



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.



Global Compact

Elior

Communication on Progress – 2012

Contents

<i>Statement of continuing support by Robert Zolade, Chairman of the Elior Group Supervisory Board..</i>	<i>3</i>
<i>Responsible raw materials.....</i>	<i>4</i>
<i>Building the skill sets of employees.....</i>	<i>8</i>
<i>The ten principles of the Global Compact.....</i>	<i>11</i>

Statement of continuing support by Robert Zolade, Chairman of the Elior Group Supervisory Board



Human rights, labour conditions, the environment and fighting corruption – these are the areas covered by the Global Compact's universal principles and which form the bedrock of Elior's sustainable development approach.

In less than 20 years Elior has become a major player in Europe's foodservices and support services industry. The Group's steady growth has been underpinned by four core values: a passion for service, a performance-driven approach, a desire to take the initiative, and respect for our commitments. The Group's guiding principle is "Because the whole experience matters", which translates into a daily commitment to quality, innovation, our relations with others and society at large.

On joining the Global Compact in 2004, Elior made a public commitment to support sustainable development alongside other key players committed to corporate social responsibility, and to actively engage our stakeholders (corporate clients, suppliers, etc.) in this fundamental approach.

I would like to take the opportunity of Elior's 2012 Communication on Progress to reiterate the Group's commitment to promoting and applying the principles of the Global Compact.

Each year, we undertake numerous initiatives to put into practice our vision of economic, social and environmental responsibility. In 2012 we further strengthened our support for the Global Compact by consolidating the initiatives and measures taken within our various markets, both in France and the other countries where the Group operates.

Our 2012 COP highlights:

- *our environmental approach, through our purchases of responsible raw materials*
- *our social approach, through our measures to build our employees' skill sets*
- *our contribution to the fight against corruption*

Responsible raw materials

(Illustrating Principles 1, 2, 7, 8 and 9 of the Global Compact)

Incorporating responsible raw materials into our offerings has been one of the Group's priorities for many years now. This forms part of Elior's overall approach to sustainable development and also constitutes one of the five commitments of the Group's responsible purchasing policy. In this 2012 COP we will focus on (i) Elior's offerings of organic and local produce, and (ii) the use of responsible cleaning products.

Elior's organic and local produce offerings

Incorporating organic produce into our menus in all of the countries where we operate forms an integral part of our sustainable development approach by contributing to reducing our ecological footprint.

In order to encourage the use of these products, we draw on our people's expertise in all of our countries of operations. For example, the Group Purchasing Department in France has a team of experts specialised in organic and local produce who provide information and assistance to the Group's employees concerning the technical and regulatory aspects of these types of produce.

Elior's organic produce supply policy

Elior is a major player in the organic sector for contract catering and supports numerous initiatives in the area. The Group offers its clients the possibility of working in close collaboration to gradually incorporate the most appropriate organic products into the menus that it proposes.

In France, Elior's restaurants started using organic produce as early as 1990. We began to structure our organic offering by drawing up an approved list of specialist distributors and then went on to create an approved list of organic products offered by our traditional suppliers.

The wide organic offering we provide has been made possible through partnerships forged with major players in the organic sector such as with Synabio¹ in France in 2003.

In 2008, the Group organised an internal forum in France that brought together suppliers of organic produce with foodservices operations staff in order to discuss the specific issues connected with organic farming and introducing organic produce into contract catering operations.

In 2010, Elior drew up an approved list of regional players with a view to providing a local organic offering. Currently, half of all Elior's organic produce suppliers are farmers' co-operatives or local associations.

Elior pays particular attention to offering organic products that are grown in the country where they will be eaten. Therefore, despite the low production levels of organic food in France, whenever possible Elior offers French organic produce to its French clients.

¹ The French national union of organic food businesses

Organic produce at Elior – Key figures

At end-2012, Elior's organic produce range included some 900 approved products, up 30% on end-2010. Out of this total:

- fruit and vegetables account for 32%
- dairy products account for 15%
- raw meat and poultry and prepared meats account for 14%

The volume of organic produce purchases in France was 53% higher in 2010 than in 2009. To quote just one example, organic produce represented more than 4% of all food purchases made by Elior Restauration Enseignement in 2010.

In the Contract Catering business in Italy, 50% of tomatoes and carrots are organic and 39% of the olive oil used is organic. Almost 45 million meals made up entirely or partly of organic food are served each year.

Stepping up supplies of organic/local produce through "Mon assiette Bio, ma pelle"

In 2011 the Elior Group Purchasing Department entered into an innovative partnership with the Vivrao agency to further promote organic produce and local producers.



One of the projects carried out in conjunction with Vivrao is the "*Mon assiette Bio, ma pelle*" initiative, which is aimed at encouraging the use of local and organic products in contract catering. Another initiative put in place in 2012 was "*Tous fans de carottes*", a programme launched with Xavier Dupuis – a farmer in the Greater Paris Area – that is focused on three main objectives: protecting the environment, developing the local economy, and educating tastes. Through this exclusive partnership, the Group helped convert an area of land to organic farming and was able to serve 35 tonnes of organic, locally produced carrots in the Greater Paris area.

In order to mobilise both the Group's teams and its schoolchildren guests around this large-scale project, Elior organised special awareness-raising events in over 700 school canteens in the Greater Paris area, and proposed original recipes in its menus using the organic carrots.

The partnership with Xavier Dupuis has since been extended to include other vegetables such as cabbage and beetroot.

Elior Restauration Enseignement has also launched a similar project with another farmer, with children in the Greater Paris area being served fresh local green beans as from the start of the school year in September 2012.

Geolocation for the supply network – an important move

Finding local supplies is an important issue for all of Elior's markets.

In France, the Purchasing Department has developed an innovative "geolocation" system designed to identify the Group's local suppliers that are based close to client sites. The software enables producers, suppliers and their products to be located rapidly on the map, along with their quality labels (such as "*label rouge*", etc.). The system currently shows a network of over 2,000 fruit and vegetable producers, 382 organic food producers and over 4,500 meat producers. The information included in the data base is updated regularly.



Thanks to this simple system, the Group's teams can easily give clients useful information in their sales proposals.

Local purchases - an international requirement

In the aim of helping the local economy, in Spain 37% of Seruni3n's purchases are regional, and in Italy, regional producers provide over 45% of Elior's food supplies.

In the same vein, with a view to reducing its carbon footprint, Elior Deutschland has added a specialised distributor to its approved supplier list for fruit, vegetables, meat and poultry, which can deliver local products to all regions of Germany thanks to a network of warehouses located across the country.

Responsible cleaning products

Another of Elior's priorities in addition to protecting the environment is ensuring the health and safety of its employees in the workplace. Consequently, the Group's specialists pay particular attention to the selection of cleaning products (soaps, disinfectants, detergents, etc.) and how they are used by our staff.

Ever-safer cleaning products

As the regulations and risks related to employees' use of chemical substances are constantly changing, the quality of cleaning products is now systematically checked by the Purchasing Department based on criteria that comply with REACH².

Since January 2012, Elior has been gradually removing the following from its range of cleaning products in France:

- products containing any substances classified as having CMR properties³ (carcinogenic, mutagenic or toxic for reproduction)
- products containing Triclosan, or e-series glycol ethers which are sometimes contained in cleaning products and can be endocrine disrupters

A document setting out our product specifications has been sent to all our cleaning product suppliers so that they undertake to only supply the specified compliant products to Elior's restaurants in France.

In order to minimise risks, Elior Services prioritises products that carry the eco-label, are concentrated and are not classified as hazardous⁴. In FY 2011-2012 these categories of responsible products⁵ represented 39% of Elior Services' purchases of cleaning products.

For example, 100% of the client sites of Elior Services Propretd et Santd are supplied with non-CMR products.

² Registration, Evaluation and Authorisation of Chemicals (REACH) is a European Regulation which was adopted on 18 December 2006. Its aim was to modernise European legislation on chemical substances and to put in place a single, integrated system for registering, evaluating and authorising chemical substances in the European Union.

³ Categories 1, 2 or 3 in Directive 67/548 and Directive 99/45, or 1A, 1B and 2 according to the CLP (Classification Labelling Preparation) Regulation 1272/2008

⁴ All products not requiring hazard pictograms.

⁵ Classified as non-hazardous, concentrated and carrying the eco-label.

Raising employees' awareness about using cleaning products properly

All of Elior's markets, both in France and abroad, provide training to employees who handle cleaning products as part of their work.

Elior Services has integrated a module on eco-friendly behaviour into its training programmes in order to raise the awareness of its operations staff and team leaders about its policy on responsible cleaning products. Based on the resulting evaluations performed, almost 90% of the employees who did the training have taken these ideas on board.

In addition, Elior Services has a Sustainable Development best practices brochure, which is given to all of its teams and sets out the best ways of using cleaning products.



Replacing detergents with electrolysed water – a method that is both ecological and economical

Since January 2012, the Francheville service area on the A10 motorway near Orléans in France no longer purchases detergents for cleaning its floors and toilets or for staff hand washing. Instead, it now uses electrolysed water (EOW) for these types of cleaning. This process – which is well known in Japan – creates a disinfecting agent by passing an electric current through a diluted saltwater solution. As well as being ecological and safe for employees, the use of EOW generates savings on purchases of cleaning products, with the related investments amortised in the space of 7 years.

EOW systems have now been successfully installed at five other Elior Concessions sites.

Building the skill sets of employees

(Illustrating Principles 1, 2 and 6 of the Global Compact)

Over 80% of Elior's employees are non-managerial staff. As a committed employer Elior uses its best efforts to develop the talents, professional skills and employability of each and every one of its people.

Since 2003, Elior has put in place specific training courses that lead to professional diplomas or certification. These qualifications are used as a way of rewarding employees for their contribution to the Group and also boost their chances for internal promotion.

Accreditation of Prior Experiential Learning (APEL)

In 2009, the Group successfully introduced a programme for the Accreditation of Prior Experiential Learning (APEL), which is offered to employees with over three years' experience and officially validates their professional skills through the award of an industry-level certification, and in some cases a degree.

APEL is a method used to validate the skills acquired by employees during the course of their career and enables them to receive an official diploma without following a specific training course. It is a long-term process and APEL participants come to the programme on a purely voluntary basis. Elior actively supports each participant, both on a collective basis – such as by helping them compile their APEL candidature file – and on an individual basis throughout the validation process.

Vocational qualifications – CQPs and TPs

CQPs (*Certificats de Qualification Professionnelle*) are certificates that are created and recognised on an industry-specific basis in France. TPs (*Titres Professionnels*) are national diplomas recognised by the French Ministry of Labour. They are awarded to working adults after a training period of 6 to 9 months.

Employees wishing to follow a training course leading to one of these qualifications first submit a request and then take part in a selection process. Successful applicants subsequently take an assessment test and a personalised training programme is drawn up. The programmes cover a period of 6 to 9 months with one or two weeks of courses per month held in a training centre, followed by three weeks of on-the-job learning. Each participant has a specially-trained in-house mentor, who provides help and support with putting their new skills to work. For the purpose of these programmes – whose content is tailored to Elior's business of food services and support services – the Group has entered into partnerships with a number of highly-reputed adult training organisations, including AFPA⁶, École Grégoire Ferrandi and IFITEL.

The TPs and CQPs currently offered at Elior cover the positions of Catering Assistant, Cook, Qualified Catering Employee, Server, Managing Chef, Operations Assistant and Team Leader.

⁶ The French national association for adult professional training

In 2004, Elior UK entered into a partnership with Babcock International in order to propose a range of NVQs⁷ based on work placements in numerous areas such as catering, customer service, and leadership. An average of 140 people follow one of these NVQ courses each year. Since the beginning of the partnership, some 1,300 people have participated in a training programme leading to a vocational qualification, with the training mainly carried out at their workplace.

Building skill sets at Elior in France – A few figures

In France, a total of 540 employees from a range of different professions (including qualified cooks, assistant chefs, maîtres d'hôtel and sales outlet managers) have followed CQP and TP training courses since 2003, and the number of women trainees is on the rise.

The success rate of these training courses is very high, with 93% of trainees obtaining a diploma. In almost 90% of cases graduates of these courses were promoted within the Group in the year following the completion of their training.

Some 200 Group employees in France have already followed the APEL programme, with a success rate of 96%.



In 2012, 10 CQPs were available to Elior's employees in France through the APEL programme:

- Foodservices Operator
- Operations Assistant
- Managing Chef
- Cook
- Qualified Catering Employee
- Technical Catering Employee
- Server
- Housekeeping Employee
- Reception Employee
- Housekeeper

Employees can also follow a degree in the management of foodservices units.

⁷ National Vocational Qualifications

Fighting corruption

(Illustrating Principles 10 of the Global Compact)

Since its formation, Elior has built up its business around a structured organisation which enables it to effectively and smoothly manage its relations with all of its stakeholders (employees, suppliers, clients, etc.), and at the same time to ensure that these relations are secure. This organisational structure also enables the Group to avoid risks of corruption which could damage its business and reputation.

In practice, in order to ensure that its procedures and standards are complied with, Elior is advised by specific legal teams in each country in which it operates. These teams operate within a pre-defined system and, for example, provide advice to employees when they are replying to tender offers for public contracts or more generally in their handling of client relations.

The Corporate Legal Affairs Department

The Corporate Legal Affairs Department manages all operations related to the Group's structure (financing contracts, corporate actions, company formations and liquidations, etc.).

The members of the Department are legal specialists and co-ordinate the various other corporate departments involved in the above-mentioned operations. They also draw up the Group's governance policies and ensure that they are applied (by organising Board of Directors' meetings, managing the terms of office of directors and officers, etc.). The Corporate Legal Affairs Department is also responsible for ensuring that the Group respects the agreements it enters into with its shareholders. One example of how it plays this role is by setting up procedures in each of the Group's host countries to control the commitments that the Group makes.

The Operations Legal Affairs Department

In line with the framework determined by the Group's senior management, the Operations Legal Affairs Department ensures that the contracts entered into between the Group and its partners comply with the applicable laws and regulations.

The Department plays a key role in the Group's risk management process and assists employees on a daily basis in matters such as client and supplier relations when negotiating and drawing up contracts, and preventing and settling any legal disputes. The operations legal advisers who work for this Department have a solid knowledge of operational issues in each of Elior's different markets and provide assistance to all of the Group's entities and corporate departments.

Elior UK's anti-corruption policy

In 2011, Elior UK updated its anti-corruption policy, with the new version approved by the company's Executive Committee and signed by its CEO.

The new policy sets out how Elior UK complies with the requirements of the Bribery Act 2010 in order to combat all forms of corruption. It also applies to Elior UK's clients and suppliers. It explicitly prohibits accepting or offering any form of bribe or inappropriate gifts, with disciplinary sanctions imposed in the event of non-compliance.

Specific tools and systems have been made available to the company's employees in order to help them put the policy into practice. For example, there are answers to FAQs which help employees how to react in the face of potential risk situations.

The ten principles of the Global Compact

Human Rights

1. *Businesses should support and respect the protection of internationally proclaimed human rights; and*
2. *make sure that they are not complicit in human rights abuses.*

Labour

3. *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*
4. *the elimination of all forms of forced and compulsory labour;*
5. *the effective abolition of child labour; and*
6. *the elimination of discrimination in respect of employment and occupation.*

Environment

7. *Businesses should support a precautionary approach to environmental challenges;*
8. *undertake initiatives to promote greater environmental responsibility; and*
9. *encourage the development and diffusion of environmentally friendly technologies.*

Anti-Corruption

10. *Businesses should work against corruption in all its forms, including extortion and bribery.*