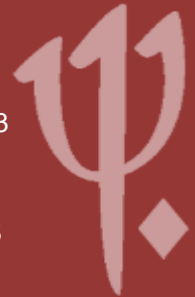


# RESPONSIBILITY AND SOLIDARITY AT CLUB MED - 2020



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**About this reporting document**

*As an unlisted joint-stock company (SAS), the company Club Med Holding is currently not subject to Decree 2017-1265 regarding the declaration of non-financial performance. However, the Hong Kong listing of Club Med's holding company, the Chinese company Fosun Tourism Group, is set to give greater visibility to Club Med's environmental results.*

*The method of drafting this global CSR report has not been modified since the independent third-party audit carried out for the 2014 and 2015 attestations of attendance and reasoned opinions on the sincerity of CSR information.*

*This reporting document refers to the 2020 financial year ended 31 December 2020.*

*Correspondence tables with the SDG (UN Sustainable Development Goals) and the GRI-4 (4th version of the Global Reporting Initiative standard) are presented in parts 1.3 and 5.5*

*For topics followed with the symbol “ ? ”, focus sheets are available upon request from the Sustainable Development Department.*

## 2020 KEY FIGURES

**630** thousand  
customers, including **575**  
thousand in 4&5 Tridents  
(including Villas & Chalets)

**Steady rise** in customer  
satisfaction

**42%** of customers from  
fast-growing countries

**712** million in Resorts  
revenue

**67** exploited resorts  
around the world

**91%** of capacity and  
**91.3%** of customers in  
4&5 Tridents

A presence in over **thirty**  
countries

**24,000** GO®-GE from  
**137** different  
nationalities

## • Club Med •

Founded in 1950 by Gérard Blitz and Gilbert Trigano, Club Med pioneered the all-inclusive vacation club with childcare concept with its Mini Club in 1967. Still guided by the same pioneering spirit, Club Med remains committed to exploring and discovering exceptional destinations.

Club Med is now the world leader in all-inclusive premium vacations with French flair for families and active couples.

### Sales and marketing of holidays Resorts

As of December 31, 2020, **Club Med operates 65 resorts**. These break down into three operating structures: ownership, lease and management contract. Club Med is pursuing its Asset Right strategy which aims to establish a balanced portfolio of resorts:

- 17% of resorts are owned: Club Med both owns and manages the resort
- 60% of resorts are leased: the village is operated by Club Med, which pays rent to the owner of the premises
- 23% of resorts are managed: Club Med has been entrusted with the management of a resort by its owner, who pays it a management commission. Capital expenditure as well as operating and maintenance costs for the resort are incurred by the owner

**Club Med mainly markets all-inclusive vacations** in upscale holiday resorts based worldwide. Club Med also offers its customers the opportunity to go on Tours & Discovery by Club Med programmes and cruises aboard the Club Med 2 sailboat. All of these services can be individually packaged for corporate seminars with our "Meeting & Events by Club Med" offer.

Within the framework of its all-inclusive offer, Club Med provided transport for 23% of customers in 2020 (vs 34% in previous years).

Club Med Property offers its customers the opportunity to acquire freehold Villas, Apartments-Chalets or Suite-Apartments in the vicinity of its resorts of Plantation d'Albion (Mauritius), Valmorel, Grand Massif Samoëns Morillon and La Rosière (France).

The Group is present in about forty countries spread over four continents and **employs 23,788 GO® (Gentils Organisateurs) and GE (Gentils Employés) of about 137 different nationalities**. Embodying the Club Med spirit, a combination of professionalism and friendliness, GO®-GE teams are at the heart of the Club Med's HR policy.

### A strategic vision focused on upscale and international business

With the support of its shareholder Fosun, Club Med maintains its ambition to be the world leader in all-inclusive premium vacations for families and active couples. This ambition is interpreted into three priority goals:

- being Global in a logic of more eco-responsible development, to open new resorts internationally, particularly in China, while renovating existing resorts;
- being Premium with the Club Med spirit and an even stronger customer promise
- being Happy Digital: continuing the digital transformation to improve the customer and employee experience in its resorts and offices.

## 2020 - an exceptionally difficult year

Countries around the world progressively responded to the health crisis caused by the outbreak of the Covid-19 pandemic.

This crisis and the ensuing public health measures taken by countries around the world - closing borders and ordering lockdowns – immediately and severely impacted Club Med's business, first and foremost in China, and led to a crisis unprecedented in its 70-year history.

In this exceptional context, all our resorts were put on standby for a few weeks, and all bookings - current or future - were cancelled, rescheduled or converted into credit.

- The first closures affected the whole of China and all Club Med Joyview resorts from February to April 2020;
- Then, in the Europe-Africa zone, all resorts, including mountain resorts, had to close early in mid-March;
- The South East Asia-Pacific region put all its resorts on standby at the end of March. Only two resorts were able to operate temporarily during summer 2020 (Tomamu in Japan and Cherating Beach in Malaysia), subsequently reopening in December 2020, along with the two resorts in the Maldives (Kani et Finolhu);
- In summer, half of Europe-Africa beach resorts were prevented from opening due to border closures;
- In Brazil, resorts were put on standby from the end of March to the beginning of August;
- In the rest of the Americas, Sandpiper (USA) was able to reopen in June, and Punta Cana (Dominican Republic) and Cancun (Mexico) both reopened in mid-October. Three resorts did not reopen at all in 2020; other resorts closed at the end of March were only able to reopen at the end of the year;
- Finally, the Winter 2020-21 season was a "blank season" with the Alpine resorts (France and Italy) remaining closed.

At the same time, due to the containment measures taken by the various countries in which Club Med operates, most of the offices have been placed on leave or on partial activity according to local provisions, as well as on teleworking.

All support teams were impacted and had to manage in particular:

- the early closure of many resorts and the organisation of the repatriation of clients and teams before the final closure of borders and airspace
- the implementation of multiple scenarios for the resumption of activity at the sites, and the recruitment of teams without a definite date for reopening;
- managing customer relations with the reimbursement or crediting of holidays or the rescheduling of new holidays in a context of poor visibility on possible future holidays;
- redefining the service in line with the new Health and Safety standards that are imperative to operate the sites in a way that respects the health of all: effective and reinforced hygiene measures in accordance with the directives issued by the WHO and the local authorities in each country where the resorts are located. All of the procedures and measures put in place have been defined by the health protocol "Safe Together" (recognised by Cristal International Standards), audited and certified by POSICheck prior to each opening and then regularly during the season.

# 1 • INTRODUCTION, MAIN STAKES AND CSR GOVERNANCE

## 1.1. CSR<sup>1</sup> Governance

The tourism industry has multiple environmental, social and societal impacts, both positive and negative, which give rise to considerable debate. As a historic and iconic actor in the sector, Club Med is exposed to ever higher demands for responsibility. Its upscale strategy, its presence in exceptional sites, its brand positioning associated with happiness, and its “Asset Right” policy all increase this exposure.

Nonetheless, Club Med does not view social and environmental responsibility exclusively in terms of constraints to be managed or risks to be prevented, but as principles that are intrinsically linked to its very purpose and founding values. Addressing these issues permeates every level of the Group's business: our brand, products, employer branding, and developer branding (“license to operate”).

### Sustainable Development and Philanthropy Department

Club Med's Sustainable Development Department was created in 2005 to liaise with the Management Committee in defining the Group's corporate social responsibility (CSR) priorities and to guide its various entities and departments in an improvement process to better grasp the impacts of their activities on the environment and society and to manage them in the best way possible.

The **Sustainable Development** and **Club Med Foundation** teams merged in 2014 to form the Sustainable Development and Philanthropy Department<sup>2</sup>, reflecting the similarity of their values and their shared vision and making it possible to optimize synergies between them, whilst still retaining their individuality.

**Mission Handicap** also reports to this department.

The Sustainable Development and Philanthropy Department currently has five people (4.5 FTE<sup>3</sup>) located either at the Paris headquarters or at the Lyon office.

Due to the Covid crisis, the number of staff and working hours of the SD department and CSR coordinators were adjusted in line with reduced activity.

### Local intermediaries and in operational business units

The SDDM teams also rely on a network of business and/or geographic correspondents, as well as on “Sustainable Development and Foundation Coordinators” within the Business Units (see § 4.1.4), who support the deployment of the “Happy to Care” roadmap, and in particular the Green Globe certification process, as well as the Club Med Corporate Foundation's programmes within resorts.

## 1.2 Listening to stakeholders and defining key CSR issues

### Listening to stakeholders

Ever since it was created, the Sustainable Development Department (SDD) has listened carefully to stakeholders in order to identify major challenges and develop its own policy: document analysis, consultation with experts, scientists and NGOs, non-financial ratings, existing and prospective customer surveys, holiday village Life Cycle Assessment (LCAs), internal status reviews, discussions with Business Units (BUs), studying customer reviews, etc. Feedback from customers and local stakeholders is currently gathered via the on-site CSR contact form. The forms are then processed by the Sustainable Development Department in conjunction with other relevant departments and give rise to internal monitoring of the main issues addressed. These various internal and external sources are analysed and summarised (see diagram on the main methods of listening and the various stakeholder groups).

**Risks** are assessed via several additional maps:

- The Group risk management policy is designed to effectively protect the interests of its customers, environment and shareholders. Since 2012, the **key operational risks map** has been updated every year, with risks ranked on the basis of their likelihood and their economic, human and image impact for the Group.
- Priority issues were formalised in 2014 and updated in 2019 as a result of in-depth analysis of the relevance of various stakeholder expectation issues.
- In 2016, **CSR risks in purchases** were mapped with the Buy Your Way organisation in order to better hierarchise the priorities in **reasonable vigilance approaches** including audits.

<sup>1</sup> CRS: Corporate Social Responsibility

<sup>2</sup> Sustainable Development and Philanthropy Department (SDPD)

<sup>3</sup> FTP : Full-time equivalent - given at 31 March 2021

- In 2017, the Group drew up a corruption risk map in accordance with Law No. 2016-1691 of 9 December 2016, known as the Sapin 2 Law.

## Key issues and materiality matrix

The formalisation of priority issues was initiated in 2014 and updated in 2018.

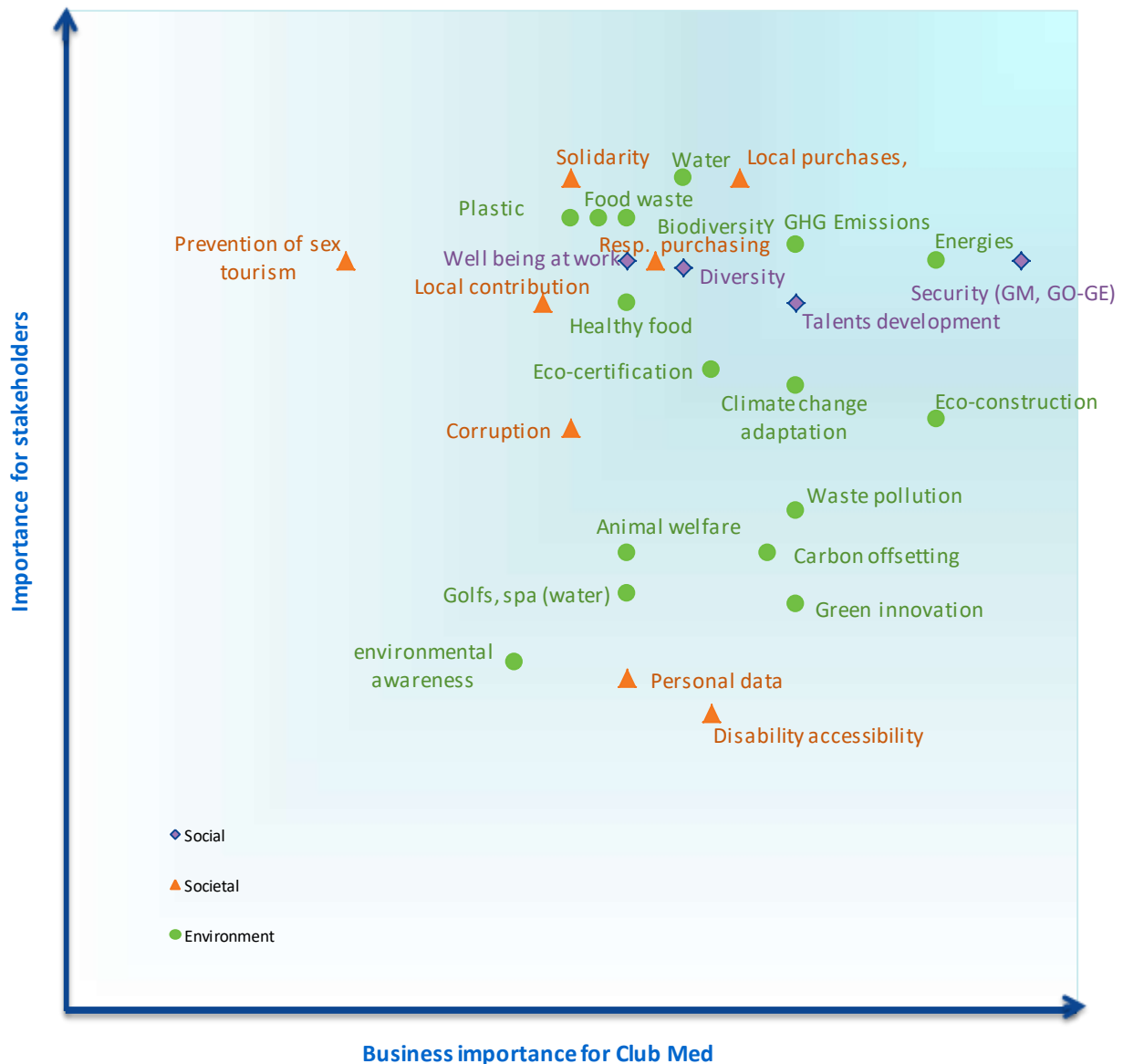
Over 200 topics broken down into fifty or so issues were identified from surveys conducted by the SDPD and from sectoral benchmarks.

These issues were "filtered" by the four key questions of the AA1000 standard (existence of an internal policy on the subject, potential financial impact, social interest of the issue, formal expression of interest by Group stakeholders in the issue). 27 priority issues were selected.

Each of the 28 issues selected was rated according to the expectations of each stakeholder (employees, communities, civil societies, customers, investors, suppliers, and sectoral benchmarks). This rating was awarded internally on the basis of professional know-how acquired as a result of feedback from stakeholders (*see below, table on ways of listening*).

The 28 issues were then rated according to their impact on business (financial, image, commercial, regulatory, and operational) and according to their importance within the Group (Group's control, geographical coverage, level of internal investment in the issue).

The materiality test methodology used in 2018 is identical to that used in the 2014 independent third-party body review.



## 1.3 Happy to Care strategy

### CSR programme "Happy to care"



In 2019, the CSR ambition redefined from 2017 onwards was named "Happy to Care". This name reflects the Club Med's desire to draw on its capacity to reach out to GM®, GO® and GEs, and, more broadly, to its entire sphere of influence. It is the programme of a pioneering company with a responsible vision, which seeks to combine continued development with paving the way for a more sustainable, and therefore more desirable, form of tourism. Club Med is convinced that, to be viable in the future, tourism must be more resource-efficient and low-carbon, respectful of countries and people, and should resolutely contribute to host communities and to promoting understanding and peace.

This ambition has been applied to all lines of work and aspects of the product. It is now included in BUS' strategic plans and forms the basis of an action plan ensuring that "at Club Med,

responsibility is also part of the all-inclusive vacation". It is based on the following pillars:

#### ❖ Ensuring solid bases through certifications

- Certifying 100% of new resorts in terms of construction (BREEAM or equivalent) and ensuring that they comply with Club Med construction eco-standards
- Certifying Green Globe 100% of the operations of eligible resorts by the end of 2021 (83% at the end of 2020)
- Maintaining the ATR label (Acting for Responsible Tourism) for Discovery Tours (1st label obtained in 2017)

#### ❖ Responding to changes in expectations

- Eliminating or reducing single-use plastic products in bars, restaurants and rooms by 2021 (straws, tableware, amenities in rooms, etc.) with the "Bye-bye plastic" programme;
- Deploying the "Healthy food" offer in all resorts and testing the "Organic baby corner" offer;
- Pursuing the fight against food waste policy (by monitoring food waste production and providing support for teams);
- Improving animal welfare standards in Club Med activities.

#### ❖ Nature and solidarity are core to the offer

- Contributing to local economic development by supporting and developing small farms around Club Med resorts (including 3 new projects in 2019);
- Developing nature activities (including the deployment of the "Club Med Play" application in 5 new resorts);
- Developing the Club Med Corporate Foundation "Friends around the world" programme.





## Driving progress

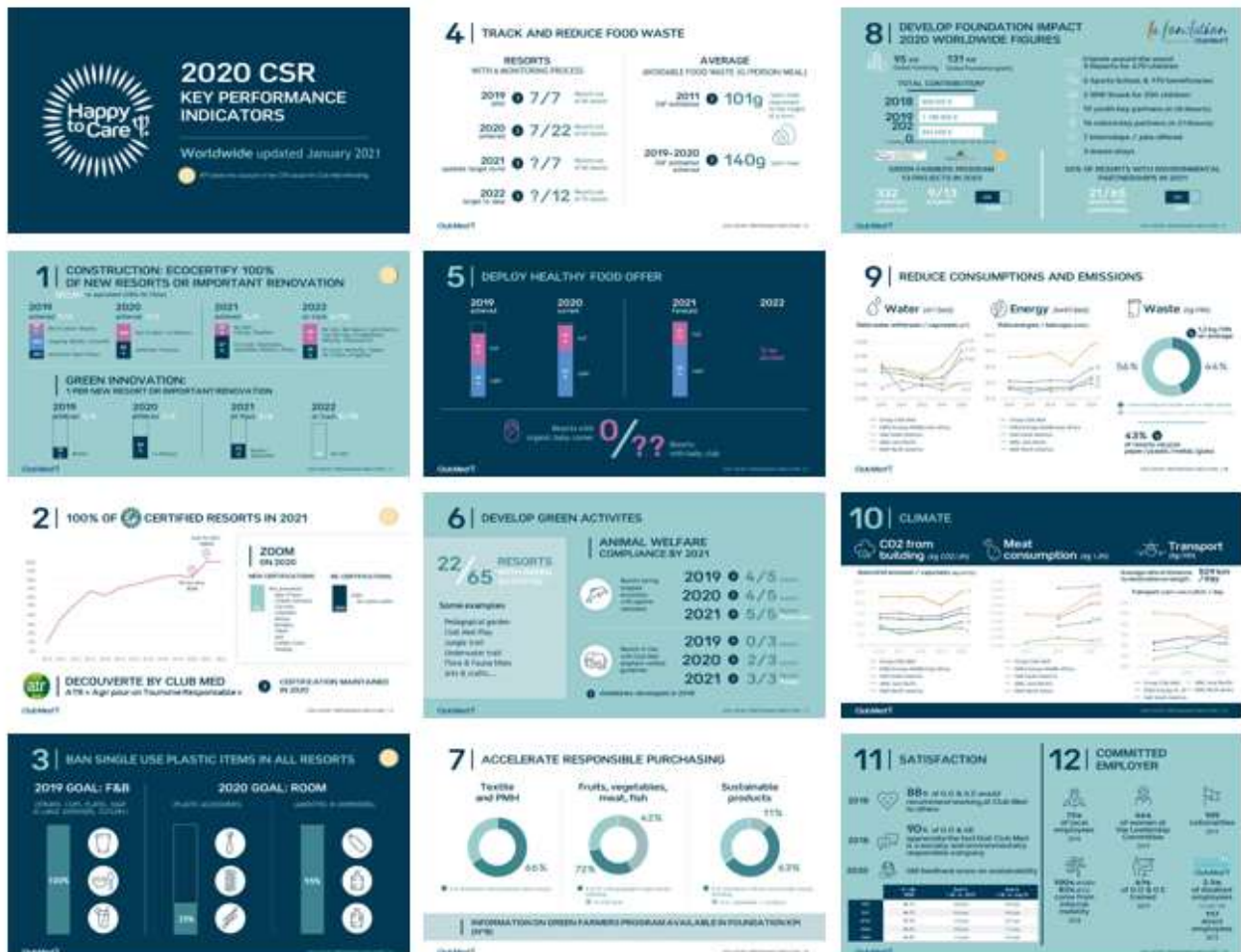
Twelve KPIs relating to these commitments are monitored by the Executive Committee.

In 2019, as part of debt refinancing, four of Club Med's sustainable development performance indicators have now become credit cost adjustment variables:

- certification of the eco-construction of new Resorts,
- Green Globe sustainable tourism certification for the Resorts' operation,
- phasing out single-use plastic,
- support for local agro-ecology.

Compliance with the sustainability commitments made to the Club Med's Lenders in 2019 has led to a saving on the cost of debt of around €0.3m in 2020.

The certification objectives for all new resorts under construction is maintained (100% from 2021) despite the pandemic, as is the plan to phase out disposable plastic. The objective of 100% of resorts being Green Globe labelled for operations, which was planned for the end of 2021, may not be achieved until 2022, depending on the dates on which the resorts re-open. Projects supporting small-scale farming and agroecology continue to be developed (on average one new programme per year) as planned in the target trajectory.





## Club Med CSR and UNDP Sustainable development Goals

The Sustainable Development Goals (SDG) of the United Nations Development Programme (UNDP) were signed in September 2015 by the UN. Club Med considers that these form

the basis for a relevant analysis and worldwide reporting framework.

Club Med's CSR policy contributes to several Sustainable Development Goals, and more specifically to objectives 8, 12 and 14 targeted by the UNWTO.



**CROSS-REFERENCE TABLE  
WITH SOME NOTABLE ACTIONS OF CLUBMED CSR POLICY**

	Support to local producers (§ 3.2.3) Foundation Education programs (§ 3.1.3)
	Health and safety at work (§ 2.4) Support to agro-ecology (§ 3.2.3) Foundation Sports Schools (§ 3.1.3)
	Foundation Education programs, Foundation Job Links (§ 3.1.3)
	Control consumption: Water consumption, wastewater treatment (§ 4.1 & 4.3) Phytoremediation (§ 4.1.3)
	Construction eco-standards (§ 4.1.3)
	<b>Contributing actively to local development (§ 3.1.2)</b> <b>Employment (§ 2.1) / Well-being at work (§ 2.4)</b> <b>Responsible purchasing (§ 3.2) Agrisud partnership (§ 3.2.3)</b>
	Contributing to local development (§ 3.1.2) Foundation and Solidarity (§ 3.1.3)
	Development of the Breeam standards for resorts (§ 4.1.3)
	<b>Food waste prevention (§ 4.2.2)</b> <b>"Bye bye plastic" program (§ 4.2.2)</b> <b>Green Globe, Breeam (§ 4.1.4) and ATR (§ 1.5) certifications</b>
	Sciences Based Target study on scope 1 + 2 (§ 4.4)
	<b>Responsible purchasing: Seafood charter (§ 3.2)</b> <b>Water: wastewater treatment and management (§ 4.3.1)</b> <b>"Bye bye plastic" program (§ 4.2.2)</b> <b>Preservation: sea turtles, coral reefs (§ 4.5.2)</b> <b>Awareness / Support Expedition MED (§ 4.6.2)</b> <b>Focus SDG 14 (§ 4.5.3)</b>
	Protecting biodiversity with local protection associations (§ 4.5) Responsible purchasing: wood charter, Agrisud partnership (§ 3.2)
	Partnership with Agrisud (§ 3.2.3) Foundation (skill-based sponsorship) and Friends of the Foundation (fundraising) (§ 3.1.3) Local partnerships (§ 3.1.3)

## 1.4 Compliance: Anticorruption Programme and reasonable vigilance plan

### 1.4.1. Anti-corruption programme

Preventing corruption is a priority for Club Med and all of its employees. Due to the Group's internationalisation, part of the workforce are based in countries where the Transparency International corruption perception index is rated as high.

Over and above the existing internal procedures that are regularly updated within Club Med, particularly in the area of purchasing and development/construction, the anti-corruption programme effectively reasserts the commitment of the management body and implements procedures, provides more detailed information on training about high-risk situations, and provides greater support for the job functions most exposed to these risks.

In accordance with the provisions of Law n°2016-1691 relating to transparency, the fight against corruption and the modernisation of economic life, known as the "Sapin 2 Law", in 2017 the Group undertook the development of its anti-corruption programme, which was accompanied by the appointment of a Compliance Director in charge of coordinating the implementation of the measures to detect and prevent acts of corruption as set out in the Sapin 2 Law.

#### Corruption risk map

The mapping of corruption risks was initiated in 2017 and is updated periodically. It was developed on the basis of interviews with various Business Units and departments. The interviews mainly concerned finance, development/construction, purchasing, HR, operations, sales, marketing and communication covering issues such as gifts, influence peddling, donations, as well as possible threats to the conclusion of a contract, potential scandals involving a partner or supplier, etc.

As risk mapping is designed to identify, analyse and prioritise the Group's exposure to external corruption-related risks, risk prioritisation was based on the Transparency International Corruption Perception Index, the number of resorts in the country in question and the function's exposure to corruption.

#### Assessment and ranking of corruption risks

The assessment of corruption risks has made it possible to confirm, clarify and rank the risks previously identified in relation to:

- establishing a presence via partners in countries where the corruption perception index is high, and via direct operations in specific geographic regions (official permit applications and supply chain);
- construction subcontracting;
- the management of invitations and gifts.

#### Anti-corruption measures

##### ❖ **Codes of conduct to prevent and fight against corruption and influence peddling ("Anti-Corruption Code")**

As part of its anti-corruption compliance programme, Club Med developed its **Anti-corruption Code** in 2018, based on the findings of the corruption risk mapping. This code was distributed in April 2019 and is regularly the subject of awareness raising for all employees as well as more specific training for those most exposed to the risk of corruption.

The Anti-Corruption Code constitutes an annex to the 2009 **Ethics Charter**. The planned overhaul of the Ethical Charter is set to widen its scope, to include a chapter on the Anti-Corruption Code and will refer to more specific internal procedures.

The **CSR clauses of standard contracts** rewritten in 2017 also explicitly include the prevention of corruption and aim to better share these expectations with suppliers.

##### ❖ **Accounting controls procedure**

The financial and accounting information control procedures are based on:

- monthly financial controls applied to all accounting and financial information by the Business Units, at country level and at head office by all financial teams;
- legal obligations verified by the statutory auditors when reviewing the financial statements and information presented in the half-year and annual reports.

Controls have been implemented for each entity by the Finance Department in order to assess the principal risks inherent in the conduct of business that have the potential to affect the account preparation process and the financial effects of those accounts.

These controls are applied monthly by all Finance Department staff at Country, Business Unit and Group level with the aim of identifying any anomalies.

In accordance with the Sapin 2 law and the recommendations issued by the French Anti-Corruption Agency in December 2017, Club Med intends to ensure that the accounting controls applied by the Group adequately cover all the operations identified as 'at risk' by the corruption risk map.

##### ❖ **Internal control and assessment process**

In the context of the decentralization of functions and responsibilities, the Club Med internal control process is based on a set of organisational rules, policies, procedures and practices designed to ensure the implementation of the

measures required to control all those risks with the potential to impose a significant negative impact on Group business activities.

To achieve these goals, the Group internal control process is applied in each Business Unit and is the responsibility of the operational and functional departments at all levels of the organizational structure.

The Club Med anti-corruption action plan sets out to:

- integrate key level-one corruption prevention and detection controls into the existing internal control process self-evaluation system (the self-checking matrix issued periodically to all villages and country offices;
- define level-two controls in accordance with a plan prepared by the Compliance Director to ensure correct implementation of level-one controls covering all parts of the corruption prevention and detection process;
- integrate an anticorruption measure implementation assessment mechanism into the Club Med internal audit plan.

#### ❖ **Training and awareness program**

In terms of the action plan for the prevention and fight against corruption, Club Med implemented a training and awareness programme. This programme includes both on-site training for the positions most exposed to risk and the dissemination of awareness modules.

Prior to the preparation of the training programme itself, the corruption risk mapping interview phase provides the opportunity to raise the awareness of all BUs to those functions most exposed to corruption risks, and to designate the Compliance Director as the point of reference on such issues for these functions.

The Group has decided to train managers, executives and employees exposed to risk first. This plan has been deployed since May 2019 and has enabled a significant number of employees to be trained and made aware of the risks. This plan was slowed down in 2020 due to the Covid-19 health crisis, which had a considerable impact on the tourism industry and therefore on Club Med's business, which was forced to reduce the activity of teams due to the closure of its resorts for most of the year. The training plan will return to normal as soon as business resumes as expected in 2021.

#### ❖ **Specific disciplinary regime**

In terms of the anti-corruption action plan, all sanctions and procedures existing in the various companies within the group around the world will continue to apply.

#### ❖ **Internal whistleblowing procedure**

In early 2019, as part of the action plan to prevent and combat corruption, Club Med set up a system for reporting and handling alerts.

This system will allow any employee of the group (whether internal or occasionally external) to report situations in breach of the Anti-Corruption Code as well as sexual harassment to a company representative.

In 2020, 3 alerts were raised, of which only one was upheld.

#### ❖ **Anti-corruption measure monitoring process**

In terms of the action plan for the prevention and fight against corruption, Club Med provided for the implementation of a programme to monitor measures developed together with the Internal Audit Department. This work should be concluded in 2021.

### 1.4.2. Reasonable vigilance plan

As a major force in the tourism industry, Club Med operates at the intersection of the expectations of national governments, local communities and a vigilant customer base. Club Med must therefore comply with standards-based requirements and increasingly high expectations in terms of environmental protection and fundamental human rights.

The duty of care necessitates the alignment of existing systems to ensure that they operate in such a way as to minimize risks.

The internal involvement of the CSR, purchasing, safety and legal departments has led to the development of diagnoses and actions that contribute to the exercise of the duty of care and are part of a continuous improvement process.

#### CSR Risk map

*See chapter 1.2 Extra-financial risk analysis*

#### Subcontractor and supplier assessment procedures

*See chapter 3.2 Responsible purchasing and reasonable vigilance in the supply chain*

#### Mitigation, prevention and monitoring actions

The results delivered by the policies and actions implemented in response to the above are explained in each of the sections or sub-sections concerned.

#### ❖ **Supply-chain**

*See chapter 3.2 Responsible purchasing and reasonable vigilance in the supply chain*

#### ❖ **Human rights and fundamental freedoms**

*See chapter 3.4 Human Rights*

❖ **Health & Safety**

*Health and safety measures applying to employees are described in chapter 2.4 Health & Safety and well-being at Work.*

*Health and safety measures applying to customers are described in chapter 3.3 Customers: Quality and Safety, the foundations of lasting trust.*

❖ **Environment**

*Environmental policy is described in chapter 4 - Environmental Report.*

❖ **Whistleblowing procedure**

Feedback from clients and local stakeholders can be expressed via the [CSR website contact form](#). It is processed by the Sustainable Development Department and gives rise to an internal audit of the issues raised.

## 1.5. External commitments and recognition

### External commitments



Club Med signed:

- the Global Code of Ethics for Tourism in November 2015, becoming the first French tourism operator to do so
- the National Ethics for Tourism Charter in 2000 (the French Charter applying the principles of the Global Code of Ethics for Tourism)
- the International Tourism Plastic Pledge (2019)

To view the Code, go to:

<http://ethics.unwto.org/en/content/global-code-ethics-tourism>

To contribute to the collective effort to promote more sustainable tourism by sharing good practices between industry stakeholders and working jointly on practical initiatives, Club Med is a member of:

- ATR (Agir pour un Tourisme Responsable), which it joined in 2017 (Discovery Tours by Club Med have been labelled ATR since November 2017) with renewals in 2018 and in 2019
- ATD (Acteurs du Tourisme Durable), since 2016
- In 2020, Club Med signed the GTPI (Global Tourism Plastic Initiative) led by UNEP and UNWTO in partnership with the Ellen McArthur Foundation, as part of the "One Planet Sustainable Tourism" programme.

### External recognition

Club Med was rated by Ecovadis in 2021 on 2020 data (evaluation of suppliers to major clients) and obtained a score of 64/100, i.e. Silver level (vs. 60/100 in 2019) which was equal to or higher than 91% of the companies evaluated by Ecovadis (vs. 87% in 2019). This improvement was mainly due to the fact that Environmental and Ethical scores both increased by 10 points.



At the end of 2020, the Group included:

- 53 Green Globe eco-certified villages (for more details, see subparagraph 4.1.4 on Green Globe certification leverage) or 83% of the eligible resorts;
- 16 "Green Leaders" villages awarded by TripAdvisor for environmentally efficient tourist accommodation or 43% of the villages in the areas concerned by the GreenLeaders program.



**Agrisud partnership selected by UNWTO to illustrate good practices in sustainable development**



**ATR label awarded to Discovery Tours by Club Med since December 2017**



**The Digital HR Team Award for 2017**



**83% Green Globe eco-certified eligible Resorts (end of 2020)**



**Grade B in 2016 at the CDP Climate Change**



**2015, 2016 & 2017 Customer Relations prize for the tourism sector, awarded by BearingPoint and TNS Sofres**



**2015 Worldwide Hospitality Awards in the "Best initiative in sustainable development and social responsibility" category**



**2014 Moroccan Responsible Tourism Award in the international social and economic development category, awarded by the Moroccan Department of Tourism.**

## 2 • SOCIAL REPORT

*The Group uses the WORKDAY software application for human resources reporting and social indicator management. The data reporting process is managed at the corporate office with no intermediate levels of consolidation. The social reporting protocol thoroughly details the processes and definitions used for the Group, the data computing methods and key indicators. Whenever data are unavailable or unreliable, the reporting scope is limited and specific.*

*See the social indicators table and methodology note in section 5.1*

Club Med's employment model is based on the proposition of a life experience for all employees and on geographical mobility and internal promotion for its rising leaders.

Teams are very diverse, with strong local representation (75% of employees are nationals) which contributes to the vitality of the labour market around the villages and gives local employees the opportunity for mobility. In the villages, the uniqueness and attractiveness of this model is nurtured by multiculturalism, the special relationship between GM® and GO® and the teams' highly visible presence. Team diversity and employee well-being are particularly crucial at Club Méditerranée because these issues directly impact service delivery, which plays a key role in the GM® experience.

In a world in which the geographical mobility of workers is increasingly impacted by changing regulations, and more recently by health constraints, and in which digitalisation is profoundly changing behaviour, keeping this model alive, attracting and developing talent to accompany the post-Covid-19 recovery, pursuing its strategy and developing new villages are key challenges for the Group.

### ❖ Impact of Covid-19 on HR management

At the beginning of 2020, in the exceptional context of standby, closure or non-opening affecting a large part of the Group's resorts, the Operational Support teams and the various Human Resources Managers worked to organise the departure of GE and GO® teams from the villages to enable them to return home as quickly as possible, and in particular to facilitate the repatriation of seasonal foreign employees, before the definitive closure of borders and airspace.

The measures taken during the year by various governments, including the French government, resulted in the closure of certain head offices, including those in La Villette and Lyon, as well as Club Med branches in France. Telecommuting and part-time work measures were put in place with the aim of maintaining a minimum of activity on site during off-peak periods in order to guarantee efficiency during the recovery period, and to maintain links with the teams.

More than ever, Club Med's priority has been and remains to ensure the health and safety of its GM®, GO® and GE and to protect the company. To this end, the service was adapted and the teams trained in these adaptations as well as in the implementation of new Health, Safety and Security procedures.

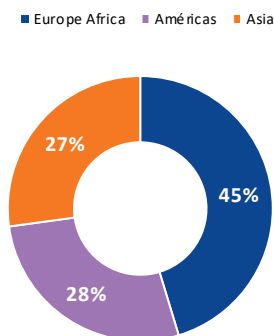
In this period of great uncertainty and difficulty, a major strength of the Club Med is the ability of its teams to work together, to rise to the challenge of the post-Covid rebound and to demonstrate their sense of responsibility.

## 2.1 Employment

In 2020, Club Med totalled 23,788 employees corresponding to 11,633 full-time equivalents (FTE) (including 83% for Resorts) and 35,499 assignments. This decrease is due to the health crisis which has had a strong impact on the tourism sector, and can be observed across all indicators, including the number of employees, assignments or FTEs.

In 2020, the weight of the Europe Africa and South America Business Units is down 4 points compared to 2019, to the benefit of the Asia Pacific Business Units.

**Breakdown of GO®-GE staff by BU in 2020 - in FTE**  
(Worldwide excl. Corporate)



Considering that recruits are often seeking to gain life experience, regardless of their nationality, employment in the villages is characterized by:

- a high percentage of seasonal contracts (56%), owing to the seasonality of the villages themselves;
- 22% of employees are under 25;
- 8% (HR, hiring rate) are "first" season GO®.

Teams are generally larger at a Club Med village than at a traditional hotel (FTE per bed) owing to the wider range of amenities and activities offered. There are two categories:

- GE positions, which are mainly traditional hotel and back office positions (accommodation, food & beverage,

<sup>4</sup> The Hiring Rate (HR) is expressed as a percentage and is defined as the ratio of the number of recruitments reported to the number of positions in the period.



technical services). There is little movement in these positions, which represent 64% of FTEs;

- GO® positions, which focus on leading activities and direct customer contact. These positions have the most geographical mobility. The result is highly multicultural teams (8 nationalities or more in 90% of villages and, on average, six different languages).

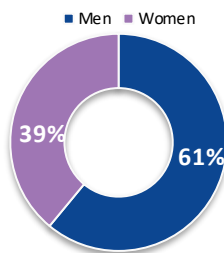
The wide range of amenities also entails very diverse job skills: a study identified some 200 trades and skill sets in 2018.

Average seniority within the Group is down to 5.4 years from 5.8 years in 2019. It is 5 years in villages (including seasonal workers).

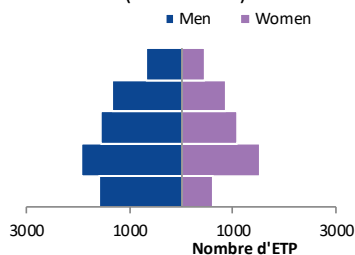
The average age is 32 in the Group, the same as in recent years.

See detailed information on headcount in appendix section 5.1

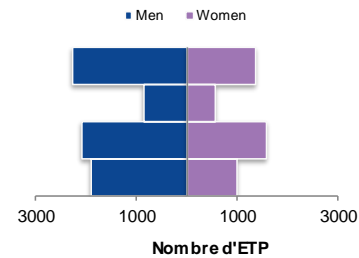
**male / female split of  
GO®-GE in 2020  
(worldwide)**



**GO®-GE ages pyramid  
(worldwide)**



**GO®-GE seniority pyramid  
(worldwide)**



In 2020, Club Med was ranked second best employer in France in the Hotels, Tourism and Leisure category by Capital Magazine, which proves that despite such a difficult context, especially for tourism, Club Med has managed to preserve its image among its employees and those in its sector.

## Outsourced activities

Club Med's main concern in outsourcing is to limit fixed costs while maintaining optimal service quality, whether it relates to GM® activities or the back office.

Some services are outsourced in all relevant villages (ski school, diving, horse riding, IT services), and others in some villages only, depending on the context and quality of local offerings.

In 2020, there was no major change at world level in sub-contracted activities (nearly 20% of the salary mass, which has been stable over the last 3 years).

See detailed information on outsourced activities in appendix section 5.1.

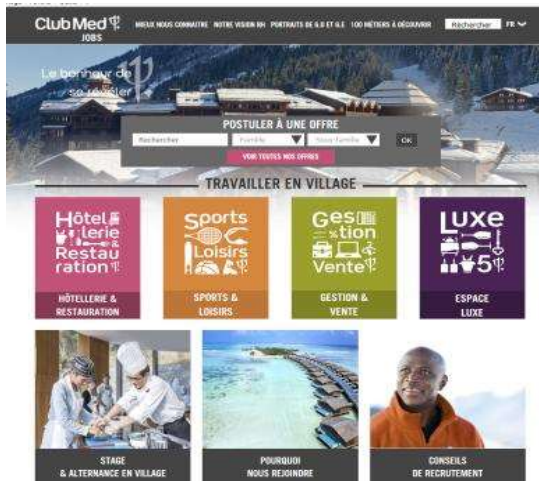
## Hiring and departures

The Group wishes to position itself as an employer of reference and preference in all its countries of recruitment.

Although GO® retention<sup>5</sup> is satisfactory (half of first-time GO® returned to Club Med in the following two years, and over 75% of these the following season), the structurally high proportion of seasonal employment requires continuous recruitment. In 2020, despite a difficult context, Club Med recruited 2,212 seasonal and 337 permanent workers with a hiring rate<sup>6</sup> (HR) of 9% for seasonal and 4% for permanent workers respectively, making it a major player in the employment market.

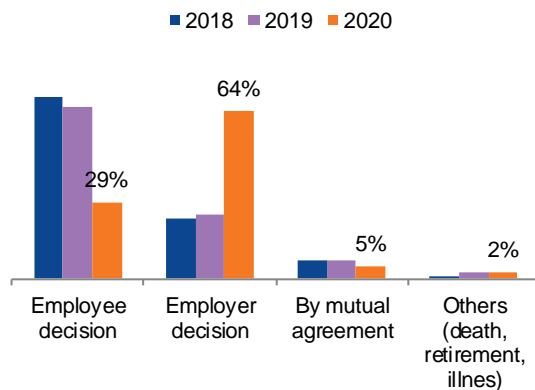
<sup>5</sup> Retention is expressed as the percentage of employees who returned in a given period (the average over the last 3 years).

<sup>6</sup> See the definition at the bottom of the previous page.



Average turnover (TO)<sup>7</sup> was 11% in 2017, stable since 2016. Two-thirds of departures were due to resignations.

#### Breakdown of departure by reason (worldwide)



The average turnover rate<sup>8</sup> (TO) is 12% in 2020. While it had been declining since 2017, the turnover rate increased by 4.3 points compared to 2019. This increase is explained by all the contracts that Club Med had to suspend following the global COVID-19 pandemic (representing 42% of departures in 2020).

In the villages, hiring and departures are structurally very different between regions owing to differences in the types of contracts used (permanent/seasonal).

For permanent employees, there is a large disparity between 30% in the Americas, 9% in Asia and 2% in the Europe-Africa region. For seasonal workers, there is a great disparity this year from one BU to another, linked to health conditions. Turnover (TO) in the Americas is around 40%, in Asia 7% and in the EAF 3%. More than half (63%) of permanent GO®-GE departures were the result of resignations.

Pressure on the employment market for certain skills and in some countries (e.g., food preparation in general; infant and childcare; sports trainers in France in particular) underlines the challenge of attracting talent.

The recruitment portal, Clubmedjobs.com, was completely redesigned in 2015 in order to adapt to evolutions in

communication modes and is now available through 40 websites around the world.

#### Organisational changes and village closures:

Club Med is developing its village portfolio on the basis of geopolitical context; the need to adapt to an increasingly demanding customer base in the operational context and relations with investment partners. In 2020, two operating closures (Aime la Plagne and Sant'Ambroggio in France) have taken place. Discontinuing village operations is subject to negotiations in compliance with local laws.

The impact of the health crisis on temporary village closures is presented in the introduction to this report "2020 - an exceptionally difficult year". The management of staff during these periods is discussed below in the paragraph "Impact of the COVID crisis on work organisation"

See social indicators tables in section 5.1

### Compensation and benefits

In 2020, Club Med has a payroll of €229.4 million, which represents 34.5% of Group revenue. This rate is up sharply compared to 2019 due to the imbalance in activity caused by the health crisis.

	2017	2018	2019*	2020*	Evol. Vs 2019
<b>Worldwide payroll (in M€ and at constant rate)</b>					
Excluding villages	(131,2)	(136,9)	(143,1)	(102,1)	-28,6%
Villages	(197,9)	(208,9)	(215,6)	(127,3)	-41,0%
<b>Global</b>	<b>(329,1)</b>	<b>(345,8)</b>	<b>(358,7)</b>	<b>(229,4)</b>	<b>-36,0%</b>
Payroll as a percentage of turnover		21,3%	21,0%	34,5%	+13,5 pts

Evolution of average gross monthly compensation in euros at constant exchange rates (calculated by relating the base salary to FTEs):

Average basic salary	2 016	2 017	2 018	18 vs 17
<b>Excluding Villages</b>				
Permanent GO®	(3 330)	(3 403)	(3 395)	-0,2%
Seasonal GO®	(2 157)	(2 151)	(2 064)	-4,0%
<b>Villages</b>				
Permanent GO®	(1 745)	(1 677)	(1 666)	-0,7%
Seasonal GO®	(1 236)	(1 256)	(1 273)	1,4%
Permanent GE	(580)	(606)	(586)	-3,2%
Seasonal E	(788)	(787)	(856)	8,7%

Note: A number of indicators for 2019 and 2020 could not be calculated due to the impact of the Covid 19 crisis on the availability of HR teams.

See social indicators tables in section 5.1

The Group has a wide variety of employment contracts owing to the regional diversity of the villages, the many home countries of employees, their employment status (permanent or seasonal,

Turnover (TO) is expressed as a percentage and represents the number of employees who left Club Med before the end of their contract, over the period, relative to the number of positions during the period.

GO® or GE, etc.) and the jobs they do. Salary levels depend on the position, the contract type and on the employment and recruitment market. The Group's compensation policy respects all local laws on minimum wages and is governed by principles of merit recognition and fairness. Compensation is based on performance, which is formally evaluated during an annual or bi-annual meeting between the GO® or GE and his or her manager.

Salaries are raised once a year: an overall budget for salary increases is set with social partners if provided for by law. During the salary review process, consolidations are made to ensure that raises are linked to performance evaluations and that no discrimination is practiced, particularly related to age or gender (CMSAS level).

Regarding social protection, Club Med enrolls its employees in basic plans and, depending on local conditions and requirements, establishes supplemental plans for important risks.

The wide variety of payroll systems, which differs from country to country, means that consolidation is not always reliable. The new Workday and Adaptive Insight tools now provide more reliable information on employee compensation.

## 2.2. Organisation of working time

Within the **Group's** different villages, working time is organized in line with applicable regulations and local legal working hours for both GO® and GE. The length of the work week varies between 35 and 48 hours. Working hours may be fixed or variable, depending on the period, to allow for adjustment to seasonal fluctuations in fill rates, including in the permanent French villages.

In the **French villages**, GO® working time is regulated by a CMSA collective agreement signed in 2000. GO® and GE are entitled to time off corresponding to overtime pay for time worked between 35 and 39 hours. The working time of GE personnel corresponds to the statutory working time, i.e. 35 hours, since the entry into force of an amendment to GE personnel working time signed on April 2, 2015.

The **Paris and Lyon head offices** and sales agencies have been covered by a working time agreement since 1999. These offices operate based on a work week of 37 hours and 30 minutes, supplemented by 12 days off in lieu as well as two extended weekends for public holidays per year. Very little overtime is recorded at these sites. Agencies operate based on annualized working time.

The CMSAS collective agreement on equal opportunities signed in 2012 includes a specific section on work/life balance. Its provisions include: limits on work meetings, which should not start before 9:00 am or end after 6:30 pm, except in exceptional cases; extension of leave days for "a sick child" to include "family obligations", such as adjustment periods for children entering child care or preschool; the alignment of treatment of paternity leave with that of maternity leave; and, the expansion of places available at intercompany child care facilities.

In 2016, Club Med, concerned about maintaining the health and welfare of its employees, and about facilitating their work organization, signed **an agreement enabling and governing the practice of telework**. This agreement defines in a concerted way the conditions and details governing employees' access to this form of work organization.

### ❖ Impact of the COVID crisis on work organisation

The measures taken during the year by various governments, including the French government, resulted in the closure of certain head offices, including those in La Villette and Lyon, as well as Club Med agencies in France. Telecommuting solutions and partial activities were implemented with the aim of maintaining a minimum of activity in the offices during off-peak periods in order to guarantee efficiency during the recovery period and to maintain the link with the teams.

## Focus France

Since the end of March, the GO® of the Head Office, the Lyon Office and the Agencies (fixed-term contracts, permanent contracts) have been furloughed for 80% of their working time, thus continuing to work for 20% of their working time.

Only a few functions essential to maintaining activities that could not be suspended without putting the company in great difficulty justified working time in excess of 20%. Gradually, a more proactive resumption of activity has been implemented.

From mid-March to mid-June, 100% teleworking was deployed.

A very gradual recovery began in mid-June and then a more substantial return to the site began in September.

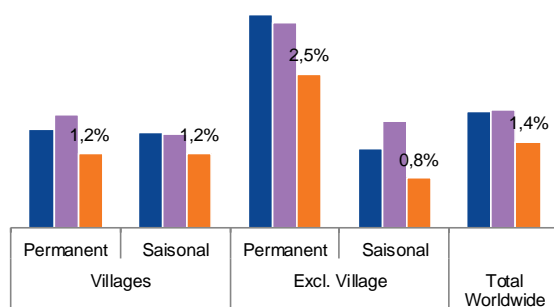
In France; since the second lockdown in November 2020 and taking into account the evolution of the health situation, teleworking has remained 100% possible and those who feel the need to return to the site have been given the opportunity to do so when health rules have allowed it.

## Absenteeism

In 2019 and 2020, the absenteeism data, although monitored locally, could not be made reliable in global consolidation due to the change in the HR system at the end of 2018 and the impact on HR of the health crisis. An action plan is underway to make them more reliable for 2021.

Change in absenteeism rate  
Worldwide covered at 77%

■ 2016 ■ 2017 ■ 2018



The absenteeism rate for permanent non-village staff was higher than for permanent village staff. This is mainly due to a higher proportion of non-village female employees, which entails more absences related to maternity leave (30% of non-village periods of absence).

## 2.3. Social dialogue

Club Med has continually focused on building and sustaining social dialogue at its various establishments around the world (villages and head offices). One manifestation of this is the presence of employee representatives at almost every village, including those that operate seasonally.

In Europe, the Group created a European Social Dialog Committee (ESDC) in 1996, before it was required by law. The committee brings together union representatives from the various European countries where it operates.

In 2004, the Group signed an agreement with international trade unions (EFFAT-IUF) on respect for fundamental rights at work. This agreement, which was expanded and renewed in 2009, reaffirms the trade union rights of all employees around the Group.

*See section below on the summary of current agreements.*

### Organization of social dialogue

For CMSA and French employees assigned to foreign posts, regular dialogue is established.


Social and trade union dialogue was reorganised in 2018 on the occasion of the negotiation of an agreement that was signed with all representative trade union organisations on 22 May 2018. A new body was created (the Economic and Social Committee) combining the former specialised committees (Health, Safety, Working Conditions, Training, Affordable Accommodation, VSCA Commission), with which the company's economic situation, strategic orientations and any change that may impact the operation and organisation, are shared.

Staff representatives were elected in the winter of 2018. Four trade unions are represented at CMSAS level with whom the various company agreements are negotiated and signed.

At the European level, the **European Social Dialog Committee** (ESDC) has eight members: five French, one Italian, one Greek and one Portuguese member. It specifically addresses issues of employment, recruitment, development and CSR. In 2020, this body met twice.

Across the world, social dialogue is developed closest to the ground with elected employee representatives at almost all sites (villages and head offices). These teams meet regularly at each site, in facilities and with resources provided by Club Med. In most cases, the frequency of these meetings is higher than that stipulated by local law. Depending on the laws in force and the nature of the issue, agreements are negotiated at either the national level or at the establishment level with the country or regional HR managers.

## Summary of collective agreements

More information about the agreements: 

### MAJOR AGREEMENTS IN EFFECT IN CMSAS

Agreements	Date of signature
<b>DISABILITY</b>	
Agreement on the employment of people with disabilities	First signature : May 3, 2007 Renewed in 2010, 2013, 2016 3 years duration
<b>PROFESSIONAL EQUITY</b>	
Agreement on professional gender equity	June 7, 2012 3 years duration under negotiation
Agreement on Professional Equality and Quality of Life at Work	February 16, 2020 Undetermined duration
<b>WORKING TIME</b>	
Agreement on the reorganization and reduction of working time - Headquarters	May 19, 1999 Undetermined duration
Agreement on the reorganization and reduction of working time - Villages	November 17, 2000 Undetermined duration
Amendment to the duration of staff work GE Villages	April 2, 2015 Undetermined duration
Agreement on teleworking	June 27, 2016 3 years duration, renegotiable
Amendment to the telework agreement	August 1, 2018 28 months duration renegotiable
<b>FORECASTING MANAGEMENT JOBS AND SKILLS</b>	
Agreement on the conditions of implementation of the individual right to training and actions "related to changing jobs and job retention" and those for the "development skills" training plan	November 29, 2004 Undetermined duration
Collective agreement concerning the status "managers" and "supervisors"	August 4, 2006 Undetermined duration
Intergenerational agreement: Promoting the sustainable integration of young people, keeping senior employees in employment, Ensuring the transfer of knowledge and skills within the company	April 2, 2015 3 years duration
<b>SOCIAL DIALOG</b>	
Agreement on respect for fundamental rights at work and transnational mobility of GE employees in the Europe-Africa area	April 16, 2004 Renewed in 2009 Undetermined duration
Agreement revising the Agreement on the European Committee of Social Dialogue	August 1, 2018
Agreement on the establishment of a joint social dialogue body within the FBS BU (France-Belgium-Switzerland)	June 2, 2014 Undetermined duration
Agreement on accompanying measures for employees in the framework of the Redundancy Plan	July 24, 2015
Agreement on the Social and Economic Committee and the union rights within Club Med	May 22, 2018 Undetermined duration
<b>MUTUAL HEALTH INSURANCE</b>	
Agreements establishing a system of collective security "Death, Disability, Disability"- Managers / Non Managers	December 16, 2003 Undetermined duration
Agreements establishing a system of collective security "medical reimbursement"- Managers / Non Managers	December 16, 2003 Undetermined duration
Company collective agreement revising the agreements formalizing a "disability, invalidity, death" collective benefits scheme for non-managerial staff/non-managers	November 07, 2014 Undetermined duration
Amendment No. 1 to the company collective agreement formalizing the "basic" system of collective "reimbursement of medical expenses" benefits for non-managerial staff/managers	November 26, 2015 Undetermined duration

## 2.4. Health & safety and well-being at work

### Health and safety conditions at work

Club Med has developed a high degree of expertise in preventing risks related to the health and safety of its customers and employees.

All employee training stresses the safety of employees and customers as a top priority. Club Med also puts a special focus on prevention and on providing medical support and assistance to its teams whenever necessary. The Health Hygiene Safety (HHS) department and its networks of coordinators are vital to this effort.

This assistance is also provided more locally through a network of nurses in the Villages: all Villages (outside France and the US) have a permanent nurse on the team. Medical assistance is also based on a network of local doctors, identified and recommended by Europe-Assistance.

Based on lessons learned in the villages, the prevention policy is structured around **identifying the causes of accidents**. In France, occupational hardships were evaluated in the villages, and 28 sensitive positions were identified.

A GO®-GE awareness module covering **all priority themes** (health, lifestyle, alcohol, harassment, risk behaviour, addictions, drugs, alcohol, and impact on health and safety for oneself and others) developed in 2013 in conjunction with the UDT (Université des Talents) makes it possible to train and track trained people.

**The KARE programme**, which aims at **fighting abusive behaviours of a sexual nature and addictive conducts** linked to alcohol & drug consumption, has been officially launched across the Group in Arcs Panorama in December 2019. The programme is based on 3 main elements:

- KARE guidelines which specify which behaviours are tolerated and which are not, have been distributed worldwide;
- training that was provided through specific modules throughout 2020, in e-learning on the WORKDAY website for all staff in offices and villages worldwide, with a total of 34% of resort staff having received the training in 2020;
- and the central alert line ([ethics.alert@clubmed.com](mailto:ethics.alert@clubmed.com)) which allows all Group employees (whether internal or occasional external) to report situations contrary to the Anti-Bribery Code and also sexual harassment to a referent.



### Covid-19 prevention for staff

#### Covid-19 prevention measures for staff

- Organisation of screening campaigns for all staff, on a voluntary basis: tests on arrival and then a campaign every three weeks, for staff and also for our external service providers
- Training on the risks of transmission, preventative measures and social distancing at the beginning of the season
- In France: access to vaccination offered through occupational medicine
- In the Maldives and Seychelles, in partnership with the local health authorities, organisation of vaccination campaigns for all voluntary staff
- Vaccination of all Club Med 2 shipboard personnel (on a voluntary basis) at the Toulon Vaccine Centre, all nationalities included


#### To reduce the risk of transmission within the resorts

- Adaptation of staff accommodation, with individual or two-person maximum accommodation
- Provision of masks and disinfection kits for GO®-GE
- Possibility of being tested on request (presence of TROD tests in the resorts)
- Presence of a Covid medical officer and/or nurse in all resorts
- Isolation rooms provided in case of positive cases

In terms of **AIDS prevention**, Club Med was the first company to make condoms available free of charge to its employees (since 1985), and it naturally includes prevention rules in the training provided to all GO®-GE. If necessary, Village nurses or the HHS Direction can assist the GO® or GE to obtain a free screening. And since 2011, in the six villages of Savoie, a system of free HIV testing together with vaccine booster shots has been progressively rolled out to GO® - GE, in cooperation with the Chambéry Area Public Health authorities.

Since 2017, a **mechanism to track professional travel** of office GO® abroad using the SSF Locator tool, selected in 2015 by the Department of Human Resources, Safety-Hygiene and Health, has been deployed in all agencies that the Group calls on. This tool enables to better anticipate, react to and communicate with those travelling, if needed. It integrates reservations made by the various booking agencies and notifies travellers prior to departure about the security situation at their destination. It also enables travellers to be contacted during their trip if necessary. In 2019, this module was supplemented for Club Med Découverte with the SSF Global Solutions module, which tracks business travel and assists in crisis management during business trips.

The HHS Department implemented a module to raise awareness in Club Med Villages teams on the **risk of malevolent intrusion**. A specific version for Baby, Petit and Mini Clubs was created in the course of 2018, to meet the requirements of French Maternal and Child Welfare (Protection Maternelle et Infantile française).

For more information on the organization and HHS policy, see the factsheet 

## Frequency and severity of work accidents and work-related illnesses

An accident occurring in the workplace resulting in an incapacity to work of at least one day in a given financial year is recorded as an accident at work

Accidents during work-related travel or on the route usually taken by the employee between his or her home and place of work are recorded as travel accidents and classified as work accidents.

The unique features of village life and activities mean that some occupations have a higher risk of accidents - particularly food preparation and sports activities. Training sessions specific to each type of risk, together with ongoing accident investigation and analysis, are helping to reduce the number of accidents.

In France, the single-document occupational risk assessment (known by the acronym "DUERP") identifies problems by workplace and occupation in terms of working conditions and hardships. This assessment is used to develop corrective and/or preventive action plans. It also serves as a long-term management and tracking tool and allows for consolidation by scope (head office, agency, village, etc.).

It should be noted that the definition and recognition of work-related illnesses is dependent on country-specific regulations, making it hard to harmonise and consolidate data. The Group is currently working to standardise this information and increase its reliability, ready for publication at an international level with increased coverage each year.

In 2019 and 2020, the accidentology data (severity, frequency and absenteeism), although monitored locally, could not be made reliable in global consolidation given the change of HR system at the end of 2018 and the impact on HR of the health crisis. An action plan is underway to make them more reliable by 2021.

Worldwide, three occupational diseases were reported for the year ended 31 December 2020.

## Well-being at work



With a long-standing conviction that "happy GO®-GE make happy GM®", Club Med attaches great importance to the welfare and

fulfillment of its employees in offices, agencies and villages, where particular living and working conditions may need to be recognised and appropriate actions taken. In 2018, Club Med launched its third **"#RaiseYourVoice"** internal listening campaign with Obea, an independent firm specialised in Human Resources and opinion surveys.

The purpose of "GO®-GE Voice" is to listen to the voice of all GO®-GEs around the world in order to improve their well-being at work. The study is based on an online questionnaire dealing with subjects such as pride, integration, sense of belong in,

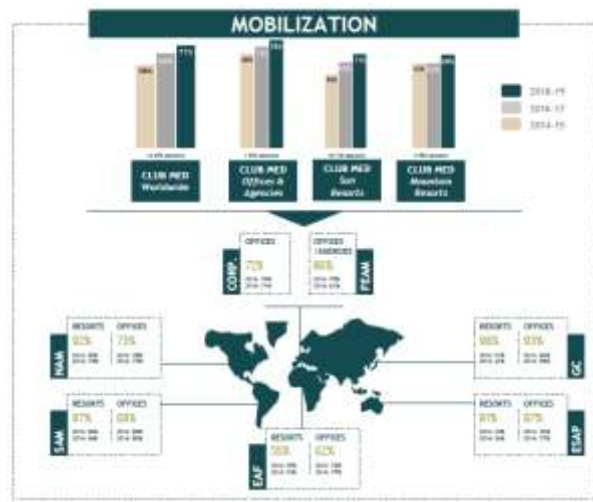


management, development and work environment. The questionnaire on PC and smartphone is personal and is accessible for everyone; it has been translated into 20 languages and has an audio version aimed at people with a lower level of literacy.

The survey has been repeated every two years since 2014; in 2018 the participation rate was 71% (i.e. more than 10,500 respondents) and it is continually increasing: +5 points since 2016 and +13 points since 2014. Year after year, this growing participation testifies to the confidence of GO®-GE in this barometer in both offices and resorts. The survey could not take place in 2020, due to the Covid-19 crisis, but will be reinstated in 2021.

One of the major findings that emerges from the study is that GO®-GE are genuine Club Med ambassadors, with a 90% level of satisfaction (+1-point vs 2016). Deeply committed (92%) and proud to work for Club Med (91%), GO®-GE appreciate the corporate values and culture, with a particular focus on CSR commitment, the multicultural dimension, autonomy, integration, and work enjoyment. Finally, the recommendation rate remains very high: 87% of GO®-GE would recommend working at Club Med.

Key indicators are far superior to standards observed by the Obea consultancy benchmark: *satisfaction* (+5 points), *pride* (+3 points), *commitment* (+11 points) and *recommendation* (+16 points). Finally, 65% of respondents to the survey are higher than the benchmark.



In villages, the contact with GM®, the welcoming atmosphere for GO®-GEs and pleasure in going to work are all emerged as key indicators of employee satisfaction.

Furthermore, responses to almost 70% of questions remained constant, while 25% showed a positive evolution in 2018 compared to 2016.

Finally, the survey also highlighted certain key areas for improvement in the Club Med working experience, such as decision-taking, emergency work and overall remuneration.

Generally speaking, few subjects showed a significant drop, however all issues with a lower score than in 2016 will be closely examined (listening to professional problems, one-on-one interview, internal tools and procedures).

With new digital tools, new organisational structures, new practices and new generations, Club Med is committed to supporting its teams in their transformation:

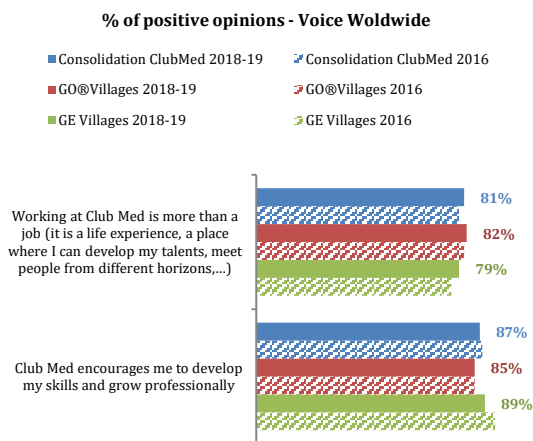
- by expanding its training offer to enhance the personal and career development options of its employees;
- by redesigning the annual personal appraisal and the performance and development interview to create a more consistent and collaborative feedback culture;
- by hosting more strategy sharing events to give greater meaning to specific actions;
- by improving working conditions and resources (redesign of working and living areas, easier teleworking for GO® office staff, and increased access to company information via the in-house Club Med Workplace social media channel);
- by revising the management principles.

In 2020, a first agreement on Quality of Life at Work was negotiated.

## 2.5. Training and talent development



Developing employability is essential at Club Med because it is one of the key pillars of its attractiveness as an employer, especially when recruiting for seasonal positions and new resorts. This development takes place through professional enrichment and personal growth related to the life experience offered by Club Med. The main benefits the Group can offer are therefore training, a rich and varied career path, and professional and geographic mobility.



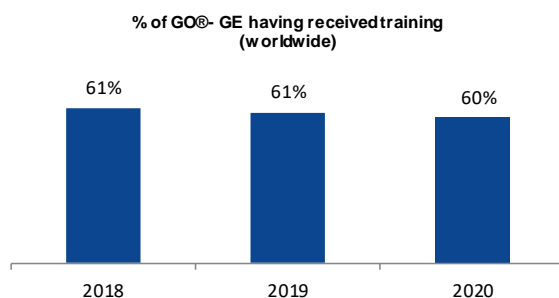
### Skills development training with the Talent University

As training is a key lever for workplace development, professionalisation and strengthening employability, Club Med set up a Corporate University in 2006. The University of Talents by Club Med (UDT), is a vital element in the implementation of this strategy.

In 2020, 172,685 hours of training were delivered, benefiting 14,245 employees.

The impact of the health crisis was significant. Compared to 2019, there was a 14.2% reduction in the number of GO®-GE trained and a 49.2% reduction in the number of sessions per employee.

For more details, see the tables in section 5.1



See subsection 3.1.2 on the contribution to local development made by the employment and training of local GO® and GE.

The University of Talents operates through a network. It is based in Paris and has relays in all Business Units: Lyon, Miami, Singapore, Shanghai, Rio. It is used to create a training structure connected to the reality of the company and carries out actions to integrate and develop employees in all types of skills.

It relies on a team of 40 permanent trainers, 30 Training Managers based in the resorts closest to the GO® and GE, and on a network of nearly 100 occasional trainers, experts in their field. The University also regularly calls on renowned external service providers to add to its training offer.

### An annual training event: Talent Campus

“Academy Weeks” are major annual training meetings that bring together between 300 and 1,600 employees over a period of several weeks, depending on the size of the organising Business Unit. The themes of the training courses covered aim to strengthen the business, behavioural or managerial skills of the trainees from all sectors and also contribute to reinforcing the feeling of belonging, motivation and development of employees. In view of the context, the 2020 editions took place in the form of remote and digital events thanks to the Workplace company network the Teams collaborative tool and the new Workday human resources management tool.

### Major development goals and achievements in 2020

#### ❖ A new approach to develop skills and gain efficiency and impact

In 2020, training at Club Med is entering the omni-channel era. The very specific context of the year 2020 has accelerated the transformation of the company's training model to give all GO® and GE in resorts, offices and agencies the opportunity to continue to develop during this period. Distance Learning, e-learning, Virtual Classrooms, etc., are therefore progressively becoming part of the daily life of GO® and GE.

The Talent Universities have succeeded in offering e-learning training on the themes of teleworking, remote management and lockdown well-being from April 2020.

The 100% e-learning offers were rapidly reinforced by virtual classes and interactions between learners and trainers on the internal Workplace network to form coherent, lively and engaging courses.

The Workday learning platform is reaching its full potential and combined with Workplace offers a learner experience previously unmatched at Club Med.

#### ❖ The Talent University is constantly enriching and expanding its training offer

For example, in 2020, the skills development of employees dedicated to the Exclusive Collection range will be enhanced by six new training courses on life skills in a very high-end environment. Their aim is to contribute to providing exceptional experiences for the range's customers. These

courses can be organised on the initiative of managers who have been trained to implement them.

### **Developing management talent consistent with the strategy and originality of the Club Med Spirit**

Launched in 2011, "Manager@Club Med" is a training program for managers in resorts and offices or agencies that aims to align and standardise management practices. This 3-level managerial path aims to support the development of the managerial culture of Club Med, to put people first when considering business performance, and to define and strengthen the differentiating aspects of a "Club Med" manager.

## **Talent development through career and geographical mobility**

Club Med enables many GO® and GE to grow within the company, and consequently to achieve a higher level of responsibility. Prior to the health crisis, 33% of GOs® and 5% of GEs changed positions from one year to the next (on average during winter/summer seasons 2019).

This year's health crisis led to the closure of villages and borders, which had a strong impact on this rate. In 2020, only 5% of GO® and 7% of GE changed function from one year to the next.

The Group offers career development pathways that give GO® and GE the opportunity to rise to managerial responsibilities: 100% of village managers and about 80% of village service managers are the product of internal promotions (2017 data).

*See figures on job mobility in the appendix to section 5.1.*

Several mechanisms are in place to manage these movements:

- The Village talent committee, which manages talent pools and succession planning;
- The "Key GO®-GE" programme, which offers personalised development and growth opportunities to rising leaders;

Moreover, an original agreement on transnational mobility of GE employees in the Europe-Africa region, was signed in 2004 and then expanded and renewed in 2009. It concerns GE from Turkey, Morocco, Tunisia, Mauritius, Greece, Italy and Portugal who have the necessary experience and qualifications. It allows them to take up positions at Club Med sites other than in their home country, as long as it meets the needs of the company and the desires of the person concerned and where such solutions are unlikely to threaten positions, working conditions, wage levels or other social conditions for employees in the host country.


This mobility allows us to continue building our local talent pools by offering rising leaders the opportunity to travel and to receive training. It also helps to support Club Med's upscale strategy through the assignment of the best hospitality professionals to the villages.

*See summary table of agreements in section 5.1*

## **2.6. Equal treatment**

### **Diversity and preventing discrimination**

As a signatory to the **Diversity Charter** in 2004 (the year of its launch), Club Med has long been sensitive to issues of diversity in the workplace. By tradition and especially considering the countries where it operates, Club Med promotes pluralism of origins and seeks diversity through recruitment and career management.

The principles of diversity and non-discrimination have been reaffirmed in the ethics charter  since 2009.

This diversity, this "cultural melting pot", is a central element that for many years - and now more than ever - has forged the culture and identity of Club Med. Among the elements that illustrate and help to ensure non-discrimination are the importance placed during the recruitment process on relational skills and on the objective assessment of associated skills. This results in a high degree of multiculturalism among the teams (9 or more nationalities in 90% of the villages and an average of six different languages).

Hiring diversity for GO® and GE is reflected today, for example, by the number of different nationalities represented in each village:

- 137 nationalities represented;
- 90% of Club Med villages have 9 or more nationalities among their employees;
- 1/3 of villages have 10 or more nationalities among employees;
- some villages can have up to 25 different nationalities (average of the 5 villages with the greatest spread of nationalities).

### **Measures taken to promote equality between women and men**

In 2012, Club Med introduced a set of dedicated measures to promote the principle of workplace gender equality and enable all employees to fulfill their family duties more easily.

This commitment is built around three action areas:

- hiring;
- promotion;
- work/life balance.

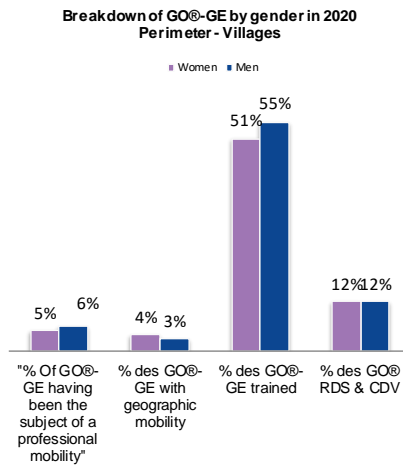
Club Med operates a gender-transparent hiring policy and offers the same salary to men and women of equivalent experience and job profile.

In the villages, women benefit somewhat more than men (in FTE) from occupational and geographical mobility, as well as from training. The proportion of women managers is slightly lower than that of men among village managers and Service managers.

Furthermore, the proportion of women on the Club Med Leadership Committee is 42% in 2020.

In 2019, in accordance with the French legal obligation, Club Med SAS published its gender equality index. This indicator enables companies to measure their situation in terms of gender equality in the workplace through an indicator calculated each

year based on elements of pay, increases, promotions, maternity leave and top management parity. In 2020, Club Med SAS scored 89/100, 2 points above the average score for companies with more than 1,000 employees. This very satisfactory overall score reflects Club Med's commitment to gender equality.



### **Agreement on Professional Gender Equality (CMSAS)**

The Workplace Gender Equality agreement signed in 2012 with the trade unions applies to Club Med SAS and its French subsidiaries.

This agreement aims to advance the principle of professional equality in work relationships and to enable all workers to better attend to their family obligations. It focuses on three areas of action: hiring, promotion and work/life balance. The measures in place include:

- Monitoring the hiring process for village GO® and GE with a position-based analysis of gaps in the breakdown of men and women between applicants and those hired;
- Setting progress targets on the proportion of women promoted to Service Manager (SM) in village Mini Clubs, Events and Bars;
- Mechanisms to strengthen support during lengthy absences, such as interviews with a manager both before and after maternity, paternity or parental leave;
- Aligning the treatment of paternity leave to that of maternity leave;
- Extending the right to exceptional "sick child" leave (five days a year) to cover the period of adaptation to childcare arrangements (institutional childcare, home-based childcare, nanny, etc.) or entry into preschool;
- Considering the family and marital status of service managers and GO® in village hiring and assignment decisions.

In addition, a "comparative situation report" is prepared annually on the general conditions of employment and training for women and men in the company. It is subject to consultation with the Social and Economic Committee and is shared with the Board of Directors.

### **Agreement on Equality at Work and Quality of Life at Work (CMSAS)**

In 2020, the commitments to gender equality in the workplace have been strengthened as part of a broader agreement on gender equality and quality of life at work based on the five Club Med values:

**Responsibility** with a commitment to continuous improvement of working conditions and a commitment by all to the health and safety of teams.

**Pioneering spirit** by facilitating access to medical care 24/7 with the implementation of teleconsultation.

**Multiculturality** by reinforcing our commitment to diversity.

#### **Freedom:**

- by further promoting professional equality in terms of hiring, promotion, remuneration and reconciliation of private and professional life, in particular by maintaining remuneration during paternity leave, including in the case of multiple births and in the event of hospitalisation of the newborn child, and by allowing paid leave to be carried over after the return from paternity leave;
- by improving mobility conditions for GOs at the head office and Lyon offices while encouraging alternative modes of transport to reduce CO2 emissions for home/office journeys.
- by providing a framework for the right to disconnect
- and by committing to drafting the next best practice guide adapted to each environment (Resorts & offices).

**Kindness:** by promoting listening to teams and taking their needs into account to encourage their development & commitment

### **Measures taken against age-based discrimination**

An intergenerational agreement, concluded in 2015 with the social partners, aims, among other things, to keep senior employees aged 50 and over in employment.

This agreement is a continuation of the collective agreement on the employment of seniors signed in 2009 and defines actions in the following areas:

- Development of skills, qualifications and access to training;
- Planning ahead for changes in working life;
- Planning for end of career and the transition between work and retirement.

The intergenerational agreement also aims to promote the sustained integration of young people into the employment market and to stimulate mechanisms for the transfer of knowledge and skills (head offices and villages) existing within CMSA.

Examples of commitments made as part of the agreement:

- to offer training to at least 50% of young people;
- to increase the number of young people recruited in the villages by offering a fixed-term contract to 50% of them at the end of the work/study period;



- to offer training to at least 50% of seniors;
- to implement initiatives to promote a calm end of career for employees approaching retirement age.

## Equal treatment related to disabilities



Club Med reiterates its commitment to integrating people with disabilities into its workforce. The company's commitments are governed by a company agreement extending until the end of 2023.

The objectives defined in this agreement are to welcome new disabled employees into the company and then to respond to their specific needs during their professional career to keep them in employment.

For more details on the actions of Mission Handicap, see the factsheet

Figures are calculated between January 1 and December 31, for reporting on the calendar year to the regional labor authorities (DIRECCTE<sup>9</sup>).

The figures for the calendar year 2020 (as of the end of June, subject to adjustment): 36 recruitments and 130 employees (fixed-term and permanent contracts) corresponding to 81.99 FTEs at the end of December 2020. This represents an employment rate of 2.68% according to the new standards in force.

The calculation methods are very different from those in force in 2019. The strong variation in the employment rate is explained by this new calculation method, in which the employment rate no longer includes subcontracting to the adapted sector and mark-ups. For example, for 2019:

- the employment rate of disabled workers based on the number of beneficiaries employed is 2.5%.
- the employment rate of disabled workers excluding supplements, with subcontracting is 2.55%.
- the total employment rate (beneficiaries after bonuses + subcontracting) corresponding to the old calculation is 4.15%.

### Change since 2015

The diagram below shows the change in the **rate of employment of disabled workers** from 2015 to 2019. This rate is calculated on the basis of full-time equivalent disabled workers as a percentage of the total workforce. At the end of 2020 (as of the end of June, subject to adjustment), this rate is 2.68% (according to the new calculation methods) in the company.

The theoretical **AGEFIPH contribution**<sup>10</sup> is linked to the employment rate: this amount decreases as the company approaches the legal employment rate of 6%.

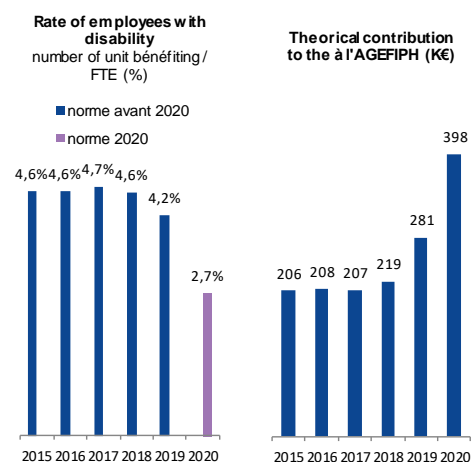
In the framework of the agreement, this contribution funds the actions carried out in the framework of the handicap policy.

In 2020:

- The COVID 19 pandemic has led to major upheavals in the operation of our sites, including a very significant reduction in opening periods. The working periods of the operational and support teams have been drastically reduced to cope with the situation, and short-time working measures have been put in place. Disabled workers have therefore experienced a drop in their level of activity, as have all of the company's employees;
- The protection of vulnerable people has been integrated into the management of teams from the beginning of the crisis (e.g. use of work stoppages, full teleworking, changes of assignment site, etc.);
- Despite the health crisis, Club Med continued to integrate people with disabilities into its workforce and recruited 35 new employees;
- The company also integrated two students on work-study contracts;
- The necessary job adjustments for disabled employees were made at their workstations or at home for teleworking;
- At the beginning of the year, the company changed its method of declaring the employment of disabled people, as required by regulations, and included this in the Nominative Social Declaration (DSN);
- Operating methods continue to be adapted to changes in internal tools and regulatory developments, in order to optimise the monitoring of disabled workers;
- Various actions have had to be postponed, adapted or cancelled due to the health and economic situation (e.g. recruitment, communication and training campaigns, etc.).

Since 2007 and the creation of the Mission Handicap:

- 18 work placements and 50 trainees
- 443 recruitments
- 120 people on average each year
- Nearly 300 workstation adaptations
- 1,800 hours of disability awareness training since 2014



<sup>9</sup> DIRECCTE: Regional Directorates for Business, Competition, Consumer affairs, Labor and Employment

<sup>10</sup> AGEFIPH: Disabled Persons' Occupational Integration and Training Management Association

## 3 • SOCIETAL REPORT

*See the methodology note, societal indicators and table of societal indicators in section 5.2.*

As a world pioneer in tourism, Club Med is firmly convinced it must actively contribute to the development of the regions where it operates.

The main identified issues for the Group are showing respect for its hosts, boosting the local economic and social fabric and supporting local production.

### 3.1. Communities: respect and contribution

Introductory comment: it should be noted that beyond the actions described below, **the management of impacts on local communities is also reflected in the deployment of Green Globe certification** (see section 4.1.4) especially through criteria based on socio-economic and cultural issues.


#### 3.1.1 Respect for host communities: an invitation to respect and discover

Respect for host countries and their inhabitants is one of the founding principles of Club Med and is an essential condition for the local acceptance of its villages.

##### Fighting against sexual exploitation of children in tourism

This concern for respect relates to all of the riches of the country hosting a village, starting with the most precious of them: its children.



The actions defined in the partnership agreement signed with ECPAT in 2005 have been regularly renewed since then, with the continued distribution of the joint Club Med – ECPAT leaflet  that ties in with the NGO's communication campaign. These

leaflets are sent to the homes of French, Belgian and Swiss customers heading to sensitive countries.

ECPAT is an international non-profit organization with a presence in over 70 countries worldwide. Its aim is to fight against child prostitution, child pornography, and the trafficking of children for sexual purposes. Many tourism professionals are committed with ECPAT to fight against the sexual exploitation of children in tourism.

In 2020, nearly 16,000 leaflets were sent to French, Belgian and Swiss customers, bringing the total number sent since 2005 to nearly 950,000.

A procedure for Reception staff on high-risk destinations to ensure identification of underage guests was put in place in 2005, updated regularly.

##### An invitation to respect the host country

Since 2008, the Discovery Centers at all African and European villages have displayed a charter on respecting local hosts, their culture, environment and economy and distributed it to all GM® going on excursions. Charters at least in English and French are posted at the tour desk or at the reception.

In villages where the Green Globe certification process is deployed (see section 4.1.4), an awareness poster in the rooms of all GM® invites them to refer to the Charter.

This Charter is also included in the travel itineraries sent to clients of Discovery Tours by Club Med. In 2017, as part of ATR (Agir pour un Tourisme Responsable) certification for the Discovery Tours by Club Med, the Handbook for Guides was revised to provide even better training for our guides in terms of respect for cultures, people and environmental protection.

In addition, the Ethics Charter available to all GO® and GE, incorporates the principles and commitments that govern the company's relationship with its host countries.

##### An invitation to discover

###### ❖ Villages steeped in local culture

Club Med villages have always been steeped in local culture, as can be seen from their architecture, decoration, vegetation, cuisine and so on. The activity programmes offered also reflect local practices, frequently through lessons in dance, cooking and languages, as well as lectures on the host country. Almost all Villages also organise weekly evenings, full days or events dedicated to the culture of the host country or region.

###### ❖ Discovery tours by Club Med and excursions

In all villages, the Discovery Center is located in an area that is easily visible to the GM®; it invites them to discover the host country through a wide range of outside excursions and activities outside the villages. Services such as childcare during the excursion day make organization easier for participating parents. As a result, about a quarter of GM® in the Europe-Africa region take excursions during their stay.

In addition, since its creation, Club Med has developed experiences alongside its village activities, such as vacation tours or vacations combining tours with stays in the villages. Each year, Club Med Discovery Tours offers the exploration of about sixty countries, in small groups, directed by guides and assistants.



### 3.1.2 Contributing actively to local development



The presence of a Club Med village has economic and social impacts on the host region. Club Med is committed to not contenting itself with observing the positive impacts, but rather to maximising and developing them.

#### Through local employment

The level of comfort and service, and the variety of activities offered in a Club Med village are reflected in the high number of positions required for a village opening. Before the health crisis, 75% of such positions were awarded to local<sup>11</sup> GO® and GE. By 2020, this had risen to 94%.

The use of local subcontractors also contributes to boosting the economic and social fabric, in the same way as indirect employment, although this is more difficult to quantify precisely. (See section 2.1)

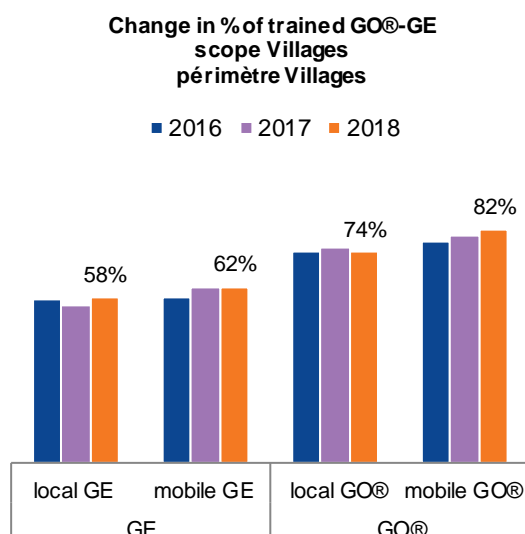
#### By developing the employability of local workers

Raising the skills and employability of local workers is a priority for the Group.

Thus before the health crisis, on a World scope:

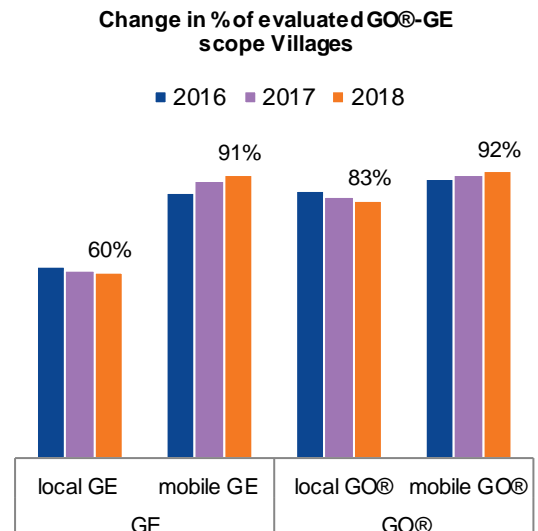
- 58% of local GE assigned to a post were trained;
- 60% of local GE were evaluated in 2018 (evaluation for 2017, stable since 2016);
- 9% of GE worked outside their home country (but only 1% in 2020).

#### ❖ Training



Before the health crisis, the percentage of local GO® and GE receiving training had increased over a three-year period (data not calculated for 2019 and 2020).

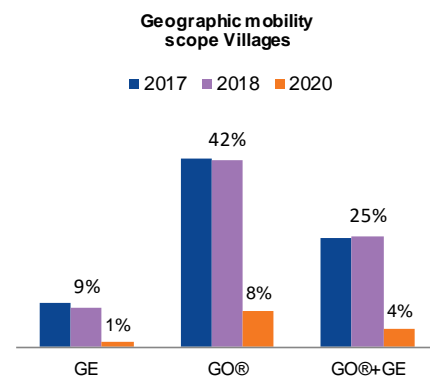
#### ❖ Evaluation



Before the health crisis, the assessment rate for local GEs was 60%, compared to a stable rate since 2015 of over 80% for mobile GO®-GEs and local GO®s (data not calculated for 2019 and 2020).

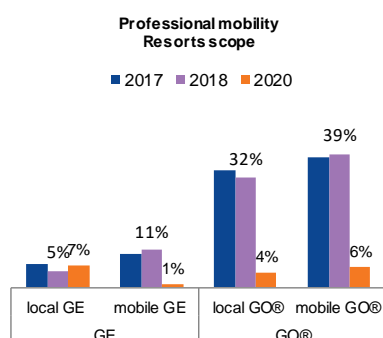
#### ❖ Geographical and occupational mobility

(Assignment to posts in countries other than the employee's home country)



The geographical mobility of our GO®-GE was stable in recent years. In 2020, this figure fell sharply as a result of the closure of the borders.

<sup>11</sup> Assignment in the employee's country of origin

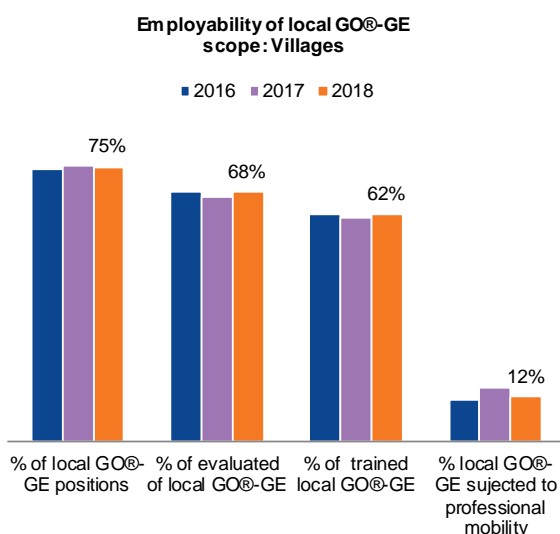


The professional mobility<sup>12</sup> of local and mobile GO® and GE varies significantly according to their status as a GO® or GE. However (excluding 2020) no medium-term trend is emerging, and percentages are subject to fluctuations related to village openings and closings and to the "jobs-mix".

#### ❖ Focus on the non-EU agreement

In 2020, the agreement on transnational mobility of GE in Europe-Africa enabled 418 seasonal employees to be hired as hotel workers for one season at the French villages. Most of them were from Turkey, Morocco, Tunisia and Mauritius.

See section 2.3 on the summary of current agreements



#### Through local purchases

See section 3.2 on responsible purchasing

#### Through the prevention of counterfeiting

Counterfeiting goes against the economic development of its host countries by hindering local creation and sidestepping all social and environmental standards. The Group therefore

decided to raise awareness among its teams and among GM® on this topic, particularly through Sustainable Tourism training courses for Club Med Discovery guides, and as part of the roll out of the villages' Green Globe eco-certification.

#### Through the transfer of know-how and innovation

Boosting the economic and social fabric of a community also involves the transfer of know-how. The Group seeks to implement innovative practices and techniques on a local level.

Examples of practices and techniques	year	sites
Biological wastewater treatment by Filter Gardens® with Phytorestore	2006 2011 2013	Albion (Mauritius) Yasmina (Morocco) Guilin (China)
Natural swimming pools with Phytorestore	2013 2017 2018	Guilin (China) Da Balaia (Portugal) Cefalu (Italy)
Waste recycling with Oasis Boucotte	2009	Cap Skirring (Senegal)
Support for the publication and promotion of the Agrisud agroecology manual	depuis 2009	Senegal, Morocco, Brazil, Tunisia, Indonésia
Fighting the red palm weevil with INRA	depuis 2011	8 resorts around the Mediterranean
Support for international guidelines for the observation of cetaceans in the wild and assistance in their deployment with our service providers	2019	Da Balaia (Portugal) Dominican Republic

### 3.1.3 Beyond contribution: Solidarity



#### The Club Med Corporate Foundation



Convinced that "happy GO® and GE make happy GM", and that the company must contribute to the public interest, Gilbert Trigano, one of the founders of Club Med, created one of the very first corporate foundations in 1978 (with an "umbrella"

<sup>12</sup> Professional mobility; change in function. See the details of the calculation of the rate in the methodological overview in § 4.5.1

status as the status of "company foundation" had not yet been created).

The Foundation mobilises Club Med's teams and resources to participate in solidarity actions around its Villages and offices. It works to support vulnerable children and protect the environment, with access to education and recreation for all, as well as the protection of biodiversity as its priority areas.

In 2020, more than 500 GO® and GE were involved in 22 countries through nearly 200 projects (vs. 2000 GO®-GE and 300 projects before the health crisis).

In 2020, Club Med contributions to the Foundation stood at K€564<sup>13</sup>. This included the multiannual allocation to the Foundation, costs met by Club Med, valuation of skills transfer (within working hours) and in-kind donations to local communities. In addition, the Foundation also benefited from out of working hours volunteering by GO® and GE and solidarity donations on salary. This commitment by Club Med and its teams drives customer commitment and fosters the growth of the Friends of the Club Med Foundation.

For more information,

[https://www.amisfondationclubmed.com/fr/menu\\_item\\_pages/discover-the-foundation](https://www.amisfondationclubmed.com/fr/menu_item_pages/discover-the-foundation)

#### ❖ In the resorts

In the Villages, the Foundation identifies key partners selected for their competence and effectiveness. In 2020 there were 19 key youth partners in 28 resorts. It supports them by mobilizing all of Club Med's resources, including the following examples:

In 2019:

- 19 key partners in social or educational action accompanied in the long term
- 430 children accompanied in 8 Sports Schools
- 6 young people welcomed on internships or hired through our program Gateways to Jobs
- 2700 children welcomed during the Worldwide Snack that took place in 36 Resorts
- 6 dream holidays for seriously ill children were organised

#### Donations of equipment and food

The health crisis has led to the closure of many of our villages for a long period of time. All the teams on all continents have mobilised to come to the aid of the local populations by organising donations of food and

equipment: part of these donations was channelled to 47 partners to the tune of 238 K€.

#### Donations in kind and time

- In the **Sports Schools**, the children are welcomed on a weekly basis in the Resorts and can enjoy the facilities, under the supervision of either the GO® or local professional educators in order to learn sports. The objective is to get as many young people as possible to experience a rewarding, challenging, educational and recreational time together, while also providing a training course in tourism jobs for the more motivated young people. 2016 was noteworthy for the creation of a new Sports School in Thailand in the Phuket Village.
- In order to have more frequent meetings between GM, their children and the children of communities located around the Club Med resorts, the "**Friends from around the world**" programme offers moments of exchange in the context of creative workshops, artistic shows or sports activities. It was deployed in 11 villages around the world and more than 3,000 children (including nearly 1,200 local children) benefited from it in 2019.
- **The Foundation Job Links** seek to create job-related courses within the Club Med for the young people who are being monitored by these associations.
- The culmination of the charitable season is the **Worldwide Snack**, which invites children from the neighbouring associations and schools to each Resort: in 2019, for the 20th Worldwide Snack, 36 resorts hosted nearly 1.200 children in a very joyful and dreamlike atmosphere: bazaars, sporting and artistic activities, banquet buffets, entertainment, etc.
- A high-impact lever for the beneficiaries of partnering non-profits is **the gift of stay** which meets various needs: making the dreams of sick children come true, enabling disadvantaged young people to go on holiday, to participate in stays to discover the tourism professions, etc. In 2019, 19 stays were organised for 228 beneficiaries (13 partners).

#### Making facilities available:

- In several Villages, Club Med makes swimming pools, seminar rooms, auditoriums or sports facilities available to partnering non-profits.

All of these activities were heavily impacted by the closure of the villages and health restrictions. In 2020, most of the projects linked to the life of the Villages had to be stopped in March.

**The Foundation also organises initiatives in favour of the environment** and sustainable development, by facilitating ad hoc actions or by supporting long-term local projects with partner associations, such as Agrisud International in five countries, MOm in Greece and the Mauritian Wildlife Foundation on the island of Mauritius and Expedition MED association in France, or by encouraging one-off actions such as beach clean-ups.

<sup>13</sup> Amount estimated to be within 1% (result of the Corporate Foundation not known in full at the closing date of the report) corresponding to the period from November 2017 to December 2018

**Foundation Corners, that the GM® can join.** In order to respond to the ever-increasing numbers of GM® who want to get involved in initiatives, 'Foundation Corners', associated with local Education Programmes, were created in 2006 to collect their donations of school supplies or products for very young children. Furthermore, in 2012, the 'Friends of Club Med Corporate Foundation' was created in order to collect the cash donations of GM® (see above).

#### ❖ At the headquarters and offices

At the Paris headquarters or in country offices in Miami, Sydney, Lyon, Rio or Montréal, GOs offer their time and skills to the benefit of local associations close to their place of employment. Others also dedicate part of their holidays to Solidarity Leave in the field of education or health (in Senegal at Cap Skirring) or environment (eco-volunteering on a sailboat to study and prevent plastic pollution in the Mediterranean).

#### The Friends of the Club Med Foundation

The Friends of the Club Med Foundation, charity account operated under the aegis of the Roi Baudouin Foundation (Belgium), was opened to receive financial donations from customers. In 2020, the Friends were able to provide financial support for about twenty solidarity projects targeted by the Club Med Foundation. € 95 K were collected in 2020 and total financing of projects amounted to € 119 K.

For more information,  
<https://www.amisfondationclubmed.com/en>

#### Overall contribution in terms of time spent

In 2020, almost 700 GO and GE volunteers worked on solidarity or collection projects and their involvement represented 3,373 hours of volunteering or skills transfer.

#### Non-Foundation philanthropy (or direct patronage)

##### ❖ Local partnerships

Other environmental and solidarity initiatives are carried out locally by the villages without necessarily being officially recorded. Among these, 2015 saw partnerships with the Observatoire de la Palmeraie de Marrakech (OPM); the "Respecting is protecting" campaign in Switzerland, the LPO (Ligue de Protection des Oiseaux) in France, the SAD-AFAG in Turkey and MOM in Greece for the protection of Mediterranean monk seals, the Mauritian Wildlife Foundation, the Turtle Sanctuary in Malaysia, and in the Vanoise National Park. In 2017, a partnership was set up between the Écrins National Park and the three villages closest to it; and since 2019 new partners have included the World Cetacean Alliance, the Conservatoire d'espaces naturels Haute Savoie, and the Fondo Peregrino in Dominican Republic.

Direct patronage also includes other donations, including part of the contribution to Agrisud (see section 3.2.3).



#### ❖ Actions with communities to promote hygiene and health

The Club Med Foundation supports the CASAMASANTE association, created in 2013, which facilitates access to health care and promotes assistance to children in Cap Skirring and its region. The aim is to make basic health care accessible to children and families in precarious situations, as well as to enable the detection of more serious pathologies requiring referral to a more appropriate health care structure.

In 2020, the "Living Well with Menstruation" project opened up a dialogue with 4,000 young schoolgirls in a region where traditions are deeply rooted. Thanks to the "Menstrual Hygiene Management" solutions (reusable pads and cups), young girls can now live through their periods with much more serenity, which has a very important impact on their well-being, particularly from a social point of view, as they can continue to live normally during these few days.

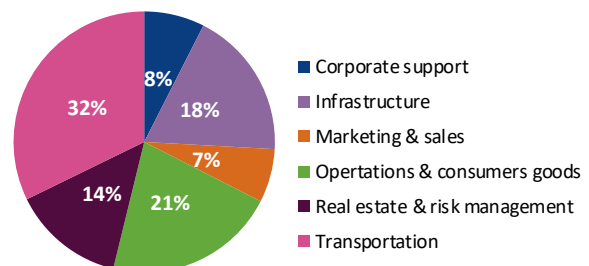
<https://www.casamasante.org/>

## 3.2. Responsible purchasing

Inventor of the all-inclusive vacation, Club Med has a role as an assembler of various services, in which purchasing plays an active part for more than 3/4 of the business volume. Responsible purchasing thus fits naturally into the Group's strategy of responsible performance.

The Purchasing Department works with more than 4,200 suppliers broken down into 6 broad categories:

**Breakdown of macro-family purchases (% amount) in 2019**



**Purchasing is a significant part of the Green Globe certification process for the villages:** fifty criteria (out of some 350 Green Globe benchmark indicators) focus on purchasing and procurement. The aspects covered are social, local, environmental, and the issue of fairness.

### 3.2.1.1 Due vigilance in the supply chain



The Purchasing Department pursues the implementation of a reasonable vigilance policy through:

- the Group **Ethics charter**, which determines the behaviour of all Club Med employees;
- the **CSR clauses** included in supplier contracts to promote fundamental employment freedoms, environmental and health protection, corruption prevention and the implementation of action plans if any of these issues are not addressed;
- the **purchasing process** which incorporates CSR at every stage;
- a **hierarchy** of CSR risks through targeted mapping;
- a shared **audit policy** for suppliers' production units as part of ICS (Initiative Clause Sociale) membership, and follow-up monitoring of the resulting corrective measures;
- performance evaluation and audits of food suppliers as part of their membership in Check Safety First and Cristal;
- **regular dialogue with strategic suppliers.**

#### Ethics of the Purchasing Department

Club Med's Purchasing Department oversees supplier relations through a code of ethics applied by each buyer.

Clearly defined roles and responsibilities take into account the principles of separation of functions. Audits organised either by Purchasing Department management or by the Group's Internal Audit Department throughout the supply chain allow for greater vigilance.

Regular communication on corruption risks and their consequences is regularly addressed to all buyers.

Finally, teams have been reminded of their duty to alert as soon as they become aware of abnormal behaviour.

See [www.suppliers.clubmed.com](http://www.suppliers.clubmed.com) under the "Our values" tab

#### CSR clauses

A CSR clause incorporated into model contracts since 2006 requires Club Med suppliers to comply with ethical principles and practices. This clause commits suppliers and service providers on key points: freedom from harassment; no use of child labour; no discrimination; no use of forced labour; existence of a minimum wage; freedom of association and trade union rights.

In 2017, these clauses were rewritten to include more explicit environmental and health protection, the prevention of corruption and the implementation of an action plan in case of breach.

In 2020, 46% of contracts worldwide were identified as containing the CSR clause. Some were signed before the clause came into force and it cannot always be systematically traced with regard to more recent contracts.

INDICATOR	2018	2019	2020
% of world contracts with CSR clause	48%	43%	46%

#### Stages of the purchasing process

Sustainable development commitments are included at each stage of the purchasing process:

- in defining the purchasing policy in line with Club Med's strategy: managing risks and developing responsible purchasing is one of the four pillars of the policy;
- in anticipation of future new regulations such as the elimination of single-use plastic;
- in sourcing criteria: obtaining certifications and implementing good environmental and social practices are among the questions asked of any potential new supplier on the supplier website;
- in the main operational specifications;
- in the criteria for selecting bids and contracts;
- in sustainable purchasing reporting: objectives driven by performance indicators, methods and IT monitoring tools have been developed and implemented. The rate of adherence to their use must still increase and a special effort is being made with our suppliers to obtain accurate data from them;
- in the process of requesting progress plans from suppliers.

The commitment to eco-friendly purchasing has been clearly communicated and the sustainable purchasing charter can be downloaded from the website: [www.suppliers.clubmed.com](http://www.suppliers.clubmed.com)

#### Subcontractor and supplier assessment procedures

A **purchasing risk map** was prepared in 2016 to identify areas that pose high risks for the Group at every link in its supply chain.

Club Med now has better visibility regarding issues per category of purchase and per sourcing country to be addressed as a priority.

The campaign to identify areas and suppliers of high-risk purchasing families, conducted internally since 2019, and accompanied by a proposal for a progress plan and alternative suppliers if necessary, continued in 2020, despite the closure of villages due to the health crisis, as did the specific focus on targeted risks related to the food supply chain.

#### ICS membership and pooled audits

Since 2015, Club Med is a member of ICS (Initiative Clause Sociale) to complement its supply chain employment and human rights policies, to learn from the sharing of experience with other Initiative members and to share supplier audits.





Launched in 1998, the goal of Initiative Clause Sociale (ICS) is to act together to sustainably improve working conditions and responsibly help suppliers take charge of their own progress.

For more information: [www.ics-asso.org](http://www.ics-asso.org)

Belonging to ICS has allowed the Group to gain increased competence in risks relating to Human Rights in the supply chain, to envisage common positions on specific achievements (Syrian, Thailand, Turkey, etc.), to be alerted to evolutions in regulations and to benefit from the ICS reference and ICS experience in auditing.

Wherever possible, audits are based on the Buy Your Way map prepared in 2016 and conducted by Asia Inspection in accordance with ICS recommendations.

Gathering the addresses of supplier production plants remains a challenging exercise with which suppliers are still disinclined to cooperate. This task prioritises production plants in the most high-risk countries and the most challenging sectors of the economy (clothing, entertainment, hotel consumables and small-scale equipment, spa/bathing products and sports equipment), excluding in a first time those major consumer brands that are directly exposed in the event of shortcomings.

In 2020, Club Med renewed its membership of ICS and actively participated in the governance committees organized by ICS. Club Med is part of the strategy of deregistering suppliers when control audits are unsatisfactory according to ICS criteria.

ICS has decided to involve Elevate in the supply chain CSR training program. Club Med encourages those suppliers whose production plants have been identified as requiring further progress to ensure that their senior managers complete these e-learning courses to facilitate progress on CSR issues in their production plants. For example, a number of senior managers in the plant producing amenities products in China have obtained certifications following completion of these training modules, thereby demonstrating their willingness to address the requirements of their customers by training themselves in the appropriate regulations and values and adapting their operating processes.

In 2020-21, three audits were carried out in Peru and Brazil in our suppliers' factories and ten others were also audited, at the initiative of other ICS partner companies. The results are generally good, and corrective actions have been transmitted to Club Med area managers and factory managers.

## 3.2.2 Responsible purchasing

### Purchase of responsible products

Since 2018, beyond reasonable vigilance and the fight against corruption, the main issues of responsible purchases concern:

- eliminating all single-use plastics by 2021;
- including criteria regarding water consumption, energy efficiency, the emission of greenhouse gas, waste reduction, the preservation of biodiversity and animal welfare in calls for tenders;
- targeting seasonal and local products for food purchasing (see § 3.2.3, the focus on the partnership with Agrisud) ;
- developing, as much as possible, of purchases of eco-certified or fair-trade products (Max Havelaar, Fairtrade, Ecocert équitable, Cosmebio, Rainforest Alliance, etc.).

Since 2007, raising buyers' proficiency in sustainable purchasing has been the focus of regular workshops. In particular, annual international seminars are the occasion to share the CSR issues and priorities of the year. Sustainable purchasing concerns everyone and is addressed according to the degree of maturity of the geographical regions.

### Actions and actions follow-up

#### ❖ Social, societal and Human Rights

The rate of purchases with social criteria reached 63% in 2020 (vs. 26% in 2019) due to a range of measures implemented.

#### ❖ Environmental

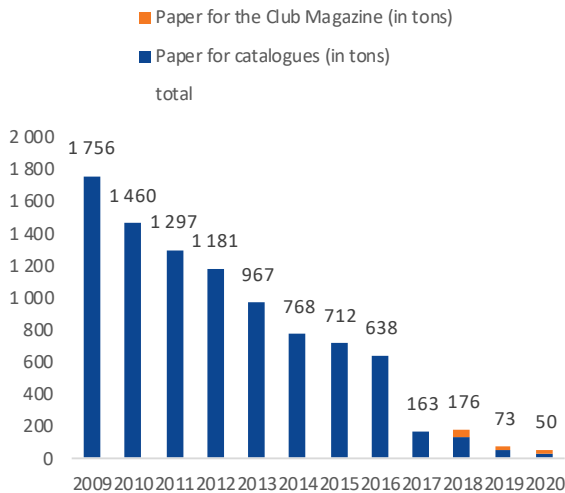
**Charters** have been drawn up for purchasing wood (Wood Charter, 2006) and seafood (Seafood Charter, 2007 and revised each year according to scientific recommendations). In 2019 accordingly, only 0.5% (vs. 0.2% in 2017) of global seafood purchases comes from overfished species that are not compliant with the charter, and 30% (vs 21% in 2017) from restricted species (not available for 2020).

Where possible, certified purchases are prioritized: organic cotton for around 17% of GO® clothing (in Europa-Africa), certified cleaning products, use of "green" energy, FSC or PEFC certified paper for catalogues (100% since 2010 on the European markets), vegetable-based inks for catalogue printing, etc.

At the same time, the **tonnage of catalogues** in the France-Europe-Africa New Markets (FEAM) with the exception of those that print their brochures on site (South Africa, Spain, Israel and Portugal, for which the data is not known) has been slashed by 31% vs. 2019 and divided by 36 since 2009 (50 tonnes in 2020). No brochures for the promotion of resorts were printed in 2019, and only brochures for the promotion of tours and cruises were published in small quantities.



**Tonnage of catalogues  
in the France-Europe-Africa market \***



\* this excludes countries that print their catalogues on-site (South Africa, Spain, Israel and Portugal for which data is not available)

Finally, at the end of 2019, Club Med made a strong commitment phase out eggs from battery hens and is currently working on its implementation for deployment at the end of 2021



« We are pleased to join other companies in our sector to commit to source 100% of our eggs (shell, liquid and egg products) from cage-free sources for all resorts in our portfolio by the end of 2025 in Europe, Brazil and the United States, and 2027 in the other markets.

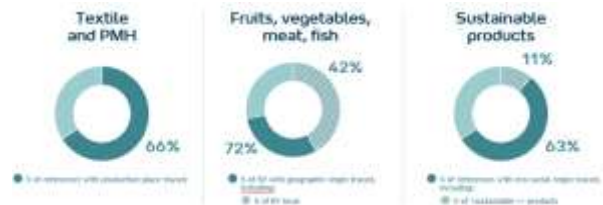
We will also make our cage-free egg policy available in all major languages in which we report and will continue to publish annual information our progress and any potential issues we face.

At the end of 2019 we already buy 100% of our shell eggs from cage free sources in Europe and Mauritius, and we look forward to continuing our partnership with suppliers, civil society and industry to drive positive and sustainable change in responsible sourcing.

This commitment is part of Club Med's purchasing policy, which stipulates that all products purchased must meet the company's hygiene and health and safety requirements. »

### ❖ Key indicators

The three responsible purchasing indicators that have been selected to form part of the key CSR indicators monitored regularly by the GDC (General Management Committee) are described below:



KPI 7.1 - In 2020, the place of production could be traced for 66% of textile and small hotel equipment references (vs. 41% in 2019 and 29% in 2018)

KPI 7.2 -- In 2020, for 72% of the Business Volume of fruit and vegetables, meat, fresh fish, the origin of production could be traced; 42% is local<sup>14</sup> (vs 35% in 2019, 13% in 2018). (Data excluding China, USA, Brazil, Mexico)

KPI 7.3 - In 2020, 63% of products listed in purchasing catalogues have environmental or social criteria indicated.

### 3.2.3 Focus on local purchases and partnership with Agrisud

#### Local purchases

Throughout the year, the vast majority of purchases of goods and materials for the villages is from local suppliers in their countries of operation (86% on average in 2019). If a portion of these purchases consists of imports by the local supplier (which is very difficult to assess), this rate nonetheless reflects Club Med's intention to work as much as possible with local partners, producers and distributors. *See indicators in section 5.2.*

#### Supporting and developing local farming: a unique partnership with Agrisud

Finding that in some cases local supply was inadequate to meet its villages' demand for fresh produce, Club Med decided to help strengthen this network, thereby playing an active role in the economic development of the regions where it operates.

This decision led to a partnership with the NGO Agrisud, signed in late 2008, to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology.

The benefits of the partnership relate to most of the Sustainable Development Goals (SDG):

<sup>14</sup> Produced in the country of consumption

- helping farmers to escape poverty (SDG 1 & SDG8) by training them (SDG 4) towards a market economy (SDG 10) and sustainable use of their lands (SDG 15);
- contributing to the relocation of subsistence farming (SDG8);
- buffets offering customers fresh produce that is local, eco-friendly and meaningful (SDG 3);
- securing supplies of fresh produce (SDG 3) and increasing the share of local purchases in Club Med's procurement process (SDG 9);
- securing water supply for farms with solar energy (SDG6 & SDG 13);
- equal access to economic resources for women on the project in Senegal which concerns exclusively women market gardeners (SDG 5);
- about 53 tons of carbon sequestered by market gardening and arboriculture and reducing the CO2 impact of transporting such produces (SDG13);
- more firmly rooting the villages in their host communities (SDG11)
- involving diversified actors everywhere: customers ... (SDG 17).




With 312 VSBs<sup>15</sup> supported in 2020 and more than 1,600 beneficiaries in six countries, cumulative financial support since 2008 totals €1071,000. 921 cumulative tonnes were cultivated in agroecology and 276 cumulative tonnes of products were delivered to Club Med at the end of 2020. Nearly 250 ha of land was used for agroecology with an average of 25 varieties grown per programme supported. All these factors contributed to making Club Med Agrisud's largest partner in the tourism sector and its second private partner.

In addition, the generosity of customers has made it possible to participate in the financing of the Agrisud programme to the tune of €102,000 since 2014.

The partnership with Agrisud was rewarded:

- by procurement professionals obtaining the Golden award for responsible supply at "Trophées Décision Achats" in 2013;
- by the actors of sustainable tourism in Morocco being the winner of the Moroccan Sustainable Tourism award in the "economic and social development" category in 2014;
- by personalities from the international hotel industry obtaining the Worldwide Hospitality Awards "Best initiative in sustainable development & social responsibility (deployed concept)" in 2015;

- by the World Tourism Organisation (UNWTO) that used the partnership in 2017 to illustrate the good practices efficiently contributing to the Sustainable Development Programme at the 2030 horizon ([link to the site](#)).

 To access the complete presentation of the Agrisud-Club Med partnership

### **Project review**

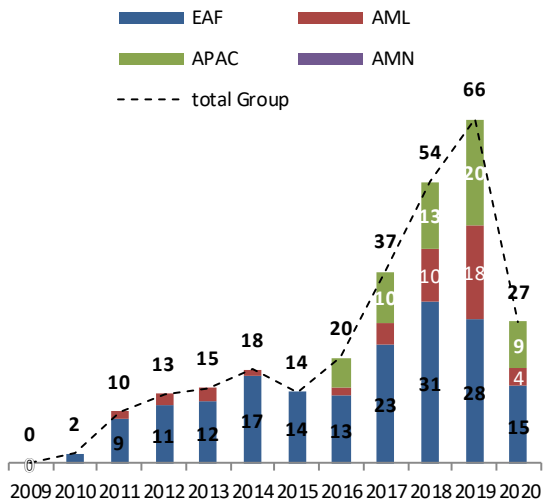
The year 2020 seen:

- the launch of the project in Guilin, China and the first deliveries to the resort;
- on the new project in Mauritius, the technical upgrading of the Chaumière agro-ecology farms, finding a way to compensate the closure of the villages by selling baskets of farm products to individuals, the organisation of producer-consumer meetings, the establishment of a relationship with the association Terre de Paix, a partner of the Club Med Foundation, for deliveries to various children's centres;
- in Rio das Pedras (Brazil) the implementation of delivery follow-up and the transfer of skills for the autonomy of the cooperative in the management of its commercial relationship with the resort;
- technical support in agro-ecology, support to the professional organisation and the delivery of baskets for the sale of products to compensate for the closure of the resort, as well as the start of a partnership with a new cooperative following the transition of the previous cooperative to distribution via baskets in Lake Paradise (Brazil).
- In 2020, in order to limit the loss of income of the supported farmers who usually sell a large part of their production to Club Med, the Club Med Foundation decided to buy part of their production and redistribute it in the form of fruit and vegetable baskets through local associations. This programme was implemented in Senegal and Indonesia in 2020 and will be rolled out more widely in other countries in 2021

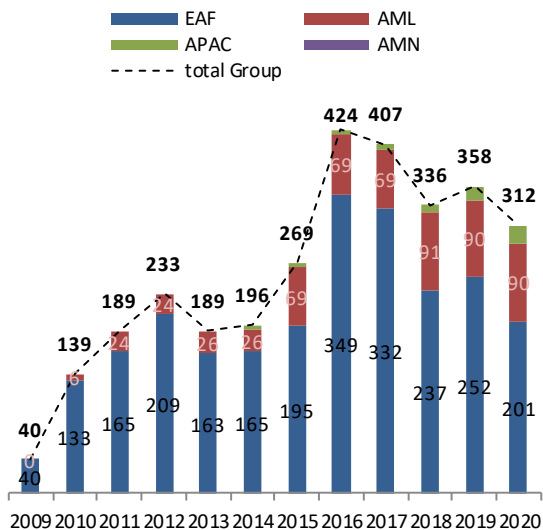
In 2021, nearly 700 vulnerable families will be supported by the Casamasanté Association in Senegal.

<sup>15</sup> Very Small Business

**Agrisud - tonnage purchased from assisted VSBs**



**Agrisud - Number of garden farmers accompanied**



### 3.3. Customers: Quality and safety, the foundations of lasting trust

Club Med has grown alongside its members: they are the ones who, starting in 1950, called the activity leaders “Gentils Organisateurs” (GO®), and were in return called “Gentils Membres” (GM®). The close relationship of trust, and even complicity, that has existed between Club Med and its GM® for 70 years is one of its most valuable assets. If it is especially obvious in the relationship between the GO® and GM® in the Villages, it is also the reflection of the entire organization’s core commitments towards its customers.

This special customer relation had led Club Med to win, from 2014 to 2018, **the French Customer Relation Prize for the tourism segment**. This prize, awarded by BearingPoint and TNS Sofres, rewards the Company for its ability to create and maintain an innovative and personalised customer relationship before, during, and after the vacation.

#### 3.3.1 Responsible communication to customers

The quality and reliability of sales information is the *sine qua non* of a relationship of trust between a company and its customers, especially when it comes to products with a strong emotional charge, such as vacations.

In light of this, and of its strong brand awareness and reputation, Club Med relies on a specific process managed by the Marketing Department, and on various departments, including the Legal Department, to ensure that promotional materials are reliable and do not contain exaggerated promises. This includes making sure that the terms and conditions of sale provided for products and services are clear, complete, reliable and comply fully with all applicable tourism legislation.

Club Med is an associate member of SETO, the French trade union for tour operators, and adheres to its travel charter, which aims to inform the consumer about the commitments made by professional tour operators and the guarantees that they offer to their customers.

Club Med attaches a great deal of importance to compliance with regulations with regard to marketing communication. As far as the Company is aware, there were no significant complaints based on failure to comply with said regulations in 2020.

#### Information Security – GDPR

Club Med also attaches a great deal of importance to the protection, security and confidentiality of its customers' and employees' personal data. It pays close attention to ensuring full implementation of the provisions governing privacy and personal data processing, and full compliance with CNIL recommendations. In order to comply fully with Regulation

(EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of personal data, which became effective on May 25, 2018, Club Med worked with a specialist external service provider during 2017 and 2018 to analyze its existing practices at Group level to ensure compliance with the provisions set out in the Regulation as part of extending the existing commitments of Club Med to customer consideration and employee protection.

In January 2018, the Company appointed a Personal Data Protection Officer (DPO) to coordinate this compliance.

In 2020, to the Company's knowledge, there were no significant complaints based on an invasion of privacy or loss of data.

### 3.3.2 Quality and customer satisfaction

Club Med's quality approach is based on a historical culture of customer satisfaction, and on tools that are embedded in the practices of each profession.

Listening to the GM® begins in the Village through the GM® - GO® relationship. After their vacation, the listening continues through the "GM Feedback" satisfaction survey, an analysis of GM compliant letters and, increasingly, of feedback on specialist websites and social networks. France Customer Relations Department handles customer feedback via these various channels, monitors and manages quality, and provides operations staff with monthly feedback reports.

Concerning the "GM® Feedback", in 2020 the rate of "very satisfied" GM® is lower than in 2019 (-1.2pts) but higher than the average for the last three years (+1.9pts), over the two seasons. This is an achievement in a context of strong constraints imposed by the health crisis on services.

On the whole, the higher the category of village is, the higher the level of satisfaction is.

Furthermore, there are quality standards in all Villages and compliance with these standards is managed through staff training and various forms of monitoring.

### 3.3.3 Customer health and safety: Aiming for total peace of mind

The number one priority communicated to all GO® and GE is personal safety.

The health and safety policy relies on the expertise and coordination of a dedicated Safety, Hygiene and Health (SHH) department available 24 hours a day, which reports to the Group's General Secretariat.

It defines the **priorities in terms of prevention, safety, hygiene and health policy**, both for GM® and GO® and GE. It designs awareness and training tools and actions in collaboration with the UDT (University of Talents), and it organizes their deployment, all with an adaptation by BU according to specificities (cultural, geographical, political, etc.).

The SHH Department manages the **crisis management system** through dedicated training and the dissemination and

updating of the Sensitive Situations and Crises Management Manual.

In the Villages, Health and Safety meetings review problems encountered and implement **corrective or preventive action plans**. At the same time, self-checks by department (digitalised since January 2020) are regularly carried out by department managers and can be requested at any time.

An HHS intranet accessible by all Villages centralises all existing **procedures**. Updates are regularly posted online and are immediately available in each Village. Training and prevention courses on safety issues are organised on a regular basis and are followed by audits and ad hoc investigations.

The SMICE programme will be fully deployed in all villages in 2021. This programme consists, via an application, in **performing safety self-checks** of all on-site activities (people / processes / structures) every two months. If necessary, SHH audits can be carried out. Since the end of 2020, the tool has enabled a "special Covid 19" self-check to verify compliance with the "Safe Together" protocols in each village.

#### ❖ Health and food safety

The Purchasing Department pursues a policy of reasonable vigilance, in particular through **performance evaluation and audits of food suppliers** as part of its membership of Check Safety First and Cristal.

In 2019, in order to reinforce the safety and healthiness of the provided food and beverages, the Purchasing Department set up a **risk mapping on sensitive countries and on high-risk categories** such as the supply of fresh meat and fish and frozen products. This mapping is followed by a supplier self-assessment addressed and analysed by Check Safety, which is followed by on-site controls depending on the supplier results and their relevance. More than 130 sensitive suppliers have been contacted.

In terms of dietetics and improving health by limiting sugary drinks, an extension of the **elimination of sweetened drink fountains**, particularly in restaurants and bars, has been carried out in Europe-Africa in 2019.

A joint operation with a partner company for **the reinforcement of allergen declaration** obligations has been initiated in order to better consider food intolerance issues and to automatically have regularly updated information in our databases.

In addition, in terms of **food hygiene**, the SHH Department has implemented **an audit policy** in all Club Med Villages, in partnership with a world-renowned company that monitors compliance with HACCP (Hazard Analysis Critical Control Points) standards every two months, according to harmonised standards. As an integral part of HACCP standards, a food traceability system is being deployed worldwide with the [E pack solution](#).

#### ❖ Product and process adaptation in the context of Covid-19

In 2020, Club Med has made extensive modifications to its product and processes worldwide to address the Covid-19 health

crisis, with the safety of its clients and teams as an absolute priority.

These procedures have been prepared by the Global Products and Services Department, in coordination with the Safety, Hygiene and Health team and the operational departments of all BUs, including network experts. The complete operational guidelines have been reviewed by Club Med's Scientific Committee composed of eight medical experts.

The aim is to allow customers to travel, to spend time with their families, and to have fun safe in the knowledge that Club Med is aligned with local regulations and has a clear policy on health and safety issues. A worldwide certification (POSI Check) has been set up with our partner Cristal International Standards in order to verify the conformity of our anti-Covid measures. This certification is checked every 2 months in each village via an audit.

"Operational procedures for the reopening of villages" have been made available in several languages and will be updated in line with any new developments in the Covid-19 context. Adaptations to local regulations may apply where deemed essential and are the responsibility of the product/operations managers of each BU.

In addition, the Club Med sites meet the conditions for social distancing, with an average of 34 clients per hectare<sup>16</sup> and 25 clients per hectare (excluding the mountain sites)<sup>17</sup>.

#### ❖ GM® indicators and incidents


Club Med's active approach to accident and theft prevention was given concrete form in 2019 with the creation of two safety director positions within the APAC and AMN/AML BUs. These directors are responsible for ensuring the safety of all Club Med activities in their BUs and managing any accidents/thefts that occur.

The specific ski accident prevention campaign, established in conjunction with the Safety Department, the Insurance Department and the ESF (French Ski School), continued.

An identical approach to reducing water-related accidents also continued in 2019, with a particular focus on Asia.

The year 2020 has mainly focused on the prevention of Covid-19.

The decrease in incidents in 2020 is due to the closure of Club Med villages due to the global health context. The number of accidents and thefts has been halved in line with the reduction in activity. **Fewer than ten reports are linked to the Covid-19 in 2020**

*For more information on the organization and HHS policy, see the factsheet *

### 3.3.4 Disabled access in Villages

Accessibility agendas were filed by the statutory deadline of January 1, 2015. Work on compliance upgrades was launched in successive phases. To date, rooms have been made compliant in 95% of villages (vs 82% in 2018) and are scheduled in 2021 for 5% of the villages and, on communal areas, compliance upgrades have been completed in 45%, and started in 25% of villages and scheduled in 30% of the resorts.

In accordance with French legislation, Club Med has introduced accessibility registers and trained all its hospitality staff working in its French vacation villages and offices in how to welcome disabled customers and employees.

In addition, a project was launched in 2018 to provide better information on the accessibility of Club Med premises and activities, in partnership with [Picto Access](#).

## 3.4. Respecting human rights

### Human rights and fundamental freedoms of local communities

Club Med is committed to the respect of human rights in particular through:

- Fighting against the sexual exploitation of children in tourism (*see section 3.1.1.*);
- Distributing the principles of its Ethics Charter to all employees, and making this document available to all stakeholders: on the corporate website <http://www.clubmed-corporate.com/?cat=266> and the jobs website <http://www.clubmedjobs.co.uk/knowning-us-better/our-strategy/our-commitments>.

Moreover, Club Med ensures the respect of local populations and the **non-monopolisation of resources** through:

- Compliance with land acquisition and use regulations, protected areas and heritage sites;
- vigilance to ensure that resorts' activities do not impact the water or energy supplies of local communities or compromise the sanitation or delivery of other essential services in neighbouring communities. These are mandatory points for obtaining Green Globe certification and are reviewed at each audit.

Lastly, since 2000, Club Med has **been a signatory to the National Charter of Ethics for Tourism**. This is the French version of the Global Code of Ethics for Tourism. In November 2015, Chairman Henri Giscard d'Estaing signed the **Global Code of Ethics for Tourism** at the 16<sup>th</sup> meeting of the World Committee on Tourism Ethics in Paris.

*For more details see <http://ethics.unwto.org/content/global-code-ethics-tourism>*

<sup>16</sup> All Club Med resorts except Agadir golf course and primary forest in Brazil

<sup>17</sup> Idem as above



## Human rights and fundamental freedoms of employees

In addition to applying and promoting the **freedom of association and the right to collective bargaining** (see section 2.3 “Social relations”) and as part of **fight against discrimination** (see section 2;6 “Equal treatment”) in all countries where it operates, **Club Med only hires employees who are over the age of 18 and prohibits all forms of forced or compulsory labour**. This requirement is specifically met during hiring sessions in employment areas, and subsequently by the village HR Manager.

It promotes fundamental rights at work through its Ethics Charter (see section 3.4 in the Societal report), specific contractual clauses with suppliers (see section 3.2.1 in the Societal report), as well as the collective agreement on the **respect for fundamental rights at work** (mentioned in section 2.3), which refers directly to ILO (International Labour Organization) principles and describes in detail Club Med’s commitments to respect them.

## 4 • ENVIRONMENTAL REPORT

### Notes on environmental data:

- The reporting period runs from January 1 to December 31 since 2019 (history has been recalculated for this period).
- The scope covers villages operated for at least one season (winter and/or summer) over the year, for all activities, whether or not these are directly managed by Club Med (Spas, Shops etc.). It includes periods of seasonal closure and is based on actual consumption.
- In 2020, the reporting scope was modified compared to 2019 with the opening of the new village of Miches Playa Esmeralda (Dominican Republic), the closure of three villages, the non-operation of four resorts (Bodrum and Kemer in Turkey, Djerba la Douce in Tunisia and Yasmína in Morocco) as well as numerous one-off closures linked to the COVID crisis.
- Data comparability from one year to the next is ensured by Bed Capacity in hotel days (bed capacity x number of days open), Total Hotel Day (THD) ratios which take into consideration customers and personnel living on-site, including during periods of closure or by sold room ratio (for sector comparability reasons). However, for 2020, variation in activity is too strong to allow for a reliable interpretation of these developments.

For further details, see the note on environmental reporting methodology and the indicators table in section 5.3.2

In the context of its “Asset Right” strategy, Club Med’s ability to drive progress within its sphere of influence (i.e., its investment partners) is becoming a key element in the success of its environmental policy both during Village construction and operation. **Promoting eco-certifications as being Club Med standards** is a major source of leverage in terms of achieving such success.

### Provision for contingencies and losses relating to the environment

In a decision dated 8 September 2020, the French Supreme Court rejected the appeal lodged by Club Med SAS against the decision of the Court of Appeal of Chambéry of 25 September 2019, which had, in the context of an environmental offence, imposed a fine of €200,000 and a publication order. The decision of the said Court of Appeal is thus definitively confirmed.

## 4.1.2 Organization

### Organization of teams

See section 1.1 for the organization of the Sustainable Development department.

See section 1.2 for the inclusion of stakeholder views.

Environmental issues are addressed in each Business Unit and at each stage of product delivery under the leadership of the Sustainable Development. It defines the group's CSR strategy in conjunction with the group's main support and operational departments, which are then responsible for implementing this strategy in their respective areas (Development and Construction, Products and Services, Purchasing, Technical Department, Operations, etc.).

The Development and Construction department relies on eco-construction expertise and consultants, in conjunction with our real estate partners.

In the villages, Technical Managers are key players in the environmental policy. Coordinated by the regional Technical departments, they work closely with all services, and particularly with the Green Globe Coordinators in certified villages or those seeking certification (see section 4.1.3.). Regional Technical departments unify the work carried out by Technical Managers in each village.

With regard to compliance upgrades, energy efficiency as well as other topics (disabled access, elevators etc.), actions are placed in order of priority by the EAF Technical department across the village network, whatever the operating structure (owner, renter or “being managed”).

## 4.1. General elements of the environment policy

### 4.1.1 Key issues and commitments

Encouraging the appreciation for nature and its benefits is one of the founding principles of Club Med, whose very name reflects this vocation. Located in exceptional settings, Club Med is aware of their fragility and their vital need for protection. Being recognized as a tour operator with high standards as well as a pioneer in environmental management is a determining factor when it comes to enjoying the legitimacy to operate in some of the most beautiful sites in the world and also of meeting the increasing expectations of GO® and GE and customers.

Environmental issues are addressed at three major levels:

- resort construction;
- resort operations;
- and outreach to customers, suppliers and GO®/GE.

### **Tech Care: the environmental reporting tool**

Since 2007, environmental data have been drawn from **the Tech Care reporting tool which covers all Group villages (World scope)**. In 2019, Tech Care migrated to a new, more user-friendly tool.

This tool enables the consolidation of quantitative data (water, energy, waste, GHG emissions, etc.), as well as the collection of qualitative contextual information on equipment, practices, and so forth. It serves a threefold objective:

- As an operating tool to manage Village performance, to serve as a village "memory" regardless of technical team changes, and measure progress against targets and return on investment;
- As a baseline for management control of resource consumption (water, energy etc.) in villages;
- As a reporting and consolidation tool for the Group's non-financial communication and management of the environmental policy roll out.

It uses data on **actual consumption**, which is recorded by the Technical Manager of each Village.

A dual control is performed:

- On the completeness of monthly data by the Tech Care administrator in the Sustainable Development department;
- On the consistency of data on a quarterly and/or monthly basis by the Technical departments.

Tech Care leads an annual project in September-October that covers nearly 350 qualitative and contextual indicators, which puts these analyses into perspective and provides a better understanding of all the villages' environmental impacts.

### **4.1.3 Becoming an eco-construction pioneer: guidelines, promotion of certification and green innovation**

Routinely incorporating an eco-friendly approach and standards into construction projects is a key aim of Club Med's environmental policy.

#### **BREEAM<sup>18</sup> - Club Med sustainable construction standards for resorts**



In 2017, the first Club Med - BREEAM **"Resort" eco-construction standard**, the first standard specifically for Resorts whose specificity is to be composed of several buildings spread over large areas, was finalised. It combines the

characteristics (that are best adapted to the context of resort construction) of the two BREEAM standards, "New Construction" and "Communities" with the requirements of this recognised international standard, certifiable by a third-party organisation and covering Club Med's environmental know-how

The "construction eco-standards" were also drafted in 2017. They were based on existing Club Med know-how (former environmental construction guidelines) as well as criteria taken from BREEAM, Green Globe and Green Building Design Label (China) certifications, to be applied on a systematic basis. Eco-standards also focus on the obtainment of an eco-certification (BREEAM Good minimum or equivalent in mountain resorts and Very Good minimum or equivalent elsewhere) and green innovation.

*See also section 4.5.1. "Protecting biodiversity during construction"*

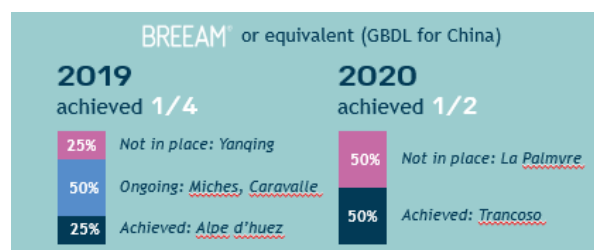
#### **Obtaining a recognised environmental certification for any new project**

For villages built as well as for large-scale renovation, the Group aims to obtain an eco-certification (BREEAM Good minimum or equivalent in mountain resorts and Very Good minimum or equivalent elsewhere).

Inaugurated in 2019, the extension of La Caravelle (Guadeloupe) and the construction of Miches Playa Esmeralda (Dominican Republic) are in the process of BREEAM certification. The extension of Trancoso (Brazil) opened in 2020 has been certified AQUA (very good level).

These certifications follow on from the "NF HQE® Methods" certification awarded by Club Med de Valmorel for design, programming and construction phases; the "THPE" (Very High Energy Performance) energy label awarded by Club Med Val Thorens Sensations; and the "new construction" BREEAM certification awarded by Grand Massif Samoëns Morillon (pass level) and Arcs Panorama and Alpes d'Huez (good level).

#### **KPI 1.1 – Construction: ecocertify 100% of new resorts and large-scale renovation**



<sup>18</sup> BREEAM: Building Research Establishment Environmental Assessment Method

### Promoting certification to our partners

Club Med's objective is now to convince its partners of the merits of a certification process. The Group's objective is to formally propose and defend the construction eco-certification principle to its partners.

To this end, this principle has been enshrined in the Eco-standards of the Development and Construction Department and in specific clauses incorporated in contracts.

### Promote green innovation

In addition to certification, Club Med's construction Eco-Standards require the systematic integration of "green" innovations into construction projects, in order to test new technologies and promising processes.

Club Med also seizes the opportunity to communicate widely to its sphere of influence to raise the profile of innovative green technologies and share them with its customers (often decision-makers, influencers or investors).

More generally, innovative technologies are continuously being monitored by the technical teams and promising methods are tested.

In 2019, in Miches Playa Esmeralda (Dominican Republic) an advanced centralised building management system was installed, high-performance air-conditioning equipment (PAC) was installed, a tree nursery was developed locally and the displaced trees (2000 palm trees) were replanted

In 2020, in Punta Cana (Dominican Republic), the Solar Gem Mobile solution by Akuo Energy was installed. This "plug & play" solar panel solution is particularly well suited to a site exposed to hurricanes. It can be folded away into a container and is set to cover 25% of the site's needs.

In 2020, at La Palmyre (France), work was carried out to revive the green spaces with zero phytosanitary products, fine differentiated management, and the long-term creation of a biodiversity hotspot within Club Med itself, allowing the site's different biotopes to express their full potential as a biodiversity reservoir.

For the 2021 opening, in the Seychelles (St Anne's Island), an energy recovery system supplies 100% of domestic hot water; and a bio-disc treatment plant (biological treatment of wastewater by aerobic and anaerobic means) provides irrigation water.

### KPI 1.2 – Green innovation: 1 per new resort or large-scale renovation

2019: 1/2 achieved with Miches (Dominican Republic)

2020: 1/2 achieved with La Palmyre Atlantique (France)

See also section 4.3.2 on innovative energy equipment.

### Green innovations put into practice since 2008

Biological wastewater treatment via Jardins Filtrants® with Phytorestore	2006 2011 2013	Albion (Mauritius) Yasmina (Morocco) Guilin (China)
Natural swimming pools with Phytorestore	2013 2017 2018	Guilin (China) Da Balaia (Portugal) Cefalu (Italia)
Automatic management of room amenities with wireless communication technology, or stack.	2012 2014 2014 2018	Opio (France) Kamarina (Italy) Gregolimano (Greece) Pointe aux Canonnières (Mauritius)
Hotel-specific thermostat from Aemec	2013	Gregolimano (Greece)
High-tech paint containing microspheres for increased reflection of solar radiation	2013 2014	Punta Cana (Dominican Rep.) Marrakech (Morocco)
"Self-learning" energy optimizer	2011 2014 2018 2019 2020	Valmorel (France) Val Thorens (Fr) Grand Massif (Fr) Arcs Panorama (Fr) La Rosière (Fr)
"Smartgrid" and "load control switch" electricity load management in conjunction with EDF	2014	Alpes d'Huez, Serre-Chevalier, La Plagne 2100 et Val d'Isère (France)
LED to replace high-powered halogen lighting	2014	Da Balaia (Portugal)
Biomass urban heating	2014	Vittel le Parc (France)
Solar LED for autonomous external lighting	2014	Opio (France)
SiteControl software for centralized irrigation management connected to a weather station	2015	Albion (Mauritius)
Photovoltaic biaxial tracking systems with Helioslite and CEA-INES	2015	Cap Skirring (Senegal)
Ice water unit with high efficiency electro-magnetic compressors without oil	2016	Pointe aux Canonnières (Mauritius)
Installation combining thermic solar, heating and A/C heat pump, and recovery of calories in the sanitary hot water network	2016	Gregolimano (Greece)
CO2 heat pump	2017	Da Balaia (Portugal)
Tw eener® LED lighting suitable for outdoor tennis courts	2018 2021	Opio (France) Seychelles
High temperature heat pump for DHW preparation	2018	Pointe aux Canonnières (Maurice)
Structure ossature bois	2018	Cefalu (Italia)
Production of domestic hot water by wood pellets ("solid bio fuel")	2019	Rio das Pedras (Brazil)
Thermo fridge pump to simultaneously produce heat and cold by heat exchange (hot water and air conditioning)	2019 2021	Marrakech (Morocco) Albion (Mauritius)
Recovery of waste energy for sanitary water heating	2021	Seychelles
Bio-disc treatment plant (ecological treatment) for reuse of waste water for irrigation	2021	Seychelles

#### 4.1.4 Becoming a leader in environmental management: Green Globe certification leverage



Increasingly demanding regulatory and company requirements on environmental and biodiversity protection, rising energy costs due to CO2 regulations, mounting pressure on water usage mean that villages have to be operated with increasingly complex constraints.

The certification process has proven to be effective and relevant for ramping up team commitment and instilling a continuous improvement mindset in each village.

**The Green Globe benchmark indicators cover the entire CSR process for sustainable tourism.** For more details see also [P](#)

In **environmental terms**, this benchmark validates the existence and efficacy of policies to reduce water and energy consumption, policies on waste management, pollution risk control, biodiversity protection and eco-purchasing.

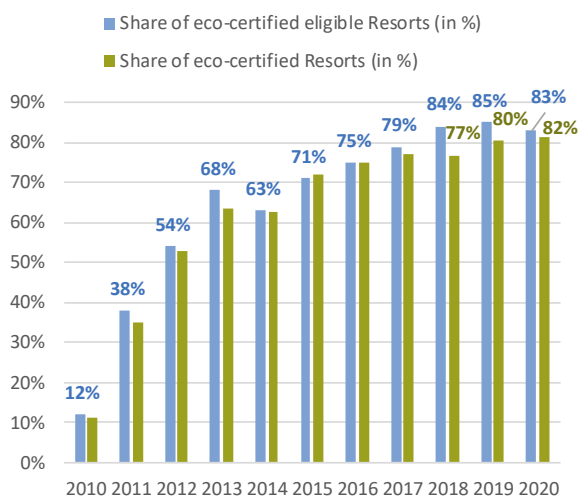
##### **Objective: all Villages certified by 2021**

The Green Globe certification process launched in 2010 was continued in 2019 **with the ongoing evolution** of tools (e.g., village diagnostics, Green Globe self-assessments, configurable action plans, training modules, etc.) and with guidance, monitoring and support for the villages involved.

In 2020, despite the context, the Green Globe approach was maintained in the certified villages, while adapting it to the new constraints. Thus, on-site audits were replaced by documentary audits. However, the new certifications initially planned for 2020 could not be validated by the necessary on-site audits, which postponed them to 2021.

##### **KP2 - certify Green Globe 100% of eligible resorts (\*) in 2021**

(\*) between one year after opening and two years before closing)



See details of eco-certified villages on the map below.

In 2019, the village of Cherating (Malaysia) was the first Club Med resort to become a "Platinum" for its 10 years of certification. Four resorts are now "Platinum" and four "Gold" in 2020.

##### **A dedicated organization supports the deployment process:**

- a "Sustainable Development and Foundation Coordinator" in each BU to support local management and the resorts in maintaining responsible operations within the scope of their BU;
- an operational reporting structure with "Green Globe Coordinators", i.e., GO® and GE working in the villages who are trained by the "Sustainable Development and Foundation Coordinator" and spend a portion of their time ensuring coordination of the action plan and ownership of the process by the village teams. In the Southern Europe zone, the Administrative and Environment Managers (RAEs) are, naturally, also Green Globe Coordinators.

To ensure lasting progress in the company's practices, tools and processes, a "CSR Manager", reporting to the Sustainable Development department at Group level, coordinates the effort and provides necessary support to the "SD and Foundation Coordinators" in BU.

This approach, which is **highly structuring for the sustainable development action** in the Village but also in the offices and support functions, significantly feeds the responsible approaches of the various departments: Purchasing, Services, etc.

It enables better understanding and consideration of sustainable tourism issues in each Business Unit and by everyone concerned. All GO® and GE at Villages involved in the Green Globe certification or renewal process are trained in sustainable development issues and their day-to-day impact on what they do.

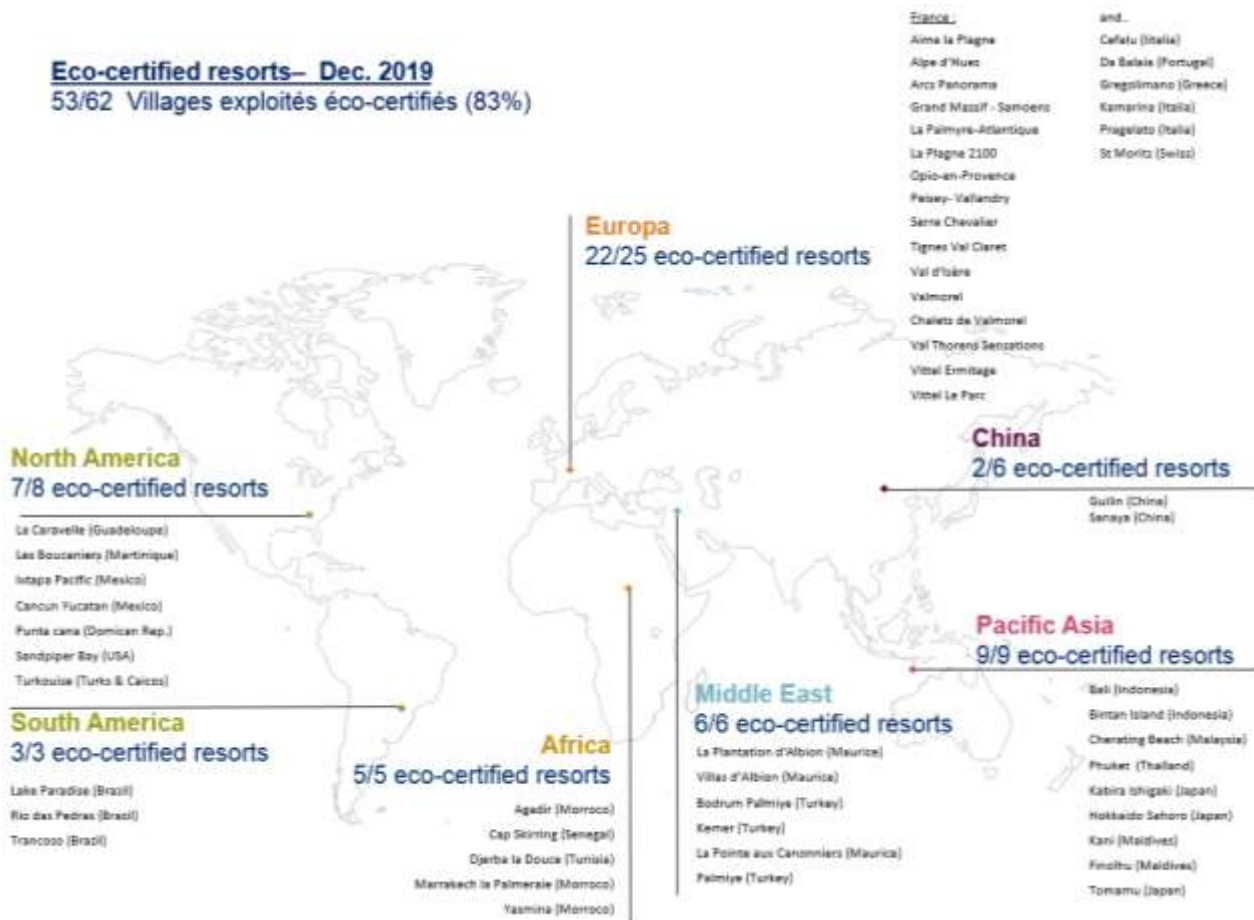
##### **A process rewarded by other eco-certifications**

- **16 Club Med Villages were recognized as "Green Leaders" by TripAdvisor** which is **43% of the villages located in areas concerned by the GreenLeaders program**. This distinction granted by TripAdvisor rewards tourist lodging committed to the protection of the environment and exposes the accommodation to the critical eye of web users in relation to the criteria set by the hotel operator. But the suspension of the process by TripAdvisor does not allow this recognition to be developed on new sites.
- **The Vittel golf courses are GEO™ ecocertified** since 2013 (see section 4.5.2 on biodiversity)



**Eco-certified resorts– Dec. 2019**

53/62 Villages exploités éco-certifiés (83%)



Green Globe international certification for sustainable tourism was launched in 1993. **Based on the commitments made by the tourism industry at the Earth Summit in Rio de Janeiro in 1992**, it applies to all tourism sectors. This demanding certification attests to an establishment's commitment to an active approach to sustainable tourism and ensures that it achieves a high level of performance and instills good practices concerning environmental, social and societal issues.

**The Green Globe standard, based on international standards, is recognized by the Global Sustainable Tourism Council (GSTC) and Green Globe is an affiliate member of the World Tourism Organization (UNWTO).**

These standard indicators cover the **three pillars of sustainable development** and are based on some **forty themes, broken down into more than 350 compliance indicators**, some of which are mandatory and others optional. Certification is awarded (audit by independent third-party audit) when the mandatory requirements are met and when the compliance rate with the indicators is over 50% for each theme. A new audit is conducted on an annual basis for each resort and ongoing improvement is required in order to retain the certification.

To learn more: [www.greenglobe.com/france/](http://www.greenglobe.com/france/)

## 4.2. Pollution and waste management

### 4.2.1 Preventing pollution

#### Managing wastewater

See section 4.3.1 on water conservation

#### Managing the storage and use of harmful substances

Club Med uses harmful substances such as paints, swimming pool and kitchen maintenance products, cleaning agents and, to a far lesser degree, pesticides. Misuse or improper storage of these products would pose a threat to the environment and to human health.

Implementing the Green Globe certification process for all its villages has led Club Med to monitor even more closely the proper use and safe storage of these products. The Group aims to reduce their use or to replacing them with ecolabel products as soon as possible. The villages are routinely audited by an independent and officially accredited auditor of Green Globe on this topic made compulsory by Club Med.

The replacement of traditional dishwashing and rinse-aid products (this is the largest maintenance item, accounting for one-third of all cleaning products, by value) with ecolabel products was completed in Winter 2012 in France.

#### Other potential sources of pollution

##### ❖ Refrigerant gases and CFCs

A plan to gradually phase out refrigeration or air conditioning units running on CFC (chlorofluorocarbon) gases and replace them with more energy efficient equipment had been established in 2013 after the 2012 inventory. The percentage of Villages with equipment using CFC gases dropped from 68% in 2012 to 17% in 2020 (vs. 36% in 2018). This equipment is being progressively eliminated in villages where it is still used (excluding China).

##### ❖ ICPE Sites (facilities that pose an environmental risk)

As a result of the transposition into French law of the European directive on medium combustion installations, installations with a capacity of more than 1 MW are now subject to the ICPE reporting regime. Four Club Med sites (Serre Chevalier, Grand Massif, Arcs Panorama and Opio) with oil or gas-fired boilers were declared and registered as ICPE in 2019, and compliance diagnostics were carried out in 2020. Only the Serre-Chevalier site requires compliance work, which is scheduled for 2021.

##### ❖ Noise and specific actions to curb excessive noise:

48% of Villages have a decibel meter and 43% have been evaluated for noise by an outside expert (vs. 45% / 38% in 2019).

##### ❖ Light pollution

Steps have been taken to prevent light emitted by the company from having an impact on wildlife (especially in the context of marine turtle protection). This is a Green Globe criterion for respecting biodiversity that is generally met.

### 4.2.2 Waste management

#### Reducing and recycling waste

The waste management improvement process has been strengthened and accelerated by the Green Globe rollout and consists of:



- reducing waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging);
- increasing the reuse of resources and decreasing the use of disposable products;
- generalising quantitative monitoring of waste; and
- setting targets for reducing waste that is not recycled with the aim of moving toward zero waste.

##### ❖ “Bye-Bye Plastic”

The “Bye-Bye Plastic” program, launched in 2018, aims to eliminate single-use plastic products from bars, restaurants and rooms by 2021 (straws, dishware, amenities in the rooms, etc.) in all Club Med resorts.



- Single-use plastic for catering (straws, cups, mugs, as well as plates, cutlery and trays) has been phased out in all our Resorts around the world from 2019.
- The shower gels, shampoos and body creams available in our bathrooms are offered in large reusable containers in all our resorts (excluding the Exclusive Collection range and Brazil). This target is 95% achieved.
- single-use plastic accessories and their packaging in the rooms are also being phased out in all resortss, as is already the case in China. This target is 28% achieved.
- From 2021 onwards, the plastic water bottles available in restaurants and rooms will gradually be replaced by plastic-free alternatives.
- Since the summer 2019 season in the Europe-Africa Mountain Villages, plastic water bottles are no longer available for hiking departures. Water fountains, available in the resort, are used to fill the bottles provided in the

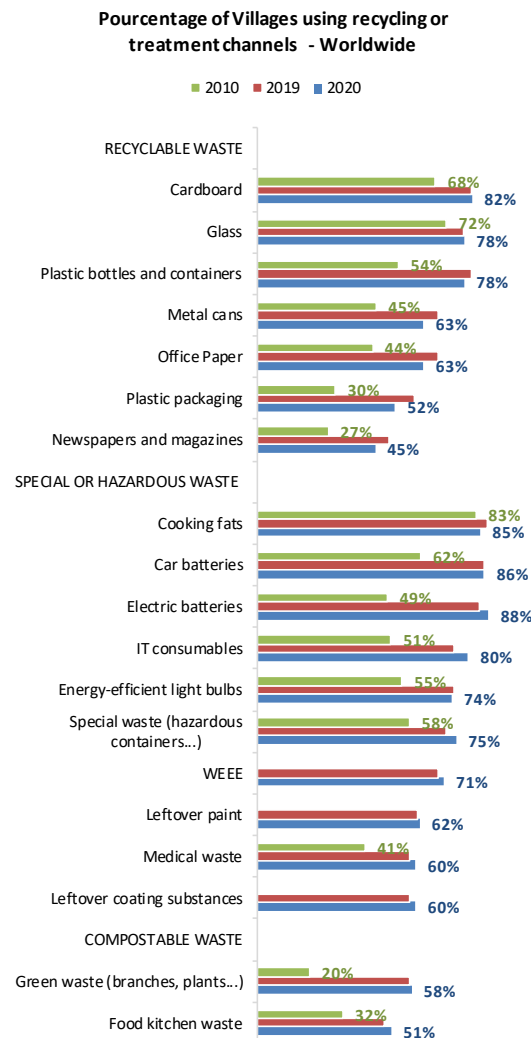
rooms when the guests arrive. Reusable water bottles are also available in resort shops.

#### ❖ Waste sorting – circular economy

In 2019, commitments made under the Green Globe certification continued to be implemented with:

- systematic sorting carried out in all departments;
- a more proactive search for waste channels,
- and signing of a food waste collection contract in France since 2017.

Lastly, villages continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic crates for fish to replace polystyrene bins, etc.).



Over and above the villages involved in the eco-certification process, all villages now systematically recycle where the appropriate channels are available, as shown by the growth of sorting since 2010. Nonetheless, development in countries where these channels do not exist explains the stagnation in some sorting rates.

#### ❖ Quantitative waste monitoring

Club Med has **chosen a single indicator for monitoring waste: the quantity of residual waste** (instead of recycled, reprocessed or recovered). This indicator reflects the end result of all waste reduction, sorting and recovery actions, and is the only one that can reasonably be consolidated on a world scope.

In early 2013, a new, standardised waste monitoring procedure for all sites came into effect and Inventory and Supply managers were tasked with monitoring waste. In the Southern Europe zone, processing waste is the number one mission assigned to the new Administrative and Environment Managers.

In 2020, 69% of resorts report residual waste quantities by weight or volume.

Among the resorts reporting residual waste by weight, **the average amount of residual waste is 1.2 kg/THD** (44% coverage rate of the total hotel days) and the average quantity of recycled waste is 1.4 kg/THD (71% coverage rate of the total hotel days).

**43% of resorts use recycling channels for the five most common types of waste** (paper, cardboard, plastic, metal and glass).

#### ❖ Monitoring and combatting food waste



The **strain on food resources** due to food shortages in some destinations is an operational issue as well as a compelling image issue for Club Med, as an "all inclusive" operator with a reputation built, in part, on its buffets.

Responsible purchasing,

contributing to the development of local subsistence farming, banning over-fished products, (see section 3.2 on Purchasing), **reducing food waste** to a minimum and so on -these are the issues on which the Group places the greatest importance.

The vast experience of Club Med villages in buffet management (knowing exactly how many meals to serve, and practices such as assisted service, on-demand preparation, frequent refilling of small containers on the buffet line, etc.) helps it to control the production of food waste per hotel day. Being highly vigilant about food waste, in 2014, the Group conducted a study quantifying waste per meal and bringing best practices together in an awareness raising/training tool for kitchen teams <sup>9</sup>. Since 2015, an initiative for raising customer awareness has been implemented (see §4.6).

**KPI 4.1 - 7/65 of resorts have an automated food waste monitoring process in 2020**

## RESORTS WITH A MONITORING PROCESS

2019 pilot  7/7 Resorts out of 68 resorts

2020 achieved  7/22 Resorts out of 65 resorts

Since 2017, Club Med has been deploying the Winnow solution, whose smart, connected bin technology enables teams to measure and limit food waste. According to Winnow, this makes it possible to reduce the value of food waste by nearly 50% and the food cost by 1.5% in the sites that have set up these scales.

Winnow systems are now equipping villages in the Asia-Pacific region excluding Japan. They are already in use in villages in the Asia-Pacific region (excluding Japan) as well as in two villages in China. A test of the Winnow solution is also underway in the Dominican Republic. Other equivalent solutions are also being studied, particularly for the Europe-Africa zone, to place greater emphasis on the method, and training and support of teams.

**KPI 4.2 - Average amount of avoidable food waste (g/person/meal): 140 g/person/meal** (estimate n 2019-2020 for EAF)



Finally, in mainland France, the recycling of food waste has become widespread since 2018 with the signing of a contract with an industrialist for the collection and recovery of organic waste. A total of 38 villages (i.e. 58%, vs 53% in 2017) and 86% of villages in France recycle their food waste.

### Managing special or hazardous waste

Club Med deals with a range of hazardous waste such as cooking oils, batteries, WEEE (waste electrical and electronic equipment) and computer consumables, energy-saving light bulbs, medical waste (infectious clinical waste) and empty containers of hazardous products (paints, solvents, etc.).

Club Med's commitment is to use the appropriate channels for all its waste and, as part of the Green Globe deployment, to proactively seek out solutions where they do not currently exist.

In 2019-2020:

- Regular outreach in all villages on sorting, tracking and maintaining records of this type of waste;
- A proactive search for hazardous waste solutions, as needed, in new villages involved in the Green Globe process, and customer guidance on the proper handling of potentially infectious waste;
- The recycling rates for hazardous waste, where channels exist (World scope), have risen steadily (see chart on the previous page for change in 2020 vs. 2019 and 2010). The sites are however frequently faced with the lack of such channels.

See chart on the previous page on "Percentage of villages using recycling or treatment channels".

## 4.3. Sustainable use of resources

### Notes on the organisation of this chapter:

**Sensitive sectors (wood, fishing, food)** are addressed in the "Environmental" subhead of section 3.2. on responsible purchasing and in the "Focus on food waste" subhead of section 4.2. on Waste.

**Land use** is discussed in section 4.5. Protecting biodiversity.

Detailed quantitative data are provided in the table of CSR indicators in section 5.3.2

### 4.3.1 Water<sup>19</sup>



Often operating in regions under water stress, tourism is faced with the issue of **drinking water shortages**. This is:

- an issue of local acceptability, especially since the strain on water resources frequently coincides with periods of water shortage and local authorities' capacity to treat wastewater is sometimes insufficient;

<sup>19</sup> Notes: Water consumption data for Belek (Turkey, in 2013), Guilin in China (2014) and Beidhau in China (from 2017 to November 2019) are excluded from the scope of analysis in the absence of a meter.

- an operational issue with supply risks in regions under water stress which could lead to challenges to the rights over wells or conflicts over water use.

### Consumption and issues by area of water stress<sup>20</sup>

Risks and opportunities related to water management are mainly local issues, unlike those involving greenhouse gas emissions.

*The mapping of water consumption by country is based on the use of the World Resources Institute (WRI) Aqueduct tool. This tool enables an analysis of water stress for each village based on its location, by watershed.*

Club Med frequently operates in seaside locations in warm weather regions, which explains the high percentage of water drawn by its villages in areas of high or very high-water stress. The 2020 update of the WRI's water risk atlas Aqueduct™ accounts for the 10 -point increase in the share of water taken from risk areas. The three resorts in Mauritius as well as the village of Sant'Ambroggio (France Corsica) are now considered to be in highly water-stressed areas.

Average consumption trends depend on the mix of village locations and categories, their irrigated surface area, equipment used, type of vegetation, as well as on visitor numbers and weather conditions.

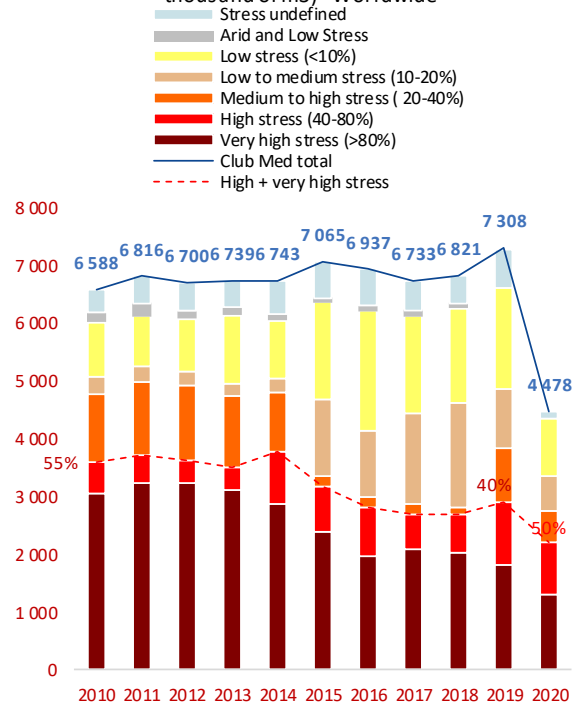
In 2020, the ratio to capacity on a hotel day is 669 litres, which is not very significant due to Club Med's low level of activity. The steep decline in the 2020 ratio can be explained by the sharp reduction in the capacity offered (-49% vs 2019) due to the numerous resort closures and a lesser reduction in consumption (-38% of water drawn vs 2019):

- the reduction in watering water is -33%: watering has been maintained but as lawns have had less use, they have probably needed less maintenance
- the reduction in swimming pool water is -45% - quite in line with the reduction in capacity
- the reduction in domestic hot water is -35%.

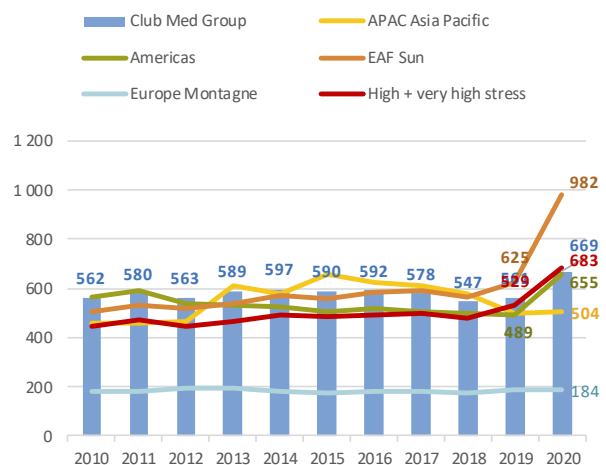
The deterioration of the ratio in 2019 was linked to:

- major leaks on the transport network in the Gulf of Agadir
- periods of heat waves and drought in Europe-Africa and Asia

Withdrawal water by water stress zone (in thousand of m3) - Worldwide



Litres / capacity (in 1H) according to zones - World 2019



Mediterranean villages in areas of high or very high-water stress are penalised by greater needs, particularly for watering (less rainfall, more evapotranspiration). This is addressed by more technical management with drip and watering programmers.

<sup>20</sup> Hydric stress zone = indicator of water pressure compared to its availability (source: Aqueduct WRI).



### **Actions to control water consumption**

#### **❖ Reusing recycled water, curbing watering needs**

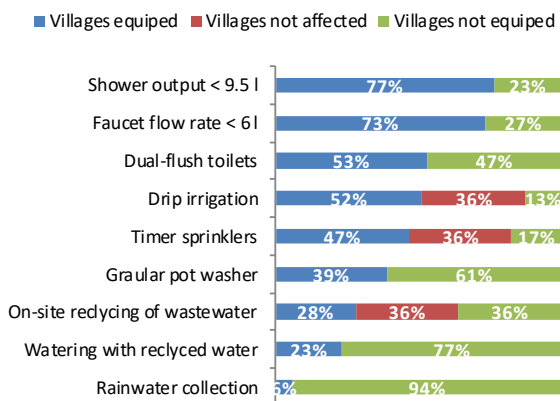
Due to the fact that its operations are often in far-flung locations, from very early on Club Med has frequently had to “produce” its own water by drilling wells or through desalination (seawater or brackish groundwater). Hence its ingrained conservation habits in these areas, such as night-time watering, reusing treated wastewater, and so forth. Water recycling is a common practice in the villages, especially those with green spaces where virtually all treated water is reused for irrigation.

- 33% of villages (excluding ski resorts<sup>21</sup>) recycle their water for irrigation.
- 40% of villages (excluding ski resorts) use their own or purchased recycled water for irrigation.

#### **❖ Efficient equipment**

Village facilities and equipment have been designed to control water consumption (flow regulators on taps, pressure reducers, water-saving flushing, centralised irrigation management systems, drip irrigation, etc.). In addition, maintenance work is performed regularly at all Villages, such as repairing leaks in the water supply etc. For example, in 2018, all water-saving devices of shower heads were renewed in the Alps, in line with our construction standards, in 2019, waterless urinals have been installed in Rio das Pedras (Brazil).

#### **Equipment in water saving systems 2020 - Worldwide**



#### **❖ Leak detection**

Daily monitoring of consumption makes it easier to detect leaks in the water supply network.

#### **❖ Special efforts in areas of water stress**

Generally speaking, and even more in water stressed regions, management of water resources in green spaces relies on water

frugality (by choosing drought-tolerant vegetation), efficiency (efficiently supplying only what plants need), and on recycling water resources, where authorised, and more recently on the recovery of rain water (Mauritius since 2015 and Cefalu in Sicily since 2018).

Mulching is mandatory, and every possible solution for reducing consumption of water for garden maintenance is systematically investigated. Contracts with service providers necessarily include both obligations. The consumption of water for garden maintenance is monitored to measure the effectiveness of those measures implemented.

#### **❖ Changing users' behaviour**

To control consumption, behavioural change is just as vital as technical progress. It is therefore natural that outreach to the teams and customers about conserving water resources is a key theme of the environmental policy.

For more than 20 years now, all customers of Club Med around the world have been invited to reuse their bath towels if they wish. This procedure was revised as part of the Green Globe deployment to make it more efficient, and was extended to bed linens in the suites, given the more demanding hotel standards in this category of accommodation.

### **Wastewater treatment and management**



#### **❖ Wastewater sanitation**

Club Med has always tried to avoid discharging untreated wastewater into the natural environment.

Treatment plants are built when water treatment facilities are not available locally, particularly for Villages in remote areas or in those lacking infrastructures. In the rare cases where there are doubts about the performance of existing treatment facilities, Club Med pursues an active policy with local authorities to resolve difficulties as quickly as possible.

*See also the above section on water recycling.*

#### **❖ Preventing contamination of soil and groundwater**

Concerned with avoiding contamination of soil and groundwater, and with protecting its surrounding ecosystems, Club Med's policy is to prevent pollution through systematic wastewater treatment, run-off management, elimination of pesticides (*see section 4.5.2 on protecting biodiversity*) and switching to eco-certified maintenance and cleaning products.

<sup>21</sup> excluding snow: exclusion of 21 mountain villages

Club Med is unable to provide consolidated measurements of wastewater discharge, as suggested by the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. The only water discharged by Club Med is domestic wastewater. Water management is handled locally in the villages, with entries made in the "water logbook" which brings together technical data, administrative authorisations, physical, chemical and bacteriological analyses, treatment protocols and monitoring, network changes, etc., but does not allow for consolidation.

### 4.3.2 Energy



Reducing energy use is a major concern for the Group given the pressures on energy resources, both present and future, and the threat of future repercussions on energy prices and the quality and reliability of supplies, as well as the probable future existence of a carbon price.

The Group is seeking to reduce its energy consumption:

- during renovations, with a search for energy optimisation of 10 to 20%;
- on new projects, with the desire to comply at least with European regulations, while trying to go beyond them;
- on managed resorts, with the involvement of Club Med operating teams in energy management.

Energy purchases in 2020 were held to 4% of the Group's overall procurement spending (vs 3.3% since 2017)<sup>22</sup> to be compared to the 6% average for the hotel industry (source: EnergyStar).

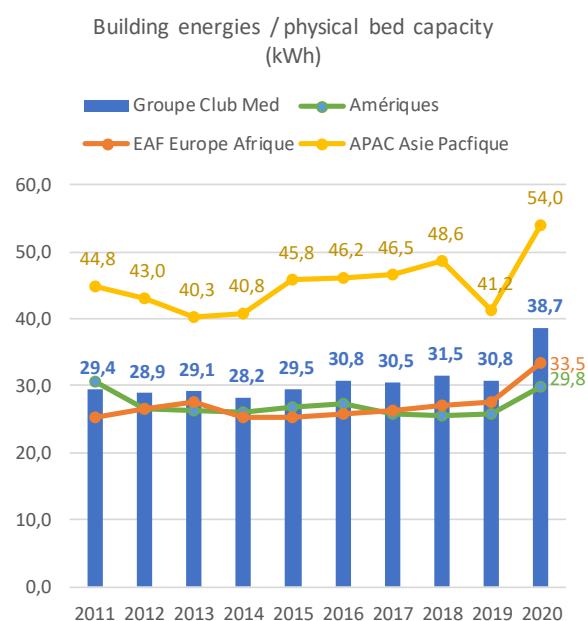
#### Consumption ratios and levels

In 2019, the energy performance of buildings (ratio related to direct and indirect energy kWh) was at 32.3 kWh / capacity in hotel days, in other words a 2.5% deterioration vs. 2018 and a 7.9% deterioration vs. 2010. Nonetheless on the basis of World excluding Asia/China, it is down 0.8% vs. 2010.

In 2020, the ratio to daily hotel capacity was 38.7 kWh, which is not very significant due to Club Med's low activity over the year. In fact, its sharp deterioration is explained by the significant reduction in the capacity offered (-49% vs. 2019) due to the many resort closures and a smaller reduction in consumption (-36% of energy for buildings vs. 2019).

The deterioration in the ratio in 2019 vs. 2010 can be explained by:

- a "villages mix" effect with the closure of villages with a low consumption ratio;
- the move upmarket with more services high in energy consumption.



Detailed quantitative data are provided in the table of CSR indicators in section 5.3.2

#### Reducing energy needs: bioclimatic design for new buildings and retrofitting for old ones

The first step in reducing energy needs is to increase the energy efficiency of buildings.

For new buildings, see section 4.1.4 on sustainable construction.

For existing properties, Club Med invests each year to make strides in energy efficiency during the repair and maintenance of its buildings. Regular thermal imaging and analysis of buildings underpins decisions regarding investment in existing or new buildings, and in fluid supply networks.

#### Improving yields: Efficient facilities

##### ❖ Regularly upgraded facilities

Energy use is closely monitored in the villages. Each village benefits from regular upgrades to facilities, including:

- centralised building management systems,
- automatic HVAC shut-off systems,
- LED and energy-saving light bulbs,
- presence sensors,
- smart room controls for new EAF villages and village extensions,
- learning Building Management Systems (BMS) in the new villages of Valmorel, Val Thorens and Grand Massif Samoëns-Morillon,
- heat pumps with CO<sub>2</sub> for the production of sanitary hot water in Da Balaia (Portugal),
- a turbocor® electromagnetic refrigeration system without oil in Pointe aux Canonnières (Mauritius),

<sup>22</sup> Excluding China

- the replacement of all halogen spotlights of villages in the Alps with LED, test of a dynamic energy monitoring software in 3 resorts (16 resorts in Europe-Africa),
- systems recovering unavoidable energy in cold rooms (Arcs Panorama),
- replacement of the gas boiler for domestic hot water production by a wood pellet boiler ("solid biofuel") in Rio das Pedras (Brazil),
- photovoltaic energy installations in Rio das Pedras (Brazil) and Phuket (Thailand), Punta Cana (Dominican Republic),
- fuel cells in Yanquig (China);
- new heat pumps in Ria Bintan (Indonesia), Cefalu (Italia) and la Pointe aux Canonnières (Mauritius),
- thermo-fridge pumps that produce heat and cold at the same time (Marrakech)
- energy recovery systems on air treatment for the pre-heating of domestic water in Les Arcs Panorama and La Rosière (France),

Vehicles used in the villages are, to the extent where possible, electric vehicles, which now represent 47% of the villages' fleet (+4pts vs 2018).

#### ❖ Research and testing of innovative solutions

Club Med researches and tests innovative energy solutions to rationalise its energy use and reduce its carbon footprint, like LED lighting specifically adapted to outdoor tennis courts in Opio-en-Provence (France), high-temperature heat pumps for domestic hot water (in replacement of fuel systems in La Pointe aux Canonnières in Mauritius), bio-disc purification plants and systems for recovering "fatal" energy in the Seychelles.

See the list in section 4.1.4. on green innovation in construction.

#### Improving the energy mix

See section 4.4 on climate change.

#### To change the behaviour of users

As with water consumption, behavioural change is a vital factor in controlling energy consumption.

Outreach efforts to the teams include:

- Daily recording of actual consumption by the Technical Managers, as well as regular analyses based on the Tech Care system to alert and develop action plans for Villages that risk nonconformity;
- Training the GO® and GE teams on best practices;
- A procedure to rationalise use during off-peak seasons;
- And the monthly "energy reviews" for Villages in Europe-Africa since 2014.

GM® are educated as part of the Green Globe process, for example nearly 16,000 posters "Together, let's take care of our environment" are put up in the client rooms.

## 4.4. Climate change

### 4.4.1 Climate change-related risks and opportunities

Climate change **impacts tourist destinations and operating conditions in many different ways.**

In the short term, destinations are affected by the increased frequency of adverse weather conditions such as too little snow in winter or too much rain in summer, as well as by extreme weather events (hurricanes or cyclones in North America and the Caribbean etc.).

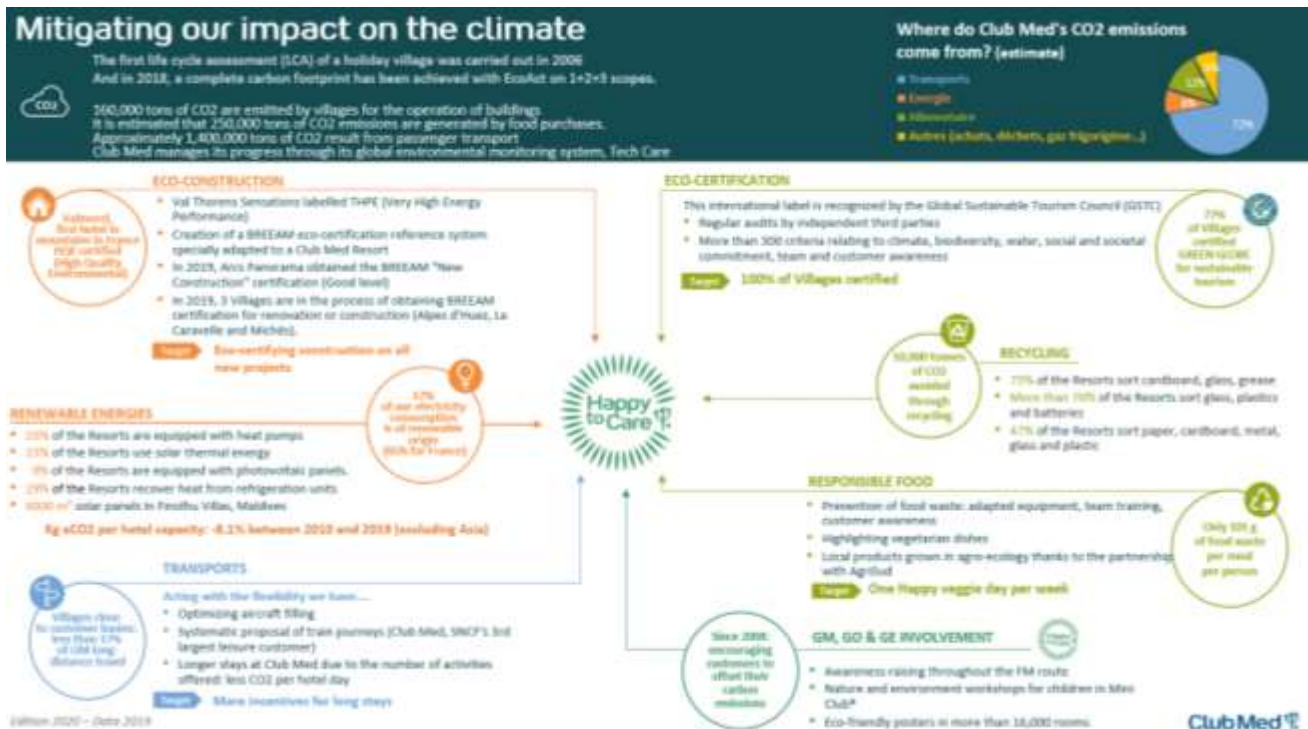
In the medium term, climate change impacts on the attraction of destinations for tourists: beach erosion, drying up of palm groves, disappearance of coral reefs, proliferation of jellyfish, return to a rise in tropical diseases etc.

In the long term, climate change impacts on the business's operating conditions: contribution to reducing water resources and risks associated with conflicts with local communities and other business sectors over water use, growing tensions over food resources, supply shortages.

There is a risk that tourists will turn away from air travel as sensitivities change, and as costs begin to reflect external factors (price increases in the event of carbon tax on flights in Europe and in other parts of the world, possible introduction of greenhouse gas quotas).

In modifying tourists' behaviour, climate change also opens up **opportunities to develop** summer season tourism in mountain regions with diverse activities and to develop business between seasons in more northern destinations. It may favour local destinations as well as longer stays, which will be stronger the further away the destinations are.

The Group is seeking to **plan ahead in order to adapt** to all these changes in its water (see section 4.3.1 on water) and energy (see section 4.3.2 on energy) management, and in its research into **reducing its direct and indirect greenhouse gas emissions.**



#### 4.4.2 Reducing greenhouse gas emissions

Detailed quantitative data are provided in the table of CSR indicators in section 5.3.

Club Med has long been convinced that the tourism of tomorrow, the one that will remain, will need to be low-carbon, resource-efficient, respectful of countries and people and largely beneficial to host communities.



In 2006, Club Med carried out the first LCA (Life Cycle Assessment) of a resort; in 2019, it updated and completed the calculation of its carbon footprint in order to continue its search for a path to reduce its GHG emissions.

A "Science-Based Target" approach has been initiated to estimate what reduction targets would be in line with scientific recommendations in order to limit warming to 2°C. In 2018, initial work focused on scopes 1 and 2<sup>23</sup>. In 2019, it was completed with scope 3<sup>24</sup> and the definition of a +2°C trajectory compatible with the Paris Agreement.

In concrete terms, this reduction is achieved by reducing CO<sub>2</sub> emissions through the location, construction and operation of resorts.

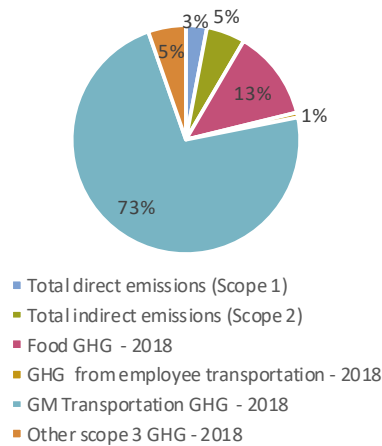
- For stays, the main levers are the reduction in the quantity and decarbonisation of the energy used directly by the buildings, as well as food.
- For transport, the number of kilometres travelled to reach the destination divided by the length of stay gives a good estimate of the "carbon intensity" of a given holiday. It is therefore a question of encouraging customers to favour local stays or stays that are longer the further away they are, of encouraging them to prefer gentler modes of transport, of continuing to develop new resorts close to the areas that generate customers (as in the Alps, or in China with Joyview, or even in Canada in the near future.)

The health crisis complicates activity but paradoxically accelerates certain developments: the idea of travelling less but better, of (re)discovering closer destinations has thus become even more promising. Moreover, the profound changes it is bringing about in ways of working will lead to lasting changes: it is likely, for example, that the boundary between time worked, time teleworked and time spent relaxing will be less clear, which will open the way to longer stays because they are hybrids (telework and holidays, "workation").

<sup>23</sup> Scopes 1+2: direct greenhouse gas emissions (1) and emissions from indirect energy production such as electricity

<sup>24</sup> Scope 3: other indirect emissions (purchases, transport, etc.)

world GHG emissions in 2019  
based on 2018 estimates (scope3)

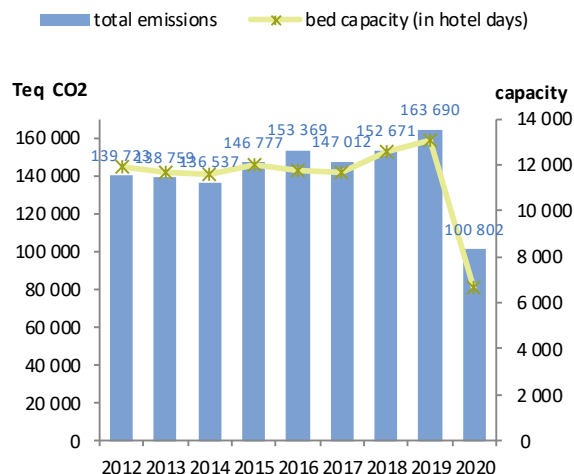


### Reducing GHG emissions linked to energy consumption

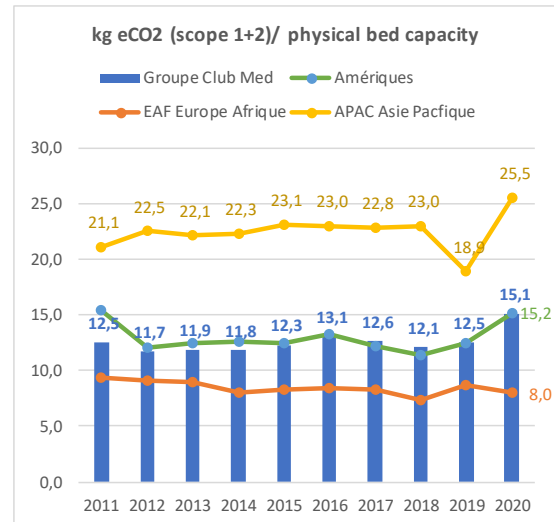
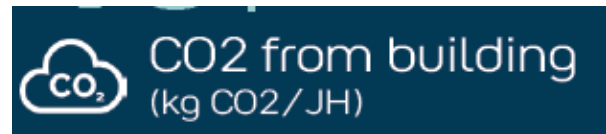
In absolute value, from 2010 to 2019, energy-related emissions from buildings have been down 12.7% outside Asia (compared with a 6.4% drop in capacity on the same scope), but up 13.7% for the Group as a whole (for a total increase in capacity of 5.3%).

In 2020, the drop in emissions is due to the reduction in activity stemming from the health crisis.

Absolute emissions Scope 1+2



From 2010 to 2019, carbon intensity to hotel capacity is down 6.8% excluding Asia, but it is up 8.0% worldwide due to the increase in consumption of fossil fuels linked to the growth of the portfolio in Asia.



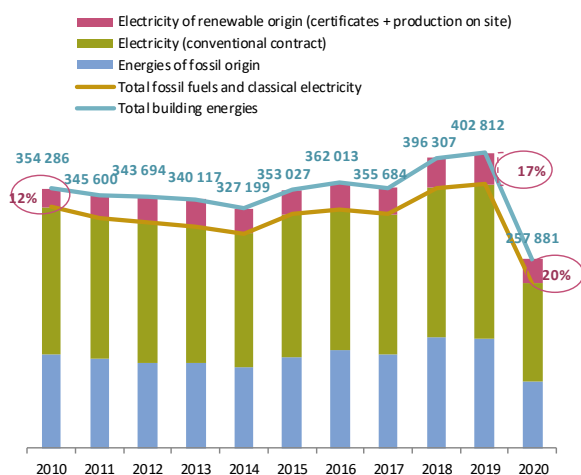
See also section 4.3. on energy

### Energy substitution: towards progressively lower carbon energy on a case-by-case basis

#### ❖ Changing the energy mix

Club Med is moving away from fossil fuels in Europe-Africa. However, between 2016 and 2019, there was an overall 12% increase in fossil fuel consumption due to a larger fleet of vehicles in Asia.

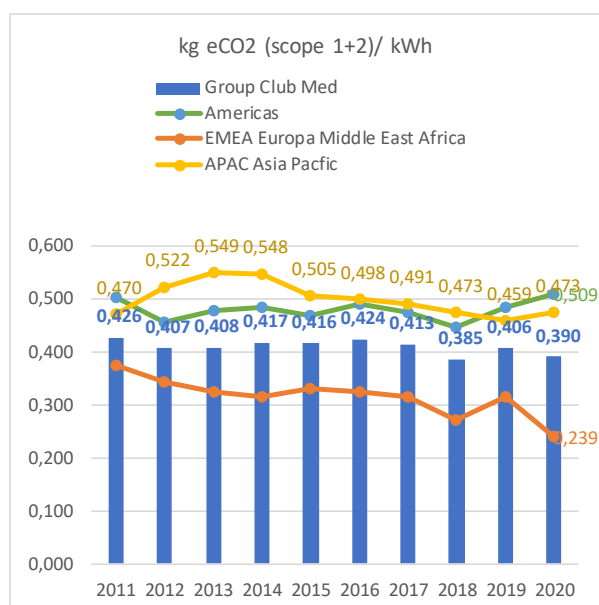
Consumption & energy mix in MWh - Worldwide



(See also the section on "Increasing renewable energy" below).

As shown in the diagram below, the carbon intensity of energy has remained constant despite the decarbonisation of energy in Europe Africa Middle East.





**In 2020, 20% of all electricity consumed will come from renewable sources** (EDF green certificates and photovoltaic electricity either produced in villages or purchased), i.e. +9 pts vs 2010 and +4 pts vs 2019. These 4 points can be accounted for by a less significant drop in activity in France (-22% of electricity consumed in France vs. -32% for the Group) where 65% of electricity is of renewable origin, as well as by a new partnership for the production of photovoltaic energy on the Punta Cana site (Dominican Republic).

In choosing its renewable energy equipment, the Group opts for tried and tested, high-yield technologies.

- Currently **14% of villages are equipped with photovoltaic panels** (13,500 sq m + 12,000 sq m in 2020 on Punta Cana – Dominican Republic) and **23% of villages are equipped with solar thermal panels** (2,500 sq) meeting an average of 20% of resorts' hot water requirements.
- **27% of villages have refrigeration heat recovery units** (vs 26% in 2017).
- **Heat pumps are installed in 23% of villages as of 2018** (vs. 15% in 2017).

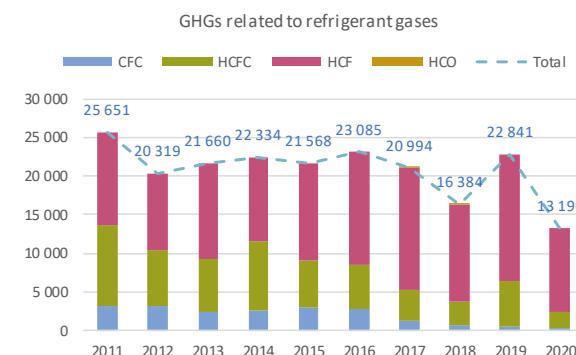
Geothermal and wind power are generally not yet cost-effective solutions, given the seasonal operation of the villages.

#### Reduction of GHG related to refrigerant gases

The increase in 2019 in emissions related to refrigerant gases is due to an initial increase in the share of HCFC and HFC (hydrofluorocarbon) gases, which are higher emitters, replacing CFC gases that contribute to the degradation of the ozone layer and are banned by the Montreal Protocol. Recharging will be better consolidated by means of monthly monitoring with a new reporting tool.

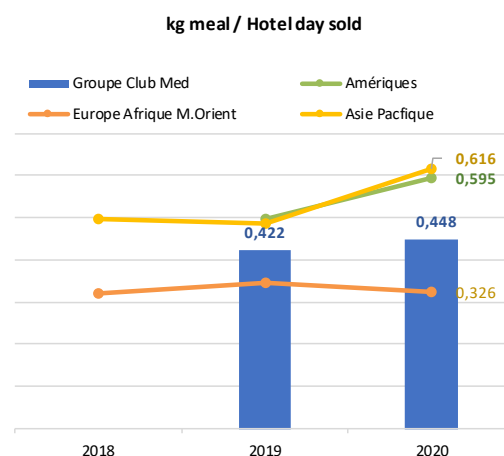
However, Club Med is seeking to reduce refrigerant gas emissions with the introduction of a new generation of HFO gas (Hydro Fluoro-Olefins) that not only has similar performance and safety characteristics to HFC, but most importantly good

environmental properties and a low GWP ("Global Warming Potential"). In 2020, 12% of villages use this type of refrigerant gas (vs 11% in 2019).



#### Reducing GHGs related to food

The Life Cycle Assessment (LCA) of a village, conducted in 2006 by Bio Intelligence Service, showed that food accounted for a significant part of the CO<sub>2</sub> emissions generated by an average vacation. This data has been updated and clarified in the carbon impact study conducted with Ecoact in 2019. A range of actions in resorts aimed at promoting vegetarian food and agroecology, and at limiting food waste, are contributing to reducing these emissions, even if they are still difficult to monitor in a very precise and regular way.



KPI

9.2: 448 g of meat per Hotel Day Sold (HDS) in 2020 on a perimeter of 84% of HDS (vs. 422 g of meat per HDS in 2019 on a perimeter of 78% of HDS)

See section 4.6. on GM® awareness and promoting organic and vegetarian foods.

#### Logistics and goods transportation

The main ways of reducing greenhouse gas emissions in **goods transportation** include:

- Preferring local purchases (86% of goods and equipment are purchased in the countries where the Villages are located);
- Grouping village deliveries from one logistics hub per operating region (for example, Arnas, in the Rhône-Alpes region outside of Lyon, for the Europe-Africa region).

Criteria related to the reduction of greenhouse gases (age of vehicles, pre-carriage by sea or by piggyback, proportion of air transport / sea transport) were added in 2012 to key transportation indicators. The Global Purchasing and Logistics Department raises awareness on the need to reduce emissions by regularly surveying its transportation providers to test compliance with these criteria.

Finally, working with suppliers on the concentration of products and the reduction of packaging is another lever.

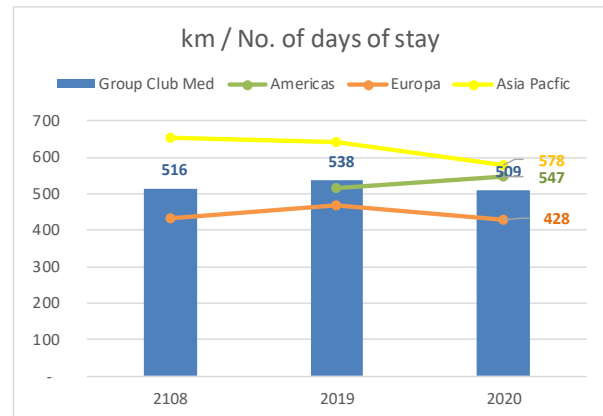
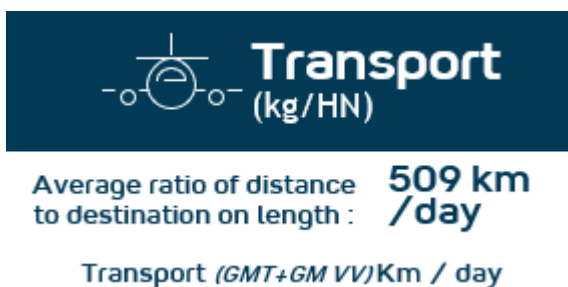
### **Sorting waste**

Waste sorting and recycling contributes to avoiding tons of CO<sub>2</sub> emissions that would otherwise be generated. The CO<sub>2</sub> tonnage is, however, difficult to measure reliably and is not therefore the object of precise monitoring.

### **GM® and GO® transportation policy**

Air transport accounts for almost 5% of greenhouse gas emissions globally and this percentage may increase with the continuing expansion of tourism worldwide. Club Med depends on air transport for a significant proportion of its destinations; the weight of emissions linked to customer air transport is estimated at almost three quarters of the Group's overall emissions (Scopes 1, 2 and 3).

In the short term, Club Med has few means to curb the environmental impacts of transporting people. The Group does not have the same operational control over transportation that it does over its core business of operating its villages. However, acting on all available means, even if they are limited, remains a responsibility. Club Med strives to curb its environmental impact by working with environmentally responsible companies and by proposing alternatives to road transportation for all villages with a rail link, seeking to maximise occupancy on its charter flights, and encouraging longer stays.



KPI 9.1 - Average ratio of distance to destination as a function of length of stay: 509 km/day per customer transported in 2020 (vs 539 km in 2019)

### **Information about carbon offsetting and an invitation to take part in the scheme**

In parallel to its policy of curbing greenhouse gas emissions, and as part of its outreach to key actors in this effort, since 2008 Club Med has invited its GM® to learn about and offset the emissions linked to their travel through information in its marketing materials and on the website [www.clubmed.co.uk/offsetting](http://www.clubmed.co.uk/offsetting)

Since 2013, Club Med has met the French regulatory requirement to inform customers of the quantities of greenhouse gas emissions related to transportation. Where information is not forthcoming from all the airlines used to transport customers, Club Med refers its customers to the French civil aviation authority (DGAC) "eco-calculator" for aviation-related GHG emissions.

## **4.4.3 Adapting to climate change**

Club Med seeks to take into account and anticipate potential impacts of climate change on its business.

### **Coastal erosion and vulnerability**

The risk of loss of attractiveness of "sea" destinations due to the coastal erosion is taken into account right from the design stage of the Villages, which are built on the basis of appropriate studies, set back from the coastline, and are sometimes on stilts, as in the case of the Kani Village in the Maldives.

Furthermore, in light of increased coastal vulnerability due to climate change, in 2012 Club Med commissioned an expert report on beach erosion and sustainable coastal development. In fact, sometimes tourism fights this type of erosion with significant beach development which just exacerbates the existing problems. Developing and managing beaches in consideration of the complex systems governing their dynamics is an efficiency and sustainability issue. Five villages benefited



in this way from a diagnosis with a proposal for technical solutions for flexible treatment of erosion.

Following the drafting in 2012 of the "beaches" chapter of the Environmental Construction Guidelines (*see § 4.1.3.*), a protocol for monitoring beaches over time (monitoring annual variations and the impacts of storms) for the Technical Managers was drafted in 2013 for the sites concerned.

Other expert analyses have been requested during the upstream study phases for locating new villages.

#### **Mountains: reduced snowfall and renewed summer season interest**

The risk of winter sports resorts losing their attractiveness due to reduced snowfall is taken into account when choosing the location of resorts at altitude or with excellent access to the summits.

The new mountain villages are adjoined to major ski areas and have been designed to open over two seasons (Valmorel in 2011-12, Pradelato in 2012-13, Grand Massif Samoëns-Morillon, Tomamu in 2017-18 and La Rosiere in Winter 2020-21). Activities in the villages are diversified (activities to supplement skiing in winter; summer activities).

#### **Change in tourists' behaviour**

Climate change also opens up opportunities to develop summer season tourism in mountain regions with diverse activities and to develop interseason business in more northerly destinations.

These opportunities are bound up with anticipating customers' behaviours and expectations in order to implement strategic changes to the facilities and activities on offer.

Likewise, refurbishments or plans for new Mediterranean villages are researched with a view to opening all year round or opening beyond the summer season.

#### **Changes in comfort, health and safety requirements**

The risk of loss of attractiveness due to climate change (rainfall, high temperatures, extreme weather such as hurricanes and typhoons) is taken into account in risk management in the same way as natural disasters.

## 4.5. Protecting biodiversity



A major advantage of Club Med's villages is the access they provide to protected natural areas. Indeed, 60% of the villages' total surface area is located in or next to a protected site, with another 10% located at less than 10 km from a protected site (2020 data). Inside the villages, natural spaces and landscapes are preferred, with constructed areas occupying just 9% of the total surface area. Mountain villages often have a role to play in conserving biodiversity within tourist regions<sup>25</sup>. Around one-third of the coasts and maritime environments around Club Med resorts are protected areas.

Preserving sites means ensuring that they fit in with the landscape and conserving endemic species during the development phases; preserving biodiversity and ecosystems; controlling pollution risks when sites are operational and managing beaches with respect for ecosystems (*see also section 4.4.3 on adapting to climate change*).

*See section 5.4.2 "CSR Environmental Indicators" and the table of "villages in and around protected areas" and "Habitat protection" initiatives.*

### 4.5.1 Protecting biodiversity during the construction of Villages

Sensitive habitats have to be identified during the environmental impact study. The impact mitigation measures mentioned in the study (revision of the footprint plan, etc.) are taken into account during the project. The eco-standard construction aims to systematise these practices.

The construction eco-standard (*presented in section 4.1.4.*) contains a specific section on biodiversity which deals with the following topics:

- Environmental impact and biodiversity strategy study
- Vegetation alteration and restoration
- Differentiated management of green areas
- Habitats for the local fauna

For example, in 2019, the new village of Miches (Dominican Republic) obtained BREEAM certification for construction. Local plants recovered from the site were placed in a nursery to be reproduced and replanted on the site. Coconut trees located on the constructed areas were moved and replanted. Grassed areas were reduced. A natural swimming pool has been created.

<sup>25</sup> The surface area percentages provided in this chapter are world percentages excluding Sanya (China), the surface area data for which are not available.

## 4.5.2 Protecting biodiversity during the operation of Villages

Protecting biodiversity during operations is based on:

- The purchasing policy: the wood purchasing charter since 2007, the fish purchasing charter since 2008, increasing the purchase of organic food and eco-certified products: see section 3.2.2. on Responsible purchasing;
- Raising customer awareness of the exploration and protection of nature: see actions in this area in section 4.6.2. on Raising customer awareness;
- The policy on green space management and the protection of endangered species in the villages especially the differentiated management of green spaces (see below);
- Focus on biodiversity at the most sensitive sites, including invasive species and destabilising species and pest organisms (eg red weevil).

### Green space management

#### ❖ Differentiated management of green spaces

Differentiated management of green spaces is a more environmentally friendly method that advocates treating all green spaces differently according to their use, location and nature (lawns, planted or flowering spaces). Accordingly, village centers are carefully landscaped, while in their surroundings maintenance is more limited and the more remote areas are kept as natural spaces. **In this way, an average of 60% of the total surface area occupied by the villages (World scope) remains in its natural state** (except for some interventions, as needed: safety pruning, felling of dangerous trees, walkway maintenance, etc.).

Management of green spaces in each village is the responsibility of the Green Space and Environment Manager of the Business Unit.

Many villages have already committed to this approach through actions such as: higher and less-frequent mowing in time (delayed mowing) and in space (continuity of rich environments and preservation of breeding areas), mulching of garden beds (which limits the use of weed killers, enriches the soil, provides shelter and cover for invertebrates, limits drought sensitivity), moderate trimming, use of local flora, etc. Such actions can generate savings in many areas including irrigation water, waste, equipment, fertilisers, pesticides, interventions and energy.

#### ❖ Selection of plant species

Plants are selected from the appropriate varieties (primarily local and non-invasive) and endemic species are always maintained and often replanted. The choice of vegetation depends on their natural local presence, sensitivity to the local weather conditions, water needs, ease of maintenance and, as the case may be, the environmental benefit the plants provide

(stabilisation of soil/beaches, soil drainage, protection against sea spray, etc.).

The Group is extremely vigilant on the choice of species to prevent the propagation of diseases. For example, importing and planting *Phoenix canariensis* palm trees has been prohibited since 2013 to fight against the proliferation of red palm weevil. Regarding the *Xylella fastidiosa* bacteria killing olive trees, extreme care must be taken for the entire Mediterranean basin: no planting of vegetation not produced locally is authorised.

#### ❖ Green space care that respects the environment

The Group is committed to eliminating pesticides for green spaces (trees, shrubs and lawns), and is turning its efforts towards gradually reducing pesticide use on golf courses.

The phytosanitary treatment policy for green areas follows a prophylaxis rationale in order to remove any use of phytosanitary products:

- identifying the diseases, the species that are the most sensitive to these diseases and the conditions favouring their appearance;
- knowing the attacker and its development cycle as best as possible in order to develop the most suitable strategy, by favouring mechanical and/or biological response techniques;
- removing the species that are impacted too strongly or too often;
- anticipating the appearance of these diseases and increasing of the level of vigilance at critical periods.

More specifically, this practice is for example reflected by the following actions:

- Eliminate preventive pesticide treatments, using them for pest remedies at last resort only;
- Eliminate chemical fertilisers by substituting organic matter inputs by spreading leaves on planting beds and increasing the use of mulching<sup>26</sup>;
- Prohibit chemical weed killers in favor of thermal weed control or mechanical weeding;
- Replace pesticides by natural means that can be used without affecting the environment, such as specific predators for each type of invasion, beneficial insects (selected with scientists to avoid invasive species), pheromone traps<sup>27</sup>, natural products, etc.

Differentiated management of green spaces and recycling of green waste by shredding was incorporated into all maintenance contract renewals. Since 2016, 85% of all EAF service contracts have included shredding and mulching (vs 50% in 2014).

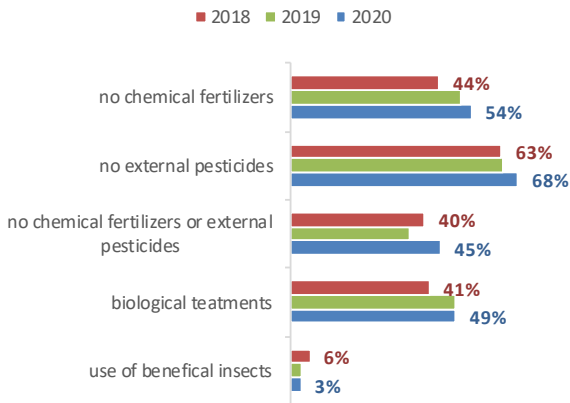
As a result, in 2020, 45% of villages (vs 43% in 2017) used no nitrogen fertilizers or external pesticides, 49% (stable vs 2018) were using biological treatments and 3% (vs 6% in 2018) were using beneficial insects in lieu of pesticides. The fight against the

<sup>26</sup> Mulching: when grass is cut, the lawn mower cuts the grass finely enough for this waste (mulch) to be directly degradable and absorbable by the soil.

<sup>27</sup> Pheromones: substances emitted by most animals and some plants that play in particular a role in sexual attraction between individuals of the same species.

red palm weevil and the mealy bug gives rise to a marginal use of pesticides. Nitrogen fertilisers are used in low doses in certain cases.

Change in % of villages implementing environmentally friendly practices - World



### **Protection of endangered species**

#### **❖ Maintaining the fight against the red palm weevil**

In order to cope with the rapid spread of the red palm weevil, Technical Managers and green space service managers in the Mediterranean basin continue to take measures to detect, prevent and eradicate this pest that wreaks destruction on palm trees.

This initiative which has been in place since 2011 has achieved exceptional results: except for the loss of six palm trees in Greece and one palm tree on the Opio site in 2018, no other palm loss was observed in 2018 for the entire Europe-Africa area.

Since 2014, treatment has been administered via "endotherapy" by injection, which is more effective, less polluting, and less expensive (only requires two interventions a year, instead of nine). Since 2016, three new infested sites (Gregolimano, Sant'Ambrogio and Opio) have been treated. In 2018, the palm trees of the Cefalu site were identified as infected: a selection was made to keep at least six majestic *Phoenix canariensis* which were preserved through the entire construction phase to date.

See also section 3.1.2 on Transferring innovation.

#### **❖ The fight against the bacteria *Xylella fastidiosa***

Likewise, monitoring the bacteria *Xylella fastidiosa*, responsible for major damage to olive trees, is specifically monitored in the villages located in sensitive areas. No village was affected; monitoring continues to be in effect for all of the Mediterranean basin.

#### **❖ Sharing best practices between Villages**

After the "Very Important Turtles" kit was rolled out in 2013 to share best practices among Club Med villages in areas where sea turtles have their spawning grounds, a kit named "Mosquitoes - A most unwelcome guest" has been rolled out since 2014 to share good practices on healthy and environmentally-friendly ways of controlling mosquitoes.

In all resorts located at a turtle nesting site, in partnership with local experts, Club Med ensures that turtle nests are protected, and prevents them from being disturbed, as well as raising awareness on turtle conservation. The Club Med turtle conservation guide is available to all staff on demand and its application is monitored with the Green Globe deployment tool.

#### **❖ Local partnerships**

Protecting biodiversity also takes the shape of partnerships at village level with local environmental non-profits. These groups apprise the teams of local issues, share their best practices and communications tools, and occasionally lead joint activities. There are already 25 such partnerships (vs. 19 in 2017) covering 22 villages (vs. 19 in 2017) and addressing issues such as the protection of palm trees, turtles, birds, coral reefs and all local ecosystems.

The existence of such partnerships is one of the criteria evaluated and monitored by the Green Globe label.

### **Bio-sensitivity and measuring the biodiversity of sites**

In 2014, a site biodiversity sensitivity audit was conducted with Gaia Domo to map issues and determine an order of priority. An operational benchmark was used to rank the sites according to their proximity to natural or semi-natural areas, their proximity to areas that are "regulated and/or classed as sensitive" and the potential presence of sensitive species and/or habitats.

### **Animal welfare: respect for animal welfare in activities involving animals**

Animals are an important element in tourism and enhance the attractiveness of destinations, both in terms of natural and cultural heritage. Club Med is aware of both the strong interest in animals and the fact that some tourist activities are not conducive to the well-being of the animals concerned. It has therefore worked alongside specialists for several years to identify acceptable practices, select suppliers and support them to adopt best practices.

#### **❖ Activities involving elephants**

From 2021, Club Med will only provide elephant observation activities. Circus shows, riding and bathing<sup>28</sup> with elephants activities will be discontinued by the end of 2021. Activities involving direct interaction with elephants are being phased out and replaced by simple observation activities.

<sup>28</sup> At the exception of genuine elephant sanctuaries if found, based on ABTA's definition of animal sanctuaries



### ❖ Cetaceans in captivity

In 2018-2019, Club Med participated and funded the drafting by the World Cetacean Alliance (WCA) of the first international guidelines for "the supervision of cetacean-watching and interaction activities in the wild".

From 2021, Club Med will only sell activities to observe cetaceans in the wild.

An inventory and training programme for suppliers on the WCA & Club Med guidelines for the observation of wild cetaceans has been initiated.

#### KPI 6.2 – animal compliance by 2021



### ❖ Animal welfare charter for working animals in the process of being finalised

In 2019, Club Med worked on drafting an "Animal Welfare Charter" that is due to be validated in 2020. This charter is based on ABTA's "5 Freedoms", and will provide a framework for the concept of animal welfare. It is intended to serve as a basis for audits of providers of excursions involving animals. In the event of non-compliance, providers will have to take appropriate steps to achieve compliance. Club Med will monitor suppliers' practices and follow up on GM feedback on excursions.

In the context of ATR (Agir pour un Tourisme Responsable) certification, in 2017, the revision of clauses in conjunction with hospitality operators has made it possible to include detailed references to animal welfare.

### ❖ Animal welfare in the supply chain

In addition, Club Med is committed to removing fur items from Club Med boutiques by the end of 2021.

At the beginning of 2020, Club Med made a strong commitment to eliminate the use of eggs from battery-farmed hens (see § purchases 3.2.2).

## 4.5.3 Focus on SGD 14 - Conserve and sustainably use oceans, seas and marine resources

The oceans and the sea are Club Med's major assets, and it is only natural that it is concerned about preserving them and that it has adopted SGD14, one of the three UNWTO targets.

This focus is based on the work of the Fondation de la Mer, the Minister for Ecological and Solidarity Transition and the Boston Consulting Group, which shed light on possible levers and actions to reduce pollution, acidification and global changes in the marine environment.

These levers are recalled below by referring to the paragraphs dealing with this subject in the report:

- Reduce the quantity of waste generated, increase the proportion of waste collected and recycled, reduce the quantity of plastic used and increase its recycling in order to limit the physical pollution of marine aquatic environments (*see 4.2.2 on waste*);
- Limit the chemical pollution of aquatic and marine environments by treating the wastewater discharged (*see 4.3.1 water / sanitation and waste management*) and by reducing the use of phytosanitary products (*see 4.5.2 Management of green spaces*);
- Reducing GHG emissions to limit ocean acidification (*see 4.4.2*);
- Limiting the intensity, frequency and scope of noise pollution in the marine environment and reducing the intensity, frequency and scope of light disturbance in aquatic and marine environments (particularly in the context of marine turtle protection) to limit disturbance to marine ecosystems;
- Increase the share of extraction or purchase of sustainably exploited marine products (*see 3.2.2 on responsible purchasing*);
- Reduce the impact of operations on coastal and marine natural habitats and increase the share of projects taking into account the interest of local coastal communities to limit disturbance and artificialization of coastal and marine natural habitats;
- Raise awareness of staff and clients on these subjects (14% of coastal resorts have local partnerships with non-profits working on marine environment protection).

## 4.6. Raise GM<sup>®</sup> awareness and train GO<sup>®</sup>/GE

### 4.6.1 GO<sup>®</sup> and GE training

#### ❖ Team training

As part of Green Globe certification, all GO<sup>®</sup> and GE in relevant villages are trained on environmental issues and eco-friendly behaviour related to their professional activities and life in the village.



#### ❖ Committed GO<sup>®</sup> and GE

Many committed GOGEs support local projects for the protection of the natural environment: clean beach operations, turtle preservation, coral reef preservation, ...

### 4.6.2 Raising GM<sup>®</sup> awareness

Just like the World Tourism Organization, Club Med believes that it also has a responsibility to raise its customers' awareness of the fragility and beauty of nature and of the environmental issues faced by its destinations and, at the same time, to encourage them to get involved in environmental preservation.

The exceptional sites in which the villages are located, in fact, the perfect place to raise GM<sup>®</sup> awareness and Club Med's credo is therefore to celebrate nature in order to create a desire to protect it.

**KPI 6.1 - 34% (22/65) of the Villages offer nature activities** (Pedagogical garden, "Club Med Play" application, Jungle Trail, Underwater trail, Flora & Fauna hikes, Arts & crafts, etc.).

#### Eco-nature activities for children

#### ❖ Creation of educational vegetable gardens

Since 2014, several resorts have set up educational vegetable gardens accessible to children and parents as part of various activities. In the resorts of Bali (Indonesia), Kani (Maldives), Cherating (Malaysia) and Guilin (China), specific activities have been developed with the Mini-Club Med<sup>®</sup>, either on the discovery of the life cycle of plants, or of local products.



#### Raising GM<sup>®</sup> awareness throughout their journey

#### ❖ Offering transport carbon offsetting

See section 4.4 on climate change

#### ❖ Discovering nature: educational paths and walking tours

Instructive signs, nature trails, botanical booklets, aromatic gardens, themed walking tours, educational films, biodiversity information points<sup>29</sup> etc.: these and many more activities and tools allow GM<sup>®</sup> to better discover the natural wealth of the local surroundings. The deployment of these actions is accelerating with Green Globe certification, one criteria of which involves offering customers the opportunity to discover biodiversity.

#### ❖ Discovering the natural and cultural wealth of a Village with a "Club Med Play" smartphone application

The Opio-en-Provence Village has offered an open-air environmental discovery game since summer 2016. The aim is to discover the natural treasures of the village and the proofs of its commitment through a smartphone application, "Club Med Play", designed on the principle of a treasure hunt.

"Club Med Play" represents an innovative way to inform customer and to sensitize and train teams.

Since then, this activity has also been deployed in Cherating (Malaysia), Guilin (China), as well as in Bali (Indonesia), Punta Cana (Dominican Republic) in 2019.

#### ❖ Exploring the marine world from the MobiReef base at Club Med Kani

Since 2017, the partnership between Club Med Kani and MobiReef has been contributing to the process of restoring marine biodiversity and has given GMs the opportunity to explore the beauties of the marine world.

MobiReef is an underwater snorkel trail developed by SM Solutions Marines and approved by the French Environment Ministry. It stimulates marine wildlife by adapting artificial habitats specific to certain species and improves the conservation of marine creatures, at the same time as offering

<sup>29</sup> Examples taken in Albion (Mauritius), Guilin (China), Cherating (Malaysia), Kabira (Japan), Kani (Maldives), Marrakech (Morocco), Val

d'Isere, Vittel and Opio (France), Columbus (Bahamas), Turquoise (Turks & Caicos) ....



Children are also the target of this approach so that they can discover and enjoy new products. In conjunction with the elimination of soda fountains, which responds to this need, Club Med offers detox drinks, green juices and fresh juices.

Club Med strives to develop organic products. Products from producers backed by Agrisud are featured in the villages of Rio das Pedras (Brazil), Cap Skirring (Senegal), and Bali (Indonesia), Marrakech (Morocco), Guilin (China). *See section 3.2.3. on the Agrisud partnership*

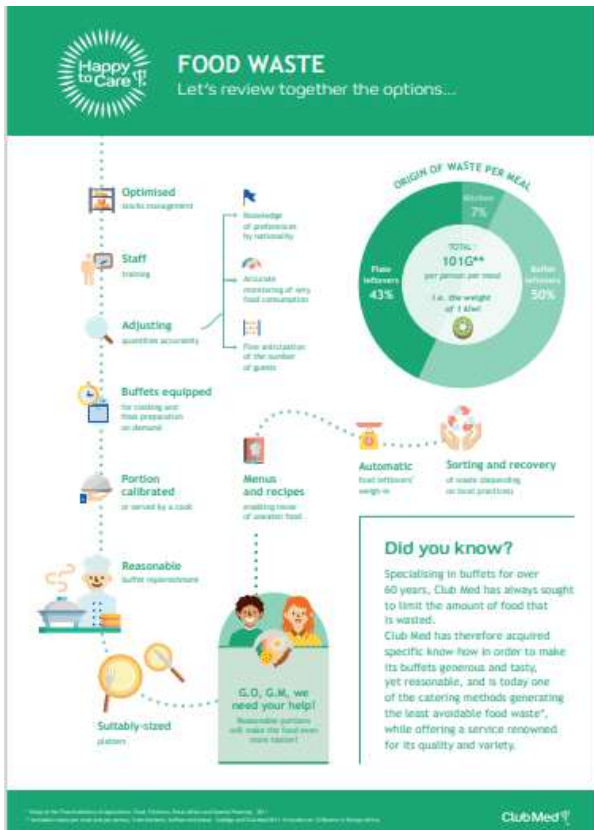
At the same time, the Club's various services meet this need for healthy living (spa, fitness, various sports activities, etc.).

#### ❖ The fight against food waste



In addition to the actions taken to reduce food waste (see Chapter 4.2.2. Managing waste § Monitoring and combating food waste), a poster for raising customer awareness "Food waste: what are our solutions..." has been put

in place at main restaurant entrances in Green Globe certified villages. This was to raise the awareness of our GM® regarding food waste, by presenting what is already being done to fight waste at all stages of catering.



#### Scientific partnerships

##### ❖ Partnership with Expédition Med



Since 2010, Club Med has supported Expédition Med, a scientific expedition that studies pollution caused by plastic in the Mediterranean Sea. <sup>9</sup>

In 2016, along with Expédition Med, Club Med developed an exhibition called "there's a little problem with plastic" to sensitize the public to plastic waste in the ocean, as well as a set of teaching cards for Mini Club GO®s to know how to talk to children about this.

Since 2015, solidarity leave has been offered to GO®s. Several GO®s went on the ship of the scientific expedition, Expédition Med, on an ecology volunteer service; for them, it was the chance to have a week's holiday and to discover the sea bottom in the context of combatting plastic waste in the Mediterranean Sea. The year 2020 did not allow for the continuation of these solidarity leaves.

##### ❖ Other outreach actions in the Villages with scientists

Other outreach actions are carried out occasionally or regularly. For example, in Rio das Pedras (Brazil), public awareness campaigns as well as work with the local university are focused on the biodiversity of the primary forest Mata Atlantica, which contains protected species, including cedars, breadfruit and jackfruit. In Malaysia, GM® are taught about the protection of turtles on the site through explanatory maps. In the Maldives, a marine biologist invites GM® to participate in the coral re-planting activity around the resort.

(see associated partnerships in appendix 5.4)



## 5 • ADDITIONAL INFORMATION

### 5.1. Additional information: CSR social indicators

#### Summary of reporting methodology

*The Group uses the WORKDAY software application for its reporting and social indicators management. The tool, which is used for global HR reporting, collects and consolidates social indicators simply upon request.*

*A Group reporting process has been created and is defined in the "social reporting protocol". The data reporting process is managed centrally with no intermediate levels of consolidation. All requests for HELIOS tools are made to the head office. An organization has been set up with the aim of formalizing contributors' responsibilities and making the Social Studies department responsible for centralizing and validating information for external publication. This document applies to all key participants in the reporting process. It thoroughly details the processes and definitions used for the Group, the data computing methods and the key indicators.*

*Unless stated otherwise, the sphere of influence of social reporting includes:*

- village employees
- headquarters and country office employees

*The Group's social reporting does not include* interns, external and temporary service providers

*The reporting scope is currently worldwide, with the exception of some data for which the level of demand concerning the information to be produced in HELIOS by HR managers has been raised so that it can be published over the next few years. When information required on a global scale is not reliable or complete, we specify the fact that the scope is limited in our social reporting.*

*Reporting period: the period covered by the indicators corresponds to the Group's fiscal year, from November 1<sup>st</sup> (N-1) to October 31, (N) with no specific details for some indicators such as training.*

#### **Employee movements and changes in the scope of consolidation**

Changes in consolidation scope result from changes in our village portfolio (new, re-opened or closed). Some villages are

also subject to changes in their hotel capacity in terms of days of opening and number of beds.

#### **Definitions of indicators**

##### ❖ **Workforce indicators**

- Number of employees: number of employees who worked at least once for Club Med during the period.
- Number of job assignments: number of contracts/positions assigned to employees during the period.
- Number of FTE: theoretical annual full-time positions corresponding to the number of employees during the period.
- Number of hires: number of employees given job assignments for the first time at Club Med during the period.
- Number of departures: number of employees who left Club Med during the period.
- Number of permanisation: number of employees whose employment contracts were changed from fixed term to open term, or from seasonal to permanent during the period.

##### ❖ **Training indicators**

- Because of delays in receiving supporting documentation, and in order to ensure the reliability of data by avoiding estimates, starting in FY 2013 this indicator covers a rolling 12-month period between September 1, year N-1 and August 31, year N.
- Training takes into account complete and incomplete sessions without deducting those who were absent. This absenteeism rate is estimated to be 2.7% (2013 sources).
- To avoid skewing the date, the training rate is calculated excluding employees assigned to any village for a period of less than 30 days and/or assigned to "filler"<sup>30</sup> posts.

##### ❖ **Job mobility indicators**

- The job mobility rate is calculated as the number of employees who changed jobs in the year N versus year N-1 in the Winter season divided by the total number of workers in the Winter season. The same calculation is performed for the Summer season before being weighted to obtain an annual figure. To avoid skewing the data, it excludes employees assigned to any village for a period of less than 30 days and/or assigned to "filler" posts.

##### ❖ **Geographical mobility indicators**

- Geographical mobility is expressed as the number of employee job assignments to villages in a country other than their home country divided by the total number of village job assignments.



❖ **Evaluation indicators**

- To avoid skewing the data, the evaluation rate is calculated excluding employees assigned to any village for a period of less than 30 days and/or assigned to “filler” posts and/or who have left the Group during the period.

❖ **Absenteeism indicators**

- The absenteeism rate is defined as the percentage of the total number of days absent, converted to FTE, divided by the total number of FTEs over the period.
- The scope of the 2013 coverage did not include the Americas. Group-wide mapping work has made it possible to refine data collection by village and by status (GO/GE). This work has increased the reliability of data with 77% coverage on a like-for-like basis between 2015 and 2016.
- Absences due to accidents include work and commuting accidents resulting in sick leave.
- Absences for “other” reasons include family events, therapeutic part-time, partial disabilities, unjustified

absences, Solidarity Day, maternity and paternity leave, administrative formalities (tests, identity papers).

- Note: Some HR 2019 data (accidentology, absenteeism and local development) could not be calculated due to the impact of the Covid 19 crisis on the availability of HR teams.

❖ **Health and Safety indicators**

- Theoretical hours worked were taken into consideration when calculating frequency and severity rates.
- The frequency rate of work accidents takes into consideration the number of accidents resulting in sick leave occurring during the year in question. The calculation formula is as follows:  $FR = (\text{number accidents resulting in sick leave} * 1,000,000) / \text{No. theoretical hours worked}$ .
- The severity rate of work accidents takes into consideration the number of days of sick leave in the year resulting from work accidents occurring during the year in question. The calculation formula is as follows:  $SR = (\text{No. of days lost as N} * 1,000) / \text{No. of theoretical hours worked}$ .

## CSR SOCIALDATA

Reporting on fiscal year

	note	Unit	2017	2018	2019*	2020*	Evol. Vs 2019
<b>EMPLOYMENT - Worldwide</b>							
<b>Total Group employees</b>							
Employees	1	No. of employees	25 086	25 662	27 343	23 788	-13,0%
Posts		no. of post	39 497	41 422	43 637	35 499	-18,6%
FTE		In FTE	14 056	14 744	14 549	11 633	-20,0%
of which women (%)		In FTE	41%	40%	40%	39%	-1,0 pts
of which men (%)		In FTE	59%	60%	60%	61%	+1,0 pts
of which employees with permanent contract (%)		In FTE	48%	47%	46%	52%	+6,0 pts
Average age		In FTE	36,2	34,9	34,4	31,9	-7,3%
Average seniority		In FTE	7,4	6,2	5,8	5,4	-6,9%
Average seniority (permanent staff)		In FTE	10,8	10,7	10,8	10,9	0,9%
<b>Employees excluding villages</b>							
Employees		no. of employees	2 424	2 554	2 504	2 356	3,3%
Posts		no. of post	2 807	3 421	3 115	2 527	11,0%
FTE		In FTE	2 004	2 183	2 082	2 037	-2,2%
of which women (%)		In FTE	67%	65%	64%	63%	-1,0 pts
of which men (%)		In FTE	33%	35%	36%	37%	+1,0 pts
of which employees with permanent contract (%)		In FTE	94%	94%	95%	94%	-1,0 pts
Average age		In FTE	40,2	39,2	39,4	39,3	-0,3%
Average seniority		In FTE	11,0	9,9	9,9	11,0	11,1%
Average seniority (permanent staff)		In FTE	11,6	10,8	10,8	11,7	8,3%
<b>Employees Villages</b>							
Employees		no. of employees	22 662	23 108	24 839	21 432	-13,7%
Posts		no. of post	36 690	38 001	40 522	32 972	-18,6%
FTE		In FTE	12 052	12 561	12 467	9 596	-23,0%
of which during winter season (%)		In FTE	50%	50%	50%	50%	+0,0 pts
of which during summer season (%)		In FTE	50%	50%	50%	50%	+0,0 pts
of which women (%)		In FTE	37%	36%	35%	34%	-1,0 pts
of which men (%)		In FTE	63%	64%	65%	66%	+1,0 pts
of which GO® (%)		In FTE	36%	37%	39%	36%	-3,0 pts
of which GE (%)		In FTE	64%	63%	61%	64%	+3,0 pts
of which GO® with permanent contract (%)		In FTE	18%	18%	17%	19%	+2,0 pts
of which GE with permanent contract (%)		In FTE	54%	52%	50%	57%	+7,0 pts
Average age		In FTE	35,5	34,5	34,0	31,4	-7,6%
Average seniority		In FTE	6,8	5,9	5,5	5,0	-9,1%
Average seniority (permanent staff)		In FTE	10,5	10,7	10,8	10,6	-1,9%

## Note:

- Consolidated data are compiled in mid-November.
- Absenteeism and incidents of accidents are treated following the same logic. In order to present comparable data in the table above, the absenteeism and accident figures for fiscal years 2015 and 2016 have had to be restated to cover strictly the same scope as the 83% scope previously covered.  
  
Absences for "other" reasons include family events, therapeutic part-time, partial disability, unjustified absences, Solidarity Day, maternity and paternity leave, administrative formalities (tests, identity papers).
- Rate calculation methods are specified in the note on methodology – see section 5.1. below.
- The theoretical length (in hours) is the number of hours set aside for the training.
- The increase in this rate is related to both the increase in the number of employees trained and to the new protocol which has enabled more training sessions to be recorded.
- SM-VM: Service/Activity Managers and village Managers.
- Employee members of the Leadership Committee (LC): employee members of Club Med Business Unit management committees or major corporate functions (Finance, Marketing, HR and Development).

## CSR SOCIALDATA

Reporting on fiscal year

	note	Unité	2017	2018	2019*	2020*	Evol. Vs 2019
<b>ENTRES AND DEPARTURES - Worldwide</b>							
<b>NEW HIRES</b>							
Permanent		No. of employees	1 492	1 323	840	476	-43,3%
Seasonal		No. of employees	6 626	6 924	7 589	2 218	-70,8%
Made permanent		No. of employees	365	406	503	403	-19,9%
Rate of permanent hires		% of posts	12%	7%	8%	5%	-3,3 pts
Rate of seasonal hires		% of posts	28%	27%	23%	9%	-14,2 pts
<b>Rate of global hires</b>		% of posts	<b>23%</b>	<b>20%</b>	<b>19%</b>	<b>8%</b>	<b>-11,4 pts</b>
<b>GO® excluding Village</b>							
Permanent		No. of employees	248	306	260	139	-46,5%
Seasonal		No. of employees	90	101	108	6	-94,4%
Made permanent		No. of employees	39	34	48	17	-64,6%
Rate of permanent hires		% of posts	12%	12%	9%	6%	-3,0 pts
Rate of seasonal hires		% of posts	26%	38%	31%	3%	-28,1 pts
<b>Rate of global hires</b>		% of posts	<b>14%</b>	<b>15%</b>	<b>12%</b>	<b>6%</b>	<b>-6,3 pts</b>
<b>GO®-GE Villages</b>							
Permanent		No. of employees	1 244	1 017	580	337	-41,9%
Seasonal (1st season)		No. of employees	6 536	6 823	7 481	2 212	-70,4%
Made permanent		No. of employees	326	372	455	248	-45,5%
Rate of permanent hires		% of posts	12%	6%	8%	4%	-3,7 pts
Rate of seasonal hires		% of posts	28%	27%	23%	9%	-14,2 pts
<b>Rate of global hires</b>		% of posts	<b>23%</b>	<b>21%</b>	<b>20%</b>	<b>8%</b>	<b>-12,3 pts</b>
<b>LEAVERS</b>							
		No. of employees	3 880	3 548	3 030	3768	24,4%
Employee decision		% of employees	68%	70%	66%	29%	-36,8 pts
Employer decision		% of employees	24%	23%	24%	64%	+39,6 pts
By mutual agreement		% of employees	7%	7%	7%	5%	-2,5 pts
Others (death, retirement, illness)		% of employees	2%	0%	3%	2%	-0,3 pts
<b>Turnover</b>		% of posts	<b>11%</b>	<b>9%</b>	<b>7%</b>	<b>12%</b>	<b>+4,3 pts</b>
<b>GO® excluding Village</b>							
		No. of employees	335	364	331	299	-9,7%
Employee decision		% of employees	64%	74%	61%	47%	-14,2 pts
Employer decision		% of employees	28%	16%	20%	30%	+9,8 pts
By mutual agreement		% of employees	6%	8%	15%	16%	+1,6 pts
Others (death, retirement, illness)		% of employees	3%	1%	4%	7%	+2,8 pts
<b>Turnover</b>		% of posts	<b>13%</b>	<b>12%</b>	<b>11%</b>	<b>13%</b>	<b>+1,1 pts</b>
<b>Permanents GO®-GE Villages</b>							
		No. of employees	1 100	690	834	1197	43,5%
Employee decision		% of employees	57%	63%	60%	20%	-40,0 pts
Employer decision		% of employees	36%	36%	30%	72%	+42,5 pts
By mutual agreement		% of employees	1%	2%	3%	2%	-0,7 pts
Others (death, retirement, illness)		% of employees	6%	0%	7%	5%	-1,8 pts
<b>Turnover</b>		% d'affectations	<b>10%</b>	<b>7%</b>	<b>12%</b>	<b>17%</b>	<b>+5,2 pts</b>
<b>Seasonal GO®-GE Villages</b>							
		No. of employees	2 445	2 494	1 865	2272	21,8%
Employee decision		% of employees	72%	71%	75%	32%	-43,3 pts
Employer decision		% of employees	19%	21%	22%	64%	+41,4 pts
By mutual agreement		% of employees	9%	8%	2%	4%	+2,2 pts
Others (death, retirement, illness)		% of employees	0%	0%	1%	0%	-0,3 pts
<b>Turnover</b>		% of posts	<b>11%</b>	<b>10%</b>	<b>6%</b>	<b>10%</b>	<b>+4,0 pts</b>
<b>Payroll (worldwide)</b>							
Excluding villages		In M€ constant rate	(131,2)	(136,9)	(143,1)	(102,1)	-28,6%
Villages		In M€ constant rate	(197,9)	(208,9)	(215,6)	(127,3)	-41,0%
<b>Global</b>		In M€ constant rate	<b>(329,1)</b>	<b>(345,8)</b>	<b>(358,7)</b>	<b>(229,4)</b>	<b>-36,0%</b>
<b>Average basic salary</b>							
<b>Excluding Villages</b>							
Permanent GO®		In M€ constant rate	(3 403)	(3 395)			
Seasonal GO®		In M€ constant rate	(2 151)	(2 064)			
<b>Villages</b>							
Permanent GO®		In M€ constant rate	(1 677)	(1 666)			
Seasonal GO®		In M€ constant rate	(1 256)	(1 273)			
Permanent GE		In M€ constant rate	(606)	(586)			
Seasonal GE		In M€ constant rate	(787)	(856)			

## CSR SOCIALDATA

Reporting on fiscal year

	note	Unit	2017	2018	2019*	2020*	Evol. Vs 2019
<b>GO@-GE Absenteeism - worldwide (coverage 81%*)</b>							
<b>Taux Absenteeism rate (%)</b>		% of FTE	<b>1,9%</b>	<b>1,4%</b>	<b>1,2%</b>	<b>1,1%</b>	-0,1 pts
Total lenght		in days	74 893	75 227	62 839	46 631	-25,8%
of which % illness			51%	51%	38%	37%	-0,3 pts
of which % workplace accident (commute or work)			14%	17%	3%	5%	+1,8 pts
of which % others	2		34%	33%	59%	58%	-1,5 pts
<b>Permanent GO@-GE Villages</b>							
<b>Taux Absenteeism rate (%)</b>		% of FTE	<b>1,8%</b>	<b>1,2%</b>	<b>1,6%</b>	<b>0,8%</b>	-0,8 pts
Total lenght		in days	20 167	21 629	27 507	12 871	-53,2%
of which % illness			67%	68%	57%	54%	-2,7 pts
of which % workplace accident (commute or work)			15%	19%	7%	5%	-2,1 pts
of which % others	2		18%	13%	36%	41%	+4,9 pts
<b>Seasonal GO@-GE Villages</b>							
<b>Taux Absenteeism rate (%)</b>		% of FTE	<b>1,5%</b>	<b>1,2%</b>	<b>0,8%</b>	<b>0,2%</b>	-0,6 pts
Total lenght		in days	31 387	34 807	23 549	4 538	-80,7%
of which % illness			41%	41%	58%	63%	+5,3 pts
of which % workplace accident (commute or work)			19%	23%	23%	22%	-1,2 pts
of which % others	2		39%	36%	19%	15%	-4,1 pts
<b>Permanent GO@-GE excluding Village</b>							
<b>Taux Absenteeism rate (%)</b>		% of FTE	<b>3,3%</b>	<b>2,5%</b>	<b>1,6%</b>	<b>4,1%</b>	+2,5 pts
Total lenght		in days	22 531	18 426	11 634	28 750	147,1%
of which % illness			52%	48%	50%	26%	-24,1 pts
of which % workplace accident (commute or work)			6%	4%	4%	3%	-1,3 pts
of which % others	2		42%	49%	46%	71%	+25,4 pts
<b>Seasonal GO@-GE excluding Village</b>							
<b>Taux Absenteeism rate (%)</b>		% of FTE	<b>1,7%</b>	<b>0,8%</b>	<b>0,4%</b>	<b>1,1%</b>	+0,7 pts
Total lenght		in days	808	365	149	469	214,8%
of which % illness			52%	38%	3%	0%	-2,6 pts
of which % workplace accident (commute or work)			0%	18%	0%	0%	+0,0 pts
of which % others	2		48%	44%	97%	100%	+2,6 pts
<b>GO@-GE Accidentology - worldwide (coverage 81%*)</b>							
<b>Severity</b>		in no. of days	0,48	0,54	0,07	0,10	41,8%
<b>Frequency</b> (all accidents at work)		in periods of sickness	21,4	24,0	na	na	
<b>Frequency</b> LTIFR (work-related accidents)		in periods of sickness			na	na	
<b>Taux Absenteeism rate (%)</b>		% of FTE	0,27%	0,30%	0,04%	0,06%	+0,02 pts
Total lenght		in days	10 568	12 622	2 035	2 342	15,1%
of which % illness			474	561	118	118	0,0%
of which % workplace accident (commute or work)			0%	0%	0%	0%	+0,0 pts
of which % others			100%	100%	100%	100%	+0,0 pts
<b>Excluding Villages</b>							
Total lenght		in days	1 420	736	447	724	62,0%
nb periods od sickness			14	14	104	9	-91,3%
<b>Villages</b>							
Total lenght		in days	9 148	11 886	1 588	1 618	1,9%
no. periods od sickness			460	460	2	109	5350,0%
<b>SKILLS DEVELOPMENT- Worldwide</b>							
Number of employees having received training			15 313	15 736	16 604	14 245	-14,2%
Number of trainees		nb sessions x employees	56 938	68 701	62 651	51 673	-17,5%
Number of training hours	3	No. of theoretical hours	335 410	359 764	340 018	172 685	-49,2%
of which % Europe Africa			57%	65%	65%	38%	-26,9 pts
of which % Américas			30%	26%	16%	31%	+15,3 pts
of which % Asia			13%	9%	10%	30%	+19,6 pts
<b>% of GO@-GE having received training</b>							
Shared of trained GO@-GE	4	% of no. of employees	63%	61%	60%	60%	+0,0 pts
Shared of trained GO@ excluding villages		% of no. of employees	53%	50%	45%	27%	-18,0 pts
Shared of trained GO@ villages		% of no. of employees	78%	77%	65%	65%	+0,0 pts
Shared of trained GE villages		% of no. of employees	56%	59%	45%	63%	+18,0 pts
Shared of trained GO@-GE villages		% of no. of employees	65%	64%	54%	60%	+6,0 pts
<b>EGAL OPPORTUNITY (Villages scope)</b>							
<b>Professional mobility</b>							
% of female GO@-GE subject to professional mobility		% of no. of employees	20%	18%	17%	6%	-11,0 pts
% of male GO@-GE subject to professional mobility		% of no. of employees	18%	16%	15%	5%	-10,0 pts
<b>Geographic mobility</b>							
% of female GO@-GE subject to geographical mobility		% of no. of posts	26%	28%	29%	4%	-25,3 pts
% of male GO@-GE subject to geographical mobility		% of no. of posts	24%	26%	24%	3%	-20,8 pts
<b>Training</b>							
% trained female GO@-GE		% of no. of employees	69%	67%	62%	51%	-11,0 pts
% trained male GO@-GE		% of no. of employees	62%	63%	64%	55%	-9,0 pts
<b>Managers</b>							
% of female GO@ SM-VM & CDV	5	% of FTE	11%	12%	11%	12%	+0,5 pts
% of male GO@ SM-VM		% of FTE	13%	13%	12%	12%	-0,4 pts
Shared of female GO@-GE in the LC (worldwide)	6	% of FTE	44%	45%	46%	42%	-4,0 pts



## 5.2 Additional information: CSR societal indicators

### **Summary of reporting methodology**

Societal data come from several sources.

For **information on GO/GE premises**: See social data.

**Purchasing data** are reported at Corporate level based on invoicing data from the Oracle/AP database, and the contracts database (for the percentage of contracts containing the CSR

clause). All indicators are calculated once a year for the reporting period except for the rate of application of the “Seafood Charter”. This rate is calculated based on the Summer of year N-1 and Winter of year N.

**Agrisud data** are drawn from Agrisud annual project summary reports.



## CSR SOCIETAL INDICATORS

INDICATORS	note	Unit	2016	2017	2018	2019	2020	Evol. Vs 2016
<b>LOCAL CONTRIBUTION BY LOCAL EMPLOYEES (Villages worldwide)</b>								
Share of local jobs among GO®-GE		% of employees	74%	75%	75%	na		
<b>Local development (Villages scope)</b>								
<b>Training</b>								
Shared of local GO® trained		% of employees	74%	76%	74%	na	nd	✓
shared of mobile GO® trained		% of employees	78%	80%	82%	na	nd	✓
Share of local GE trained		% of employees	57%	56%	58%	na	nd	✓
Share of mobile GE mobiles trained		% of employees	58%	62%	62%	na	nd	✓
Share of local GO®-GE trained		% of employees	62%	61%	62%	na	nd	✓
<b>Evaluation</b>								
Shared of local GO® evaluated		% of employees	86%	84%	83%	na	nd	✓
shared of mobile GO® evaluated		% of employees	90%	91%	92%	na	nd	✓
Share of local GE evaluated		% of employees	62%	61%	60%	na	nd	✓
Share of mobile GE mobiles evaluated		% of employees	85%	89%	91%	na	nd	✓
Share of local GO®-GE evaluated		% of employees	68%	67%	68%	na	nd	✓
<b>Geographic mobility</b>								
Share of international GO®	1	% of posts	43%	42%	42%	na	nd	✓
Share of international GE	1	% of posts	10%	10%	9%	na	nd	✓
Share of international GO®-GE	1	% of posts	26%	25%	25%	na	nd	
<b>Professional mobility</b>								
% of local GO® w ho benefited from professional mobility		% of employees	25%	34%	32%	na	nd	
% of mobile GO® w ho benefited from professional mobility		% of employees	29%	38%	39%	na	nd	
% of GO® w ho benefited from professional mobility		% of employees	27%	36%	35%	33%	nd	
% of local GE w ho benefited from professional mobility		% of employees	6%	7%	5%	na	nd	
% of mobile GE w ho benefited from professional mobility		% of employees	11%	10%	11%	na	nd	
% of GEw ho benefited from professional mobility		% of employees	6%	7%	6%	5%	nd	
% of local GO®-GE w ho benefited from professional mobility		% of employees	11%	14%	12%	na	nd	
% of mobile GO®-GE w ho benefited from professional mobility		% of employees	25%	32%	33%	na	nd	
<b>LOCAL CONTRIBUTION (Worldwide)</b>								
VSB supported -Agrisud partnership		nb of VSBs	#REF!	407	336	369	312	
Tonnage purchased from VSB supported		tons	#REF!	32	54	66	27	-59%
<b>CLUB MED CNTRIBUTION TO CHARITABLE ACTIVITIES (Worldwide)</b>								
					(nov 17-dec 18)			
Direct patronage	2	€ thousands	55	85	155	258	182	
Foundation (including skill development devoted)		€ thousands	398	433	526	584	564	
Friends of the Fondation (excluding GM® donations)		€ thousands	134	124	155	160	65	
<b>RESPONSIBLE PUCHASHING (worldwide)</b>								
Share of purchases from host country suppliers	3	% € thousands	92%	90%	90%	86%	nd	
Standard contrats w ith sustainability clause (France)		% no. of contrats	100%	100%	100%	100%	nd	
Current contracts w ith SD clause (monde)		% no. of contrats	52%	49%	48%	43%	46%	
Paper for Club Med catalogs	4	tons	638	127	125	73	50	-32%
Share of PEFC/FSC papers in catalogs	4	%	100%	100%	100%	100%	100%	
Fishing : compliance w ith responsible purchasing policy	5	% kg	99%	99%		nd	nd	
<b>RESPONSABILITY TOWARDS CUSTOMERS (worldwide)</b>								
Share of ecocertified Villages		% no. of Villages	73%	77%	77%	79%	0%	
Customer incidents		No. of claims	3 288	3 107	3 274	3 996	1 734	
<b>ACTIONSTO PROMOTE HUMAN RIGHT (Worldwide)</b>								
Aggregated number of ECPAT flyers		Number	750 000	800 000	850 000	932 552	948 422	

Notes:

1. Number of job assignments in which employees work in a country other than their home country (mobile vs. local).
2. Other donations are made locally (not listed exhaustively)
3. World scope (excluding China) all purchasing categories excluding distribution fees, royalties, VAT and duties.
4. All FBS countries (France, Benelux and Switzerland) + all NMEA countries (New Markets Europe Africa) with the exception of countries that print their brochures on site (South Africa, Spain, Israel and Portugal).
5. World scope for seafood purchases, Summer N-1 + Winter N.

## 5.3 Additional environmental information

### 5.3.1 Eco-certification of villages

#### Obtained eco-certifications

Since	Europe	Africa	Middle East	Americas	Asia
2008	Opio (*)				
2009				Ixtapa (2009-13) (**)	
2010	no more operated : Chamonix Mont-Blanc			Cancun (2010-13) (**) Colombus (2010 -13) (**) Turquoise (2010-11) (***) Punta Cana (2010-11) (***)	Cherating Beach
2011	La Palmyre-Atlantique Tignes Val Claret Val d'Isère Serre Chevalier Vittel Le Parc Vittel Ermitage Gregolimano  and no more operated : Napitia	Marrakech Palmeraie Djerba la Douce  and no more operated : Marrakech Medina Djerba la Fidèle	La Plantation d'Albion Les Villas d'Albion La Pointe aux Cannoniers Palmiye	Rio das Pedras (2011-13)(**)	
2012	Peisey-Vallandry Aime la Plagne La Plagne 2100 Valmorel Les Chalets de Valmorel St Moritz Wengen	Cap Skirring  and no more operated: Hammamet	Kemer Bodrum Palmiye	La Caravelle Les Boucaniers	
2013	Da Balaia  no more operated: Avoriaz Villars	Yasmina  and no more operated: Sinai Bay			Sahoro Phuket Bali Kabira Beach Bintan Island
2014					Guilin
2015	Opio Val Thorens Sensation Pragelato			Rio das Pedras Ixtapa Cancun	Yabuli Dong'Ao
2016		Agadir			
2017	Alpes d'Huez			Punta Cana	Kani Finolhu
2018	Grand Massif Samoens Kamarina Cefalu			Sandpiper	
2019	Arcs Panorama			Lake Paradise Trancoso Turkoise	Tomamu

All the villages are Certified Green Globe except the villages mentioned with (\*) ou (\*\*)

(\*) Village having obtained the European Ecolabel

(\*\*) Villages have achieved the EarthCheck certification until 2011, 2012 or 2013 (not renewed then)

(\*\*\*) Villages having achieved Green Globe Certification until 2011 (not renewed then)

### 5.3.2 CSR environmental indicators

#### Summary of reporting methodology

Environmental data are drawn from the Tech Care reporting tool (see section 4.12.).

#### ❖ Reporting period

Since 2019, the reporting period runs from 1 January to 31 December, corresponding to the company's new fiscal year. The history has been recalculated on this basis.

#### ❖ Scope of reporting

For each fiscal year, the environmental reporting **takes into account all Club Med Villages worldwide, operated for at least one season during the year in question**. Since 2012, 100% of the Villages have been reporting in the tool, but remain excluded:

- headquarters, offices, agencies and the Club Med 2 boat,
- Closed Villages that are not operated but remain in the Club Med portfolio and are therefore maintained,
- periods when a village is not operated by Club Med but by a third party.

However, **consumption during off-season periods** (including those related to Village maintenance or renovation work) **is included in the reporting scope**.

**The reporting scope includes all businesses operated** directly or indirectly by Club Med (spas, shops, etc.).

#### ❖ Actual consumption

This involves monitoring **actual consumption** supplied by the Technical Manager of each site based on the indexes of water, electricity and natural gas meters, and calculating monthly consumption by reading the gauges of other energy sources (fuel oil, LPG, LNG).

Water consumption includes all water used by the sites, whether paid or free of charge (except for the village of Belek in Turkey in 2013 and in Beidahu (China) in 2017 and 2018 that have no water meter.

#### ❖ carbon footprint

Since 2013, Club Med has been calculating its annual carbon footprint using the **GHG Protocol methodology** based on the quantities of energy expressed in operating units and using **emissions factors from the ADEME** (French Environment and Energy Management Agency) Carbon Base. **The approach chosen for emissions accounting is "operational control"**.

Reviewed in 2019 with EcoAct, the calculations of the main categories contributing to the carbon footprint are based on the following data and assumptions:

- **Customers not transported by Club Med:** Estimated round-trip distance travelled (km) by non-transported customers based on their country of departure and village

of arrival, converted into GHG emissions using emissions factors from the DEFRA database.

- **Customers transported by Club Med:** Tracking the annual number of train tickets by class and air tickets by class and by type of long, medium and short-haul flights of visitors transported, converted into GHG emissions using the emissions factors in the DEFRA database. Estimated round trip distances (km) travelled by GM using the departure city and arrival village.
- **Food:** Collection of the quantities of food consumed in a sample of villages (Sun and Mountain) then extrapolated to the entire perimeter using the number of hotel days sold. The emission factors used are those of the ADEME Carbon Base.
- **Energy:** Actual annual energy consumption recorded in the operating units (in kWh, m3, or kg) consolidated into kWh of final energy consumed and then converted into GHG emissions using the emission factors from ADEME and the IEA database (2018).
- **Refrigerant gases:** Monitoring of annual refills (kg) per type of refrigerant fluid carried out in village air conditioning systems, then conversion into GHG emissions using the GWPs of the various gases provided by the ADEME Carbon Base.
- **Non-food purchases:** Amount of purchases of goods and services (€) categorized then converted into GHG emissions using the emission factors of the ADEME Carbon Base.
- **Construction and renovations:** Emissions were calculated on the basis of the volume of steel, concrete and glass used for the "Arcs Panorama" site and then extrapolated on the basis of the total surface area of the sites constructed/renovated in 2018. The emission factors used come from the INIES database. The volume of emissions in this category is variable and depends on the number of clubs built/renovated during the year.

#### ❖ Management ratio

Most representative business ratios are primarily expressed

- as **per Total Hotel Days (THD)**, which comprises customers and employees living on-site, including during off-season.
- as **per Hotel Day Capacity** (number of beds x numbers of opening days) less disturbed by attendance variations.
- and ratios based on rooms sold (for sector comparability).

The ratio of kWh per sq.m. is unsuitable for Club Med's business because there is too great a disparity and variation from one year to the next in the number of opening days

## CSR ENVIRONMENTAL DATA

Reporting on the fiscal year from January 1, N to december 31, N. - Consumptions recorded as January 31, 2020

	note	Unit	2016	2017	2018	2019	2020	2020 vs. 2016	réf. GRI4
<b>SCOPE OF ENVIRONMENTAL REPORTING</b>									
World resorts operated (excl. boats)	1	number of resorts	64	65	69	66	61		
World resorts included in the reporting	2	number of resorts	64	65	69	66	61		
resort coverage of report		% of resorts	100%	100%	100%	100%	100%		
<b>Total Hotel Days (THD) of the reporting scope</b>	3	<b>thousands</b>	<b>10 373</b>	<b>10 699</b>	<b>11 457</b>	<b>11 670</b>	<b>5 780</b>	<b>-44,3%</b>	
<b>Hotel Day Capacity (HDC) of the reporting scope</b>		<b>thousands</b>	<b>11 735</b>	<b>11 680</b>	<b>12 569</b>	<b>13 065</b>	<b>6 684</b>	<b>-43,0%</b>	
<b>Occupied Rooms (OC) of the reporting scope</b>		<b>thousands</b>			<b>3 626</b>	<b>3 596</b>	<b>1 466</b>		
<b>ECO-CERTIFICATION</b>									
New resorts & main renovations eco-certified in construction		% of resorts	0%	0%	25%	75%	75%		
<b>Share of the eligible resorts Green Globe eco-certified</b>		% of resorts	75%	79%	84%	85%	83%	<b>+8 pts</b>	
<b>WASTE</b>									
<b>resorts tracking of quantities (coverage)</b>		<b>% of resorts</b>	<b>77%</b>	<b>70%</b>	<b>67%</b>	<b>72%</b>	<b>72%</b>		<b>G4-EN23</b>
<b>Waste incinerated, buried or landfilled per THD</b>	3 & 7	<b>kg</b>	non connu	1,5	1,9	1,2	1,2		<b>G4-EN23</b>
Coverage of waste reporting in weight			31%	31%	31%	46%	45%		
<b>Waste sent to a recycling chain by THD</b>					0,8	1,4	1,8		
Rate of resorts providing the data					60%	69%	71%		
<b>WATER</b>									
Municipal water	6	thousands of m3	3 288	3 203	3 381	3 638	2 026		G4-EN8
Surface water		thousands of m3	533	401	387	436	245		G4-EN8
Ground water		thousands of m3	2 869	2 843	2 742	2 865	1 978		G4-EN8
Purchased recycled water		thousands of m3	47	91	88	75	33		G4-EN8
Drinking water delivered by truck			200	195	222	294	196		
<b>Total water withdrawn</b>		<b>thousands of m3</b>	<b>6 937</b>	<b>6 733</b>	<b>6 821</b>	<b>7 308</b>	<b>4 478</b>	<b>-35,5%</b>	<b>G4-EN8</b>
<b>Water withdrawn by Hotel Day Capacity</b>		<b>m3</b>	<b>0,592</b>	<b>0,578</b>	<b>0,547</b>	<b>0,561</b>	<b>0,670</b>	<b>13,2%</b>	<b>G4-EN8</b>
<b>Water withdrawn by Occupied Room</b>		<b>m3</b>	<b>0,000</b>	<b>0,000</b>	<b>1,894</b>	<b>2,039</b>	<b>3,055</b>		
<b>Water withdrawn in water stress regions</b>	4	<b>thousands of m3</b>	<b>2 813</b>	<b>2 684</b>	<b>2 700</b>	<b>2 910</b>	<b>2 221</b>	<b>-21,0%</b>	<b>G4-EN9</b>
Water stress: golf (Agadir) : m3/ ha watered		m3	14 143	12 543	11 814	14 214	9 542	-32,5%	G4-EN9
<b>Water stress: water withdrawn per HDC (excl. golf)</b>	3	<b>m3</b>	<b>0,492</b>	<b>0,499</b>	<b>0,477</b>	<b>0,529</b>	<b>0,687</b>	<b>39,7%</b>	<b>G4-EN9</b>
<b>Water stress: water withdrawn per OC (excl. golf)</b>		<b>m3</b>	<b>0,000</b>	<b>0,000</b>	<b>1,092</b>	<b>2,065</b>	<b>3,672</b>		
<b>Water recycled and reused in resorts</b>		<b>thousands of m3</b>	<b>796</b>	<b>824</b>	<b>724</b>	<b>742</b>	<b>400</b>		<b>G4-EN10</b>
<b>% of water recycled and reused</b>		<b>%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>10%</b>	<b>9%</b>	<b>-3 pts</b>	<b>G4-EN10</b>
Share of villages with water saving systems: see chart in section 4.3.1									
<b>ENERGY</b>									
Gas		MWh	63 693	66 318	90 623	86 059	54 027		G4-EN3.a
Fuel Oil		MWh	64 557	58 415	57 274	59 392	33 615		G4-EN3.a
<b>Total direct energy consumed</b>		<b>MWh</b>	<b>128 250</b>	<b>124 733</b>	<b>147 897</b>	<b>145 451</b>	<b>87 642</b>	<b>-31,7%</b>	<b>G4-EN3.a</b>
Electricity purchased		MWh	227 249	225 509	243 635	252 614	165 931		G4-EN3.c
which certified renewable energy electricity (France))		MWh	35 248	35 323	40 225	41 667	31 821		
Urban heat purchased	10	MWh	5 143	4 255	3 926	3 793	3 438		G4-EN3.c
<b>Total indirect energy consumed</b>		<b>MWh</b>	<b>232 392</b>	<b>229 764</b>	<b>247 561</b>	<b>256 407</b>	<b>169 369</b>	<b>-27,1%</b>	<b>G4-EN3.c</b>
Hydropow generated in resort		MWh	0	0	0	0	0		G4-EN3.c
PV electricity produced in resort		MWh	1 371	1 187	849	954	870		
<b>Total renewable energy produced in resorts</b>		<b>MWh</b>	<b>1 371</b>	<b>1 187</b>	<b>849</b>	<b>954</b>	<b>870</b>		
<b>Total energy sold (Vittel)</b>		<b>MWh</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>G4-EN3.d</b>
<b>Total direct + indirect energy consumed</b>		<b>MWh</b>	<b>362 013</b>	<b>355 684</b>	<b>396 308</b>	<b>402 813</b>	<b>258 404</b>	<b>-28,6%</b>	<b>G4-EN3.e</b>
<b>Total direct + indirect energy consumed per THD</b>	3	<b>kWh</b>	<b>35,0</b>	<b>33,0</b>	<b>35,0</b>	<b>35,0</b>	<b>44,7</b>	<b>27,7%</b>	<b>G4-EN5</b>
... per hotel day capacity		kWh	30,8	30,5	31,5	30,8	38,7	25,5%	
... per occupied rooms			0,0	0,0	109,3	112,0	176,2		
<b>Share of electricity from renewable sources</b>		<b>% of MWh</b>	<b>16%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>20%</b>	<b>+4 pts</b>	
Surface area of solar panels		m2	8 889	10 177	8 986	0	16 000	14,5%	G4-EN6
<b>Share of energy in the total purchases (Group)</b>		<b>% of €</b>	<b>3,4%</b>	<b>3,3%</b>	<b>3,3%</b>	<b>3,3%</b>	<b>4,0%</b>	<b>+1 pts</b>	
Share of resort with saving systems : see chart in section 4.3.2									
<b>BIODIVERSITY</b>									
Surface area of resorts in or next to protected area		% ha	61%		67%	63%	60%		G4-EN11
Surface area of resorts < 3 km from a protected area		% ha	10%		10%	10%	10%		G4-EN11
Interior footprint of resorts		% ha	7%	7%	7%	8%	9%		
Natural space maintained within the resorts		% ha	58%		59%	60%	60%		
resorts using no nitrogen fertilizers or outdoor pesticides		% of resorts	45%	43%	45%	35%	45%	+0 pts	
resorts using biological treatment		% of resorts	39%	39%	39%	49%	49%		
<b>GREENHOUSE GAS EMISSIONS (GHG Protocol)</b>									
<b>Direct emissions (scope 1)</b>	5	<b>t eCO2</b>	<b>28 956</b>	<b>28 116</b>	<b>32 223</b>	<b>31 930</b>	<b>18 837</b>	<b>-34,9%</b>	<b>G4-EN15</b>
Direct emissions related to vehicle and boat fuel		t eCO2	3 375	3 150	3 726	2 903	1 537		G4-EN15
coverage of fuel reporting		% of resorts	0%	0%	0%	0%	0%		G4-EN15
Direct fugitive emissions (refrigerant gas)		t eCO2	23 098	20 994	16 382	22 841	13 061		G4-EN15
coverage of refrigerant gas reporting		% of resorts	0%	0%	0%	0%	0%		G4-EN15
<b>Total direct emissions (scope 1)</b>		<b>t eCO2</b>	<b>55 429</b>	<b>52 260</b>	<b>52 330</b>	<b>57 673</b>	<b>33 436</b>		<b>G4-EN15</b>
Indirect emissions related to purchased electricity		t eCO2	97 010	93 974	99 622	105 233	66 589		G4-EN16
of which avoided emission deducted (RE emissions certificates - i)		t eCO2	1 428	1 374	1 589	1 646	1 257		G4-EN16
Indirect emissions related to urban heat	13	t eCO2	931	777	718	784	777		G4-EN16
<b>Total indirect emissions (scope 2)</b>		<b>t eCO2</b>	<b>97 940</b>	<b>94 752</b>	<b>100 340</b>	<b>106 016</b>	<b>67 366</b>	<b>-31,2%</b>	<b>G4-EN16</b>
<b>Total emissions (scopes 1+2)</b>		<b>t eCO2</b>	<b>153 369</b>	<b>147 012</b>	<b>152 671</b>	<b>163 690</b>	<b>100 802</b>		
<b>Carbon intensity (building energy) par THD</b>	3	<b>kg eCO2</b>	<b>12,2</b>	<b>11,5</b>	<b>11,6</b>	<b>11,8</b>	<b>14,9</b>		<b>G4-EN18</b>
... per Hotel Day Capacity		kg eCO2	10,8	10,5	10,5	10,6	12,9		G4-EN18
<b>Carbon intensity (scope 1+2) par THD</b>		<b>kg eCO2</b>	<b>14,8</b>	<b>13,7</b>	<b>13,3</b>	<b>14,0</b>	<b>17,4</b>	<b>17,9%</b>	<b>G4-EN18</b>
... per Hotel Day Capacity		kg eCO2	13,1	12,6	12,1	12,5	15,1	15,4%	G4-EN18
... per occupied rooms			0,0	0,0	20,5	22,2	32,5		G4-EN18
<b>émissions de SCOPE 3</b>									
Upstream energy-related emissions		t eCO2	14 279	13 770	23 755	31 040	18 736		G4-EN17
... related to the transport of customers carried by the Club		magnitude : 1 million t			647 806	678 802	105 142		G4-EN17
... related to the transport of non-transported customers (estimate)		eCO2			761 939	828 928	304 253		G4-EN17
... related to food purchases		t eCO2			246 692	na	na		G4-EN17
of which the meat		t eCO2			86 591	75 346	31 391		G4-EN17
... related to other purchases		t eCO2			70 086	73 926	35 804		G4-EN17
... related to staff transport		t eCO2	6000 estimated		13 550	na			G4-EN17
... related to waste		t eCO2			9 700	7 451	3 642		G4-EN17
... related to freight and purchasing logistics		t eCO2	110	136	264	na			G4-EN17



Notes:

1. Resorts (excluding boat) operated at least one season during the whether or not the activity is managed directly by Club Med (spa, boutiques, etc.).
2. Two villages not included until 2011: Coral Beach and Buccaneer's Creek (Les Boucaniers)
3. THD: Total hotel days (customers + employees living on site, including during village off-seasons)
4. Areas of high or very high water stress according to the definition of the WRI (World Resources Institute's) Aqueduct tool. See details and mapping in subsection 4.3.1
5. GHG Protocol, emission factors from the Ademe/Bilan Carbone, DEFRA (for transport) and IEA (for electricity by country) databases.
6. Water reporting scope: excluding Belek (Turkey, in 2013), and excluding Beidahu (China, in 2017) - no water meter on village
7. Monitoring is limited to Villages with a weight-based monitoring system provided by the service provider.
8. Scope 3 = result of the carbon footprint calculation carried out with EcoAct (year 2018)



## 5.5. CSR cross-reference table

### CSR Reporting

#### Cross table with GRI 4 (Global Reporting Initiative)

	indicators published GRI G4	chapitre du rapport RSE 2020
GRI 4 CSR disclosures		
General items of information		
Strategy and analysis	G4-1, G4-2	1.2 Listening to stakeholders and defining CSR issues 1.4 Compliance : anticorruption and vigilance plan 2 Social rapport 5.2 CSR social indicators
Profile of the organization	G4-3 à G4-10, G4-13 à G4-16	
Relevant aspects and scope identified	G4-17 à 23	
Stakeholder involvement	G4-24 à 26	
Report profile	G4-28 à 33	
Governance	G4-34, 45, 46, 51, 52	
Ethics and integrity	G4-56	
Specific items of information on relevant aspects		
Economy		
Economic performance	G4-EC1 G4-EC4	4.4 Climate change
Indirect economic impacts	GA-EC3	3.1.2 Local contribution
Purchasing practices	G4-EC9	3.2.3 Agrisud partnership
Environment		
Raw materials	G4-EN1	3.2.2 Responsible purchasing policy
Energies	G4-EN3 à 6	4.3.2 Energies (+5.3 indicators)
Water	G4-EN8 à 10	4.3.1 water (+5.3 indicators)
Biodiversity	G4-11 à 13	4.5 Biodiversity (+5.3 indicateurs)
Emissions	G4-EN15 à 19	4.4.2 GHG emissions (+5.3 indicateurs)
Effluents and waste	G4-EN22 à 23	4.3.1 Water/ 4.2.2 Waste (+5.3 indicators)
Product and services	G4-EN27	4.1.4 Certification Green Globe
Compliance	G4-EN29	4.1 Key issues and commitments
Transport	GA-EN30	4.4.2 GHG emissions (+5.3 indicators)
Social		
Employment	G4-LA1	2.1 Employment (+5.1 indicators)
Health and safety at work	G4-LA6 à 7	2.4 Health& safety and well-being at work
Training and education	G4-LA9 à 11	2.5 Training and talent development (+5.1 indicators)
Diversity and equal opportunities	G4-LA12	2.6 Equal treatment (+5.1 indicators)
Human rights		
Child labor	G4-HR5	3.4 Human rights
Forced or compulsory labor	G4-HR6	3.4 Human rights
Rights of indigenous peoples	G4-HR8	3.4 Human rights
Society		
Fight against corruption	G4-DMA	1.4.1 Compliance : anticorruption and vigilance plan
Product liability		
Consumer health and safety	G4-DMA	3.3 Quality and customer safety
Labeling of products and services	G4-DMA, G4-PR3	3.3.1 Customer communication / 4.4 GHG
Marketing communication	G4-PR7	3.3.1 Responsible communication to customers
Customer life	G4-PR8	



## 5.6. Glossary

Activity	<p>The activity is divided into three BUs:</p> <ul style="list-style-type: none"> <li>- <u>Europe-Africa</u>: <ul style="list-style-type: none"> <li>▪ FBS: commercial BU comprising the mature European markets (France, Benelux and Switzerland),</li> <li>▪ NMEA: commercial BU comprising the developing markets in Europe (UK, Germany, Russia, Italy, etc.), Africa (South Africa, etc.) and the Middle-East (Israel, Turkey, etc.),</li> <li>▪ Europe-Africa operations BU;</li> </ul> </li> <li>- <u>Americas</u>: <ul style="list-style-type: none"> <li>▪ AMN: commercial BU and villages in North America,</li> <li>▪ AML: commercial BU and villages in South America;</li> </ul> </li> <li>- <u>Asia</u>: <ul style="list-style-type: none"> <li>▪ ESAP: commercial BU and villages in Southeast Asia and the Pacific (Japan, Australia, New Zealand, Singapore, South Korea, Malaysia, Thailand, India, Indonesia),</li> <li>▪ Greater China: commercial BU and villages in China, Taiwan and Hong Kong.</li> </ul> </li> </ul>
Other operating income and expenses	This includes costs related to restructuring operations, claims and litigation, and the impact of natural disasters.
Business Unit (BU)	Level of activity consolidation in a geographical area.
Capacity	<p>Hotel day capacity for sale over a season or year</p> <p>Calculation: hotel capacity x days the village is open.</p>
CMSAS	Club Med SAS
FTE	<p>Full Time Equivalent.</p> <p>Employee accounting measure (different to Manpower which corresponds to the number of registered employees).</p>
GE	A <i>Gentil Employé</i> is a Club Méditerranée employee, originating in the country where the village is located. Their job is in a fixed location and they have a status different from that of a GO.
GM®	<i>Gentil Membre</i> : Club Med customer.
GMT	<i>GM Transporté</i> : Club Med customer having purchased a holiday package including transport.
GO®	<i>Gentil Organisateur</i> : a Club Med employee in direct contact with customers. A GO is above all a link creator within the village.
HD	Total Hotel Days
THD	Total hotel days.
Villages Managed	Operation wherein Club Med and the owner have signed a management contract. Club Med receives a commission which compensates the sales entities.

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