



OETKER COLLECTION
MASTERPIECE HOTELS

CSR REPORT



PATRONS FOR A SAFE AND
GUARANTEED FUTURE

2016

Table of contents

I. GENERAL STANDARD DISCLOSURES

I.1. Oetker Collection strategy.....	4
I.2. Oetker Collection Profile	6
I.3. Determining the issues.....	12
I.4. Stakeholder Engagement.....	15
I.5. Report Profile.....	17
I.6. Governance	19
I.8. General standard disclosures on the hotel industry	20
I.7. Ethics and integrity.....	24

II. SPECIFIC STANDARD DISCLOSURES

II.1. Oetker Collection Social Responsibility Strategy	25
II.1.a The officers	25
II.1.b. Identity.....	26
II.1.c. The CSR awards given to our hotels	27
II.1.d. The Oetker Collection CSR policy in relation with the United Nations Sustainable Development Goals.....	28
1.2. Favour an optimum quality of life at work and support social dialogue.....	28
1.3. Encourage the development and employability of our employees	28
2.1. Through innovation reduce our consumption of resources	28
II.1.e. The 2016 CSR objectives of the 3 hotels in the South: the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel.....	30

II. 2. SOCIAL COMMITMENT.....	31
Ensure respect for human rights and optimise our working conditions	31
II.2.a. Ensure that each of our employees is treated fairly while fighting against discrimination	31
II.2.b. Favour an optimum quality of life at the workplace and support social dialogue.....	34
II.2.c. Encourage the development and employability of our employees	36
II. 3. ENVIRONMENTAL COMMITMENT.....	38
Control our consumption and protect our environment	38
II.3.a. Through innovation reduce our consumption of resources	38
II.3.b. Understand, protect and restore the biodiversity that surrounds us	40
II.3.c. Apply the regulations and strive to limit any type of pollution	44
II. 4. SOCIETAL COMMITMENT.....	48
Guarantee a sustainable service of an exceptional quality and increase the awareness of our guests and employees on social responsibility	48
II. 4. a. Guarantee an impeccable service and purchasing policy through fair operating practices	48
II. 4. b. Encourage our guests and employees to contribute to our vision of a sustainable future	53
Take part in the social, cultural and economic development of the regions in which we operate.....	59
II.4.c. Favour local producers who are a guarantee of the rich heritage of our region	59
II.4.d. Commit alongside our partners in sustainable projects that are linked to the values we defend.....	66
II. 5. The 2017 CSR objectives of the 3 hotels of the South: the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel.....	71

I. GENERAL STANDARD DISCLOSURE

I.1. Oetker Collection strategy



Frank Marrenbach, CEO

We are aware of the fact that our guests are not only consumers but also citizens who are concerned about the well-being of the planet. Certain of them are deeply committed to defending environmental and social causes.

We believe that being part of the Oetker Collection should be synonymous with a respect for persons and nature. The value we share with our guests brings us closer. Our commitment in favour of Social Responsibility, which contributes to Sustainable Development extends beyond a simple stance.

Indeed:

- It is directly related to our business model
- It is a strategic lever
- It is an instrument to drive change
- It is distributed to all the operational and functional departments, which are on the front line (a dedicated CSR structure providing the driving force and playing an expert and coordinating role)
- It is understood and embraced by all employees



We acknowledge the Universal Declaration of Human Rights and adhering to the Global Compact is a key element of our commitment. We have thus joined the community of organisations, which support this exemplary initiative, and we have committed in particular to bring our strategy, governance and decision-making processes into line with the principles of the Global Compact.

These principles are consistent with our values and the seven social responsibility principles of the ISO 26000, which we also refer to: *accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights.*

The Oetker Collection has chosen to honour its social, societal and environmental commitment by adhering to the Global Compact and by reporting on the progress accomplished by the establishments of the Collection each year.



It has also chosen to be assisted by the English association, **“CONSIDERATE HOTELIERS”**, which is specialised in helping hoteliers in this sustainable development approach.

Julie Poirot, our CSR Regional Manager, under the responsibility of Philippe Perd, Senior Vice President Operations and Project Development Oetker Collection, is in charge of implementing our CSR strategy at three hotels in the south of France:

- The Hotel du Cap-Eden-Roc
- The Château Saint-Martin & Spa
- L'Apogée Courchevel

I.2. Oetker Collection Profile

Oetker Collection is managed by the German company Oetker Hotel Management which is a GmbH (Company Gesellschaft mit beschränkter Haftung) entity, in other words a limited company.

The history of the Oetker Collection hotels began in Cap d'Antibes in 1870 when writers made the magnificent Villa Soleil their haven of inspiration. The Hotel du Cap-Eden-Roc was born in this secluded setting at the heart of an unspoilt countryside between the clear blue of the sky and the deep blue of the Mediterranean.

Meanwhile in 1872 in Baden-Baden, a hotel with classic French charm opened, welcoming guests like the Shah of Persia and the young British King, Edward VII, and soon became the internationally renowned Brenners Park-Hotel & Spa.

In 1925, Le Bristol was built thanks to one man's personal vision, offering both elegance and discretion at the heart of the Paris business centre. In less than a century, Le Bristol Paris has been owned by only two families, the Jammet family and today the Oetker family: continuity of this kind is quite exceptional in the world of luxury hotels and forms an integral part of the unique heritage of this luxury hotel in Paris.

In 1900 a Polish Count bought the ruins of a chateau in Vence in the backcountry of Nice with the firm intention of restoring it into a religious place of worship: this peaceful retreat with its rich historic past was to become home to the Chateau Saint Martin & Spa.

The Oetker Collection continues to expand with new hotels that share its values and discreet style. More recently, the Fregate Island Private in the Seychelles joined the Collection in July 2013. This was soon followed by L'Apogée Courchevel in December 2013, The Eden Rock - St Barths in April 2014 and The Lanesborough in London in November 2015. Palácio Tangará, São Paulo, joined the Collection in December 2015 and will open its doors in the second quarter of 2017.

VISION

The Oetker Collection is the most prestigious selection of masterpiece hotels of their kind in the world.

Each of these unique properties reflects a facet of European heritage.

During the next ten years, we plan to increase the number of these exceptional locations, which have a soul that is carefully nurtured by fine hoteliers who create a strong sense of belonging for our guests to fifteen.

MISSION

We are fine hoteliers who share the same values and goals. We are conscious of the fact that we belong to an exclusive network, which contributes to the well-being of its partners to advance its vision.

Our guests, whether they are local or international, are at the heart of all our efforts.

We constantly aim to exceed their expectations by delivering the highest level of products and services with a meticulous attention to detail.

As far as we are concerned, pure sensations outweigh High-Tech.

We only choose locations where our guests can give free rein to their thoughts, which free the mind and where well-being and harmony go hand in hand.

Our experience enables us to design exceptional concepts and an exclusive interior decoration for our rooms, restaurants and spas.

AWARDS



Travel Leisure World's Best Hotel Brands - December 2016: Oetker Collection was named the 2nd Best Hotel Group in the World by the Travel Leisure World's Best Hotel Brands.



November 2016: Le Bristol Paris was once again awarded with the Palace distinction, for the next 5 years.



World Luxury Hotel Awards - October 2016: Le Bristol Paris was named the Best Hotel in Europe in the Gastronomy category at the World Luxury Hotel Awards 2016.



U.S. News & World Report's Best Hotels Survey - October 2016: 1st place for The Lanesborough. One year after its reopening, The Lanesborough was awarded Best Hotel in Europe by the U.S. News & World Report's survey. Eden Rock - St Barths was named the Best Hotel in St Barths.



Villégiature Awards - October 2016: Oetker Collection was designated the Best Hotel Group in Europe and the Château Saint-Martin & Spa the Best Hotel Exterior Terrace in Europe during the Villégiature Awards 2016 ceremony.



Imbibe Magazine Cognac Drinks List of The Year - October 2016: The Library Bar at The Lanesborough was designated as the Best Choice of Cognacs for 2016 by the Imbibe Magazine.



Condé Nast 'Traveler Readers' Choice Awards - October 2016: The Hotel du Cap-Eden-Roc was ranked 8th Best Hotel in France (excluding Paris) and Le Bristol Paris was ranked 6th Best Hotel in Paris.



Michelin Guide - October 2016: Céleste, the restaurant at The Lanesborough in London under the guidance of Eric Frechon, was awarded with its first Michelin star.



World Travel Awards - September 2016: Le Bristol Paris was named the Best Hotel in France at the World Travel Awards 2016.



Condé Nast Traveller UK Reader's Choice Awards - September 2016: Eden Rock - St Barths was awarded both Best Hotel in the World and Best Hotel in the Caribbean. The Hotel du Cap-Eden-Roc was awarded Best Hotel in Europe. Le Bristol Paris was classed as the top Parisian Hotel in the category Best Hotel in Europe, Turkey and Russia.



Travel Leisure World's Best Awards - July 2016: Oetker Collection was named the Best Hotel Group in Europe and the 2nd Best Hotel Group in the world at the Travel Leisure World's Best Survey 2016. Le Bristol Paris was voted the 2nd Best Hotel in Paris and the 5th Best City Hotel in Europe; The Lanesborough was voted the 4th Best Hotel in London and the 7th Best City Hotel in Europe; Eden Rock - St Barths was voted the 10th Best Resort Hotel in the Caribbean, Bermuda, and the Bahamas.



July 2016: The Hotel du Cap-Eden-Roc was awarded the Palace distinction.



World Luxury Spa Awards - June 2016: The Spa Le Bristol by La Prairie was named the Best Luxury Day Spa in France and the Spa Saint-Martin Sisley the Best Hotel Spa at the 2016 World Luxury Spa Awards.



TripAdvisor Travellers' Choice Awards - June 2016: Le Bristol Paris ranked n°1 at the TripAdvisor's 2016 Travellers' Choice Awards in the categories Best Luxury Hotel in France and Best Service in France.



Luxury Travel Advisor Magazine - May 2016: The Lanesborough was named Best Luxury Hotel Reopening by the Luxury Travel Advisor Magazine 2016.



France San Pellegrino Young Chef - May 2016: Shintaro Awa, Sous-Chef at the gourmet restaurant Epicure at Le Bristol Paris, won the France selection of the San Pellegrino Young Chef 2016 contest.



Condé Nast Traveler Hot List - April 2016: The Lanesborough and Villa Stéphanie were featured in the prestigious Condé Nast Traveler 2016 Hot List.



Condé Nast Traveller Russia - March 2016: Le Bristol Paris was voted the Best City Hotel in the world by Condé Nast Traveller Russia.



Traveller's World - March 2016: Le Bristol Paris ranked 1st amongst The Best City Hotels and its gourmet restaurant, Epicure, ranked 3rd amongst The Best Restaurants in the world by the readers of the German magazine Traveller's World.



Forbes Travel Guide - February 2016: The Lanesborough, Le Bristol Paris and Eden Rock - St Barths were awarded a coveted Five Star rating by the prestigious Forbes Travel Guide 2016.



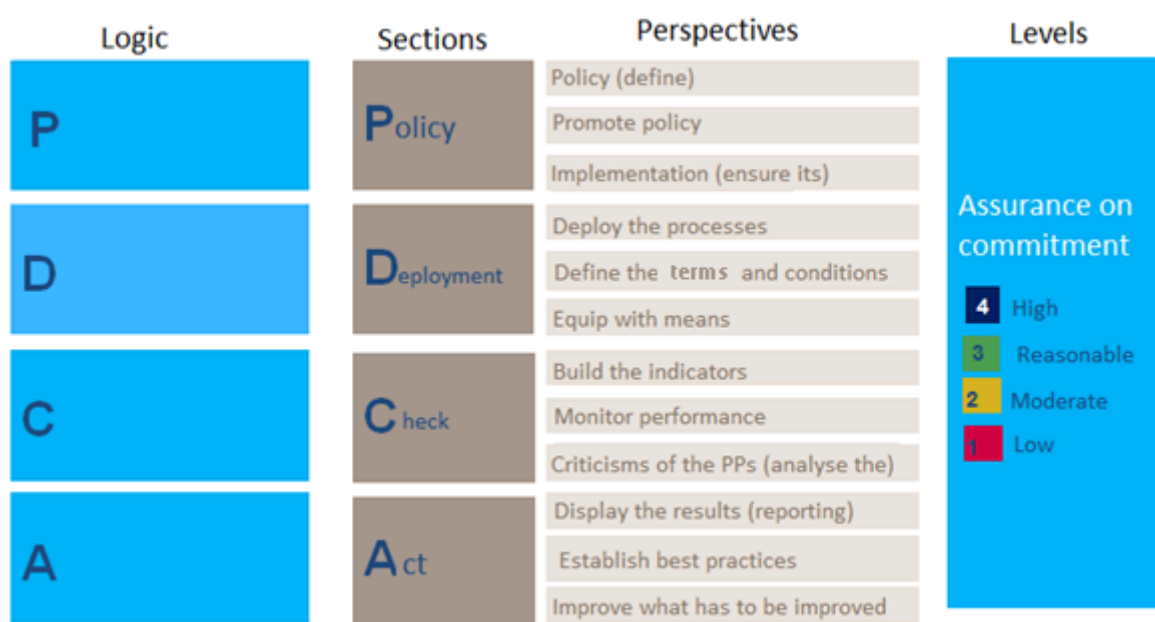
Académie Internationale de la Gastronomie - February 2016: Laurent Jeannin, Pastry Chef at Le Bristol Paris, was named French Pastry Chef 2016 by the Académie Internationale de la Gastronomie.



TripAdvisor Travellers' Choice Awards - January 2016: The Brenners Park-Hotel & Spa ranked 1st in the Top Hotels category, 2nd in the Luxury Hotels category and 4th in the Best Service category in Germany.

I.3. Determining the issues

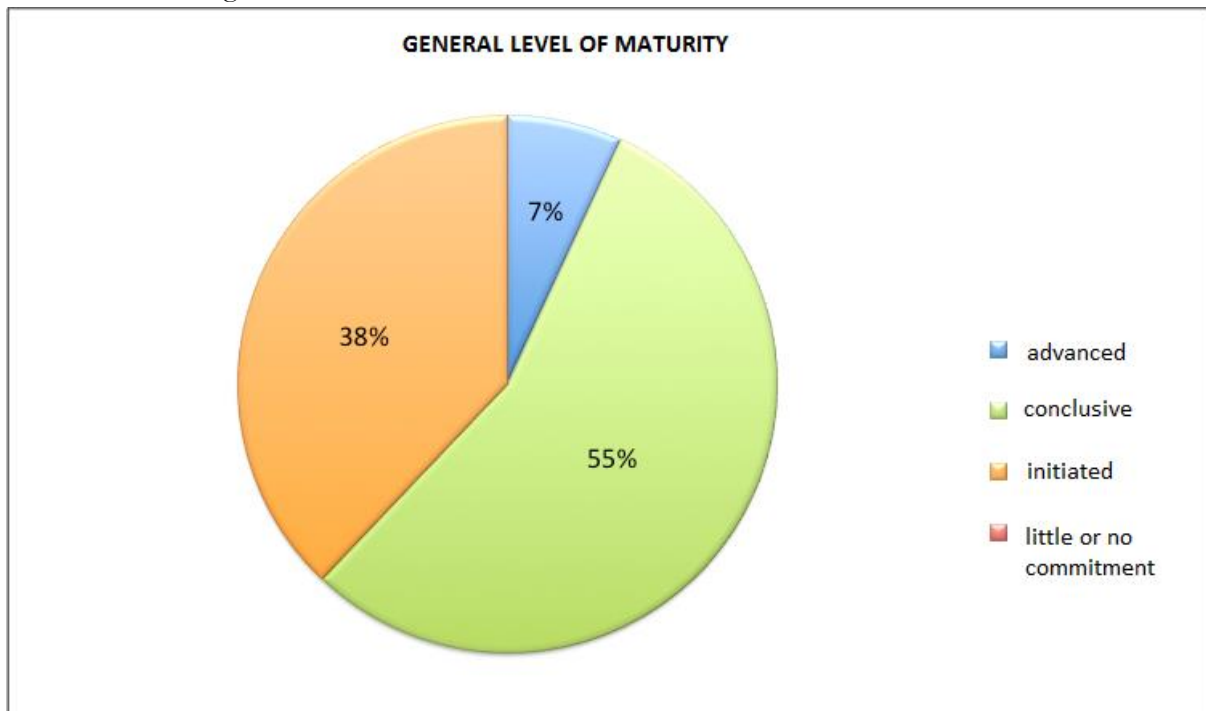
In order to have a better understanding of Social Responsibility issues as they are applied to establishments such as those of the Oetker Collection, we asked the CSR France firm to carry out an assessment in 2013. This assessment covered the 7 core subjects of the ISO 26000 international standard, which lays down the scope of Social Responsibility for an organisation.



The analysis focused on the Hotel of the Cap-Eden-Roc and the Château Saint-Martin & Spa. The 36 subject areas listed by the ISO 26000 were reviewed. 6 additional subject areas were reviewed with regard to governance (Afnor X 30-031 benchmark document).

The assessment methods used by the CSR France firm followed the logic of the PDCA (continuous improvement: Plan-Do-Check-Act) and analysed both the relevance of the policies in place and the extent of the implementation and communication on initiatives and results.

Out of the 35 fields of actions, which were deemed to be relevant, the findings of CSR France were the following:



- The assessment focused on median levels,
- No field was found to be at level 1, which means that the social responsibility issue has been taken into account,
- The commitment was not found to be conclusive yet on more than a third of the fields of action

The assessment highlighted the following:

- The establishments are clearly committed to social responsibility objectives that are linked to their core business and which prioritised the interests of guests.
- Abundant, internal communication gave a good visibility of the organisation's strategic directions for employees. On the other hand, external communication (on CSR) lagged behind.
- A very good level of implementation of its preferred subjects (training, skills development...) ensured that the human capital was of a very high standard.
- Business processes were described and assessed regularly using effective tools.
- The architecture and processes attached to monitoring the ethics of operations had to be improved to ensure a conclusive surveillance of the main risks generated by the activity.
- The owners, who are the sole stakeholders represented on the Board, were satisfied with governance even though it could be improved from a SR point of view.

- Certain issues (safety, remuneration, environment, suppliers, region...) were only partially dealt with despite the fact that they were potential risk carriers.
- The challenge for the organisation was to draw up a unique, harmonised SR policy which was sufficiently flexible to take into account different historical, social, geographical and capitalistic contexts.”

One area for improvement (on a governance level) concerned the engagement of the stakeholders.

The assessment referred to “a relation / cooperation with the stakeholders which could be strengthened by measures that:

- identified the priority stakeholders regarding the impacts of the decisions and activities of the organisation, the risks and opportunities linked to these stakeholders and to the form of dialogue to be favoured depending on the stakeholder (transactional array ranging from simple information to the co-construction of solutions, and including consultation, cooperation...)
- understood their interests depending on the subjects in question (chain of value, region, professional sector, etc.);
- included these interests in decisions with possible arbitration.”

I.4. Stakeholder Engagement

We thus launched a major project in 2014 with the aim of drawing up a map of our stakeholders.

Our stakeholders can be divided into 9 categories:

SHAREHOLDERS

Oetker Collection

EMPLOYEES

Administrative staff

Accommodation staff

Catering staff

Technical staff

Sensitive persons

Future employees

GUESTS & CONSUMERS

Resident guests

External guests

Prospective guests

PARTNERS

Service partners

Representatives

Oetker partner hotels

Relais & Châteaux

COMMUNITIES, CIVIL SOCIETY & NGOs

Red Cross Association

Les Aquanauts Association

Planète Urgence Association

Various local associations

Neighbours

NATURA 2000

SUPPLIERS

Partner suppliers

Key account suppliers

Local suppliers

PUBLIC AUTHORITIES & COMPLIANCE

Social bodies

Tax bodies

Regulatory bodies

Safety commission

Green Globe Certification

MEDIA & COMMUNICATION

VIP Press (Gala, Figaro ...)

Generic press (Innovation SPA, Nice RV)

TV

PR agencies

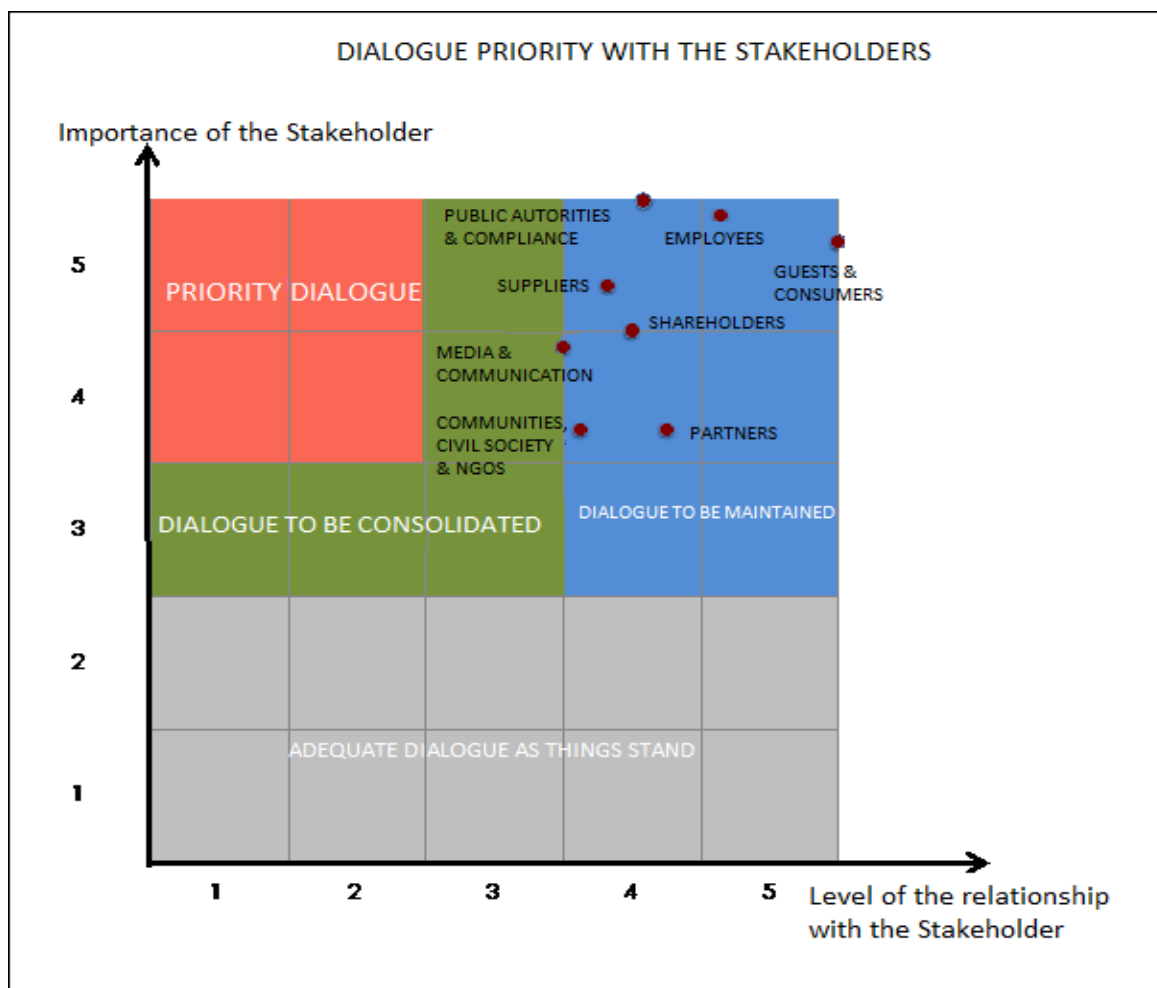
Internet Social networks

Fairs & exhibitions

Vocational training schools

Trade unions

We have established dialogue priorities with the stakeholders:



I.5. Report Profile

This report mainly focuses on the policies, managerial practices and performances obtained in three reference hotels: the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and l'Apogée Courchevel which are today the pilot establishments of our sustainable development approach. The approach is in the process of being implemented in the other establishments but this report will present significant initiatives which have already been undertaken in these establishments. Based on the GRI4 guidelines, this report indicates:

- 1) the G4 general standard disclosures corresponding to the Core option (the essential criteria)
- 2) the specific standard disclosures and at least one indicator linked to material aspects of each of the four GC key issues

United Nations Global Compact Principles, 2000	GRI guidelines
1. Businesses should support and respect the protection of internationally proclaimed human rights in their sphere of influence	Sub-category: Human Rights (all aspects) Sub-category: Society Local Communities
2. Business should make sure they are not complicit in human rights abuses.	Sub-category: Human Rights (all aspects)
Labour Law	GA-11
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Sub-category: Labour Practices and Decent Work Labour/Management Relations Sub-category: Human Rights Freedom of association and Collective Bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Sub-category: Human Rights Forced and Compulsory Labour
5. Businesses should uphold the effective abolition of child labour.	Sub-category: Human Rights Child Labour
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10 Sub-category: Labour Practices and Decent Work (all aspects) Sub-category: Human Rights Non-discrimination

Environment	
7. Businesses should support a precautionary approach to environmental challenges.	Category: Environment (all aspects)
8. Businesses should undertake initiatives to promote greater environmental responsibility and	Category: Environment (all aspects)
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Category: Environment (all aspects)
Anti-corruption	
10. Businesses should work against corruption in all its forms including extortion and bribery.	Sub-category: Society
	Anti-corruption
	Public Policy

I.6. Governance

The CSR France assessment highlighted several **strong points** concerning our governance methods:

- Being part of the Oetker Collection produced a standardised framework which defined a vision, values and responsibility principles that were shared by all establishments.
- Regular communication involving the employees (suggestion box which allowed for proposals to be submitted anonymously, meeting forums with Management, results of the Opinion Survey on their satisfaction were sent to all staff and the Direct Line system).
- The establishments had a strong culture of permanent financial reporting to shareholders.
- Clear delegations of authority and a unified Executive Committee allowed for an effective management, implementation and supervision of the decisions taken.
- In addition to an official communication of the financial statements, efforts were made to communicate with other stakeholders, staff, guests, suppliers and local authorities.

The CSR France assessment nevertheless underpinned areas where there was **room for progress**:

- Within the framework of the integration of social responsibility in the organisation, the values with the seven ISO 26000 social responsibility principles had to be validated and asserted.
- Strengthen the relation / cooperation with the stakeholders and ensure that the decision-making processes specified the involvement of the stakeholders.
- Not to reduce management to a monitoring of results or to underlining discrepancies but provide a recognition of the objectives reached and strategic and/or operational support in the event of a problem.
- Through communication, make known and ensure transparency in particular on the values and vision, the relevance of the choices and objectives made in view of the significant impacts and expectations of the stakeholders, developments in performance, the effectiveness of dialogue with the stakeholders and the decision-making mechanisms/bodies and the progress of the approach over time.

The major project regarding the stakeholders, the adhesion to the Global Compact and the preparation of the CSR report have provided the first clear improvements on these issues.

This report is approved by the Executive Committee of our three hotels which is comprised of our Managing Directors, the Chief Financial Officer, the Human Resources Director and the Commercial and Marketing Director before it is disseminated.

I.8. General standard disclosures on the hotel industry

The United Nations declared 2017 to be the International Year of Sustainable Tourism and included tourism in the Sustainable Development Goals. Within this context, the Minister for the Environment has just published a study on the environmental pressures exerted by tourism in France in regions which are subject to significant demographic variations and on the forms of sustainable tourism that have been implemented to reduce the impacts.

The document starts by noting that as the No. 1 tourist destination in the world, France welcomed 84.5 million foreign tourists in mainland France and some 400,000 tourists in the overseas departments in 2015. However, although tourism constitutes a key economic activity – domestic tourism consumption represents €158.6 billion, in other words 7.3 % of the GDP and the industry employs more than one million employees in full-time equivalents -, it generates multiple pressures on the environment. First of all because tourist travel, whether it is by air or by road, contributes to greenhouse gas emissions and the degradation of air quality. In the most popular tourist destinations, the development of accommodation moreover causes an artificialisation of the land and increases the pressures on the natural resources. These pressures are exerted over a very concentrated period of the year, particularly in July and August (40 % of overnight stays for personal reasons in 2014), with sudden influxes of visitors to regions which are sometimes sparsely populated.

A capacity of accommodation concentrated on a small number of communes

To begin with, the study seeks to identify the regions which are subject to significant tourism-related demographic variations and define their common characteristics. As a result, the communes whose tourism function rate, in other words the ratio between the number of tourist bed spaces and the full-time residents, is high are mainly situated in high and medium mountain areas and on the coast. Approximately 6,000 communes have a tourism function rate which is superior to 100 beds for 100 inhabitants and are thus likely to welcome as many visitors as their full-time residents. The study points out that, “In 2016, although only 6 % of the country’s population lived there on a full-time basis (approximately 3.9 million inhabitants), they concentrated 60 % of the tourist beds in their communes (in other words an accommodation capacity of nearly 12.5 million tourist beds)”, and adds that among these communes, 235 have a tourism intensity which is superior to 1,000 beds for 100 inhabitants.

Furthermore, the tourism density increases in line with the tourism function rate of the communes. While the average tourism density in France was of 33 beds per km² in 2016, it represented 115 beds per km² in the communes with a tourism function of between 200 and 1,000 beds for 100 inhabitants (class 4) and 300 beds per km² in those with a tourism function superior to 1,000 beds for 100 inhabitants (class 5). In Mainland France, this phenomenon mainly concerns the Atlantic and Mediterranean coasts, the islands and the Alps.

Since 1999, it is the communes which already had the highest tourism function which have registered the fastest rise in their accommodation capacity in hotels, campsites and second homes: nearly 800,000 additional tourist beds in other words an increase of approximately 300 beds per class 4 communes and nearly 380,000 additional beds (+1,628 beds) per class 5 communes. These communes are situated along the Breton and Atlantic Coast, on the Ponant, Ré and Oléron Islands, along the Channel-North Sea coast and in the Alps and Hautes-Pyrenees.

Water and power consumption well above average

The study then analyses the pressures exerted on the environment in these regions. As they are mainly situated in natural environments, they are confronted with the phenomenon of land artificialisation. In these communes, this phenomenon has increased at around the same pace as the national average (+2.8 %). On the other hand, these regions clearly stand out in terms of water and power consumption, and waste generation. The 6,000 communes with a tourism function rate which was superior to 100 beds for 100 inhabitants accounted for 10 % of the abstractions for drinking water supply in 2013 (613 million m³ out of the 5.6 billion m³ abstracted in France). While the domestic average for the volume of these abstractions represents 85 m³ per inhabitant per annum, it can triple in the communes where the tourism intensity is superior to 1,000 beds for 100 inhabitants (class 5). Between 2002 and 2013, the highest increases (superior to 10 %) were noted in the Hautes-Pyrenees, the Côtes-d'Armor, the Hautes-Alpes, the Haute-Corse and the Vendée. The abstractions carried out by sports and leisure activities affect the resource: this was in particular the case to water golf courses, fill swimming pools, produce artificial snow and also accommodation and catering services as well as tourists' direct consumptions, emphasises the study which moreover notes that wastewater treatment can be difficult to carry out in tourist areas in particular in small communes and/or on islands which have to manage a sharp increase in their population and activities.

Power consumption also increases in line with the average tourism function rate of the communes. While the average low voltage power consumption represented 3 MWh per annum per inhabitant in France in 2014, it was equivalent to 4.1 MWh in the communes with a rate between 100 and 200 beds for 100 inhabitants, 5.3 MWh in those with a rate between 200 and 1,000 beds for 100 inhabitants and reached 10.5 MWh in those with a tourism intensity which was superior to 1,000 beds for 100 inhabitants.

Difficult waste treatment

Tourism-related population variations also have an effect on the production of household and similar waste, notes the study. Areas with a high tourism intensity produce an average quantity of household and similar waste per inhabitant which is 27 % higher than the national average, with a percentage of waste deposited in these areas that is superior by 9 points to the national average. The document indicates that on a departmental scale, the volumes collected are higher than the national average (573 kg/annum per inhabitant) on the North-West coast and part of the Atlantic coast. In the South, the tonnages are particularly high along the Mediterranean coastline, in the Alps and along the Italian border. Islands like Corsica and overseas Guadeloupe and the Reunion Island also collect significant volumes of waste.

The treatment of this waste is also problematic. First of all because it often requires an increase in the collection frequencies and temporary storage overcapacities and even sometimes, for certain islands, a transfer to the mainland to be disposed of or recovered, due to a lack of adequate storage facilities. These difficulties, which are linked to the size of the facilities, are compounded by natural constraints. This is particularly the case in mountain areas where the available, convertible space is reduced and where the remote or dispersed homes make it even more complicated to construct or renovate. Moreover, the use of the road network is often difficult and even impossible at certain periods of the year. The rainfall and humidity in the mountains can also aggravate the pollution caused by the waste due to stormwater runoff.

In addition, a large number of tourist destinations are home to protected areas. “The influx of tourists near to or in these protected areas has an ambivalent effect”, notes the study. “On the one hand, it confirms the attractiveness of natural areas and constitutes a tool to raise awareness about the environment and sustainable development. On the other, the huge number of tourists visiting these sites endangers their preservation and the ability of the natural environment to regenerate itself.”

Appeal for nature destinations

To limit the pressures on the natural resources and protect the environment, sustainable development initiatives have been developed in particular over the past twenty years, notes the study and adds that in France as in other countries in the European Union, “nature” destinations are all the rage. The environment has even become a key element in choosing a holiday destination. Among the practices which contribute to the development of sustainable tourism, the document pays particular attention to gentle roaming modes (by river, bicycle, foot or horse). France is thus the second destination in the world for cycle tourism behind Germany. It has nearly 12,000 km of cycle routes and green cycling trails. For walking lovers, there are 65,000 km of hiking paths, 115,000 km of walking and hiking routes and 4,600 km of coastal paths.

Disparate eco-friendly advertising

Finally the study notes that “sustainable tourism” has developed among professionals (tourism accommodation providers, restaurant owners, tour operators...) via a rash of labels, logos and trademarks. But this eco-friendly advertising is also marked by a significant disparity in the criteria and commitments (effective management of water and power resources, responsible purchasing, non-use of pesticides, protection of the surrounding environment...) and by the standards of requirement. On a European scale, France has the highest number of tourist establishments with the voluntary European ecolabel “Tourist Accommodation Service”. This scheme implements an overall approach which takes into consideration the lifecycle of the service including purchasing, the use of the facilities and waste management. 358 establishments display this label in France compared with 222 in Italy and 100 in Austria. The study also mentions the Grand Site de France label which was created by the government in 2002 and which recognises the quality of the preservation and management of these sites. The most popular site today is the Somme Bay (2 million visitors per annum, in other words 80 times the resident population of the communes concerned). The last example is the Pavillon Bleu label which is awarded to the communes and marinas which implement a sustainable tourist development policy. With 400 labelled beaches and 98 labelled marinas in 2016, France ranks 2nd behind Spain with the largest number of Pavillons Bleus.¹

¹ <http://www.caissedesdepotsdesterritoires.fr/cs/> - article: 1250278884601

I.7. Ethics and integrity

Our Social Responsibility commitment is, by definition, placed within the scope of ethics. All our behaviour must reflect this requirement which can be seen in particular by:

- Compliance with the law and regulations in force in the countries in which our hotels operate.
- Compliance with the international standards of behaviour that are promoted by lawful international institutions (UN, ILO, OECD ...).

Regarding more specifically the business ethics section, the CSR France assessment highlighted several strong points:

- Significant progress in the transparency of transactions.
- Ban on marketing an archaeological relic or object.
- Ban on guests marketing products in the hotels.
- A commitment on compliance with social and environmental norms by subcontractors.
- Search for a balanced and long-term relation with its suppliers and subcontractors is favoured.
- Respect for property rights.
- The presence of a Code of Ethical Business Conduct and procedures regarding the acceptance of gifts by our employees.

II. SPECIFIC STANDARD DISCLOSURES

II.1. Oetker Collection Social Responsibility Strategy

II.1.a The officers

List of OC CSR OFFICERS		
HOTEL	NAME	POSITION
BPH	Pierre SCHAEFER	Executive Assistant Manager
FIP	Tanya LEIBRICK	Conservationist
	Matthieu BOURDON	Head of Engineering
LBP	Chloé LEIGNADIER	Project Assistant
ERO	Chloé GANSOINAT	Assistant Manager
LANESBOROUGH	Caitlin NEARY	Revenue Manager
HDCER		
CSM	Julie POIROT	CSR Regional Manager
APG		

II.1.b. Identity

Our vision

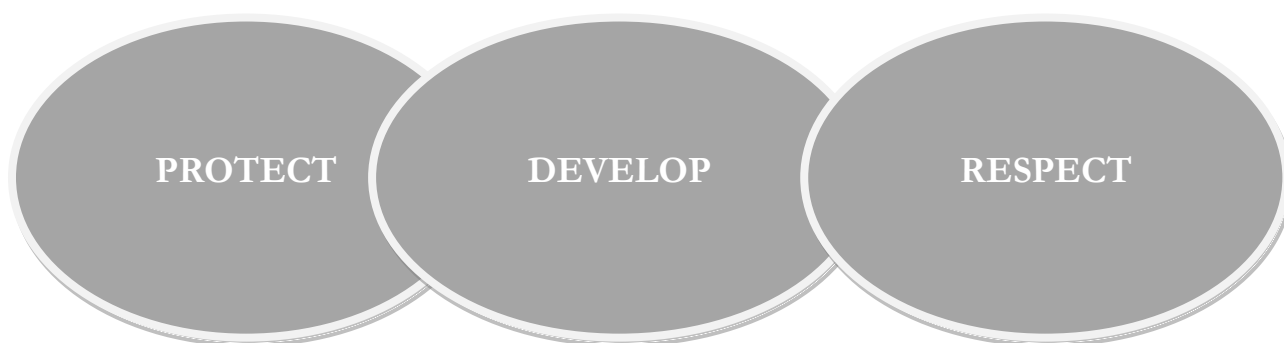
Oetker Collection has chosen to take advantage of its know-how, decorum and interpersonal skills to develop and, ultimately, perpetuate the future of the generations to come.

Our mission

The hoteliers of the Oetker Collection family are guided by joint goals and values in particular within the framework of social and environmental development.

It is this new commitment which allows us to be as close as possible to our guests.

Our values



Our slogan

“Patrons for a safe and guaranteed future”

Our logo



PATRONS FOR A SAFE AND GUARANTEED FUTURE

II.1.c. The CSR awards given to our hotels

The Bristol Paris, the Brenner's Park Hotel & Spa and L'Apogée Courchevel

They have been certified Green Globe for the first time. Created in 1992, Green Globe is an international label for sustainable tourism and travel. It rewards and assists hotels which have opted for an approach to improve the environmental and social management of their activities. The certification audit is annual.



Hotel du Cap-Eden-Roc and the Château Saint-Martin & Spa



The Oetker Collection environmental approach began in both these hotels in 2010. They have both been certified Green Globe, “Gold Status” since 2011.

The Château St-Martin & Spa and the Hotel du Cap-Eden-Roc have been awarded the Trip Advisor Eco-Leaders since 2014. The Château St-Martin & SPA received the “Silver” award in the Eco-Leaders category and the Hotel du Cap the “Bronze” award.

The TripAdvisor Eco-Leaders programme brings together all sorts of eco-friendly hotels and lodgings to suit every budget. All commit to respect the environment and protect nature in particular by recycling, and by cooking local and organic products.



II.1.d. The Oetker Collection CSR policy in relation with the United Nations Sustainable Development Goals

Commitment 1: Ensure respect for human rights and optimise our working conditions



- 1.1. Ensure that each of our employees is treated fairly while fighting against discrimination
- 1.2. Favour an optimum quality of life at work and support social dialogue
- 1.3. Encourage the development and employability of our employees

Commitment 2: Control our consumption and protect our environment



- 2.1. Through innovation reduce our consumption of resources
- 2.2. Understand, protect and restore the biodiversity that surrounds us
- 2.3. Apply the regulations on waste and strive to limit any type of pollution

Commitment 3: Guarantee a sustainable service of an exceptional quality and increase the awareness of our guests and employees on social responsibility



- 3.1. Guarantee an impeccable and responsible service as well as fair operating practices
- 3.2. Encourage our guests to contribute to our vision of a sustainable future

Commitment 4: Take part in the social, cultural and economic development of the regions in which we operate



- 4.1. Favour local producers who are a guarantee of the rich heritage of our region
- 4.2. Commit alongside our partners in sustainable projects that are linked to the values we defend

II.1.e. The 2016 CSR objectives of the 3 hotels in the South: the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel

COMMITMENT	PILLARS	OBJECTIVES	HDCER	CSM	APG	OC
	GOVERNANCE	Increase the awareness of our employees on social responsibility	100 %	100 %	100 %	100 %
		Score Opinion Survey on CSR issues	4.4	4.7	4.7	4.6
I	SOCIAL	Score Opinion Survey on "communication, training and career development" matters	4.2	4.4	4.6	4.4
		Attendance rate at expression meetings	15 %	5 %	15 %	12 %
2	ENVIRONMENTAL	Reduce by 2 % our water and power consumption during the summer season and by 5 % during the winter season	-2 %	-2 %	-2 %	-2 %
			-2 %	-2 %	-2 %	-2 %
			-2 %	-2 %	-2 %	-2 %
			-5 %	-5 %	-5 %	-5 %
			-5 %	-5 %	-5 %	-5 %
			-5 %	-5 %	-5 %	-5 %
		Include energy eco-efficiency in the new equipment and work				
3 and 4	SOCIETY	Include sustainable purchases in the targeted types of purchases	10 %	20 %	15 %	15 %
		Including the eco-friendly labelled products out of all maintenance products	30 %	50 %	30 %	37 %
		Sending of the CSR opinion survey of our suppliers	80 %	80 %	80 %	80 %
		Suppliers which have signed the responsible purchasing charter in terms of expenses	40 %	40 %	40 %	40 %
		Local suppliers in purchase volumes	50 %	50 %	50 %	50 %

II. 2. SOCIAL COMMITMENT

Ensure respect for human rights and optimise our working conditions

The Oetker Collection objectives are:

- ❖ Increase the attractiveness of the Oetker Collection
- ❖ Attract, keep and employ the best employees
- ❖ Demonstrate the know-how by developing employees' skills
- ❖ Favour the motivation, performance and well-being of our employees within the Oetker Collection

2016 Objective: Obtain the score of 4 on the Opinion Survey regarding the “communication, training and career development” questions

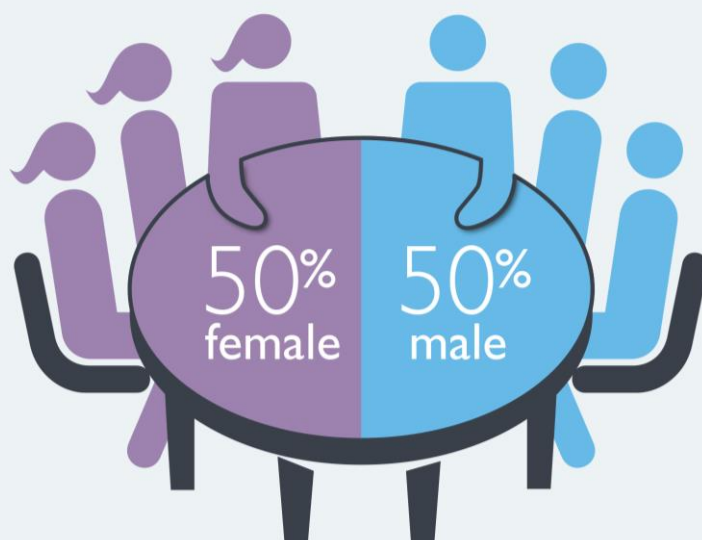
II.2.a. Ensure that each of our employees is treated fairly while fighting against discrimination

At the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel, all employees are conversant with the Ethical Charter which is appended to their employment contract. In the social section of the Charter, it lays the emphasis on the following points: ban on moral and sexual harassment, right to the respect of the human dignity, refusal of any form of discrimination (relating to recruitment, to the manner in which they are treated and included in the team, career prospects, training and communication, and equal opportunities).

The internal rules set forth provisions concerning harassment and means of prevention exist (for example, the room maids work in tandem).

Various other methods have been implemented: traceability of recruitment interviews, panels of recruiters (systematic involvement of a member of HR), integration of trainees and employees who are made available from *ESATs* [*Establishments and Services that provide Assistance through Work*], preparation each year of a gender comparative analysis, action plan on gender equality at the workplace and on generation contracts

3 out of the 6 people
on the **board of directors** are **female**



A diversity audit was carried out by the external firm RH2S in order to have a snapshot of practices at a given time T, and ascertain whether levers of progress and/or an action plan should be implemented. As our establishments wish to retain its staff and in order to ensure continuous improvement, and continue to improve the quality of life at the workplace, the firm focused its work on:



- The completion of a diversity audit on various issues concerning management and recruitment practices.
- The documents that are linked to the implementation of this assessment, and in particular the comparative analysis, the social barometer, *DOETH [Mandatory Declaration of Employment of Disabled Workers]* and the action plan on gender equality at the workplace in order to understand the snapshot of the company.
- The co-organisation of a survey with a representative sample.
- The survey was carried out on the site of the hotel and was followed by semi-structured interviews with the same sample.
- Other self-diagnosis surveys were carried out on management and recruitment practices.

Further to this assessment, rh2s was able to ascertain that:

- Diversity in the company was well understood.
- The changes which had been made over the past years seemed to have been adopted by the hotel staff. They found these changes to be sound and consistent with the company's approach.
- The actions that had been conducted were effective and were seen as a good initiative. Diversity had gradually become part of the company's habits.
- They would like Management to continue its efforts without doing "too much" or making it "compulsory". They found this to be rewarding and a way to learn from each other.
- They mainly wanted to have competent employees regardless of their origins, skin colour, gender etc.
- The people the firm met spoke sincerely.

As a result of this audit, the Executive Committee took the decision to obtain the Gender Equality label.

II.2.b. Favour an optimum quality of life at the workplace and support social dialogue

Quality of life and remuneration

The company's wish is to comply with, and even exceed, the regulatory provisions of the classification grid of the Hotels, Cafés and Restaurants (HCR) national collective agreement and to comply with the average salaries paid in similar, local establishments.

The remuneration policy is based on the statutes, the type of contract and the number of hotels where the employee will complete his assignments. It includes a basic fixed monthly salary, benefits which are related to the hotel industry such as food and accommodation advantages, a 13th month of salary, bonuses linked to quantitative and qualitative objectives and profit sharing.

To make the life of our employees at work easier, we have committed to numerous points such as:

- A major **internal training** plan which is available to all employees;
- **A company restaurant**: where the cost of a meal is €3.54. This allows employees to have balanced, healthy meals.
- A complementary group plan to cover **medical costs**, $\frac{3}{4}$ of which is paid by the company, a supplementary social protection plan as well as a Company Savings Scheme and a Collective Pension Fund.
- A **partnership** with "Loisirs Soleil Events". This partnership allows employees to benefit from preferential rates for sports activities, museum entrance fees, events, cinema tickets in the PACA region and also in France and abroad.
- The payment of bicycle mileage allowances.

In addition, we have installed the Fixacouette (Duvet clamp) system for our floor services to reduce the strain of their work on a daily basis and trolleys with a tilt-up base for the linen.

Health and safety at work

Particular attention is paid to health and safety.

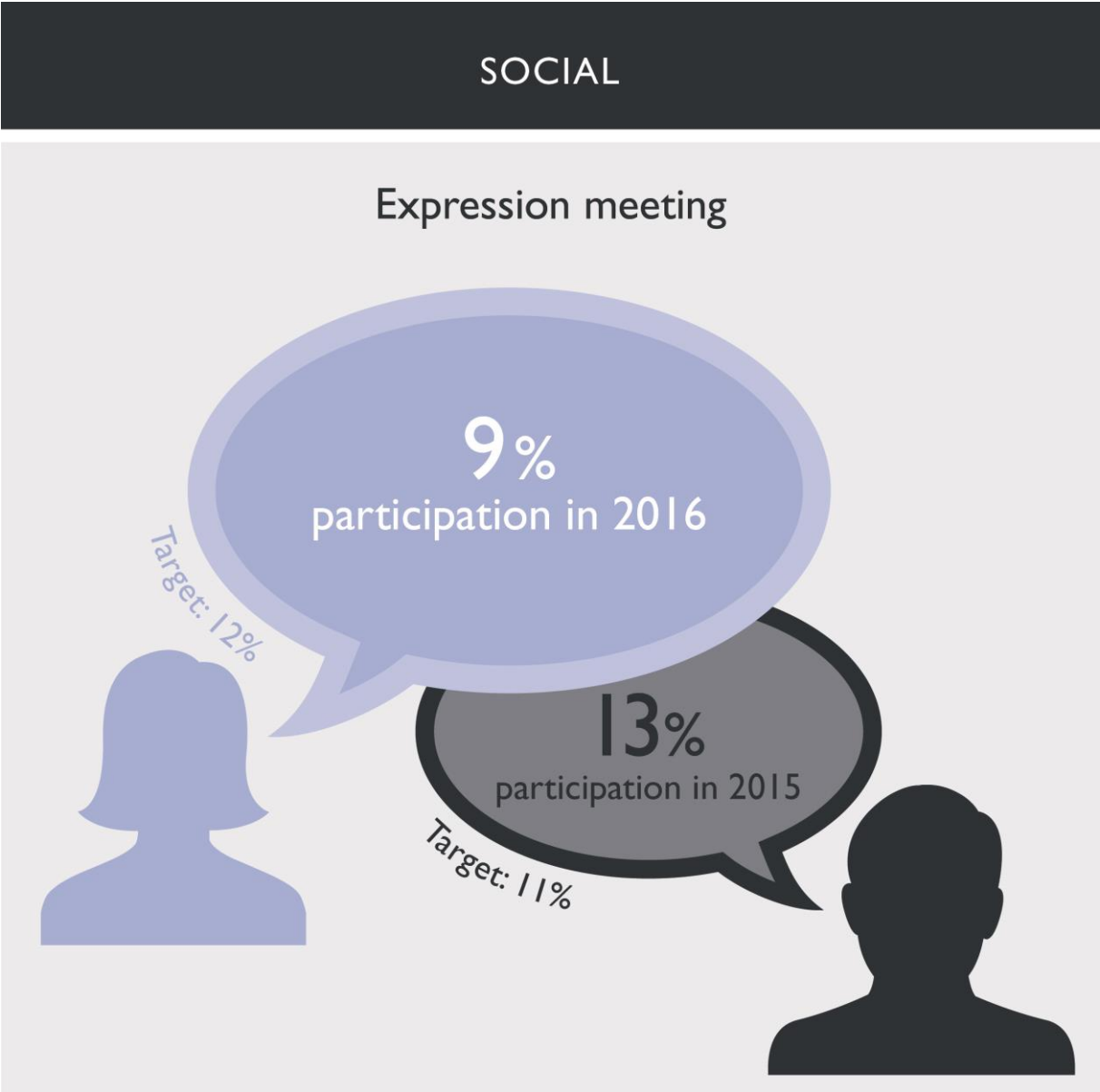
A unique and very comprehensive risk assessment document has been drawn up and no health or safety problem whatsoever has required a regulatory intervention over the past 12 months. The Communal Safety Commission has always issued favourable opinions.

Social dialogue

An anonymous Opinion Survey on the social climate is filled in each year by the employees so that they can voice their opinions on life in the company. They answer questions on the respect and recognition of their managers and the management of the hotel as far as they are concerned, amongst others. The Opinion Survey on the social climate is carried out each year and is scored out of 5.

Regular meetings and events with the management and employees are organised each year to optimise social dialogue: forum meetings, expression meetings, induction days, briefings (daily commitments), department meetings, heads of department meetings, staff parties, outings of the Club 100, inter-hotel raids and team cohesion. Awards are given to the staff: employee of the month and year (QASE), long-service award, gifts on the birth of a child, retirement gifts and gifts at Christmas.

Expression meetings are organised to favour social dialogue. These meetings are open to all employees and give them an opportunity to meet the Managing Director and the Human Resources Director. Lasting for about 2 hours, they allow for upward communication by answering employees' question. Objectives on the attendance rate are set: (see the table below)



II.2.c. Encourage the development and employability of our employees

In order to comply with the group's objectives, the Human Resources department of our three hotels launched a Job and Skills Provisional Management programme which:

- Allows for individual and group skills to be identified.
- Draws up a map of skills which takes into account the diversity of skills.
- Anticipates the departures of senior employees to favour the transmission of knowledge.
- Develops skills monitoring and recognition tools that are required and lacking with the implementation of adapted training plans.
- Carries and shares the vision and values of the company.
- Identifies the human resources required for the needs and projects of the company.

This project is spread over 2 years.

The internal and external training plan is on a par with the needs of the company and those of employees.

Assessment processes are implemented: meetings are organised every year and each manager who is required to conduct these meetings must be trained on the assessment tool and how to deal with awkward situations.

2017 Objective:

- ***Reach an attendance rate of 10 % at expression meetings***



COMMITMENT 1

Ensure respect for Human Rights and optimise our working conditions

ACTION CONDUCTED

External audit on diversity

The external firm RH2S carried out an audit on diversity practices at the Hotel du Cap-Eden-Roc

ACTION CONDUCTED

Organise themed menus

These menus are created according to the nationalities of our employees and showcase their native countries.

ACTION CONDUCTED

Proposal for a Solidarity Leave

Our hotels give 3 of their employees the possibility of taking a solidarity leave with the Planète Urgence Association.

2017

- ✓ Further to the diversity audit, desire to work on the gender equality label

II. 3. ENVIRONMENTAL COMMITMENT

Control our consumption and protect our environment

2016 Objective

- *Reduce our water and power consumption by 2 % during the summer season and by 5 % during the winter season*
- *Include energy eco-efficiency in the new equipment and work*

Any activity has an impact on the environment through: the consumption of materials, the modification of local ecosystems and the different types of pollution discharged into the biosphere. Our responsibility is first of all to abide by all the progress in regulations and exceed them where possible. Compliance with regulations is monitored with the assistance of external experts:

- an environmental expert company prepared a report on compliance in 2012 and put forward recommendations concerning safety and the ICPE (Installation Classified for the Protection of the Environment) approach,
- a law firm, with expertise in environmental law, draws up a report on the new texts which may apply to the establishments each quarter.

II.3.a. Through innovation reduce our consumption of resources

The sustainable use of resources

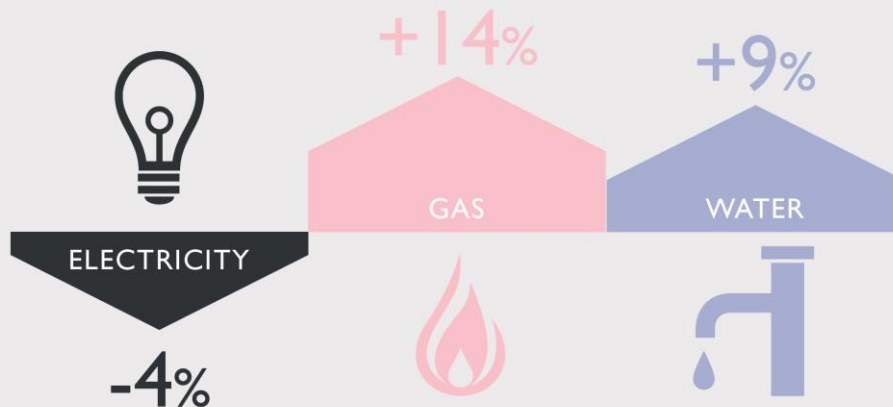


Power and water consumption is under control.

The consumption and related costs are available in real time on the account of the Netseenergy remote reading tool. This tool also allows for the load curves to be analysed per day, week, month, year... and per sector. An energy advisor gives advice on consumption and warns us in particular if there is overconsumption.

ENVIRONMENT

Energy and water consumption



Percentage variation in energy and water consumption between 2015 and 2016.

Numerous relamping actions have been carried out on our three hotels. For example, the three guest car parks at the Hotel du Cap-Eden-Roc are equipped with presence detector leds. In addition, a complete renovation of the staff building enabled us to install leds at each light source and an automated card system for lighting in each room.

The gas increase mainly concerns the Château Saint-Martin & Spa due to the installation of a new remote reading device on the gas meter of the kitchens which did not exist before.

As far as water is concerned, the increase is mainly due to a period of activity that was longer than the previous year by approximately two weeks and higher watering frequencies at the Hotel du Cap-Eden-Roc and at the Château Saint-Martin & Spa caused by higher temperatures than in 2015.

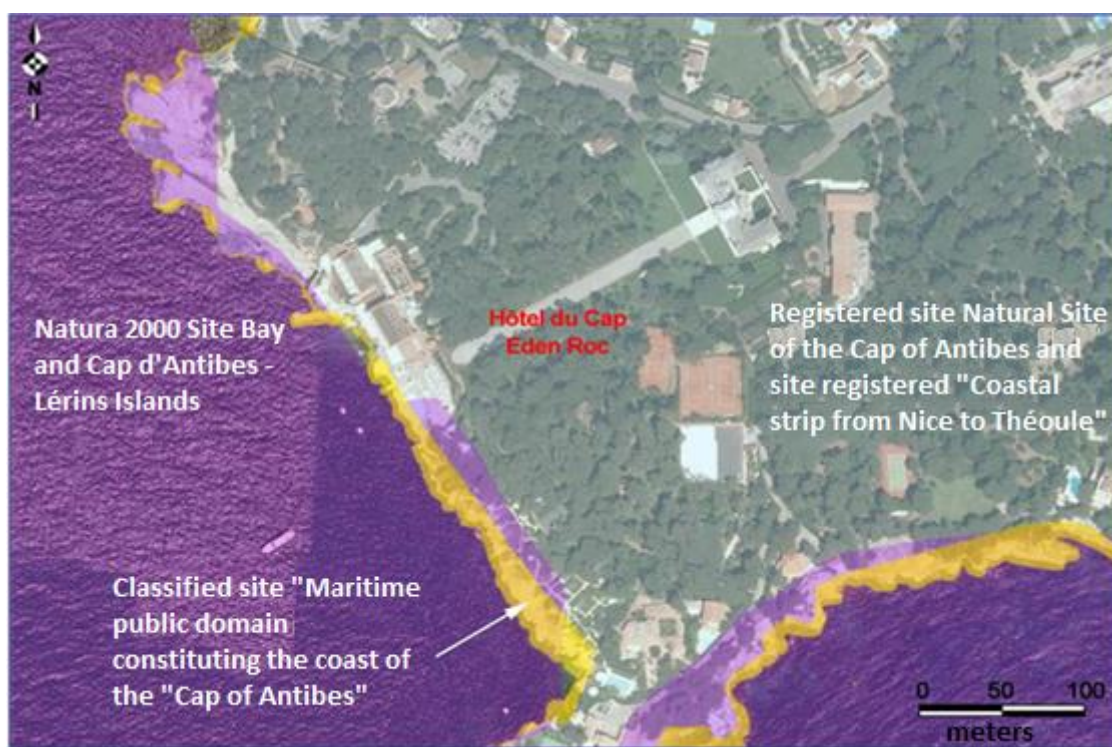
II.3.b. Understand, protect and restore the biodiversity that surrounds us

Protection of the environment and rehabilitation of natural habitats

Our three sites are situated in recognised major natural areas:

The Hotel du Cap Eden-Roc property, which is situated on the Cap d'Antibes, covers approximately 8 hectares of land and includes Mediterranean species of trees including one hundred Aleppo pines, forty umbrella pines and thirty-three olive trees. The main alley of the Hotel du Cap leads to the coast, providing a breathtaking view of the Mediterranean Sea and the Lérins Islands. This area is known for its rich biodiversity and is classed as a Natura 2000 zone (site FR9301573 "Bay and Cap d'Antibes, Lérins Islands").

The Hotel du Cap is also located between several marine ZNIEFF (Natural Zone of Ecological Interest for marine Fauna and Flora) sites: Type I ZNIEFF "Golfe Juan and anse du crouton" and "Pointe du crouton", Type II ZNIEFF "from the Cap d'Antibes to the pointe Bacon" and "Golfe Juan and anse du Crouton".



L'Apogée Courchevel is situated in the Savoie region, in the Tarentaise Valley where the ski resort of Courchevel extends over 5 levels around different but complementary villages and 14 hamlets. Together, they offer a real diversity at the heart of the world's largest ski area, that of the Three Valleys. Associated with a "high-end" image, the resort of Courchevel also has a rich cultural and environmental heritage which it continually strives to protect.

The region of Saint-Bon Tarentaise is part of the National Vanoise Park, with 672 hectares included in the heart of the Park, in other words 11.4 % of the surface area of the commune. Situated between the high valleys of the Maurienne and the Tarentaise, the National Vanoise Park was the first French national park created in 1963. At the heart of the Park, the fauna and flora are rigorously protected. Hunting and the harvesting of flowers is prohibited. Eco-friendly pastoral activities have been maintained in the Park and contribute to the diversity of the species and landscapes.



The commune of Saint-Bon Courchevel is concerned by the Natura 2000 S43 site.

Natura 2000 is a European network whose objective is to maintain the biological diversity of environments while taking into account economic, social, cultural and regional requirements as part of a sustainable development approach.

The commune of Saint-Bon Courchevel signed the National Charter in favour of sustainable development in ski resorts in 2007.



Situated at approximately 20 km from the coast, between the sea and mountains, the Château Saint-Martin & Spa is at the junction between the end of the coastal area and the beginning of the countryside, at the very heart of this “hot spot”. With a property covering about 15 hectares on the hills of Vence which include more than 180 centuries-old olive trees, it is located at the very heart of a biological wealth that is recognised on a European level. This natural exceptional heritage constitutes an invaluable wealth which should be valued by as many people as possible. At the same time, it represents a huge responsibility in terms of preservation and conservation.

The Château Saint-Martin is clearly visible from numerous viewpoints on the commune. However, the aesthetics of the building and the remains of the Templar command post contribute to the quality of the landscape of the site.

The estate boasts a great many species of local plants that are characteristic of the Mediterranean flora (oak trees, cistuses, strawberry trees ...). It also has exogenous ornamental species.



We asked the French League for Bird Protection to draw up an inventory of our diversity through plant and animal assessments. The Château Saint-Martin & Spa and the Hotel du Cap-Eden-Roc, which are situated in a unique site between a natural zone and an urbanised zone, can act as a feeding or reproduction haven for various taxons. This area is also located on a bird migration route and can be used by them as a stop-over site. Species listed on the Natura 2000 site may be found here.



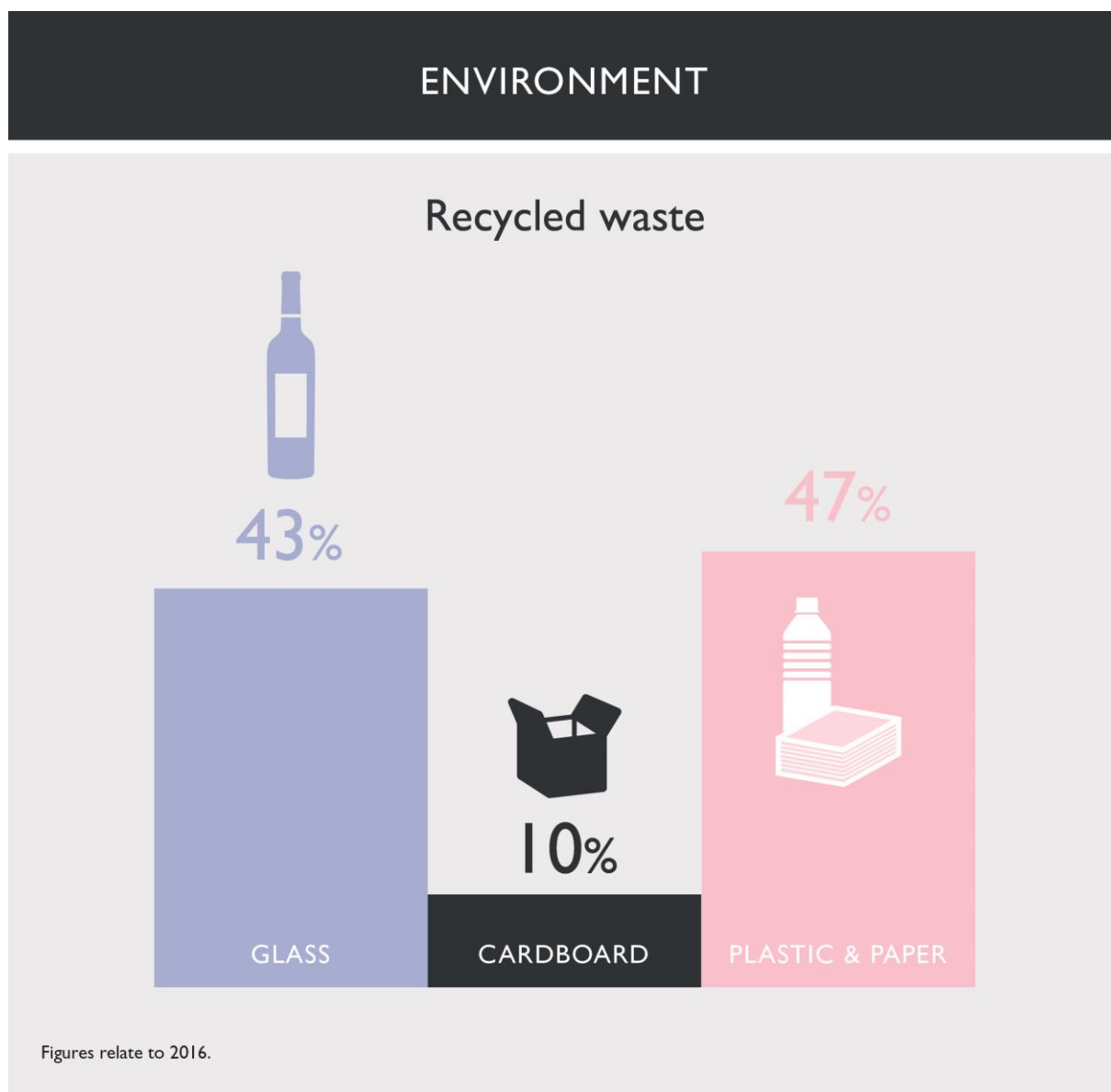
The Arbutus

In order to enhance this heritage with our teams and guests, we have installed an insect hotel at the Kid's club and also wooden signs explaining our biodiversity protection actions, the reasoned management of our gardens and the various endemic species of the park.

Nesting boxes depending on the species found by the French League for Bird Protection have been placed in our parks and the Château Saint Martin & Spa has had 4 hives as a Haven for Biodiversity since 2013.

II.3.c. Apply the regulations and strive to limit any type of pollution

Waste



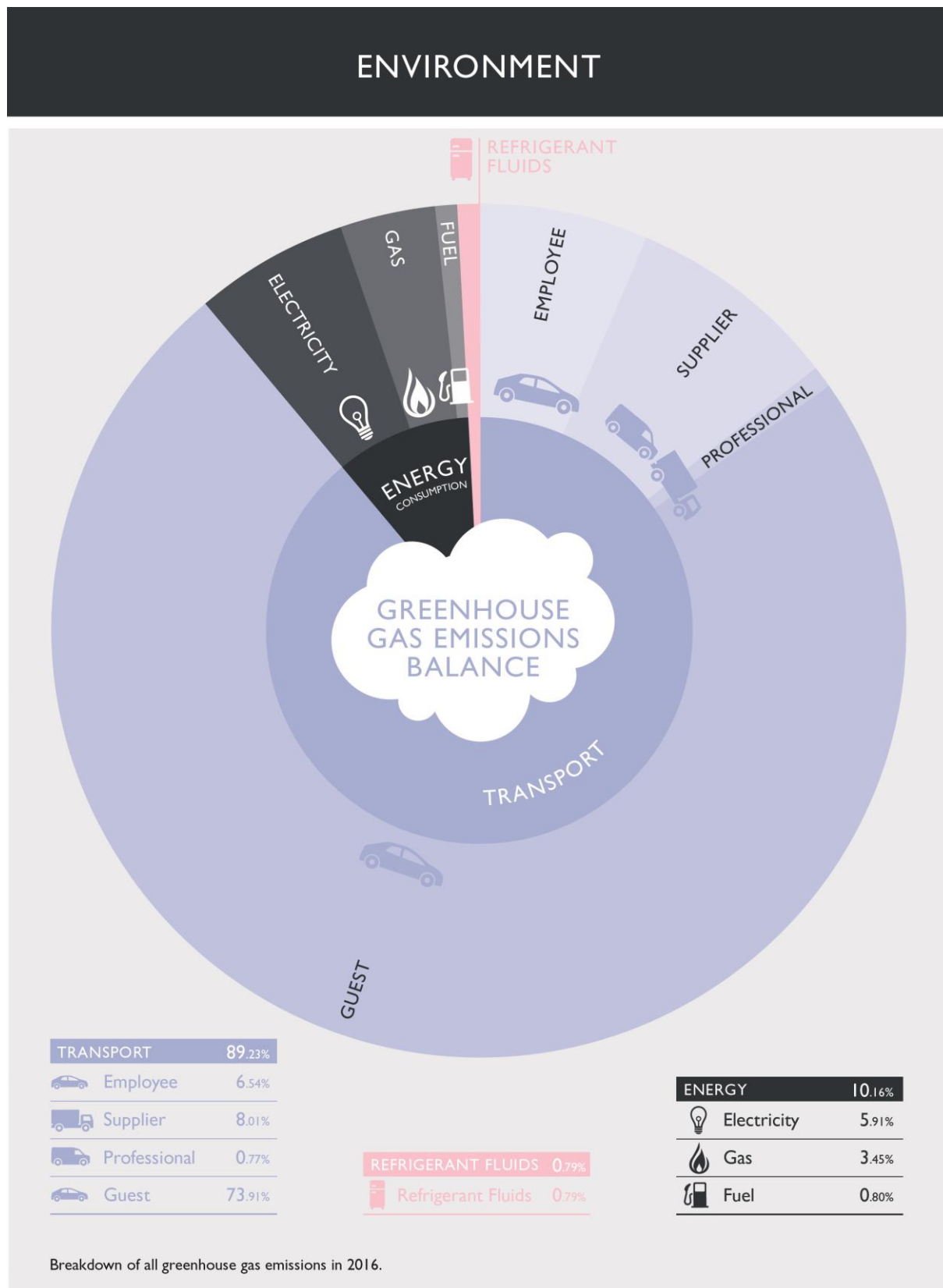
We collect plastic caps for the association *Les Bouchons d'Amour* and corks for the *France Cancer* association.

The flip-flops and slippers that are not used by our guests are given to the Red Cross as well as the shower gels and shampoo which have been partly used by guests and which we cannot put back in the rooms. A new partnership with the “Clean the World” Association means that the soaps from bathrooms are recycled to be reused in developing countries.

According to the regulations on bio waste, we have installed a compost production area at the Hotel du Cap-Eden-Roc and the Château Saint-Martin & Spa. This area in the garden is equipped with compost bins for waste from the kitchen (peelings) and shredded green waste from our park.

Mitigation of climate change

We carry out an Assessment of our Greenhouse Gases Emissions internally.



Thus, guests transport represents 74 % of the greenhouse gases emissions for our three hotels.

We can see that, apart from guests transport, the greatest emitter of greenhouse gases is power consumption and in particular electricity.

Suppliers transport is calculated according to a representative panel of our suppliers of 30 %.

Employee transport represents a significant portion as we employ a large number of seasonal workers throughout France. In addition, as the administrative departments are common to the three hotels there is a lot of travelling to the three establishments depending on the period of the year.

2017 Objectives:

- *Reduce our water and power consumption by 2 % during the summer season and by 5 % during the winter season*
- *Include energy eco-efficiency in the new equipment and work*



COMMITMENT 2

Control our consumption and protect our environment

ACTION CONDUCTED

Relamping

All guest car parks are in the process of being relamped with LED presence sensors.

ACTION CONDUCTED

Monitoring consumption

Our three sites are managed by a remote reading device of consumptions on line.

ACTION CONDUCTED

The 3 R's of waste

We seek to Reduce, Recycle and Reuse in the best optimal way.

2016

- ✓ Have a carbon footprint prepared by a specialised company
- ✓ Have a specialised company prepare an assessment of our impacts

II. 4. SOCIETAL COMMITMENT

Guarantee a sustainable service of an exceptional quality and increase the awareness of our guests and employees on social responsibility

2015 Objectives:

- *Ensure that sustainable purchases represent 10 % of all purchases, including 30 % of eco-friendly labelled products out of all maintenance products*
- *Understand our guests' expectations with regard to CSR*

II. 4. a. Guarantee an impeccable service and purchasing policy through fair operating practices

Anti corruption

We have prepared a **Code of Ethical Business Conduct** for the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel which lays down the Oetker Collection's commitments in the field of duty-based ethics. It reflects our historical values as they are expressed in the 7 values of the Oetker Collection and the Ethical Charter of the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel.

All our actions are guided by reliability, confidence and fairness requirements. We should endeavour to meet or exceed the regulatory requirements in force, fulfil our commitments and avoid conflicts of interest. We commit to produce accurate internal information and to protect the confidentiality and security of this information. We undertake to communicate openly both internally and externally.

The aim of these commitments is not only to ensure that our practices comply with the law and the regulations in force but also to earn and maintain the trust of our guests, our shareholders, our employees, our suppliers and other partners in the long term.

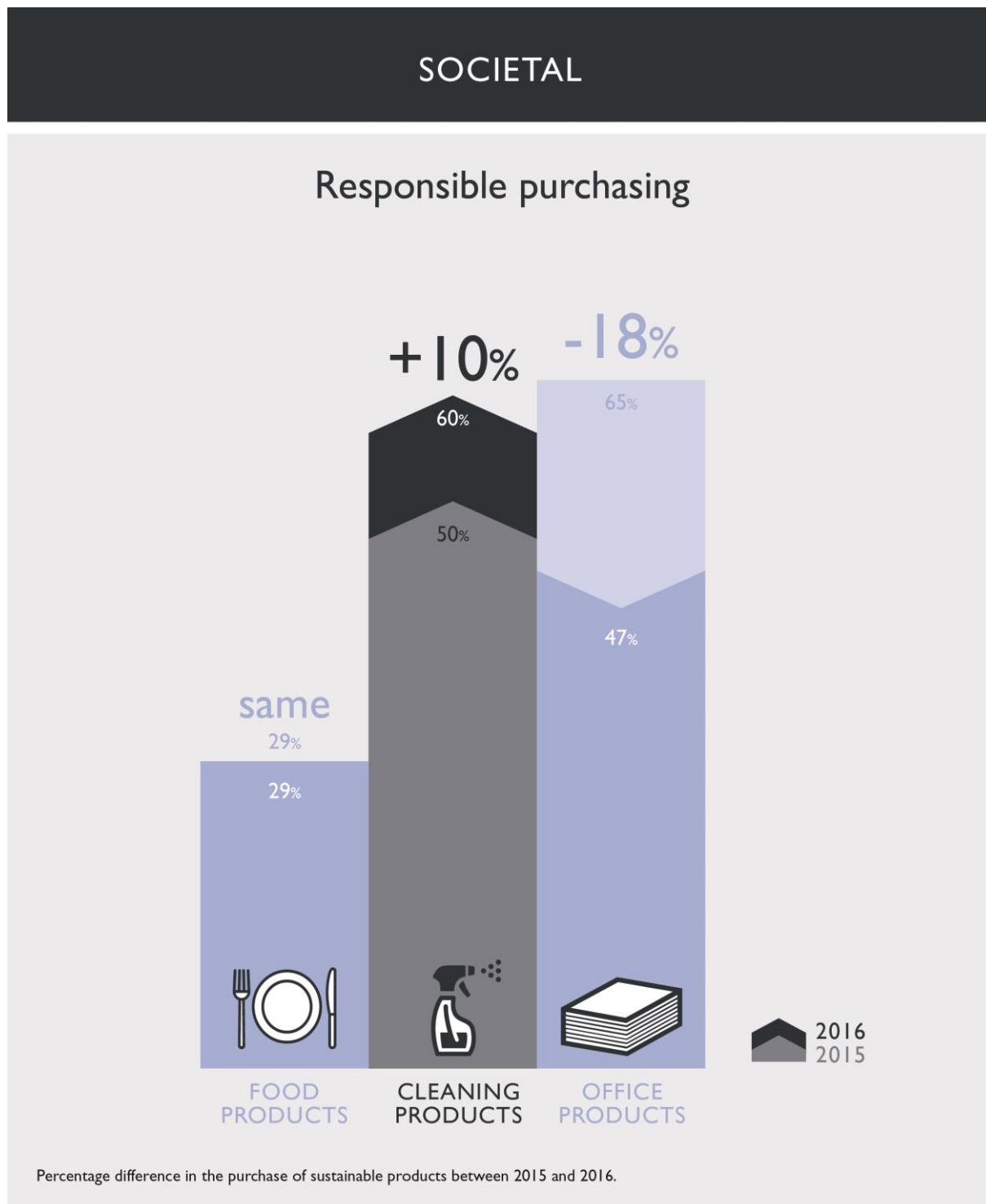
The purchasing department and all buyers are aware of the problem of corruption with regard to suppliers. The Executive Committee of the three hotels regularly reviews the anti-corruption policies in order to monitor and improve the results.

We have prepared a Responsible Purchasing Policy which focuses on good practices to guide our employees in their purchasing procedures.

Promotion of societal responsibility in the value chain

Our sustainable development approach is part of a partnership with our suppliers which respects people and the environment.

We class purchases according to their type in order to determine the percentage of actual sustainable purchases compared with all purchases. The results are given below:

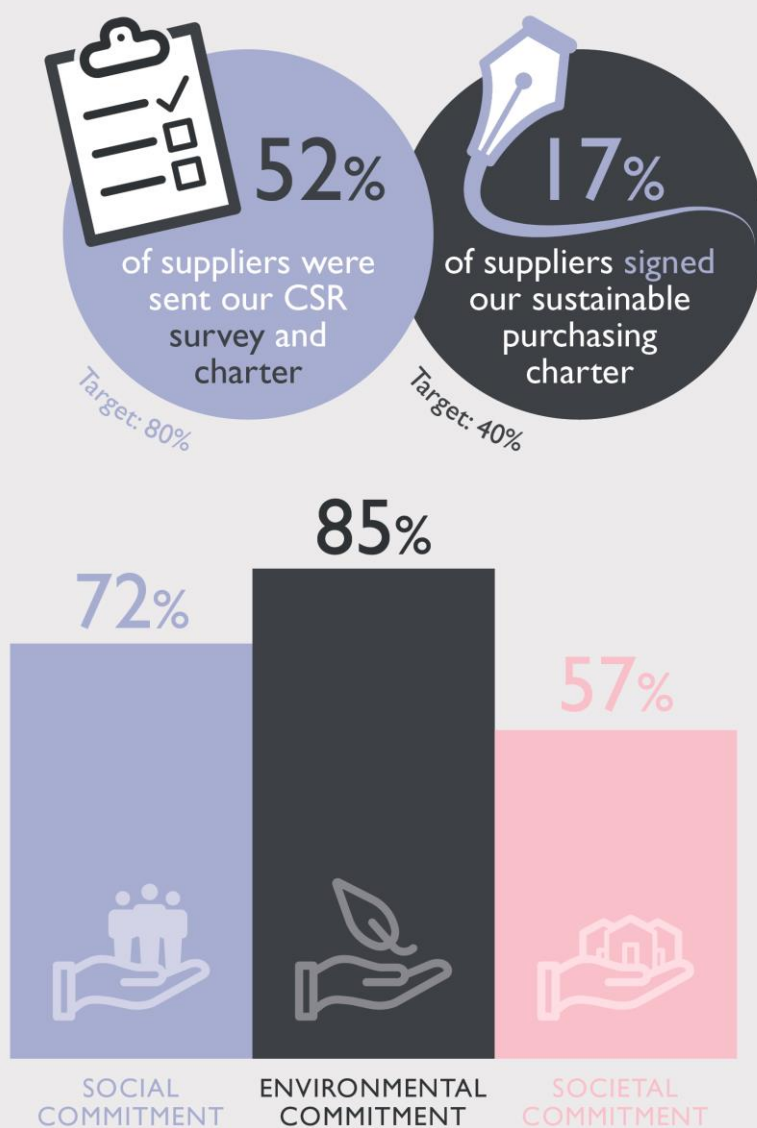


The targeted suppliers are those which represent more than 60 % of our expenditures, in other words those with which we have a regular relationship.

In order to establish a shared dialogue with our partner suppliers, we send them a CSR opinion survey and our Responsible Purchasing Policy which allows us to assess the level of maturity of their practices.

SOCIETAL

Supplier CSR survey and charter



Figures relate to 2016.

2017 Objective:

- ***Ensure that sustainable purchases represent 15 % of the targeted purchasing types, including 37 % of eco-friendly labelled products out of all maintenance products***
- ***Send the CSR opinion survey to 80 % of our suppliers***
- ***Ensure that 40 % of suppliers sign the responsible purchasing policy in terms of expenditures***

Quality

The Oetker Collection has a total quality management system (TQM) which is common to all hotels. The TQM/Encore takes into consideration all the hotel's activities in terms of guests and employee orientation and is not only present in our minds but reflected in our everyday work. The TQM/Encore is not a model but an ongoing desire to improve ourselves.

UPS (Unsolved Problems & Solutions) is an Intranet tool which deals with our guests' complaints. The goal of this application is to produce and maintain a simple and effective system which traces complaints and solves them in the best way and as quickly as possible.

Quality is a top priority in our hotels. As a consequence, a quality system exists called "Leading Quality Assurance" (LQA). LQA is specialised in carrying out quality assurance checks, comparative analyses and training departments in the luxury hotel industry, thereby allowing guests to monitor and improve their operational performance.

This has resulted in three audits by a mysterious guest; internal tests and action plans with each head of department are monitored throughout the season to ensure compliance.

2016 Results:

Hotel du Cap-Eden-Roc: 88.9 %

Château Saint-Martin & Spa: 84.4 %

L'Apogée Courchevel: 93.8 %

Average = 89 %

2017 Objective: 92 %

In addition, each guest is given a **satisfaction opinion survey** the day before they leave including three questions which allow the hotel to prepare internal satisfaction statistics each month.

Results of the guest satisfaction surveys on 3 points: HOSPITALITY - CARE – REQUESTS.

2016 Results:

Hotel du Cap-Eden-Roc: 91 %

Château Saint-Martin & Spa: 90 %

L'Apogée Courchevel: 93.8 %

Average = 91.6 %

2017 Objective: 92 % per Hotel

Consumers' health and safety

We have taken out insurance policies and have instruments to protect our guests while they stay in our hotels.

As far as food hygiene is concerned, our kitchen department has adopted the HACCP system which is a food safety control programme.

As a consequence, laboratory tests on kitchen preparations are carried out once a month to avoid any risk. Kitchen inspection visits by external bodies are also carried out each month. The temperatures of the freezers and refrigerators are monitored several times a day and recorded.

As required in the regulations, we carry out tests on the water of our network for legionellosis to avoid any contamination whatsoever.

All our equipment has maintenance contracts and is managed by external companies.

We provide our guests with exemplary confidentiality to protect their privacy and any information that might concern them. To achieve this, we have implemented an anti-spam policy, each employment contract contains a confidentiality clause and each computer is protected by its user's own code.

II. 4. b. Encourage our guests and employees to contribute to our vision of a sustainable future

Education and awareness raising: guests

Guests are informed about our responsibility policy through various media:

- *Written*



When guests arrive in their room at the Hotel du Cap-Eden-Roc, they are given a map called the “Jewels of our Heritage” which informs them of the visits available in the region and, overleaf, a map of our hotel with the possibility of enjoying a guided tour on the botanical, cultural and historical aspects of the hotel and anecdotes.

Information on CSR good practices and on the local heritage can be found on the televisions in each room and on the Ipad.

Every year, our marketing team informs the sale representative offices in the world of our KSP: Key Selling Points. This is a list of strengths that the Hotel has to underline in order to market itself better. The list includes the words 'Certified Green Globe'. We are proud of this certification and ask our sales representatives to draw attention to this in their respective markets.

- *Web*

The Green Globe certification and the Eco-leaders logo can be seen in the welcoming text on the home page of our hotels' websites.

The Facebook accounts of our hotels publish news on sustainable development once a month.



- *Events and experience*

A “Giving Bag” can be found in each room. Guests are encouraged to use this bag to leave any clothes or shoes they do not wish to take back with them in their luggage. The Hotel commits to give these donations to a local charity, namely the Red Cross.

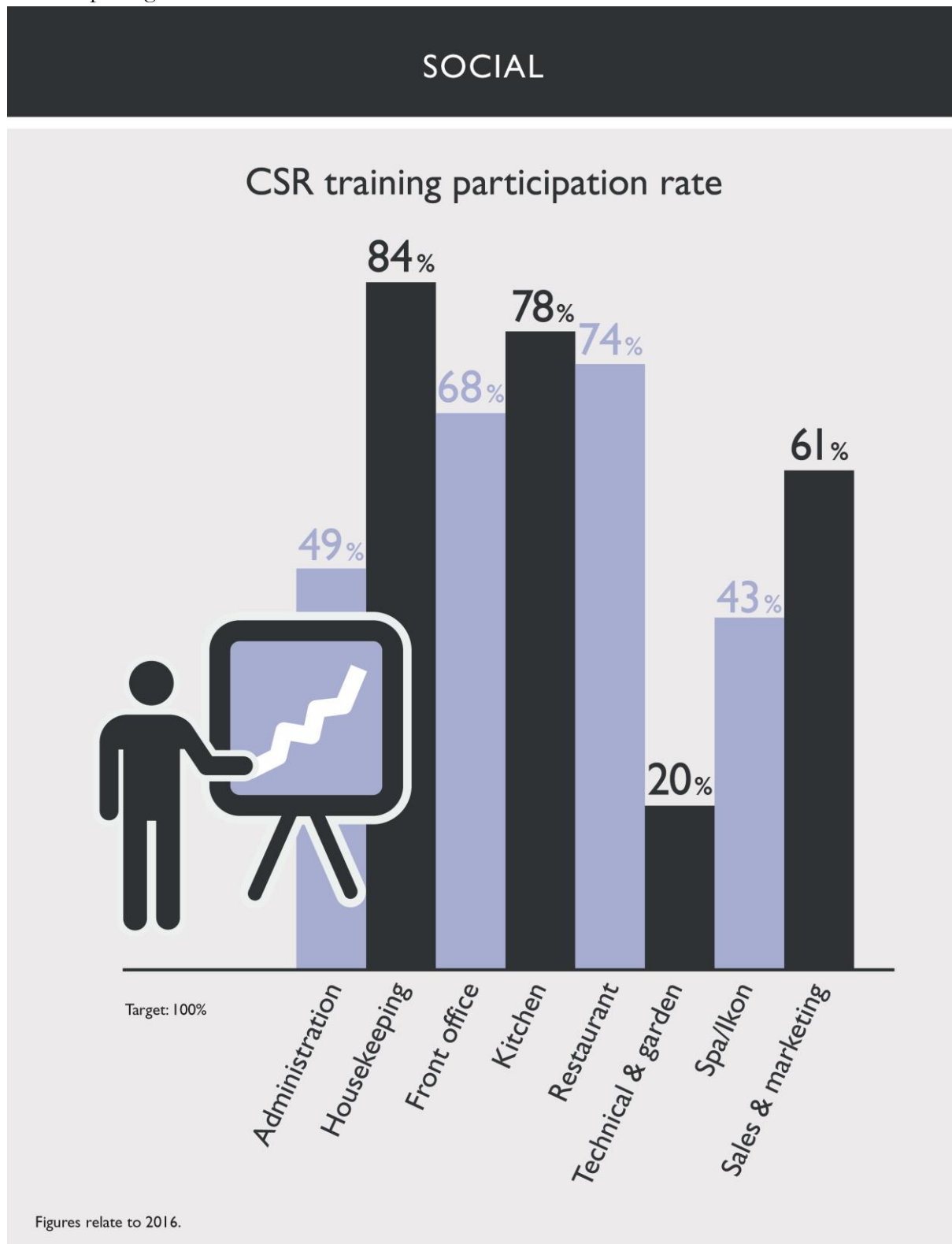
In addition, we encourage our guests to adopt the characteristic cuddly toys of each establishment. Their donations are directly given to the protection associations of these species.

Guests are also offered honey from our hives at breakfast and olive oil from the Château Saint Martin & Spa.



Education and awareness raising: employees

We lay great importance on raising our staff's awareness about sustainable development. Indeed, our employees are the reflection of our company and talk both with our guests and partners at our hotels. The stakes are high: as we are seasonal establishments, we welcome new employees at each reopening who we have to train:

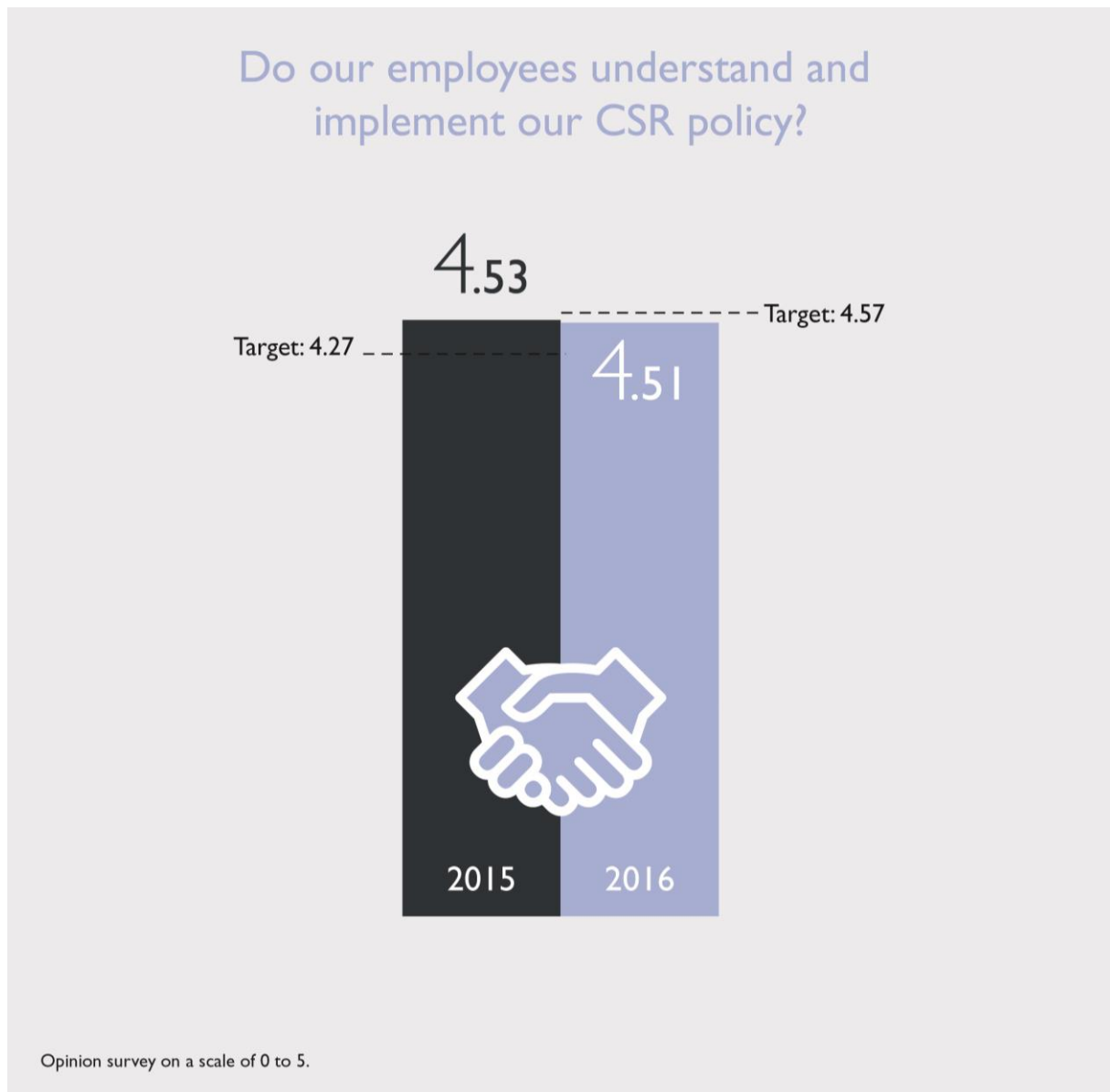


During induction meetings, the CSR policy is presented to all seasonal staff. Specific training courses that are adapted to each department are carried out throughout the season, such as:

- **The CSR policy (commitments, principles and objectives)**
- **Sorting instructions**
- **Ecogestures**
- **Use of eco-friendly labelled products**

The environmental policy and the Sustainable Development Management Plan are available via the Intranet. We also give information on a CSR Facebook page: 116 posts were disseminated in 2016.

Below are the results of the CSR questions on the anonymous social climate opinion survey which is filled in each year by employees. This survey gives them the opportunity to make their views known on their life in the company:



In order to breathe life into the CSR policy of our hotels and reward our committed employees, we have created CSR TEAMS, CSR QUIZes and themed menus in staff canteens.



COMMITMENT 3



Guarantee a sustainable service of an exceptional quality and increase the awareness of our guests on social responsibility

ACTION CONDUCTED

Provide information on our CSR policy

Creation of a cuddly toy for each hotel to encourage donations for our partners and raise guests' awareness.

ACTION CONDUCTED

CSR activities

Organisation of CSR activities for our employees linked with the CSR national agenda.

2017

- ✓ Installation of Tesla charging stations for our guests in our 3 establishments
- ✓ Creation of a heritage discovery offer for guests

Take part in the social, cultural and economic development of the regions in which we operate

2016 Objective:

- *Ensure that local suppliers represent 50 % of all our suppliers*

II.4.c. Favour local producers who are a guarantee of the rich heritage of our region

Favouring local producers highlights the cultural identity of our hotels through the following aspects:

- Quality
- Regional presence
- Reduction of GHGs

Indeed, the quality offered to our guests also depends on the products chosen. By respecting the seasonal timeliness and locality of the produce, we ensure a guarantee of quality.

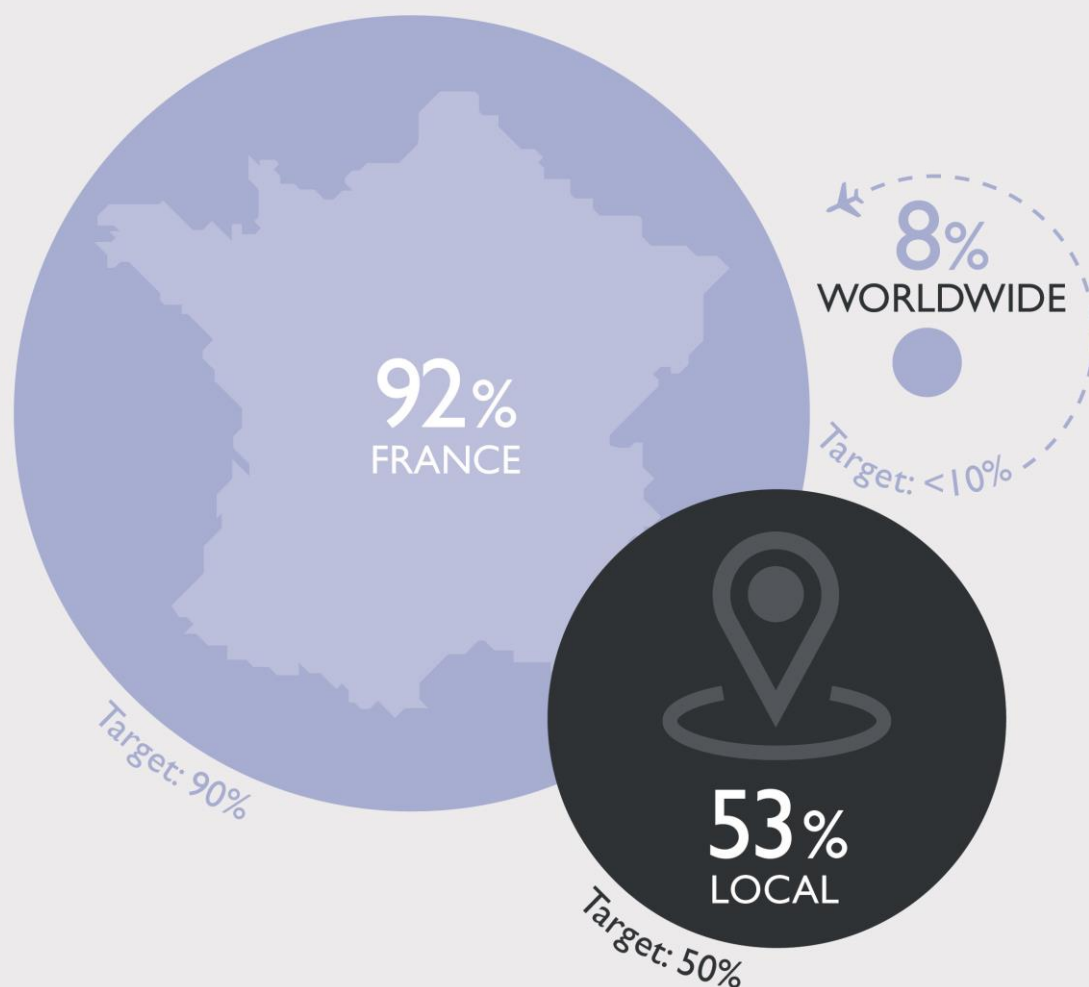
Working in close collaboration with local players enables us to boost the local economy by enhancing the identity of the region in which the hotel operates. By emphasising this identity aspect, the experience we offer to our guests is unique – a culinary experience that is far removed from globalisation.

To conclude, by choosing close partners, goods are not transported over long distances thereby reducing the ecological footprint with fewer emissions of greenhouse gases.

As a consequence, we monitor the location of the suppliers with which we work.

SOCIETAL

Our commitment to local suppliers



92% of our suppliers are based in France with 53% local to the hotel.
Only 8% of our suppliers are outside of France.

Spending related to 2016.

2017 Objective:

- ***Objective: Ensure that local suppliers represent 50 % of purchasing volumes***

We have organised a cocktail with our closest historic and local partners for the past two years. We believe that our partners are the best placed to talk about our hotels and our collaboration:

The Sea and Shore Centre (Didier Laurent) – For a Blue Planet (Mylène Muller)

“As a neighbour, how would you describe your relationship with the Hotel du Cap-Eden-Roc?”



Didier Laurent: As a neighbour of the Hotel du Cap-Eden-Roc, we have been working together for a number of years now. Our first collaboration dates back to 2012. For the first exhibition at the Sea and Shore Centre, the Hotel was involved with a photography exhibition on the marine environment.

We are lucky as its neighbour but also as a different structure to be complementary. I have a certain technical and administrative approach to the developments which can

be made along the coast and this is what led us to work together. It is a large establishment which literally has its feet in the water and as such it is essential that it fits into its environment in the best way possible.

We work on projects that go beyond the framework of the Hotel: for us this began with projects focusing on environmental education and we are now concentrating our efforts on more operational projects about the environment close to the Hotel like preserving and enhancing the Cap d'Antibes environments. We are lucky in that we are on a Natura 2000 site with a rich biodiversity, and a rich and protected landscape, which is also the asset of the Hotel.

Mylène Muller: Our collaboration first of all began with various actions with the Town of Antibes to conserve and protect a species, the sea turtle, in particular along the French Riviera coast. As an association we have already organised the Obs Tortues Med campaign, which is an observation campaign of sea turtles.

Then, we developed Mission Caretta which is an experimental study on the acclimation of turtles at the Cap d'Antibes at the Mallet Port and our most recent project is the care centre at the Sea and Shore Centre. The goal of this care centre is to be a wildlife rehabilitation centre and in particular to care for the sea turtles who are in trouble along our coasts.

The centre collects the animals at sea or those who are stranded on a beach and cares for them so that they are able to return to their natural environment, the sea, as quickly as possible. We have joined forces with the Sea and Shore Centre and the Hotel du Cap-Eden-Roc on this action.

Company AFICOM – François Mercier

“How does Aficom stand out in terms of CSR compared with other companies which can supply our hotel products?”

François Mercier: Very good question! We stand out by our research into improving our products to meet our clients' demands, and in particular your group which has a very advanced CSR policy. We strive to meet the various CSR expectations, whether it is the PEFC label...

We also have brands that are ecolabelled. We work with recycled and also organic products. Thanks to your group, we have also added organic cotton buds to our list of products which are now available for all our clients together with organic makeup remover pads.

“Is it difficult for you to have more and more production chains?”

François Mercier: It is a question of sourcing. It is an ongoing process for our purchasing department. A lot of research work is carried out. We have requests for recycled products, recyclable products, organic products...

We can even go further. The ecolabel approaches are currently being revamped. We have certain ranges which are for the time being ecolabelled and which are temporarily going to disappear. New standards which are not always easy to work with in cosmetics are being introduced but our suppliers are contacted and asked to meet this demand. For example, in cosmetics we have the problem surrounding phosphate which allows a cosmetic cream to remain thick. However, we mainly work with phosphate-free brands from America.

“How would you describe your partnership with our hotels?”

Philippe Gualerzi: I feel like I was born in this hotel. I used to come here when I was young with my father and then I took over from my father. We have produced a great deal of very beautiful pieces over the years.

Those that I am the proudest of and which I will remember for a very long time are the reception desks and the concierge service. All our pieces are magnificent but these were slightly more than the others.

“How do you imagine the future with the Hotel?”

Philippe Gualerzi: I am not somebody who looks to the future a great deal but as long as the Hotel needs us, we'll be here, for its small or large projects.





“How long have you been working with our hotels?”

Aime and Gilles Pellegrin: 22 years this year. Arnaud Poette contacted us. He used to go to the Hotel Martinez in Cannes to see the Head Chef and he discovered our produce there.

He contacted us. We started delivering asparagus to him and then little by little the following year we delivered courgettes and we ended up delivering all the produce we grew: courgettes, asparagus, carrots, tomatoes ...

“Is there a particular moment you particularly treasure?”

he came with all the kitchen staff to the house and as I had a lot of runner beans at the end of the season they harvested the beans and the remaining tomatoes. Afterwards, we had a glass of champagne and cakes!!

This is a moment I will always remember. Arnaud is an exceptional man and believe you me we have met many chefs.

We have also realised that people like to buy local produce again. Every Friday we sell our produce at the farm and we can show our vegetable plots to our customers.

“As the President of the association, Les Aquanautes, how would you describe your partnership with our hotels?”

Stéphane Jamme: When we met, the association had just started. We organised an exhibition at the *Batterie du Graillon* (Graillon Tower) just next to the Hotel and then very quickly afterwards you contacted me. We discussed the projects that the association was going to carry out and how you could help us. You were at our side from the outset. The association was created in June 2012 and in 2013 we signed our first partnership. This financial contribution enabled us to launch the association; it was the first subsidy we received and it was by far the most important as we had just started. This partnership enabled us to prepare the first texts we had in mind, create educational media for the events we organise with children and the general public, and print photographs. I remember that this first partnership was very beneficial for the association.

Then, our continued partnership meant that I was able to take part in a meeting that was of great interest for me, where there was a genuine desire on the part of the Hotel and each department to improve its impact on the environment from both a broad marine or environmental perspective. I presented the association and I found the approach to be very interesting... in a structure like yours and in any type of company to involve the staff. The way you conduct matters like with the CSR team, with a representative in each department, and the way you organise discussion meetings, you are as far as I am concerned a management example which should be followed.



II.4.d. Commit alongside our partners in sustainable projects that are linked to the values we defend

We have entered into a partnership with the association **Planète Urgence**, which is a Recognised Public Interest association since 2013. Its goal is to support and foster self-sufficiency among the populations, and protect the environment by sharing knowledge, training or technical support in favour of project leaders around the world. Our **CSR Manager** spent the month of August in 2015 in Zimbabwe on a biodiversity assignment.



Our hotels have taken part in the **Cote d'Azur Inter-Hotel Raid** with the association Team Nature for the past 4 years. Attached to the human nature of this initiative, the organisers also give priority to ecological aspects. **Car pooling, recycled products and raising the awareness of the participants on environmental protection** mark the mindset of this day. In addition, to an annual contribution made by Team Nature to the GoodPlanet Foundation which was founded and is chaired by Yann Arthus-Bertrand, a reforestation action with the National Forestry Office, which is also a partner of this Raid, is planned as follows: one team registered = one tree planted.



We collect plastic caps for the association **Les Bouchons d'Amour** and corks for the **France Cancer** association.

For the past 4 years we have hosted the **Red Cross** charity gala at the **Hotel du Cap-Eden-Roc**. We also collect our guests' **unused flip-flops and slippers** for this association.

We have entered into a partnership with the association **Clean the World**, so that the guests' soaps are collected, recycled and used by developing countries. We also give used fabric to the Pacôme association.



Our international commitment: JMAH

A beautiful new friendship was born during the solidarity leave of the Human Resources Regional Director. Valérie Monnier went on solidarity leave in partnership with the French association, Planète Urgences, to Togo in 2014 where she met Eli Apodo, Director of the Young Humanitarian Aid Missionaries association.



The goal of this association is to help persons suffering from HIV to have access to complete health check-ups.

During her mission, Valérie witnessed the importance of the health role played by the JMAH within her community. She was also able to see that due to a lack of means, the beneficial action of the association was limited.

As a consequence, when she returned to France and as a representative of the JMAH association in France, she suggested that Oetker Collection should create a

partnership in collaboration with Eli Apodo, the Director of the association. A donation of €5,000 was thus granted to the JMAH association in 2014 to set up a community-based pharmacy for AIDS victims.

The Hotel du Cap-Eden-Roc hosts the prestigious AmFar (American Foundation for AIDS Research) event each year which is one of the most important American foundations in the world in financing prevention and medical research against AIDS. Founded in 1985 by the actress Elizabeth Taylor and having the researchers Mathilde Krim and Michael Gottlieb as its founding presidents, it supports and finances more than 2,000 research teams worldwide with more than 360 million dollars of aid over the past 25 years.

Consequently, working for such a project is linked to the values we defend.

The same donation was made in 2016 and allowed for new actions to be conducted by this very dynamic association:



The 8 March, International Women's Day, was marked by a large conference debate between young girls that was organised by the women service providers of the association. About thirty girls attended the conference on the subject: *Young girls and unwanted teenage pregnancies*. The objective of JMAH was to inform them about the causes and consequences, and the solution approaches so that they could complete their studies and become responsible female leaders.

4

COMMITMENT 4

Take part in the social, cultural and economic development of the regions in which we operate

ACTION CONDUCTED

Favour local products and suppliers

Favouring local producers and their products means favouring the local economy and creating a social network, as well as enhancing our region.

ACTION CONDUCTED

Renew our partnerships

Continue to get involved in various projects which are linked to its region and concern the protection of the biodiversity, and social and cultural aspects.

2017

- ✓ Undertake a genuine sports, cultural and humanitarian sponsorship that is common to the three hotels

II. 5. The 2017 CSR objectives of the 3 hotels of the South: the Hotel du Cap-Eden-Roc, the Château Saint-Martin & Spa and L'Apogée Courchevel

COMMITMENT	PILLARS	OBJECTIVES	HDCER	CSM	APG	OC
2	SOCIAL	Work on the Gender equality label		/	/	/
		Reach an attendance rate of 15 % at expression meetings	15 %	10 %	15 %	13 %
	ENVIRONMENTAL	Reduce by 2 % our water and power consumption during the summer season and by 5 % during the winter season	-2 %	-2 %	-2 %	-2 %
			-2 %	-2 %	-2 %	-2 %
			-2 %	-2 %	-2 %	-2 %
			-5 %	-5 %	-5 %	-5 %
			-5 %	-5 %	-5 %	-5 %
			-5 %	-5 %	-5 %	-5 %
		Reduce delivery-related waste by favouring reusable crates	4	2	2	2.67
		Draw up the carbon footprint of the hotel				
3 and 4	SOCIETY	Include sustainable purchases in the targeted types of purchases	45 %	35 %	35 %	38 %
		Eco-friendly labelled products out of all maintenance products	35 %	70 %	70 %	58 %
		Sending of the CSR opinion survey to our suppliers	80 %	80 %	80 %	80 %
		Suppliers which have signed the responsible purchasing charter in terms of expenditures	40 %	40 %	40 %	40 %
		Increase the awareness of our employees about Societal responsibility	100 %	100 %	100 %	100 %
		Local suppliers in purchase volumes	50 %	60 %	40 %	50 %

KEY IN RED 2017 new elements