



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 – 2013

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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 universal principles of the United Nations Global Compact and which form the bedrock of Elior’s sustainable development approach.

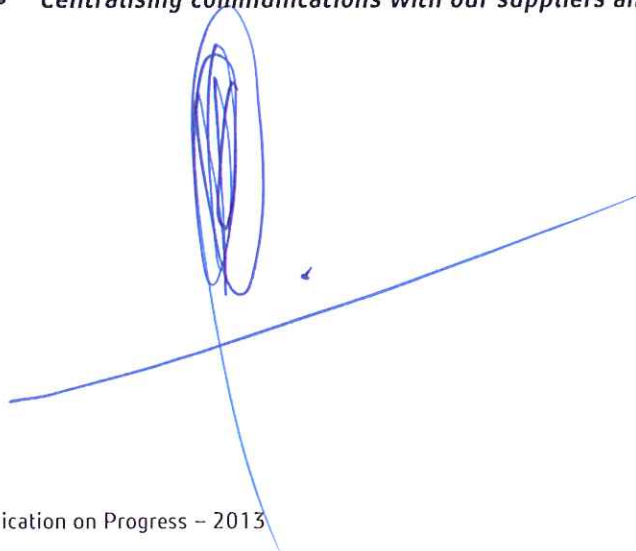
As a major player in Europe’s food services and support services industry, Elior’s business is underpinned by four core values: a passion for service, a performance-driven approach, a desire to take the initiative, and respect for our commitments. The Group’s guiding principle is “Because the whole experience matters”, which translates into a daily commitment to quality, innovation, our relations with others and society at large.

On signing up to the Global Compact in 2004, Elior joined a movement of key players committed to corporate social responsibility and undertook to actively engage our stakeholders (corporate clients, suppliers etc.) in this fundamental approach.

I would like to take the opportunity of Elior’s 2013 Communication on Progress to reiterate the Group’s commitment to promoting and applying the principles of the Global Compact.

Our 2013 COP highlights the following:

- **Concerning Human Rights and International Labour Standards:**
 - *Job retention measures for people with disabilities*
 - *Combating illiteracy to increase employability*
- **Concerning the Environment:**
 - *Elior’s commitment to combating food wastage*
- **Concerning Anti-Corruption:**
 - *Ensuring the security of financial inflows and outflows*
 - *Centralising communications with our suppliers and using paperless systems*



Job retention measures

For people who are, or become, disabled (Illustrating Principles 1 and 6 of the Global Compact)

A key commitment for Elior

Since 2001, the Elior Group has proactively implemented structured policies to encourage the recruitment and retention of people with disabilities across our businesses in all of the countries where we operate. In line with these policies, we have set up specific projects within our various markets to promote the employment of people with disabilities and have put in place on-site “Mission Handicap” units¹ and liaison officers who specialise in disability issues.

The policies are based on five priority areas:

- ✚ recruiting and integrating people with disabilities;
- ✚ safeguarding the employment of people with disabilities;
- ✚ training employees and raising their awareness about disability issues;
- ✚ developing partnerships with the sheltered employment sector;
- ✚ implementing action plans with and for our clients.

The job retention measures we put in place are aimed at enabling employees to continue in employment if they become disabled or if an existing disability worsens. The French Labour Code provides a legal framework for such measures as it requires companies to prove that they have sought all possible solutions to “maintain the contractual relationship between the employer and the employee”, but our measures go above and beyond that basic requirement and involve the efforts of a number of different players from both within and outside the Group.

A structured approach

For the purpose of implementing our job retention policies, and because having a disability does not in any way mean that an employee loses their skills or motivation, we have put in place specific processes to partner our disabled employees. These processes are led by multi-disciplinary teams made up of managers, HR personnel and representatives from the Health and Safety and Working Conditions Committee.

Thanks to the above processes we can clearly visualise the various stages of the job retention measures to be set up, and more effectively understand the resources and skills that can be drawn on from both inside and outside the Group.

The rollout of the processes is currently underway in the Education and Healthcare markets, as well as in Business & Industry and Concessions, through the provision of information brochures to employees, as well as CD-ROMs to team managers and human resources departments. A specific training module on job retention measures for people with disabilities has also been put in place for each market as part of the rollout procedure.



¹ Specific units set up to partner people with disabilities.

The underlying aims of the processes are to:

- help employees who so wish to ensure that their disability is officially recognised;
- forward plan the job retention measures required by studying the possibilities for adapting employees' jobs and workstations, or finding them another post, particularly after sick leave lasting more than three months or when the company doctor declares that an employee is only partially capable of carrying out their professional activity;
- develop the skills and employability of our disabled employees by ensuring that they have equal access to training.

A few key figures

More than 1,600 people with disabilities work at sites within the Group where statistics on disabled workers are legally available.

Elior recruits over 100 people with disabilities each year in France.

Services worth some €1 million in revenue each year are outsourced to the sheltered sector in France, which employs people with disabilities.

Elior's employment rate of disabled workers in France rose to 6.30% in 2012 from 5.87% in 2011.

Combating illiteracy

to reduce the risk of professional exclusion for disadvantaged employees (Illustrating Principles 1 and 6 of the Global Compact)

People are considered “illiterate” when, although they have been to school, they have not acquired, or have lost, the reading, writing and numeracy skills that they need to be autonomous in simple everyday situations. For these people, combating illiteracy is a question of re-learning such skills.

There are 2.5 million illiterate people in France today, i.e. 7% of the total adult population aged between 18 and 65. Half of these people are over 45 years old and 51% are in work.

Having signed up to the French Corporate Diversity Charter in 2005, Elior has undertaken to make equal opportunities a key area of its corporate social responsibility policy. Consequently, the Group pays close attention to promoting access to employment, qualifications and career development for all of its employees, regardless of disability, ethnic origin, social background, gender or age.

An innovative social action project

Since 2008, the Elior Group has been proactive in combating illiteracy by organising intra-company training sessions for employees – irrespective of the position they hold – to help them re-learn and master basic reading, writing and numeracy skills.



The underlying objectives of this training are to:

- reduce the risk of disadvantaged employees becoming socially and professionally excluded from the employment market in an industry where staff are generally transferred from one employer to another when there is a change in service provider;
- develop the internal employability of Elior staff by enabling them to deal autonomously with straightforward situations encountered in working life;
- put to effective use the information material provided within the Group.

In other words, to ensure that all employees can read, write and express themselves effectively.

Between 80 and 120 hours of training are offered each year to employees who wish to sign up to the programmes, and employees can follow the training for several years in a row if necessary.

At Elior Restauration Entreprises, different groups are set up based on the skills levels of the various employees concerned in order to facilitate the learning process. In addition, the company intends to put in place a specific module that includes e-learning for staff with qualifications from abroad. The teaching materials draw directly on the operational tools used on a daily basis as part of the students' various jobs.



At Elior Restauration Enseignement et Santé, a framework agreement with the French National Education Ministry was signed in September 2013, which sets out the programmes available for employees and the mutual undertakings involved in combating illiteracy. This business also offers a national education diploma certifying participants' command of the French language.

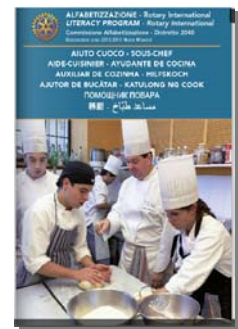
In Elior's concessions business, the training programmes available involve half-day sessions provided on site in order to make it easier for employees to organise their training around their working hours.

The employees who have taken part in these programmes say the training has helped boost their confidence and has acted as a springboard for them to continue with more training and further their career development, while at the same time has enabled them to take a more active role in society at large.

In the past five years over 350 employees have taken part in the Group's anti-illiteracy programmes.

Reducing illiteracy in the food services industry in Italy

Elior Italy's commitment to respecting the fundamental rights of its workers is demonstrated by its SA 8000 certification². This means that successfully integrating its employees – who represent over 75 different nationalities – is one of Elior Italy's main objectives. With this aim in mind the company took part in an initiative launched by Rotary International and ANCI Lombardia (an association of Italian towns) aimed at helping people learn Italian. These two associations have jointly drawn up a multilingual glossary to facilitate working in the food services industry. This glossary notably covers the rules and regulations concerning hygiene, food safety and personal health and safety.



Elior Italy sent out the published version of the glossary to its non-Italian employees in 2013.

² SA 8000 is a certification standard for companies that wish to demonstrate they respect the fundamental rights of workers in their operations (subsidiaries and suppliers) across the world. Developed by the NGO, Social Accountability International, SA 8000 is based on the fundamental conventions of the ILO, the Universal Declaration of Human Rights, and other UN conventions including the Convention on the Rights of the Child, and the Convention on the Elimination of all Forms of Discrimination against Women. SA 8000 measures the performance of companies in nine areas: child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and management systems (how the standard is integrated into management systems and practices). SA 8000 certification is renewable every three years.

Food wastage

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

In France, over seven million tonnes of food waste is generated along the food supply chain³. According to the European Parliament, “Up to 50% of edible and healthy food gets wasted in EU households, supermarkets, restaurants and along the food supply chain each year, while 79 million EU citizens live beneath the poverty line and 16 million depend on food aid from charitable institutions”.

In 2013, Elior took the opportunity of France’s National Day Against Food Waste to reaffirm its commitment to reasoned and intelligent resource management. In connection with this event we made an undertaking to the French Ministry of Agriculture to combat food wastage as part of our overall approach of paying close attention to the impact of our business on the environment and taking particular care over the quality and preparation of the food we serve and the people who produce it.

A concrete undertaking given to the Ministry of Agriculture

Highly aware of the role it has to play in helping to successfully relay France’s public food policy, on 15 October 2013 Elior gave a formal undertaking, via the SNRC⁴, to Guillaume Garot – France’s Minister for the Agri-Food Industry – to help combat food wastage in all of the Group’s contract catering operations.



Following on from the initiatives already implemented, the heads of our Education, Healthcare and Business & Industry markets have notably undertaken to:

- raise guests’ awareness about food wastage;
- encourage staff to take up the combat against food wastage;
- reflect with their suppliers about optimal use of packaging;
- forward plan with their clients the number of meals required each day;
- support local sourcing and the reuse of biowaste;
- encourage best practices.

A public campaign against food wastage held at the Place de la République in Paris

On 16 October 2013, Elior took part in an awareness-raising event organised by the French Ministry of Agriculture at the Place de la République in Paris, by serving meals prepared using unsold food donated by the Rungis International Market. During the day, our teams cooked and served 1,000 bowls of soup made from vegetables which would otherwise have gone to waste.

Attended by the Minister for the Agri-Food Industry, this “free-meal” event helped to raise awareness about food wastage by demonstrating to the public the quality and quantity of the unsold food that would normally have been thrown away.

³ Source: French Ministry of Agriculture, Agri-Food and Forestry

⁴ French national trade union for contract caterers

An awareness-raising campaign in corporate restaurants

Also on 16 October, Elior carried out a food-wastage awareness-raising campaign in its corporate restaurants by giving diners practical information and advice and initiating discussions based on the theme of bread. For the French, bread represents much more than just food – it is a symbol of tradition and conviviality and its value is measured both in terms of the natural resources used as its ingredients and the manual work put in to make it.

The idea behind the campaign was to use bread as an illustration to raise diners' awareness about the importance of avoiding wastage, by telling them the story of breadmaking and asking them to sort and put aside their uneaten bread at the end of their meal. Then on 17 October, each restaurant explained to their diners how much uneaten bread had been collected and set up a suggestion box for everyone to give their ideas on combating food wastage.



Elior's combat against food wastage

Our efforts to help combat food wastage include:



- Proposing tasty and healthy products that are selected for their nutritional qualities and are carefully prepared, as well as offering menus that combine nutrition with pleasure and carrying out satisfaction surveys on a regular basis in order to better understand people's different tastes.
- Serving the right quantities of food, by proposing that diners request the portions they want and by using specific systems to manage inventories and supplies.
- Using culinary techniques that help reduce waste during the food preparation process.
- Organising awareness-raising events, notably in our Education market which has carried out "Stop wastage" campaigns for over 400,000 pupils since 2010, and has set waste-reduction challenges in schools which have led to a 20% to 30% reduction in food waste.

Combating corruption

(Illustrating Principle 10 of the Global Compact)

Elior has developed specific tools and processes to reduce the risk of fraud in its business, in particular by ensuring the security of its financial flows and using paperless communications systems with suppliers.

Ensuring the security of financial flows

The main tasks carried out by the Group Finance Department include giving and managing financial commitments, managing liquidity and means of payment, and managing financial risks. This Department is also responsible for drawing up the Group's cash management and reporting processes and for ensuring that they are properly applied. It selects and controls all of the Group's banking relationships (in France and abroad), manages means of payment and develops the information systems required for effectively carrying out its tasks. In order to ensure the security of its financial flows Elior has put in place the following:

- A reduced number of bank accounts

Between the years 2000 and 2012 (which was a period of growth for the Group), Elior reduced the number of its bank accounts in France three-fold (from 900 to 350), in order to decrease the risk of fraud.

- Centralised management of signing powers

In order to reduce the risk of abuse that may arise from the concentration of signing powers, Elior has separated these powers by allocating them among different employees and by segregating tasks. For example, with a view to avoiding conflicts of interest, employees who administer financial information systems do not have any signing powers. This is also the case for accounting processes. When a payment approval is sent to an Elior accountant, it is another Elior employee from the accounting department that sends the payment authorisation to the bank. In addition, there is a very strict procedure in place for validating payments, which requires a USB flash drive with a digital fingerprint.

- A specific framework for paper-based payments

Payments made by cheque represent a potential for fraud. As a result, when payments by cheque are necessary – such as for settling the amounts due to employees at the end of their employment contract – particular attention is given to the payment process. Paper-based transfers now represent less than 1% of overall payments and are strictly controlled via highly-specific issue and verification procedures.

Centralising communications with suppliers and using paperless systems

Elior has put in place a centralised invoice payment process that enables its supplier payment times to be respected in accordance with the applicable laws. Via this process – which is based on innovative technology, such as EDI⁵ and scanning – some three million invoices are handled each year by two separate legal entities.

⁵ Electronic Data Interchange

The objectives of the process are to:

- standardise accounting procedures;
- check that there is no invoice duplication;
- ensure that payments are secure by setting up commercial transfers (with deferred payment dates).

Using paperless communication systems with our suppliers also helps with implementing the Group's responsible purchasing policy as they reduce paper consumption while at the same time ensure that data on invoices and contracts is secure. 77% of our supplier's bills are now totally electronic, which represents around 130 tonnes of paper saved per year.

Lastly, since 2012, the Group has gradually been putting in place an electronic signature system for contracts.

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.*

To find out more about the Elior Group, please visit our website at www.elior.com
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