

2018

A YEAR FULL OF VITALITY

— SUSTAINABLE PERFORMANCE REPORT



Improving everyone's daily life to promote a fairer and more sustainable society



This year, we are releasing our 1st “Extra-Financial Performance Declaration”. This is a shift from our Corporate Social Responsibility (CSR) reporting to a new, more concise form, with greater focus on the Group’s strategic project. Describing our business model, showing how we control the risks we face and sharing our social, environmental and societal information is an extension of our original desire to positively impact the Company.

Firstly, because our parent company’s cooperative status and our recognized position as a major player in the Social and Solidarity Economy fully contribute to demonstrating our daily commitment to promoting a fairer and more sustainable society. This commitment takes concrete form in our renewed support for the 10 principles of the United Nations Global Compact¹ in our daily activities, specifically in France.

Secondly, because for several years, our strategic project includes all the dimensions of Corporate Social Responsibility, as evidenced by the five programmes that underpin it, namely governance, economic, social, societal and environmental.

The 2018 edition, which is different both in form and in substance from our previous reports, is much more than just a regulatory statement. It is first and foremost a testimony to the strong commitment of our 3,600 employees to our strategic project in our 19 countries, and enables us to strengthen the strategic project of our Group.

From focusing efforts on the General Data Protection Regulation to deploying philanthropy projects and undergoing a digital transformation to serve our clients and beneficiaries, we are all united and stand behind the very promise that makes Up a unique and enduring Group: “Up, making every day better”.

CATHERINE COUPET,
President & CEO of the group Up

¹ UN Global Compact: www.globalcompact-france.org/



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We are Up

At Up, we are **3,600 employees** creating business on **4 continents** with the same purpose to serve others. We are **committed to social progress** and believe in **collective development**; our job is to converge the interests of individuals with the aim of serving **a fairer society**.

Who are we?

An international cooperative group where engagement is part of its nature, and whose independence guarantees both balanced and trust-based relationships with its stakeholders.

At Up, commitment is at the heart of our identity, as embodied in our cooperative model. A model where every employee is mobilized to serve a common project and is involved in the Group's orientations and success, thereby contributing to its growing influence in 19 countries.

From its very beginnings, Up was able to involve all its stakeholders (beneficiaries, companies, merchants, public authorities, social partners, Social and Solidarity Economy organizations...) in creating the Chèque Déjeuner lunch voucher. This original and pioneering model then guided our diversification process and took our development path out into the world. Today, it still inspires us to build tomorrow's everyday life, creating ethical bonds between organizations, individuals and territories, and leveraging the full potential of digital technology to co-construct innovative solutions that are simple and ergonomic.

What do we do?

"Up, making every day better." We develop payment systems and management solutions that improve the vitality of companies and territories, as well as the purchasing power and better life for employees and citizens, while offering freedom of choice and use.

Our solutions enable companies to strengthen the commitment of their employees, local communities to optimize their social policies, and merchants to retain their customers. We are actually coordinating a virtuous ecosystem where everyone is actively involved in improving people's living conditions. We thereby participate in the emergence of a fairer and more sustainable society, based on 5 societal issues that foster, unite and position people at the heart of the economy.



A healthy diet for everyone

Food is a vector for health, well-being and pleasure. At Up we want to enable as many people as possible to eat well and to enjoy all the benefits of their meal break: a balanced diet, switching off and creating social ties.

Our solutions and our network of affiliates, which is growing every day, give everyone the "power" to eat near their place of work or on the move, at a lower cost, without sacrificing quality or enjoyment on a daily basis.



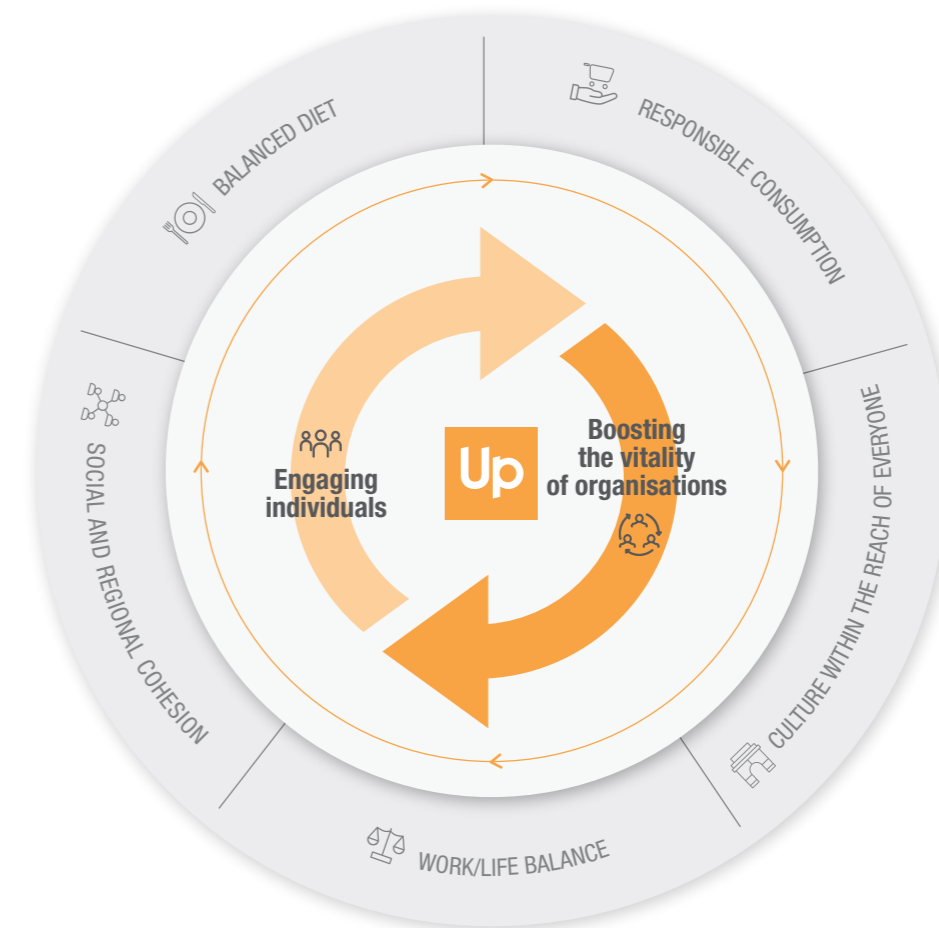
A Society where everyone has a place

Disabilities, equal opportunities, independence, an ageing population, energy transition... there are many different issues inherent in public and social action and yet they are all essential for building an inclusive society. At a time when public expenditure is contracting, and vulnerabilities are becoming more frequent, it is imperative to optimize aid and subsidies management. By dematerializing these processes, our solutions streamline the relationship with users, guarantee their proper allocation and use, and improve coordination between the various players.



A more balanced life

Key to our health and well-being, our life balance is often a daily challenge at a time when everyone has several roles in society (parent, employee, family caregiver, etc.). In order to attract and retain talent, companies strive to make their employees' daily lives easier. To meet these needs, we design solutions that can be used in a wide network of partners which enable everyone to achieve a positive balance between their life at work and their personal life.



We are all actors in our consumption

Economic, social and environmental issues are prompting us to consume differently and more sustainably. To help make this change possible, Up provides the greatest number with the means to be active consumers through the freedom to choose local, ethical, organic, etc. This makes it easier for everyone to access networks that promote responsible consumption.



Culture without limits or discrimination

Because of financial constraints or because they do not feel legitimate entering a Museum, a theater or a bookstore, too many people are still outsiders in cultural venues. Together with the funders and actors in cultural mediation, we are helping to lift these obstacles. By democratizing access to culture, our solutions help to create social bonds, promote artistic diversity and contribute to the vitality of cultural venues.

Up in the world

2018 Key figures by geographical area



19 COUNTRIES
ON 4 CONTINENTS



532 M €
IN SALES REVENUE



1.1 M
CLIENTS



28.9 M
BENEFICIARIES



7.7 BN €
IN ISSUE VOLUME



AMERICAS

NUMBER OF
EMPLOYEES
913

NUMBER OF
BENEFICIARIES
6.1 M

NUMBER OF
CLIENTS
269,096



3,593
EMPLOYEES

NORTH WESTERN EUROPE

NUMBER OF
EMPLOYEES
1,810

NUMBER OF
BENEFICIARIES
19 M

NUMBER OF
CLIENTS
561,807

EURASIA

NUMBER OF
EMPLOYEES
597

NUMBER OF
BENEFICIARIES
2.9 M

NUMBER OF
CLIENTS
143,927

MEDITERRANEAN EUROPE

NUMBER OF
EMPLOYEES
273

NUMBER OF
BENEFICIARIES
0.7 M

NUMBER OF
CLIENTS
107,395

AMERICAS

BRAZIL (SOUTH AMERICA)
MEXICO (NORTH AMERICA)

NORTH WESTERN EUROPE

FRANCE
GERMANY
BELGIUM
HUNGARY
POLAND
CZECH REPUBLIC
SLOVAKIA

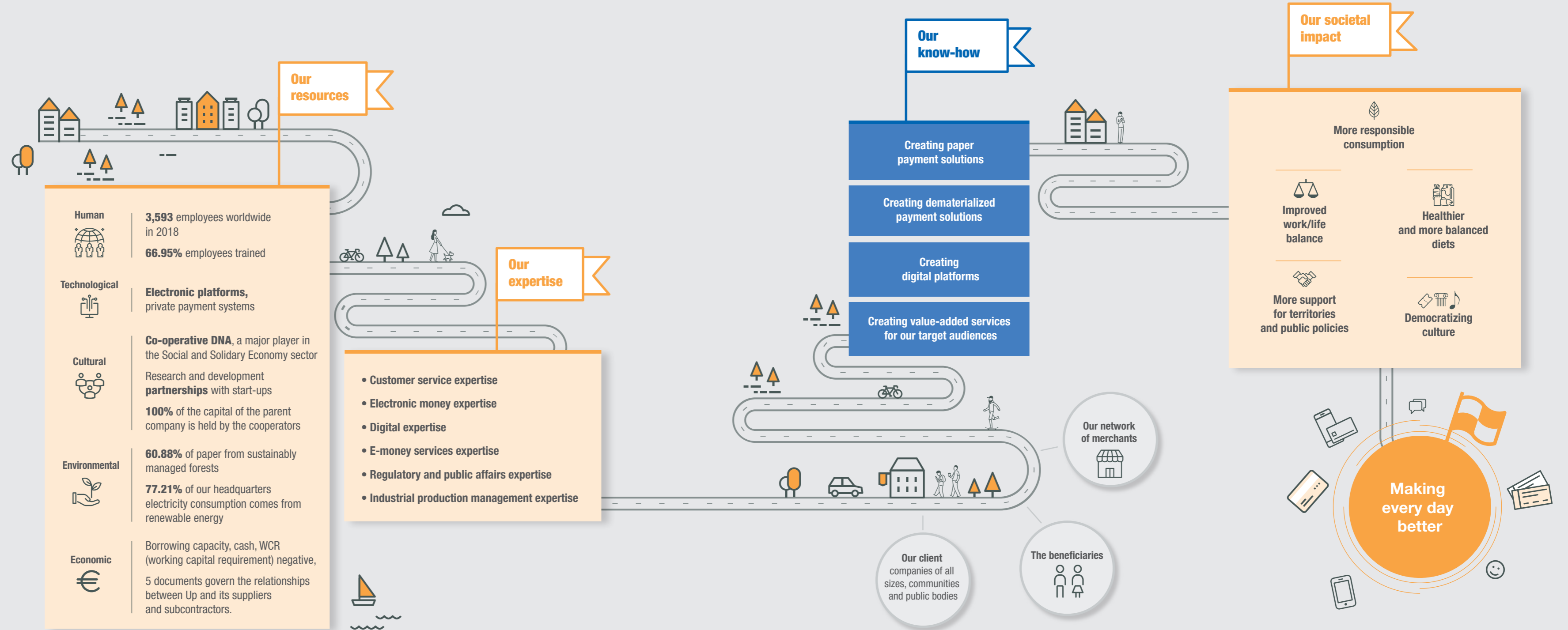
EURASIA

BULGARIA
GREECE
MOLDOVA
ROMANIA
TURKEY

MEDITERRANEAN EUROPE

SPAIN
ITALY
MOROCCO
PORTUGAL
TUNISIA

The Group's business model



Up Group's Board of Directors & Executive Committee



The Board of Directors includes:

9 members elected by the shareholders at the General Meeting in June 2015

3 members representing the trade union confederations CFDT, CGT and FO

3 members with advisory votes, representatives of the Company's Economic and Social Committee

The term of office of a Director is 4 years

The Board of Directors meets at least six times a year to decide on the Group's strategic orientations and to verify their implementation.

In 2018, 10 meetings of the Board of Directors were held, with a participation rate of 93%.

Renewal will take place in June 2019.

CATHERINE COUPET: PRESIDENT & CEO

JACQUES LANDRIOT: HONORARY PRESIDENT

YOUSSEF ACHOUR: DIRECTOR

STÉPHANE CHATELAIN: DIRECTOR

VIRGILE DOS SANTOS: DIRECTOR

DAVID GALLET: DIRECTOR

BERTRAND LÉGER: DIRECTOR

EMMANUEL MAUFOUX: DIRECTOR

STÉPHANE NICOLETTI: DIRECTOR

JEAN-PHILIPPE POULNOT: DIRECTOR

THOMAS DELPECH: REPRESENTATIVE OF THE ECONOMIC AND SOCIAL COMMITTEE

MARIE ISMAELLA LO: REPRESENTATIVE OF THE ECONOMIC AND SOCIAL COMMITTEE

SYLVAIN VAN BRAEKEL: REPRESENTATIVE OF THE ECONOMIC AND SOCIAL COMMITTEE

YVONNE DELEMOTTE: DIRECTOR - REPRESENTATIVE OF THE TRADE UNION CFDT

MARC BEUGIN: DIRECTOR - REPRESENTATIVE OF THE TRADE UNION CGT

JEAN-MICHEL REYNAUD: DIRECTOR - REPRESENTATIVE OF THE TRADE UNION FO

GÉRALDINE NICOLETTI: BOARD SECRETARY

"Who better than a cooperative company can lead to the emergence of a successful collective"



The Executive Committee

The Executive Committee includes the President & Chief Executive Officer, Functional Directors and Area Managing Directors. It deals with all matters relating to the implementation of the Group's strategic project and to managing the Group and its subsidiaries in line with the decisions made by the Board of Directors. It meets about once a month. As of April 1, 2019, the Executive Committee includes:

CATHERINE COUPET: PRESIDENT & CEO

YOUSSEF ACHOUR: MEDITERRANEAN EUROPE

JULIEN ANGLADE: EURASIA

MARC BLANGY: INFORMATION SYSTEMS

CYRIL BRUNEL: MOVE UP SOLUTIONS

CATHERINE CANDELLA: COMPLIANCE AND RISKS

GAËTAN CHAUDERLOT: NORTH AMERICA

MAËLLE COUVREUX: LEGAL AND FINANCIAL

MARK DILLON: MARKETING, INNOVATION, DEVELOPMENT

YASSIR FICHTALI: COMMUNICATION, PUBLIC AFFAIRS AND COMMITMENT

BERTRAND LÉGER: NORTH-WESTERN EUROPE

ALEXANDRE PEREZ: SOUTH AMERICA

AUDREY RICHARD: HUMAN RESOURCES



Up group management team during their seminar in April 2019.



30%
women

STRATEGIC PROJECT

Up group's strategic project sets the ambitions and objectives that are the pillars of our transformation and our collective success. Updated each year and shared with all our employees in our 19 countries of operation, this project lays out a set of orientations that drive our daily actions with all our stakeholders and are developed in 5 programmes: governance, economic, social, societal and environmental.

Our strategic intentions



Move from a group of payment voucher issuers to a global Group which designs integrated solutions to meet the needs of its different markets.



Be a reference for a different development model, fairer and more sustainable, backed by the Group's success which naturally reconciles the social, economic and environmental dimensions.



Be the innovative player making the most sense, for all our stakeholders.

Cooperate GOVERNANCE PROGRAMME

Secure the Group with resources and management suitable for its size and challenges.

Guarantee risk management and the conformity of our activities in the face of growing demands, with a willingness to be the player making the best offer. → P. 18

Increase operational performance by deploying our participative management.

Make all managers ambassadors for the strategic project and players in its operational application.

Deploy the commitments of our Roots and Wings project throughout the Group.

Make our cooperative difference a competitive advantage backed by the Up brand.

See the video  (in French)

5 Programmes and 18 strategic orientations

Progress ECONOMIC PROGRAMME

Construct our offers as integrated, expanded digital responses to the requirements of our various markets as a result of a dynamic innovation policy. → P. 26

Balance our sources of income and strengthen our relationships with financiers, traders and beneficiaries.

The excellence of the quality of service due to our customers must be the priority for all members of staff.

Secure our historical core business and focus our development on diversification to dilute risks and take advantage of opportunities.

See the video  (in French)

Encourage SOCIAL PROGRAMME

Support staff skills development and ensure they can be employed. → P. 32

Attract and develop the loyalty of competent staff, motivated by our corporate development plan, with the support of strong employer branding.

Keep the Group's values and the culture of cooperation alive in our different countries.

Put a social base in place and initiate a social dialogue with the employees in all our subsidiaries.

See the video  (in French)

Inspire SOCIETAL PROGRAMME

Lead the sponsorship policy and mobilise adequate human and financial resources. → P. 40

Prove our difference through a Group-wide responsible purchasing policy.

See the video  (in French)

Preserve ENVIRONMENTAL PROGRAMME

Fight global warming by summoning up collective resources and encouraging individual initiatives. → P. 48

Stimulate waste reduction and more especially fight food waste.

See the video  (in French)

SEIZE OPPORTUNITIES AND CONTROL RISKS

Being on top of the present to prepare for the future

Up group's strategic project enables the Group to seize opportunities and control the risks relating to its business in accordance with its social and societal mission, while reducing its environmental impact. Faced with the challenges connected to digital transformation, the strategic project supports both the development of every employee and the achievements of the Group as a whole.

Created in 2015, the strategic project has a global ambition that is implemented in all of the Group's countries of operation. Its annual review is the result of cooperation between the Board of Directors, the Executive Committee and all the Managing Directors of the subsidiaries. From its inception, the strategic project included the Group's review of the risks in the preceding year.

The 18 orientations in the strategic project are divided into five programmes that involve all the dimensions of the Company's social responsibility. It is the core of the Group's strategy, it enables the Company's 3,593 employees to be permanently involved in a responsible approach.






While each of the Group's entities is working to deploy all the strategic orientations locally, a selection took place in 2018, for the purposes of this Extra-Financial Performance Declaration (DPEF) to reflect the most representative activities in light of the Group-wide efforts for this year.

As usual, the Group was able, by way of consultation, to identify programme-based orientations within its strategic plan through an opportunities and risks analysis.

For the purposes of this selection, a Steering Committee for the Extra-Financial Performance Declaration (DPEF) was set up in 2018 that includes the Group's Functional Directors. The synergy of their respective skills, the prioritization of risks by the Board of Directors and the European Works Council have made it possible to determine the relevant guidelines for this first this Extra-Financial Performance Declaration (DPEF).

Strategic orientation selection

This table shows how the Group's risks, opportunities and commitments enabled the DPEF Steering Committee to select the strategic guidelines for this first DPEF.

 GOVERNANCE PROGRAMME	 ECONOMIC PROGRAMME	 SOCIAL PROGRAMME	 SOCIETAL PROGRAMME	 ENVIRONMENTAL PROGRAMME
Cooperating to control risks	Progress through digital transformation	Encourage skills development	Inspire through philanthropy	Preserve by fighting global warming
Loss or theft of sensitive or confidential information; non-compliance with the General Data Protection Regulation; non-compliance with ethical rules; fraud; business disruption and crisis management.	Difficulties in anticipating and adapting to technological change.	Difficulties in recruiting, developing and retaining skills.	Commitment to civil society to (re)empower those who are "invisible".	Working for future generations by acting now to ensure the future.

As concerns regulatory topics, animal welfare was not considered relevant to our activities for 2018.

Risk control creates formidable differentiation leverage in a context where markets want more transparency and security. This is an opportunity for the Group to be a trusted third party for its stakeholders.

Digital transformation is the opportunity for the Group to provide its customers with new solutions that improve their everyday well-being. In this context, **training is the essential tool for supporting employees in adapting to tomorrow's professions by developing their skills.**

Engaging with civil society to restore the power to act for people who remain invisible and give consideration to future generations by contributing to the environmental transition - these are the commitments that have been an integral part of the Group's identity since it was established. Through its commitments, the Group manages to reconcile economic success and seeking the common good.

PERCOOL!

GOVERNANCE
PROGRAMME

GUARANTEE RISK CONTROL

AND BUSINESS COMPLIANCE IN DEALING
WITH GROWING DEMANDS, WITH THE RESOLVE
OF BEING THE BETTER PLAYER

/01

Context

In order to protect the Group and its stakeholders from multiple risks associated with its activities, Up is committed to a risk management approach.

To perform this transformation successfully, by prioritizing risk control over permanent monitoring and periodic control, the Group is relying on its new Compliance and Risks Department.

In addition to defining and driving the risk management policy, this Department supports subsidiaries in a consultancy capacity with a strong ambition: to develop risk appetite among executives and make each of them an authentic “risk manager”.

/02

Policies

To secure its activities and its development, the Group began its cultural revolution of risk management by implementing six complementary policies.

Control:

Compliance with regulatory obligations, including personal data protection and combating against fraud, corruption, money laundering and financing of terrorism;

Long-term risks, by introducing rigorous monitoring of actions protecting the subsidiary’s long-term interests;

Short-term risks or operational risks, based on self-control, managerial validation and control plans commensurate with the issues.

Management:

Of incidents in all subsidiaries by means of a system that records and monitors corrective and preventive actions;

Periodic monitoring by investing resources in each subsidiary to verify robustness of the business line, support and driving processes;

Coordination of the different aspects of business control by training the teams in different topics, providing them with support and reinforcing the teams based on both local and central needs.

/03

Action plan

Controlling compliance

- **Protect the data of employees, suppliers and clients (funders, beneficiaries and merchants)** by developing a network of data protection delegates for each country, a compliance organization in each subsidiary, and a reporting process for entities located in an E.U. member country.
- **Secure regulated activities** and develop the fight against fraud, money laundering and financing of terrorism in the relevant subsidiaries.
- **Promote ethical behavior** by publishing an ethical guide and strengthening the alert system at Group level.

Controlling risks

- **Document risk control** with a 360° approach based on 4 major risk families.
- **Revisit the map** for long-term risks to demonstrate the concept of opportunities.
- **Design a methodology** for identifying operational risks and associated controls.

Managing incidents

- **Industrialize the escalation of major incidents**, first at the local level and then at the central level.
- **Emphasize good practices sharing** pursuant to incidents by deploying a Group tool.

Manage periodic control

- **Organize periodic monitoring** for regulated activities.
- **Encourage subsidiaries** to undergo a certification process (ISO 9001, ISO 14001, ISO 27001, auditors’ report), evaluations (CSR, EcoVadis), measures which are similar to periodic monitoring (customer satisfaction barometer, surveys).

Manage coordination

- **Support** the leadership in structuring their compliance and local risks responsibility.
- **Inform, train, raise awareness and support** employees with respect to the risk control policy.
- **Make these complex topics accessible** to internal and external stakeholders.

RESULTS



561 employees
from European Union
trained for data
protection in 2018.



840 employees
educated in the fight
against fraud and
corruption in 2018.



Implementing the GDPR required the participation and involvement of all employees. This process enabled us to strengthen IT security, simplify our processes and streamline our solutions by not collecting more data than necessary. Furthermore, our compliance now conveys the image of a Company that respects the individual rights of its customers and its partners' data.

Anna LAŠOVÁ, Head of Communication, Compliance and Risks, Up Slovensko.



2018 HIGHLIGHTS

MAY

Many actions deployed before and after the implementation of the **General Data Protection Regulation** on May 25, 2018, including a “GDPR docs box” and an e-learning module, both made available to the subsidiaries.

Replacement of the code of business conduct by the ethics guide and strengthening the Group alert system by launching the ethical line.

Definition of the Group's risks approach that integrates and classifies the different risks into 4 major families (see infographic next page).

JUNE

The Cooperative Up gained **Electronic Money Establishment (EME) status**, which imposes new binding obligations, including the fight against fraud, money laundering and financing of terrorism.

AUGUST

Budget letter from the Group President & CEO asking the subsidiaries to allocate resources and organize to deal with compliance and risk issues.

SEPTEMBER

Launch of the roadmap for the strategic orientations on compliance and risks at the seminar, which included the members of the Executive Committee and the Heads of the subsidiaries.

Personal data protection

Compliance with the General Data Protection Regulations



64%

64% of the Group's processes are described in a register.

Promoting ethics and fighting against fraud, corruption, money laundering and financing of terrorism.

Compliance with Sapin 2 law



79%

Rate of achievement of actions initiated by the parent company



50%

Weighted rate of achievement of subsidiaries' actions

Educated about fighting money laundering and financing of terrorism in 2018.

158
EMPLOYEES

Educated about fighting against fraud and corruption in 2018.

840
EMPLOYEES

5

SUBSIDIARIES OF THE GROUP ARE ISO 27001 CERTIFIED

3

SUBSIDIARIES OF THE GROUP ON THE ECOVADIS PODIUM INCLUDING 2 RATED “GOLD” EN 2018 (UP MULTINET AND COOPERATIVE UP).



GDPR compliance is an opportunity to improve our procedures and rethink the process of collecting information to achieve greater quality. It is also a strong driver for differentiation. The more a solution will enable users to control their data, the more our customers and prospects will choose us. At present, the players in our industry have not yet all incorporated these aspects into their solutions. The GDPR can make a difference!

Stéphane BOURAND,
Quality Engineer – GDPR Focal Point (France)

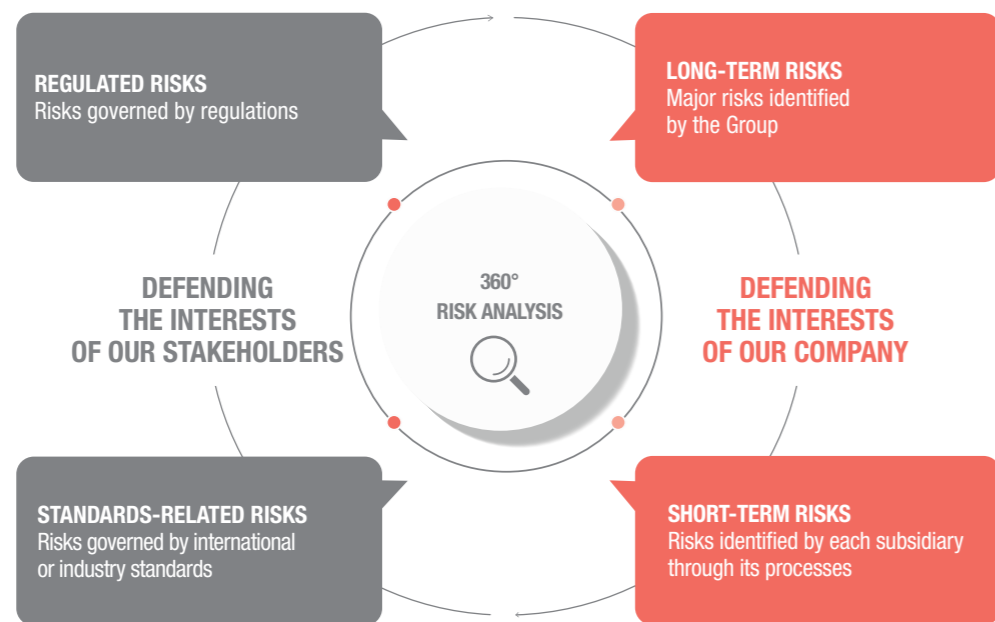


GDPR compliance was an intense marathon from which we emerged stronger. The different steps enabled us to achieve a better understanding of how we do things, gain efficiency and rethink our solutions. Beyond compliance with a regulation, this process has become a genuine philosophical approach in the different business lines, where data is no longer used just to satisfy our own needs, but also to serve our customers, merchants and beneficiaries.

Olivier BRAGARD,
Head of Digital Activation,
Up Monizze (Belgium)

The 360° approach to risk

To structure its risk's management policy, the Group has classified the risks associated with its activities into 4 major families. This 360° process of risk analysis was presented in September 2018 to all the subsidiary Directors. In 2019, a document dedicated to each risk family will be published.



Securing the activities of a subsidiary is based on two very distinct but strongly inter-related missions:

Control (compliance, risks, processes) and management (incidents, audits, coordination).



At a time when customers are increasingly aware of the importance of their data and attentive to how businesses are using it, GDPR compliance is an opportunity for differentiating oneself from competitors. It improves the company's image, increases customer confidence and develops services that better meet their expectations.

Claudia VENTURI,
Administrative and Financial Director, Up Day (Italy)

The General Data Protection Regulation (GDPR) lays down very strict rules for companies that hold and process personal data

To enable all the Group's employees to take ownership of the stakes of this European regulation, the Compliance and Risks Department has, since September 2018, provided an e-learning tool dedicated to the GDPR. This tool is based on the internalized recall methodology and is organized into 5 fifteen-minute modules for gradual learning. This tool can be translated into all the languages of the Group's countries of operation, it is available to subsidiaries wishing to do so and has already been chosen by the parent company.

NUMBER OF EMPLOYEES TRAINED IN THE GROUP BY REGULATORY TOPIC in 2018	Number of employees	Share of employees
Combating money laundering and terrorist financing	158	3.60%
Fraud and corruption	840	19.12%
Data protection	606	13.79%
Standards and certifications	82	1.87%
Health and safety	613	13.95%
Other regulatory topics	81	1.84%

PROGRESS

ECONOMIC
PROGRAMME

BUILD OUR OFFERINGS

AS INTEGRATED AND EXPANDED DIGITAL RESPONSES TO THE NEEDS OF OUR DIFFERENT MARKETS THROUGH A DYNAMIC INNOVATION POLICY

/01

Context

In order to adapt to new uses, offer a simple, robust and fluid experience to users of its solutions, and to differentiate itself from the competition by innovating, Up launched the “integrated digital offer” transformation program which aims to move faster and further in the process of digitally transforming the Group’s offerings.

Gradually deployed in subsidiaries, this program is intended to support them in the development and creation of their offers, and during all phases of this process: evaluation, design, development and deployment.

/02

Policy

An approach that is both global and tailored: The digital transformation program is designed to ensure consistency between the Group offer strategy and the context and specifics of each country. Thanks to feedback from the most advanced subsidiaries and collaborative work between different departments (marketing, human resources, sales, finance, it, etc.) a structured 4-phase methodology was developed:

Diagnostics and evaluation: customer knowledge, market analysis, competition, current offer, user experience mapping, legal, regulatory and compliance analysis, recruitment of new profiles.

Design: target user path, design of experience models and user interfaces, finalized marketing mix and business plan.

Development: IT and technological development of the solution and preparation of the marketing strategy.

Deployment: offers launch, communication, deployment monitoring, indicators tracking, adjustment.

At each stage, the Group Marketing Innovation and Development Department, which drives the program, provides subsidiaries with resources (tools, models, mock-ups, etc.) and supports them by providing their own experts.

/03

Action plan

Every subsidiary in the program must:

Build a strong and robust technological foundation: electronic banking, mobile applications, Web spaces, computer systems and infrastructures, etc.

Design global user experience that is consistent, simple and ergonomic

Develop high value-added services by taking advantage of the opportunities offered by digital technology.

The final objective of the program is to adopt an iterative approach to creating new services to always remain close to customer and beneficiary consumption patterns.

RESULTS

6 countries involved in the 2018 program: France, Slovakia, Czech Republic, Romania, Greece, Moldova



- 2019 Objectives: **10 countries** Italy, Belgium, Spain, Mexico
- 2020 Objectives: **12 countries**

Accelerated deployment in 2019:



4 new countries enrolled in the design and deployment support program



6 to 9 project teams set up

2018 HIGHLIGHTS

Offers in the starting blocks for the program's 3 pilot countries

Between end 2017 and January 2018, Up France, Up Slovensko and Up Česká Republika initiated the digital transformation program.

A getting-on-board phase for the different topics as well local skills upgrade efforts started out with local leadership, aiming for an across-the-board skills ramp-up. The three countries completed their evaluation phase between February and March 2018 and finalized the design of their bids during the third quarter of 2018. By the end of the year, the development phase had begun.

3 new countries to strengthen our digital positioning

In 2018, Romania, Moldova and Greece joined the program. They began their diagnostics and evaluation phases and finished the year in the design phase. These 3 countries will benefit from the experience of the pilot subsidiaries, with the development and deployment phase starting from 2019.

“

Since the launch of the Integrated Digital Office program, we have benefited from close support from the Group and from our colleagues in the Marketing Innovation and Development Department. This enables us to exchange ideas and perspectives, to leverage the feedback and good practices from other subsidiaries as well as the method for conducting successful projects and proven procedures.

Petr MIKOLAS, Product Manager, Up Česká Republika

CZECH REPUBLIC: ALL OFFERS ACCESSIBLE ON A SINGLE WEB AND MOBILE PORTAL

The Integrated Digital Offer is Up Česká Republika's prime enabler for strengthening its competitiveness in a mature market where all competitors offer meal vouchers, cards and a mobile application.

The subsidiary is one of the Group's first three to be involved in this program. It is currently developing a single portal designed to offer a Web and mobile interface for all its customers, companies, affiliates and beneficiaries (with one motto: "make it simple!"). The second phase under preparation will be to offer innovative services that meet the needs of its audiences (marketing tools for affiliates, additional services for customers, additional services for users, etc.).



01

LOCAL STEERING COMMITTEE

- ✓ Project monitoring and local project decision
- 👥 Contributors to the subsidiary's project: sponsor, project manager, information systems, sales, marketing, administrative and financial Director, etc.
- 📅 1-2 times per month

3 bodies for optimal management

COORDINATING COMMITTEE

- ✓ Project monitoring, resolving operational issues
- 👥 Local operational teams (Project Manager, Marketing Manager) and the program team (Marketing Innovation and Development Department)
- 📅 2 times per month

GROUP STEERING COMMITTEE

- ✓ Global reporting on all projects, strategic decisions relating to projects members of the Group Executive Committee
- 📅 Every 3 months

02

03

“

The Integrated Digital Offer is Up Česká Republika's first step in its digital revolution and will be a key differentiator. It will enable us to deliver our services much more efficiently, with great simplicity of use for all our customers.

Darek FILIP, Marketing Director, Up Česká Republika

EMERGENCY RACER!

SOCIAL
PROGRAMME

SUPPORT THE DEVELOPMENT OF EMPLOYEE SKILLS AND ENSURE THEIR EMPLOYABILITY

/01

Context

To successfully perform the digital transformation of its activities and cope with changes in job profiles, the Group's Human Resources policy must support the 3,593 employees to ensure a high level of skills and guarantee strong employability.

At the same time, the Group, which is also involved in its own cultural transformation, wants to build on a strengthened managerial community to make managers Up culture's ambassadors with respect to their teams.

/02

Policy

HR policy, and more specifically training, must be agile and must constantly innovate to adapt to various transformations: cultural, technological, managerial, regulatory, etc. Support for employees is more personalized in terms of both form and substance.

Supporting digital transformation

Every employee receives support through an awareness program and personalized training, called "Digital (R)evolution", which empowers them to be actively involved in the Group's transformation push.

Development of cross-sectional skills

In order to harmonize practices in Group Human Resources and to facilitate employee mobility and career development, and to target their medium-term training needs more effectively, Up wishes to develop employees' common competences.

Managers, the premier ambassadors of a common culture

Sharing between managers must be fostered to converge managerial practices in closer connection with the Group's cultural fundamentals and commitments, to develop a sense of belonging.

/03

Action plan

Build a personalized digital training course

- Parent company develops a training offer to develop a common foundation of digital competences.

The module consists of 5 components:

- Digitalization basics
- Voucher dematerialization
- Customer experience
- Trends in job profiles
- New ways of working

This offer will be made available starting in 2019 to the other subsidiaries of the Group, and they can adapt it to match their maturity and the needs of each employee.

Define a repository of cross-functional competences

- Launch of a pilot project dedicated to defining Group cross-functional competences based on work initiated by the Spanish, Romanian and Turkish subsidiaries.
- Development of an initial version of the repository of cross-functional competences linked to the Group's core values: commitment, solidarity, fairness, innovation, entrepreneurship.

Strengthening bonds within the managerial community

- Development of an offer in the parent company to support managerial functions, adapting to each manager's professional career and development needs.
- Organization of management days and cooperation groups within the Cooperative.
- Training for new members of the Subsidiary Executive Committees via a "Leadership Course".

RESULTS



Percentage of managers trained in management in the Group in 2018: 23.64%



Rate of access to training in the Group in 2018: 66.95%



13.54 hours of training per employee on average over the year 2018

2018 HIGHLIGHTS

Prioritization of training programs on managerial topics, new tools and supporting digital and regulatory changes (General Data Protection Regulation, cross-functional expertise).

Launch of a multi-year training program for the Cooperative's new Enterprise Resource Planning (ERP).

Employee participation in pilot training programs in the Digital (R)evolution pathway in November 2018 for deployment beginning February 2019.

Creation and dissemination of "Transformons", the Cooperative's management community newsletter.

Adjustment of objectives in the Cooperative's employee annual reviews. A distinction was made between the following:

- Objectives that are common to the strategic project
- Objectives for activities linked to the operational plan
- Objectives for personal development.

Redesign of the management training offer to enable each manager to build one's own development pathway within a multi-modal offer that includes e-learning, workshop, training, etc.

COOPERATIVE UP: 15 GROUPS OF MANAGERS TO OPTIMIZE DAILY MANAGEMENT

To strengthen its managerial community, the Cooperative initiated an innovative approach pursuant to the three Manager Days organized in 2018. Since October 2018, some 150 managers meet once a month in a co-operation group that is facilitated by 15 of their peers. The goal: to discuss the difficulties they face and build solutions together to move forward in their mission. Four months after start, 25 topics had already been discussed and were handled in as many action plans on topics such as employee motivation or responsibility, management/operations balance, organizing work in teams or working cross-functionally. This initiative will continue until October 2019 and can be duplicated in the Group's other subsidiaries.



In June 2018, I was invited to participate in a workshop led by the Group's Jobs and Competency Planning team. I am delighted to take part in this collaborative work and to bring the experience gained at Up Spain on this subject. In my opinion, it is essential for the Group to highlight our values and to translate them into common competences. These skills will be used to identify what it means to be Up. Identifying cross-functional competences will enable us to speed up the recruitment process, promote international mobility, increase employability and, in addition, provide us with a framework for action so that we all know the Group's expectations. For me, it is very rewarding to share the different work done by my colleagues from the Cooperative Up, from Turkey and Romania, and to see that we are all moving in the same direction!

Monica TORRES for Cross-functional skills, HR Director, Up Spain

20.20 hours

of training per employee trained, on average over the year

57.97%

completion of Up group annual reviews

TRAINING EDUCATIONAL COSTS

Up group

1,500.83 k€
in 2017

1,612.35 k€
in 2018



INTEGRATING SUCCESSFULLY AND THRIVING THANKS TO THE INTEGRATION PATHWAY:

Up group provides the resources to enable newcomers and relocated employees to receive support during an integration process. Many tools are developed in this context that enable managers, employees, assistants and human resources partners to facilitate the integration of employees in the Group as well as at their workstation.

Integration in the Cooperative Up takes place in several stages: from the welcome coffee to integration days, to the "live my life" system during which the employee enters in direct contact with customers in the company of a sales associate.

The objective is to allow newcomers to discover the Up cultur and to develop their sense of belonging, these being key factors for developing their potential and skills.

An integration portal that facilitates progress and follow-up during the first few months in the Company for a new entrant is available on the intranet in French, Spanish, Turkish, Romanian and Czech, so that the integration pathway is as widely deployed as possible in the Group.



In 2018, Up group stated that transformation required providing support to employees. The policy that was implemented was therefore entirely meaningful for the purpose of evolving skills and thereby guarantees every individual's employability. The 2019 challenges for the Group's Human Resources and Employee Engagement Department are in line with, and further strengthen, what has already been initiated. The first step is to build on a managerial structure with an entrepreneurial spirit. To do this, Managers' roles must be clarified, their skills developed, and they must receive support on the path of progress and performance.

It is also essential to have 'talents' in the Group. Anticipating resources more effectively, attracting and recruiting them more effectively, improving support for change and adapting our remuneration systems. These are all challenges that will lead to managing talents that can enable transformation. Lastly, every person's commitment is essential. Whether we are shareholders, employees, whether we are in France, Brazil, Slovakia, or in any other country, we must all become engaged wherever we are to contribute to Group's transformation process.

Audrey RICHARD, Director of Human Resources and Employee Engagement, Up group

Up group committed to its employees

Collective Agreements

Promoting social dialogue is part of the Group's strategic project and has taken concrete form in 2018 in 16 new collective agreements. The 11 agreements negotiated in France and 5 in other Group countries of operation have promoted social progress in various areas such as training, remuneration, working hours, health and safety, fostering diversity, professional equality and staff representation.

The Cooperative Up, parent company of the Group wins an award for its Economic and Social Committee

On October 11, 2018, the Cooperative Up received the 2018 trophy for social dialogue, awarded by the Observatory for a New Social Dialogue for the establishment of its Economic and Social Committee (CES) with its innovative characteristics: organized in 6 thematic sections operating as working groups, with more members than required by law, and proceedings in which substitutes play a full role.

Working conditions for employees

Employee well-being is a major issue for Up group. Throughout the year, different actions are carried out in the Group's subsidiaries with the goal of optimizing the quality of life at work.

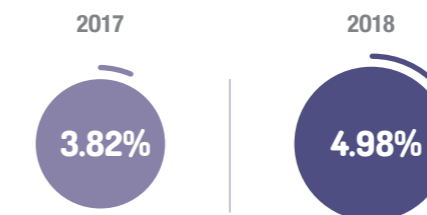
In France, during Quality of Life at Work Week, two ergonomists provided personalized advice to install different parts of a workstation as comfortably as possible. In partnership with the National Agency for the Improvement of Working Conditions (Anact), a discussion arena was organized on the topic of "Impacts of business transformation on the quality of life of employees and dialogue in companies".

Up Romania designed new areas dedicated to employees around modern spaces that include one for lunch and another dedicated to socialization, interaction and relaxation.

In Mexico, Up Sí Vale, for the fourth consecutive year, received the "Empresa Socialmente Responsable - ESR®" (Socially Responsible Company) certification, which rewards companies that are actively contributing to improving their economic, social and environmental surroundings.

Renewed commitment to diversity

OVERALL EMPLOYMENT RATE OF PEOPLE WITH DISABILITIES IN FRANCE



FOR THE COOPERATIVE UP

5.56%

3-year goals (2017-2019)

4% employees with disabilities in 2019

7% annual increase in purchases from the sheltered and adapted sector

Measures in support of persons with disabilities

In France

Since 2016, Up group has signed an agreement in France on employing persons with disabilities approved by the Labor administration in 2017. This agreement aims to facilitate the recruitment of disabled employees and keep them in their jobs, for the period between 2017 and 2019. This is part of continuity of an agreement with the Agefiph, a French organization promoting the employment of people with disabilities, which was signed, at the time, for the voucher business in France. The overall employment rate referred to at the end of the agreement is 4%. The objective is also to increase purchases from the sheltered and adapted sector from 5% to 7%. For instance, a contract was signed for the provision of services by the adapted establishment Handicall, specializing in phone call reception.

International

During the European Week for the Employment of Persons with Disabilities, Up group chose to tackle the topic of disability from the standpoint of competence prevailing over difference. A "Starmatch" challenge enabled Group employees to test their knowledge by associating famous people with their disabilities as quickly as possible.

Measures supporting professional equality and gender diversity

In December 2018, the Cooperative Up signed a 3-year agreement on professional equality and quality of life at work, with concrete schemes in five areas of action: recruitment, professional promotion, remuneration and quality of life at work, and parenthood.

As part of its arrangements for achieving a positive work/life balance, Up developed a collaborative child care application with the Group's French and Belgian employees, with subscription costs being paid for by the Company.

Work was initiated in 2018 to prepare for the renewal of the Group's Board of Directors, to take place in June 2019. In this context, participatory workshops were organized with employee-members to encourage diversity in the Board of Directors and to comply with the Copé-Zimmermann law. Up made the bold choice of including this issue in its by-laws by incorporating the concept of compliance for the voting ballot, which will therefore have to show a proportion of 40% to 60% for each of the two genders.

PIRATES! INS!

SOCIETAL
PROGRAMME

COORDINATE THE PHILAN- THROPY POLICY

AND MOBILIZE APPROPRIATE HUMAN
AND FINANCIAL RESOURCES

/01

Context

Initiated in 2017, “Impulse” is Up group’s philanthropy policy. It illustrates and materializes “the power to act together”, by which Up affirms its commitment to serve the general interest and its resolve to contribute to improving daily life for the greatest number, with the goal of social progress and local impact.

A source of enhancement for the Group’s identity, having no commercial aim, its philanthropy efforts complement its societal activity (sponsoring and partnerships relating to the general interest) that contribute directly to its economic development and its notoriety.

/02

Policy

The power to act is the bond that resembles us, brings us together, and unites us deeply with society.

Up group’s philanthropy policy contributes to creating social bonds to combat the exclusion of “invisible” people (people on the margins of society, who are isolated or dependent). It aims to give them access to what is essential to flourish freely in society, by supporting longer-term projects (minimum 3 years), in 4 main areas of action:

Food as a vector for social bonding. Projects aiming to protect and promote the livelihoods of vulnerable populations, to enable them to sustainably provide for their nutritional needs.

Housing to build a life project. Projects aiming to create a bond with the heart of community living areas (neighborhoods, homes...) by promoting activities carried out with and for the beneficiaries.

Health to live in harmony with oneself and others. Projects aiming to facilitate daily life for patients and their entourage and enable them to thrive.

Education and culture to understand the world and the role we play in it. Projects aiming to prevent and combat illiteracy and dropping out of school, giving access to cultural and artistic education.

/03

Action plan

To lead the Foundation and converge the Group’s players towards the Impulse philanthropy policy: Subsidiary awareness of the 6 key success factors for Impulse (a shared collective ambition, involvement of a whole group, long-term commitment, closer proximity to project leaders, precise impact assessment and permanent exchange with the ESS); deployment and coordination of a common philanthropy management process in all countries.

Federate and involve all the stakeholders of Up’s philanthropy ecosystem: mobilization and involvement of all the actors of the philanthropy ecosystem, from governance to actors in the field: Up Foundation Board of Directors, entities from the Social and Solidarity Economy, community of Up group philanthropy Contact Persons (24 employees), Group employees, employees made available to the Up Foundation; deployment and facilitation of processes promoting employee involvement (salary roundup, material donation collections, participation in races/solidarity missions, etc.).

Enhance Up group’s philanthropy serving local needs and supported projects: dedicated communication to boost the visibility of Up’s philanthropy and supported projects (@FondationUp on Twitter, Up Foundation on Facebook, fondation-up.org); awareness of subsidiaries regarding communication rules for Impulse philanthropy.

Identify and evaluate the societal impact of projects supported by Up group: obligation to monitor and commit to the supported projects (at least two follow-up and discussion meetings with the project leaders each year, field visits, evaluation of the impact of actions that are being carried out...) for the duration of the support; reporting, analysis and valuation of the societal impact of all Up group’s actions in the field of solidarity (Impulse philanthropy, traditional philanthropy, societal actions).

RESULTS



Impulse philanthropy radiating out into the world



5 countries engaged in 2017
Spain, France, Italy, Czech Republic, Romania



10 countries engaged in 2018 (+ 50%):
Belgium, Bulgaria, Mexico, Slovakia and Turkey



Goal for 2022:
100% of Up group in 2022

2018 HIGHLIGHTS



34 separate general interest projects were supported as Impulse philanthropy projects by 14 entities of the Group, including Up Foundation. These projects received 37 grants for a total commitment of 235,704 euros (+ 4.6% compared to 2017).



More than 43,000 people should now be able to take action again through Up group's Impulse philanthropy program, which began in 2017.



5 new countries (Belgium, Bulgaria, Mexico, Slovakia and Turkey) and **1 new French subsidiary** (Kalidea) are involved in the Impulse philanthropy policy.



254,166 euros were committed exclusively by the new Up corporate Foundation* in its first year, including 98,166 euros in 2018. This covers 25 projects.



Finalization of a policy aimed at strengthening employee commitment, specifically in Impulse philanthropy activities, deployment in early 2019 with the implementation of tools dedicated to coordinating the policy (for instance, in France, a societal involvement platform will be opened for employees). **We now find that, on average, 12.4 employees participated in each general interest action initiated within Up group.**



In addition to financial support for the projects, the Group's entities, partners and general interest project leaders have started thinking about donations in time and/or skills.

* 1st consolidated financial year for the period November 25, 2017 (inception) to December 31, 2018.



Our subsidiary is proud to enable children and mothers who are victims of domestic violence to return to a normal life, by supporting the ROSA project. We can see the behavioral change in children who give up violence, learn to communicate with their mothers, and make progress together, with other children.

Veronika SATANKOVA, Philanthropy Contact Point, Up Česká Republika



Up Monizze is committed to the Group's Impulse philanthropy policy. A major first for us! We are supporting "Libraries Without Borders" in Belgium for a period of 3 years, to enrich a free educational learning platform. Sharing and transmitting knowledge is at the heart of our concerns.

Nadège FOCCART, Philanthropy Contact Point, Up Monizze



IMPULSE PHILANTHROPY

Restoring the power to act to those who are invisible. Minimum 3-year commitment, without any commercial intent, to support actions in 4 areas: food, housing, health, education/culture



NON-IMPULSE PHILANTHROPY

Specific grant provided without anything required in return, to organizations of general interest for issues such as emergencies, climate events, support to a specific population or cause.



SOCIETAL ACTIONS

Partnerships, philanthropy actions agreed between Up group and actors working in the field of solidarity (associations, foundations, etc.) seeking a direct return on the action carried out (image, notoriety, commercial interest, for example).

COMBATING FOOD INSECURITY

Up group's philanthropy contributes to the fight against food insecurity, as evidenced by the 4 collective projects supported since 2018 by the Up Foundation and other subsidiaries of the Group. Beyond the fight against food insecurity, these projects are part of an innovative social dimension and contribute to a more responsible dietary transition. Les Colverts in France (supported by Cityzen), LesANGES Jardins in France (supported by the Up Foundation), La Tablée des chefs in France, (supported by the Up Foundation, Cityzen and CEV), Nutre a un Nino in Mexico, (supported by the Up Foundation and Up Si Vale), and beyond the primary objective of making sure people in vulnerable situations are properly nourished, their goal is also to promote the fight against food waste and for self-sufficiency.

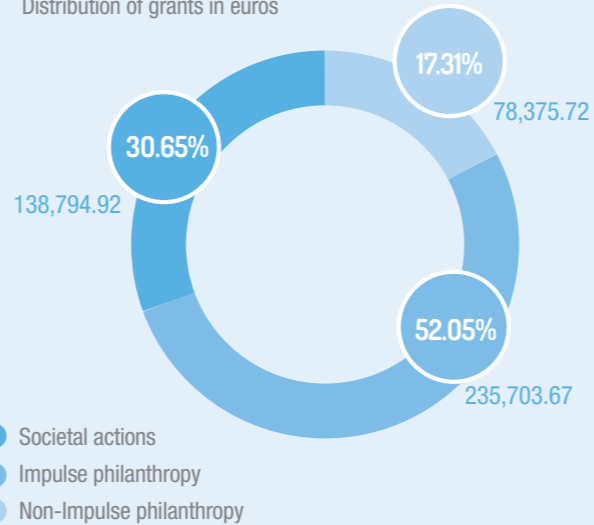
These projects have strong local roots, with an environmental, social, cultural and educational dimension. The actors in the supported entities highlight their multiple goals as a key success factor, promoting a qualitative project and relying on the idea that the support provided in the field of nutrition must be dignified, useful and sustainable, rather than providing only short-term quantitative food assistance.



The mission of the Philanthropy Contact Person enables me to participate in the Group's contribution to making the world a better place, either by supporting a project or by creating awareness, by encouraging colleagues to become involved.

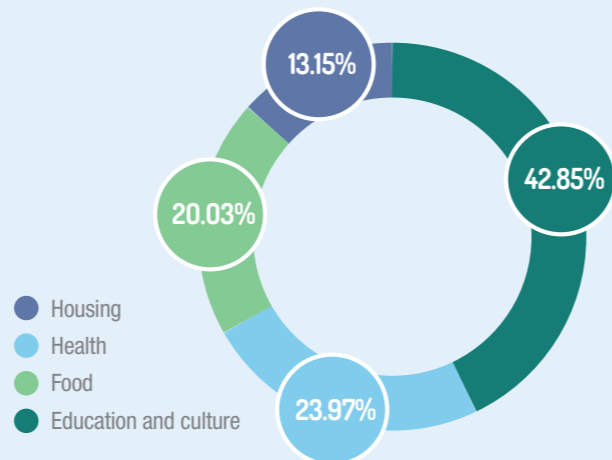
Chahid NAFÉA, Kalidea Philanthropy Contact Person (France).

IMPULSE PHILANTHROPY BECOMES THE PREMIER DRIVER FOR SOLIDARITY!
Distribution of grants in euros

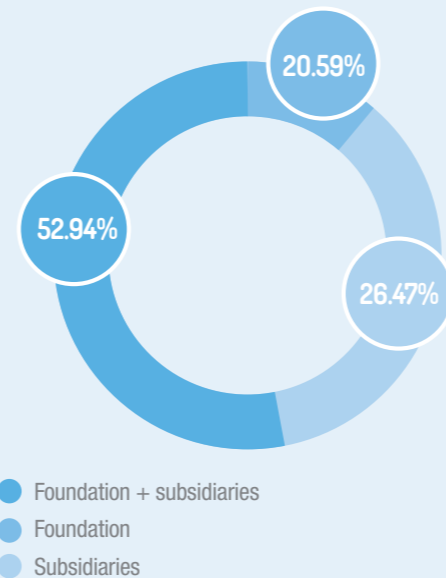


Goal: + 50% of the financial commitment must be for Impulse philanthropy starting 2018

THE WEIGHT OF IMPULSE PHILANTHROPY BY AREA OF ACTION
Breakdown of grants in euros.



HOW ARE PHILANTHROPY PROJECTS FUNDED?
Distribution of Up projects/actors funders 2018



52.94%

of the projects are funded by one or more subsidiaries in partnership with the Foundation, a complementarity that provides a solid ground for philanthropy efforts thanks to the resources and experience of the Foundation.

26.47%

of projects are funded by one or more subsidiary(s) independently of the Foundation, a sign that a giving ambition can thrive locally within the Group.

SALARY ROUNDUP EXPANDS WITHIN UP GROUP

Subsidiaries	Amount collected in euros	Number of employee donors	Number of beneficiary entities
Cooperative Up	7,798	302	4
Up Česká Republika	1,693	22	1
Up Spain	3,743	29	4
Up Day (Italy)	880	74	2
Total	14,114	427	11

4 COUNTRIES PRACTICE SALARY ROUNDUP IN 2018

12% OF UP GROUP EMPLOYEES WORLDWIDE PRACTICE SALARY ROUNDUP

Goal: 5 subsidiaries in 2019 and 50% of Up group subsidiaries in 2022

78,376 €

were committed to philanthropy outside of Impulse, 73% of which converges with the 4 Impulse focus areas, with 34 actions supported in 10 countries, particularly in Brazil and Poland.

138,495 €

were committed to societal actions, 65% of which converges with the 4 Impulse focus areas, with 64 actions supported in 10 countries, notably in Tunisia.



RESERVE

ENVIRONMENTAL
PROGRAMME

FIGHTING GLOBAL WARMING

BY MOBILIZING COLLECTIVE RESOURCES AND ENCOURAGING INDIVIDUAL INITIATIVES

/01

Context

Aware of its role in the Environmental transition, Up has committed to taking action by factoring in and reducing the environmental impact of its products and activities.

As a member of the United Nations Global Compact, the Group aims to fully offset its carbon footprint in the medium term.

To achieve this ambition and preserve the planet for the benefit of future generations, the Group sets resources through action plans that are developed with the subsidiaries, builds awareness among its employees and encourages them to act.

02

Policy

Up group's environmental policy was formalized in 2018. Its aim is to reduce the Group's environmental impact by implementing concrete reduction actions. This policy undergirds the activities of the subsidiaries, in all our countries of operation, and includes both the internal footprint and external stakeholders (customers, beneficiaries, suppliers...). 5 mobilization guidelines have been identified:

Impact our raw material supplies.

Stimulate waste reduction.

Reduce the environmental impact of our travel.

Impact our energy consumption.

Mitigating the impact of our activity through more sustainable products and services offered to our customers, through awareness and support actions among beneficiaries.

/03

Action plan 2018/2019

Measuring the carbon footprint

Collect data on different sources of emissions, calculate the corresponding carbon emissions. Evaluating the main sources of emissions makes it possible to more effectively target which actions should be implemented.

Reducing the carbon footprint

Define and set up local reduction actions based on the 5 mobilization guidelines. The environmental policy is implemented in the form of action plans by the Executives of the subsidiaries, relying on a community of local environmental correspondents.

Offsetting the carbon footprint

Encourage voluntary involvement of the subsidiaries to support societal projects in developing countries to offset their residual emissions. The selected projects generate many social and environmental co-benefits and contribute to the Sustainable Development Goals.

Educate employees

Monitor and analyze consumption (paper, electricity, fuel), communicate about results, actions and good practices that need to be implemented. The subsidiaries also offer possibilities for involvement and encourage employees to take environmental initiatives.

RESULTS



10 additional subsidiaries are measuring their carbon footprint



Share of renewable energy in the headquarters' electricity supply 8.9% in 2017 to 77.2% in 2018



For the first year, the carbon emissions of the main French companies were offset

2018 HIGHLIGHTS



Offsetting our carbon footprint

To offset the carbon footprint of the main French subsidiaries, Up invested in 3 international projects over a 5 year period: **Jatoba (Brazil)**, preservation of Amazon forest sites; **MejoStoves (Mexico)**, limiting deforestation and respiratory diseases by providing improved homes; **Balikesir Wind (Turkey)**, participation in the national plan to improve the energy mix by co-financing wind projects.



Zero paper for the Ecovoucher by Up Monizze

Up Monizze is the only Belgian issuer to offer the Ecovoucher exclusively in dematerialized form. **This non-statutory provision increases employee purchasing power and promotes "green" purchasing.** A study in Belgium* showed that about half of consumers find that environmentally-friendly products are expensive and indicate that financial incentives (such as ecovouchers) are necessary to change their behavior.

*Uttaselt Study



Committed employees

In Brazil, Mexico, Slovakia and Tunisia, **55 voluntary employees participated in waste collection operations** as part of World Clean Up Day, a global civic movement that aims to change behavior through cleaning operations.



Stop the waste!

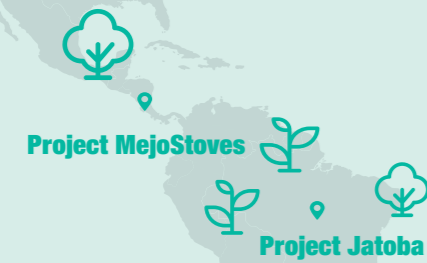
In Italy, Up Day launched the "Last Minute Sotto Casa" application. **This solution, now 100% owned by the subsidiary, reduces food waste by linking more than 1,000 affiliates with products reaching their sell-by dates, and over 70,000 consumers.** In the first 10 months of the year, nearly 10 tons of food were sold in this way. Also, in Belgium, Up Monizze has partnered with Too Good To Go with a service offer starting in 2019 which enables merchants to sell their unsold merchandise of the day in the form of a "surprise basket" at a slashed price.

55

voluntary employees participated in waste collection operations as part of World Clean Up Day

70,000

consumers on the application **Last Minute Sotto Casa**



Several mobilization operations have been suggested to employees with the aim of raising awareness on environmental issues, in particular through international mobilizations (European Sustainable Development Week, European Waste Reduction Week and World Clean Up Day)

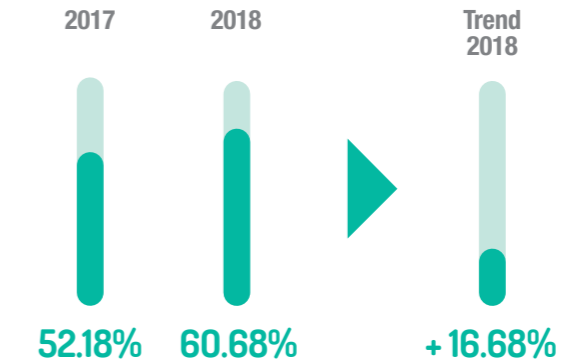


1,189 tons

The volume of paper required to produce the Group's paper vouchers is 1,189 tons, a 7.5% decrease compared to 2017.

SHARE OF PRODUCTION PAPER FROM SUSTAINABLY MANAGED FORESTS*

* PEFC or FSC certified



DEFINITION

PEFC/FSC

PEFC and FSC certifications provide sustainable access to wood by ensuring that forests are sustainably managed and respected by those who work there.



43%

This is the share of dematerialized products in the Group's emissions.



Up in France is carbon neutral through voluntary compensation of its residual emissions by supporting projects with strong social and environmental benefits, certified by internationally recognized standards. We are contributing to UN Sustainable Development Goals.

Arnaud BREUIL
Head of Ecosystem and Commitments Department, Up group

15

subsidiaries performed a carbon balance assessment based on 2017 data



3

subsidiaries were ISO 14001 certified
Cooperative Up + Up Day + Up Romania)



**DEFINITION
ISO 14001**

ISO 14001 is an international standard, the main objective of which is to assist entities in reviewing and then controlling the environmental impact of their activities, and to ensure continuous performance improvement.



When we launched the project “New Trees for New Life” in 2017, with the aim of planting 100,000 trees in 5 years in an area with a severely deteriorated environment, Up Romania was the first partner to make that commitment together with us. Beyond the financial support and know-how that the Company provides, we have learned a great deal from their teams, who are always listening, available and professional. In 2018, we naturally solicited Up Romania to compete together for the French Chamber of Commerce and Industry award in Romania. And it was with great satisfaction that I went on stage with Elena Pap, Managing Director of Up Romania, to receive the jury’s Coup de Cœur Award. We hope and will be very honored to be able to continue our collaboration and thank Up Romania from the bottom of our hearts for their extraordinary support.

Daniel Enachescu, President of the Association Se Poate (Romania).

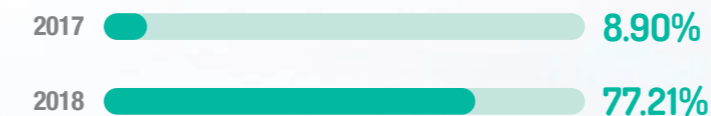
COOPERATIVES HITTING IT OFF

After choosing Enercoop in 2017 as the electricity supplier for the majority of its establishments in France, Up decided to commit to long-term support for this pioneer 100% renewable electricity cooperative in France. In April 2018, the Group decided to buy a stake in the company, with 200,000 euros in shares. This partnership between two major players in the Social and Solidarity Economy was further materialized by an offer to the Group’s employees, encouraging them to choose Enercoop for their individual needs. This enables them to choose a different energy model, one that is environmentally friendly and sustainable, restoring the keys to energy supply to citizens by supporting nearly 200 local and independent producers.

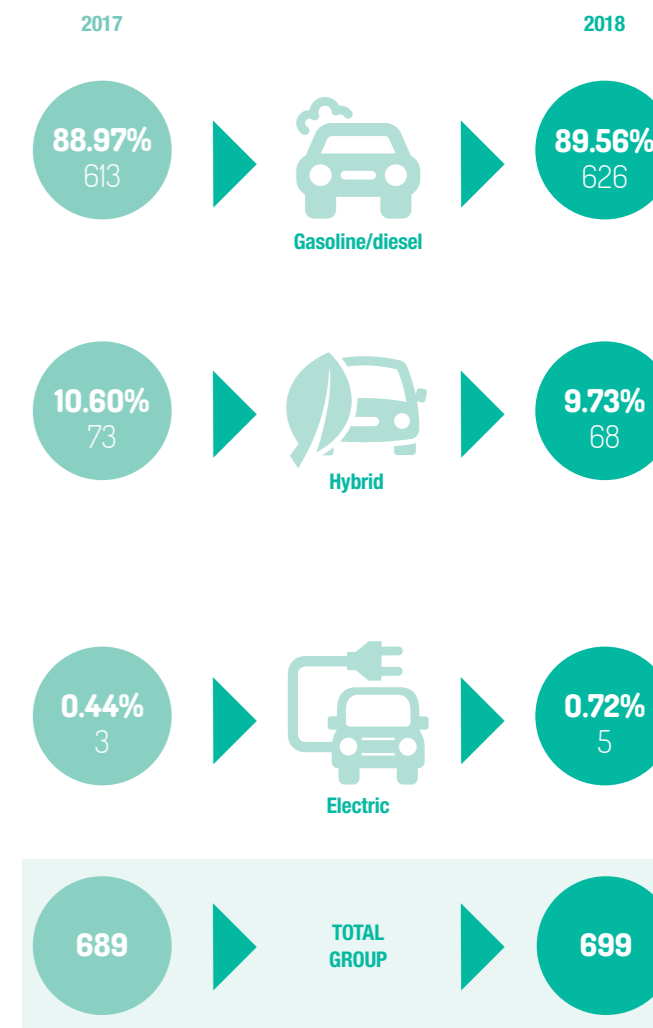
8,487,317 kWh

Electricity consumption at Group headquarters in 2018.

SHARE OF RENEWABLE ENERGIES IN HEADQUARTERS ELECTRICITY CONSUMPTION



BREAKDOWN OF VEHICLES BY ENGINE TYPE



Report by the independent third party (ITP) on the verification of social, environmental and societal information contained in the management report

To Members,

In our capacity as an independent third-party organization accredited by COFRAC under number 3-1103 (scope available at www.cofrac.fr), we present our report on Extra-Financial Performance Declaration for financial year closed on 31/12/2018 (hereinafter "The Statement") as submitted in the Management Report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

Responsibility of the entity

It is the responsibility of the Board of Directors to prepare a Statement in accordance with legal and regulatory provisions, that includes a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied with respect to these risks and the results of said policies, including key performance indicators.

The Statement was prepared by applying the entity's procedures (hereinafter referred to as the "Repository"), the significant elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by regulations, the code of ethics of the profession as per the Decree of March 30, 2012 relating to accountancy and takes into account the provisions of Article L. 822-11-3 of the Commercial Code.

Furthermore, we have implemented a quality control system which includes documented policies and procedures to ensure compliance with rules of ethics and professional standards, as well as applicable legal and regulatory texts.

Responsibility of the independent third-party organization

Based on our work, our task is to prepare a reasoned opinion expressing a moderate conclusion of assurance regarding the following:

- Compliance of the Statement with the provisions in article R. 225-105 of the Commercial Code;
- The sincerity of the information provided pursuant to 3° of I and II of article R. 225-105 of the Commercial Code, namely the results of the policies, including key performance indicators, and the actions, relating to the main risks, hereinafter "Information".

It is not our duty, however, to take a stand on the following:

- The entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the plan for vigilance and fighting against corruption and tax evasion;
- Compliance of products and services with applicable regulations.

Nature and scope of work

Our work as described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the Commercial Code that define the terms under which the independent third party carried out its mission and according to the professional doctrine of the National Company of Auditors relating to this assignment.

We carried out work to assess the conformity of the Statement with regulations and the sincerity of the information:

- We have read about the activity of all the companies included in the scope of consolidation, the presentation of the main social and environmental risks relating to this activity and, where appropriate, its effects on the respect for human rights and the fight against corruption and tax evasion, as well as the ensuing policies and results thereof;

- We have assessed the appropriateness of the Repository in terms of its relevance, completeness, reliability, neutrality and understandable nature taking into account where appropriate, good practices in the sector;
- We have verified that the Statement covers every category of information as provided in III of article L. 225-102-1 for social and environmental issues;
- We have verified that the Statement presents the business model and the main risks relating to the activity of all entities included in the scope of consolidation including, where relevant and proportionate, the risks created through its business relationships, products or services as well as policies, actions and results, as well as key performance indicators;
- We have verified, when relevant to the main risks or policies presented, that the Statement presents the information as provided in II of article R. 225-105;
- We assessed the process of selection and validation of the main risks;
- We inquired about the existence of internal control and risk management procedures implemented by the entity;
- We assessed the consistency of the results and key performance indicators selected against the main risks and policies presented;
- We verified that the Statement includes a clear and reasoned explanation of the

reasons justifying the absence of a policy regarding one or more of these risks;

- We verified that the Statement covers the consolidated perimeter, namely all the undertakings included in the scope of consolidation in accordance with article L. 233-16 with the limits specified in the Statement;
- We assessed the collection process implemented by the entity for the purpose of ensuring the completeness and sincerity of the information;
- For the key performance indicators and other quantitative results that we considered the most important⁽¹⁾, we implemented the following:

- Analytical procedures to verify the correct consolidation of the collected data and the consistency of their trends on the Group's data as a whole;
- Detailed testing based on surveys, aiming to verify the correct application of the definitions and procedures and to reconcile the data in the supporting documents. This work was carried out in the parent company (Cooperative Up) and the subsidiaries of Italy, Romania, Mexico as well as a French subsidiary, i.e. covering 36.34% of the Group's consolidated workforce;
- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important;
- We assessed the overall consistency of the Statement based on our knowledge of all

the companies included in the scope of consolidation.

We believe that the work we have performed while exercising our professional judgement enables us to conclude with moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work was carried out by 4 skilled employees and took place between the months of October 2018 and April 2019 for a total period of assignment of about 13 weeks.

To assist us in carrying out this task, we brought in our specialists in the fields of sustainable development and societal responsibility.

We conducted 15 interviews with the persons in charge of preparing the Statement in the Departments that were responsible for the information collection processes and, where appropriate, responsible for the internal control and risk management procedures.

We conducted interviews with the parent company (Cooperative Up) and 4 Up group subsidiaries, namely Kalidea, Up Day (Italy), Up Romania and Up Si Vale (Mexico).

Conclusion

Based on our work, we have not found any significant anomaly that would call into question the fact that the Statement of non-financial performance complies with the applicable regulations and that the information, seen as a whole, is presented in a sincere manner, in compliance with the Repository.

Done at Niort, April 18, 2019 ,
THE INDEPENDENT THIRD-PARTY
ORGANIZATION
GROUP Y Audit

Arnaud MOYON
Department Associate
Sustainable development



⁽¹⁾ **Social information:** numbers for training: share of managers trained in management, rate of access to training, number of hours of training per employee on average over the year, educational costs dedicated to training, rate of annual review performance. **Environmental information:** paper consumption, energy mix. **Societal information:** number of projects supported, distribution of grants, weighting of Impulse philanthropy by area of action, salary roundup Cooperative Up and Up Day (Italy). **Governance information:** implementing GDPR, certifications, promoting ethics and combating fraud and corruption.



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