans resulting from audits carried out by area functional Divisions;
- Regularly updating the risk map by footprint;

The mission of the functional Department is:

- Documenting the company's processes by drafting framework policies and procedures;
- Defining and updating "expectations" in terms of risk control and process monitoring resources;
- Supporting subsidiaries in the effective implementation of these policies as well as risk control and process monitoring resources.

Regional Managers are in charge of defining and implementing any measures that may be required to reduce the Group's exposure to risks. It is their job to arbitrate between taking risks and investing in hedging strategies.

Risk control is based in particular on the foundational principles set out in the Group's Organization Principles and the Group Rules Manual.

These principles are the subject of regular communications and are part of a process of preventive management for the Group's main risks.

Subsidiaries' General Management and their Management Committees must navigate between compulsory and non-compulsory options. They ensure that rules are being applied, and choose best practices to control their activities. In this context, they perform the following:

- Set up a formalized internal control repository, regularly updated and based on the reference framework recommended by the Group;
- Map local risks, including impacts, with an assessment of probability of occurrence and level of control using the methods defined by the Group;
- Implement preventive and corrective action plans wherever weaknesses are identified;
- Hold at least one meeting annually of the Steering Committee that is dedicated to internal control management and control of risks.

An "Internal control officer" is appointed in each operational subsidiary, according to their expertise. The Officer's role is mainly:

- To support management in identifying risks,
- To provide support for the implementation of control plans and ensure that internal control procedures are in place in their subsidiary,
- To monitor the progress of all action plans: compliance actions, actions following incidents, actions to ensure safety from risks, actions following audits or external evaluations,
- To educate employees on the different topics of the day, and contribute to disseminating a culture of internal control.

The Compliance & Risk Management

Department is in charge of driving and facilitating the internal control and risk management system. From the operational standpoint, this Department supports the subsidiaries in compliance activities, based on recent regulatory developments. This Department also ensures compliance with the relevant regulations on data protection, as well as combating money laundering, financing of terrorism and corruption. It follows the progress of action plans to ensure safety against major risks, as well as corrective actions following major incidents.

To do so, it relies on local Management Committees and a network of “local task officers” appointed on the basis of their expertise. It coordinates the community as a whole via an internal website for “Compliance and Risks”, which offers different information modules.

From the functional standpoint, this Division assists functional Divisions in the implementation of standards, policies and documentation to inform subsidiaries about what is expected, and to facilitate local deployment. The Group has to drive the working methods; subsidiaries must take advantage of these methods while maintaining autonomy in terms of their deployment. The Group’s ambition is to cultivate this precious balance between compulsory and non-compulsory options.

Internal auditors have a duty to independently assess the quality of internal control at every level of the organization, based on the local and central annual audit plan. Their findings and recommendations are formalized in audit reports, and addressed to audited entities and their management. A summary of these reports is submitted to the Audit and Risks Commission as well as to the Group’s Executive Committee.

All functions in the company are involved in the internal control process. This is a shared responsibility. The internal control process cannot be effective and efficient without the participation of all employees. Both Management and the “internal control officers” support the dissemination of an internal control culture, including through daily continuous improvement actions.

Lastly, as part of its mission to certify the financial statements, the College of Auditors identifies the internal control elements that are relevant to the audit, in order to factor in any items that show some risk of significant anomalies in the Group’s accounts. The College of Auditors can make recommendations if necessary.

REFERENCE FRAMEWORK OF THE EXTRA-FINANCIAL REPORT

This reference framework describes the scope and methodology of the extra-financial report as developed in Up Group, to assist readers in understanding this report.

Each year, the Group improves its processes as they relate to the extra-financial report, with the goal of becoming increasingly precise and transparent. It is necessary for everyone involved to rally and receive support in order for the international collection of information to succeed.

The purpose of extra-financial information is:

- To ensure proper correlation between strategic goals and achievements in the five programmes, both at Group level and in each of the subsidiaries,
- To satisfy the French “Grenelle 2” regulatory obligation of publishing non-financial information for the Up cooperative and the consolidated Group level,
- To inform its stakeholders with clarity and transparency.

For this financial year ending on 12/31/2017, Up group had the presence and sincerity of this information verified by a third party independent organization, Group Y.

REPORTING PERIOD

The quantified indicators are calculated for the period from January 1st, 2017 to December 31, 2017. Similarly, qualitative information relates to the 2017 calendar year.

SCOPE OF CONSOLIDATION FOR EXTRA-FINANCIAL DATA

The scope of the extra-financial report meets legal obligations and is an emanation of the financial report. Entities fulfilling any of the following conditions are to be included in the reporting footprint:

- Ownership is greater than or equal to 50%,
- Minority ownership, but the parent company or one of the group’s subsidiaries has operational control of the entity.

Rules covering exclusion at Group level are:

- Proportionally consolidated entities,

- Entities consolidated using the equity method,
- SCI entities (French property company)

The following companies remain within the scope of collection in order to preserve their data history, and maintain consistency and comparability over a 3-year period:

- Companies that do not have employees between January 1 and December 31,
- Merged companies,
- Dissolved companies,
- Entities that were transferred during the year.

TOOLS USED FOR DATA COLLECTION

TOOVALU CSR

The Toovalu CSR tool is a data platform, accessible via Internet in SAAS (Software as a Service) mode. It is used to collect raw data from the 5 strategic programmes, namely: governance, social, economic, societal and environment.

The data is collected in two different ways:

- By the subsidiaries (qualified data “TO BE CAPTURED”),
- By the Group, centrally (qualified data “TO BE IMPORTED”).

Data “TO BE CAPTURED” is collected directly in the online Toovalu CSR tool.

Data “TO BE IMPORTED” is collected in the parent company from referent persons for a given programme, then through Excel templates imported into the tool by the extra-financial reporting team.

All raw data can be exported as an Excel or CSV file for control or consolidation.

VBA EXCEL

This is a tool for consolidating and calculating the coverage rate, developed with Excel.

It enables the automatic processing of all raw data extracted from Toovalu CSR, and presents the data by programme and by geography in the form of tables and/or graphs.

STATUS OF THE SUBSIDIARIES

Subsidiary status has been divided into 4 types, to enable them to enter the reporting process gradually (over a maximum period of 3 years) and to simplify the collection process in specific cases, and for a specific context.

The four categories are as follows:

- Parent company,
- Principal subsidiary,
- Secondary subsidiary,
- Exceptional subsidiary.

Each type of subsidiary is correlated with certain specific data, allocated for each strategic programme.

CASE OF THE PARENT COMPANY

The parent company is presented in the extra-financial report under the name “Up cooperative”. Its status is that of Principal, with specific data in respect of the governance of the Group. This subsidiary provides information on all 5 programmes in the Toovalu CSR collection tool.

It also benefits from data imported by the Group, as is the case for other subsidiaries.

CASE OF THE PRINCIPAL SUBSIDIARIES

A Principal subsidiary is the largest subsidiary on a site in terms of workforce (at the same address). It can include several legal entities. This subsidiary provides information on all 5 programmes in Toovalu. It also benefits from the data imported by the Group. The Multinet subsidiary in Turkey is a specific case that includes 4 additional data items in the Planet Programme, linked to its vehicle rental business.

CASE OF SECONDARY SUBSIDIARIES

A Secondary subsidiary is:

- Either a subsidiary that has the same address as a Principal subsidiary,
- Or a subsidiary acquired sometime during the year.

Secondary subsidiaries do not capture data in the collection tool and benefit from data imported by the Group.

Secondary subsidiaries may, if they wish, move directly to Principal status as of N+1.

CASE OF EXCEPTIONAL SUBSIDIARIES

An exceptional subsidiary is a subsidiary that is preparing to move to Principal status, or that cannot do so because of its economic and/or social context (including in the case of downsizing, regulatory changes...).

This subsidiary captures the same data as a Principal subsidiary, except as relates to the Planet Programme. It also benefits from the data imported by the Group.

SCOPE SUMMARY WITH SUBSIDIARIES AND THEIR STATUS

REF 2017 SUBSIDIARIES	LEGAL NAMES	COUNTRY	TOOVALU 2017 AREA	STATUS OF THE SUBSIDIARY
ABC ENGINEERING	SARL ABC ENGINEERING	FRANCE	FRANCE	Principal
ACTOBI	ACTOBI	FRANCE	FRANCE	Exceptional
ALIOS	ALIOS	FRANCE	FRANCE	Secondary
APOLOGIC	APOLOGIC INFORMATIQUE APPLICATIONS	FRANCE	FRANCE	Principal
ARCAN FRANCE	ARCAN SYSTEMS	FRANCE	FRANCE	Principal
AYPARA	AYPARA	TURKEY	EURASIA	Secondary
BONUS SYSTEMS POLSKA	BONUS SYSTEMS POLSKA SA	POLAND	WESTERN EUROPE	Secondary
CDHI	C.D. HOLDING INTERNATIONALE	FRANCE	FRANCE	Secondary
CDHI Brasil	CDHI BRASIL PARTICIPACOES LTDA	BRAZIL	FRANCE	Secondary
CEV	CEV Group	FRANCE	FRANCE	Principal

NAMES USED IN THE DATA TABLES	COMPANY NAMES	COUNTRY	REGIONS	STATUS OF THE SUBSIDIARY
DAY	DAY RISTOSERVICES S.P.A	ITALY	EUROMED	Principal
DOME	DOME	FRANCE	FRANCE	Exceptional
DOMICOURS	DOMICOURS COLLECTIFS	FRANCE	FRANCE	Secondary
FBR	FBR SOLUCOES PARTICIPACOES	BRAZIL	AMERICAS	Secondary
FILO MULTINET	MULTINET FILO HIZMETLERI	TURKEY	EURASIA	Secondary
IDEALIST	IDEALIST	TURKEY	EURASIA	Secondary
IMPLICIT	IMPLICIT = CITYZEN	FRANCE	FRANCE	Principal
INFO DB	INFO DB	FRANCE	FRANCE	Principal
ININAL	ININAL ELEKTRONIK ODEME	TURKEY	EURASIA	Exceptional
INTERFACE	InterfaCE SAS	FRANCE	FRANCE	Secondary
DMJ	DMJ COMMUNICATIONS	FRANCE	FRANCE	Secondary
INTERFACE COMMERCE	INTERFACE COMMERCE	FRANCE	FRANCE	Secondary
KALIDEA	KALIDEA	FRANCE	FRANCE	Secondary
MONIZZE	MONIZZE	BELGIUM	WESTERN EUROPE	Principal
MOVE UP	MOVE UP SOLUTIONS	FRANCE	FRANCE	Secondary
MULTINET	MÜLTINET KURUMSAL HIZMETLER ANONIM SIRKETI	TURKEY	EURASIA	Principal
OSAP	OSAP	TURKEY	EURASIA	Secondary
PLAN VALE	PLANINVESTI ADMINISTRACAO E SERVICOS LTDA	BRAZIL	AMERICAS	Principal
POLICARD	POLICARD	BRAZIL	AMERICAS	Principal
SCS KENT	SCS KENT TEKNOLOJILERI	TURKEY	EURASIA	Secondary
SI VALE	SI VALE MEXICO	MEXICO	AMERICAS	Principal
TEKNO MULTINET	MULTINET TEKNOLOJI	TURKEY	EURASIA	Exceptional
TOMBOU	TOMBOU BULGARIA OOD	BULGARIA	EURASIA	Principal
TOPCHECKS	TOPCHECKS	TUNISIA	EUROMED	Secondary
UP	UP	FRANCE	UP COOPERATIVE	Parent Company
UP AGANEA	AGANEA INVESTMENTS SA	SPAIN	EUROMED	Secondary
UP BULGARIE	CHÈQUE DÉJEUNER BULGARIE EUROPE OCCIDENTALEOD	BULGARIA	EURASIA	Secondary
UP CESKA REPUBLIKA	CHÈQUE DÉJEUNER S.R.O	CZECH REPUBLIC	WESTERN EUROPE	Principal
UP DEUTSCHLAND	UP DEUTSCHLAND GMBH	GERMANY	WESTERN EUROPE	Exceptional
UP FILIALE MAROC	CHÈQUE DÉJEUNER SARL	MOROCCO	EUROMED	Exceptional
UP HELLAS	UP HELLAS SA	GREECE	EURASIA	Exceptional
UP POLSKA	CHÈQUE DÉJEUNER SP Z.O.O	POLAND	WESTERN EUROPE	Principal
UP PORTUGAL	CHÈQUE DÉJEUNER PORTUGAL SA	PORTUGAL	EUROMED	Exceptional
UP ROMANIA	CHÈQUE DÉJEUNER ROMANIA SRL	ROMANIA	EURASIA	Principal
UP SERVICII	UP SERVICII	MOLDOVA	EURASIA	Secondary
UP SLOVENSKO	CHÈQUE DÉJEUNER S.R.O	SLOVAKIA	WESTERN EUROPE	Principal
UP SPAIN	CHÈQUE DÉJEUNER ESPAÑA	SPAIN	EUROMED	Principal
UP VYROBA	CHÈQUE DÉJEUNER VYROBA S.R.O	CZECH REPUBLIC	WESTERN EUROPE	Secondary
VALE MAIS	EMPORIO CARD	BRAZIL	AMERICAS	Principal

CHANGES IN THE 2017 FOOTPRINT

MERGERS

In the full extra-financial report, between 2016 and 2017, mergers and acquisitions have changed the number of legal entities.

- DMJ: There were 12 employees in this Principal entity in 2016.

Pursuant to a merger of DMJ with Kalidéa and Interface CE on 30/06/2017, with retroactive effect from January 1, 2017, only the following data is provided for 2017: "Gross payroll" and "Number of departures for transfers".

There is no other figure for the 2017 data because the legal entity has been dissolved.

- Implicit-CityZen: Implicit absorbed 4 entities (Apologic, Info DB, ABC Engineering and Arcan), and then changed its name to become CityZen. These mergers are effective on January 1st, 2017. The data was collected from each of these 5 subsidiaries and consolidated for France in 2017.

SPECIAL CASE OF FILO

Filo is a Secondary subsidiary. It had 13 employees in 2015, none in 2016 because the employees were transferred to another subsidiary, then again had employees in 2017.

Corrections and additions have been captured precisely in the software regarding these 13 transfers in 2016.

In 2017, the presence of employees in this subsidiary was discovered quite late. This subsidiary remains in Secondary status, and only certain data has been imported into the software programme.

DATA VERIFICATION 2017

At the end of the collection period, all subsidiary data is verified, completed, consolidated and analyzed centrally by the persons identified as "Programme Referent Persons".

The Subsidiary Directors and Regional Directors are in charge of reviewing the consistency of the captured data and processing any discrepancies. They are responsible for the accuracy and comprehensiveness of their data.

CONSOLIDATION

The raw data collected in Toovalu is then exported to Excel. This Excel database is then automatically reprocessed through a macro developed in VBA. This file presents a set of calculations, graphs, and

tables that are automatically generated and that incorporate the N/N-1 evolution percentages as well as the coverage rates.

This consolidation spreadsheet provides the "final" data that is published in Up group's extra-financial report.

In the data tables published in this report, whenever the coverage rate is not indicated, it is because it is equal to 100%. Failing that, a dedicated column specifies the coverage rate.

DRAFTING

After consolidation, the Group's Human Resources Division, the Group's Financial Affairs Division, and the Group Communications, Public Affairs and Commitments Division share the process of drafting the extra-financial report.

COVERAGE RATE

In 2016, the method of calculating the coverage rate was as follows:

- Data qualified as "TO BE CAPTURED" was factored into the calculation (informed by Principal and by Exceptional subsidiaries).
- Data qualified as "TO BE IMPORTED" for Secondary subsidiaries was not factored in, as this data was already taken into account with a coverage rate of 100%.

In 2017, all subsidiaries, including Secondary subsidiaries, were included for calculating the coverage rate, and regardless of how the data was qualified ("TO BE CAPTURED", "TO BE IMPORTED"). Taking into account all the data from all the subsidiaries in this calculation method provides the assurance of an accurate and exhaustive coverage rate. All coverage rates are weighted based on the workforce as on 31/12/2017.

In 2017, the data published in this report is based on the following coverage rates:

- Steering: 99.92% vs. 83% in 2016-> + 20.38%
 - Profit: 99.92% vs. 100% in 2016->-0.08%
 - People: 99.82% vs. 91% in 2016-> + 9.69%
 - Proximity: 98.84% vs. 93% en 2016-> + 6.28%
 - Planet: 94.13% vs 90% in 2016-> + 4.59%
- i.e. global coverage rate significantly up: 98.86% vs. 90% in 2016-> + 9.84%

Up group's extra-financial report is audited by an independent third party, Group Y.

REPORT OF THE INDEPENDENT THIRD PARTY AUDIT OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION CONTAINED IN THE MANAGEMENT REPORT

Year ending on December 31, 2017

To Cooperative-Members,

In our capacity as an independent third party organization accredited by COFRAC under the number 3-1103 (available on the www.cofrac.fr website), we submit our report on the consolidated social, environmental and societal information presented in your management report (hereinafter "CSR Information"), prepared for the year ended December 31, 2017, pursuant to the provisions of article L. 225-102-1 of the Commercial Code.

Responsibility of the Cooperative

The Board of Directors is responsible for preparing a management report that includes CSR information, as per Article R.225-105-1 of the Commercial Code, prepared in compliance with the standards used by the Cooperative, a summary of which can be found in the management report and is available on request at the Cooperative headquarters.

Independence and quality control

Our independence is defined by regulations, the code of ethics of the profession as in the Decree of March 30, 2012 relating to accountancy, and takes into account the provisions of Article L. 822-11 of the Commercial Code. Furthermore, we have implemented a quality control system which includes documented policies and procedures to ensure compliance with rules of ethics and professional standards, as well as applicable legal and regulatory texts.

Responsibility of the independent third party organization

Based on our work, our task is as follows:

- To certify that the required CSR information is present in the management report, or, in the event of any omission, is recorded in an explanation pursuant to the third paragraph of Article R. 225-105 of the Code of Commerce (Certificate of presence of CSR information);

- To express a moderate conclusion of assurance that the CSR information taken as a whole is presented, in all its significant aspects, in a sincere manner in accordance with the repository (reasoned opinion on the reliability of the CSR information).

Our work was performed by 4 qualified professionals between December 2017 and April 2018, for a total intervention lasting about 13 weeks.

We performed the work described below in accordance with professional standards applicable in France and in compliance with the Decree of May 13, 2013, which determines the terms for the performance of its mission by an independent third party.

CONFIRMATION OF THE PRESENCE OF CSR INFORMATION

Pursuant to discussions with the relevant Division heads, we are informed of the guidelines on sustainable development, based on the social and environmental consequences associated with the Cooperative's activity and its societal commitments, and, where appropriate, the actions or programmes resulting therefrom.

We have compared the CSR information in the management report with the list provided in Article R. 225-105-1 of the Commercial Code.

Where certain consolidated information is absent, we have verified that explanations were provided in accordance with the third paragraph of article R. 225-105 of the Commercial Code.

We have verified that the CSR information covers the company's consolidated footprint, which includes the Cooperative and its subsidiaries within the meaning of Article L.233-1 and the companies it controls in the meaning of article L.233-3 of the Code of Commerce, with the limits specified in the terms of reference presented in the CSR report.

On the basis of this work and taking into account the limits mentioned above, we attest to the presence in the management report of the required CSR information.

REASONED OPINION ON THE SINCERITY OF THE CSR INFORMATION

We conducted some 20 interviews with the persons in charge of preparing the CSR information in the Departments that are collecting the information and, where appropriate, are responsible for internal control and risk management procedures, for the purpose of:

- Assessing the adequacy of the repository in terms of its relevance, completeness, neutrality, reliability and comprehensibility, taking into account, where appropriate, best practices in the sector;
- Verifying the implementation of a process for collecting, compiling, processing and controlling that aims for completeness and consistency of CSR information, and examining the internal control and risk management procedures that relate to developing CSR information.

We have determined the nature and extent of our tests and controls based on the nature and importance of CSR information, in view of the characteristics of the Cooperative as well as the social and environmental challenges of its activities, its sustainable development policy and best practices in the sector.

As concerns the CSR information which we considered to be most important¹:

- For the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures for the quantitative information,

and we verified calculations and data consolidation based on surveys and have verified data coherence and consistency with the other information contained in the management report;

- For the Up representative entity, which we selected based on its activity, its contribution to the consolidated indicators, its location and our risk analysis, we conducted interviews to verify the correct application of procedures, and performed sampling-based detail tests to check the calculations and reconcile the data with supporting documents. The selected sample represents on average 25% of the consolidated workforce.

- For the Si Vale subsidiary in Mexico, we conducted an interview with the North America Area Manager, the General Manager, the Human Resources Director and the Quality Manager to understand how the reporting process is performed by a non-French subsidiary. This enabled us to verify the correct application of the procedures and to perform detailed tests on samplings for certain items of information considered important for the Mexican subsidiary². The selected sample represents on average 13% of the consolidated workforce.

As for the other consolidated CSR information, we assessed its consistency with respect to our own knowledge of the Cooperative.

Lastly, we assessed the relevance of the explanations, where appropriate, regarding the complete or partial absence of some information.

We believe that the sampling methods and sample sizes that we used, exercising our professional judgment in this regard, allow us to draw a conclusion expressing moderate assurance; higher-level assurance would have required more extensive audit work. Because we used sampling techniques and because of other limitations inherent in the operation of any information and internal control

system, the risk of non-detection of a significant anomaly in the information CSR cannot be totally eliminated.

Conclusion

On the basis of this verification work, with the exception of the information on the number of hours of training which is difficult to reconcile as a result of a break in the audit trail and the absence of some evidence, we have not identified any other significant anomalies such as could challenge the fact that the CSR information, taken as a whole, is submitted in a sincere manner in compliance with the repository.

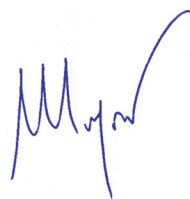
Observations

Without questioning the conclusion above, we would like to draw your attention to the following point: the Mexico subsidiary Si Vale must complete the rules for constituting the reporting repository, in particular in the process of formalizing the calculation methods and the description of the source documents that will establish the reliability of the collection process.

Done at Niort, April 18, 2018

THIRD PARTY INDEPENDENT ORGANIZATION

GROUPE Y Audit



Arnaud MOYON
Partner, Sustainable Development Department

1 – Social Information: Total staff, distribution of employees, hiring and redundancies, conditions for social dialogue, policies implemented in the field of training and total number of hours of training.

Environmental information: Consumption of raw materials and measures taken to improve efficiency in how they are used, energy consumption, measures taken to improve energy efficiency and the use of renewable energies, as well as items producing significant greenhouse gas emissions generated as a result of the Cooperative's activity, including through the use of goods and services that it produces.

Societal information: Conditions for dialogue with persons or organizations interested in the activity of the Cooperative, partnership or philanthropy actions, social and environmental issues taken into account in the purchasing policy.

2 – Audited information for Si Vale: Total workforce, hiring and redundancies, training policies and the total number of hours of training, consumption of raw materials and measures taken to improve efficiency in how they are used, partnership and philanthropy actions.

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