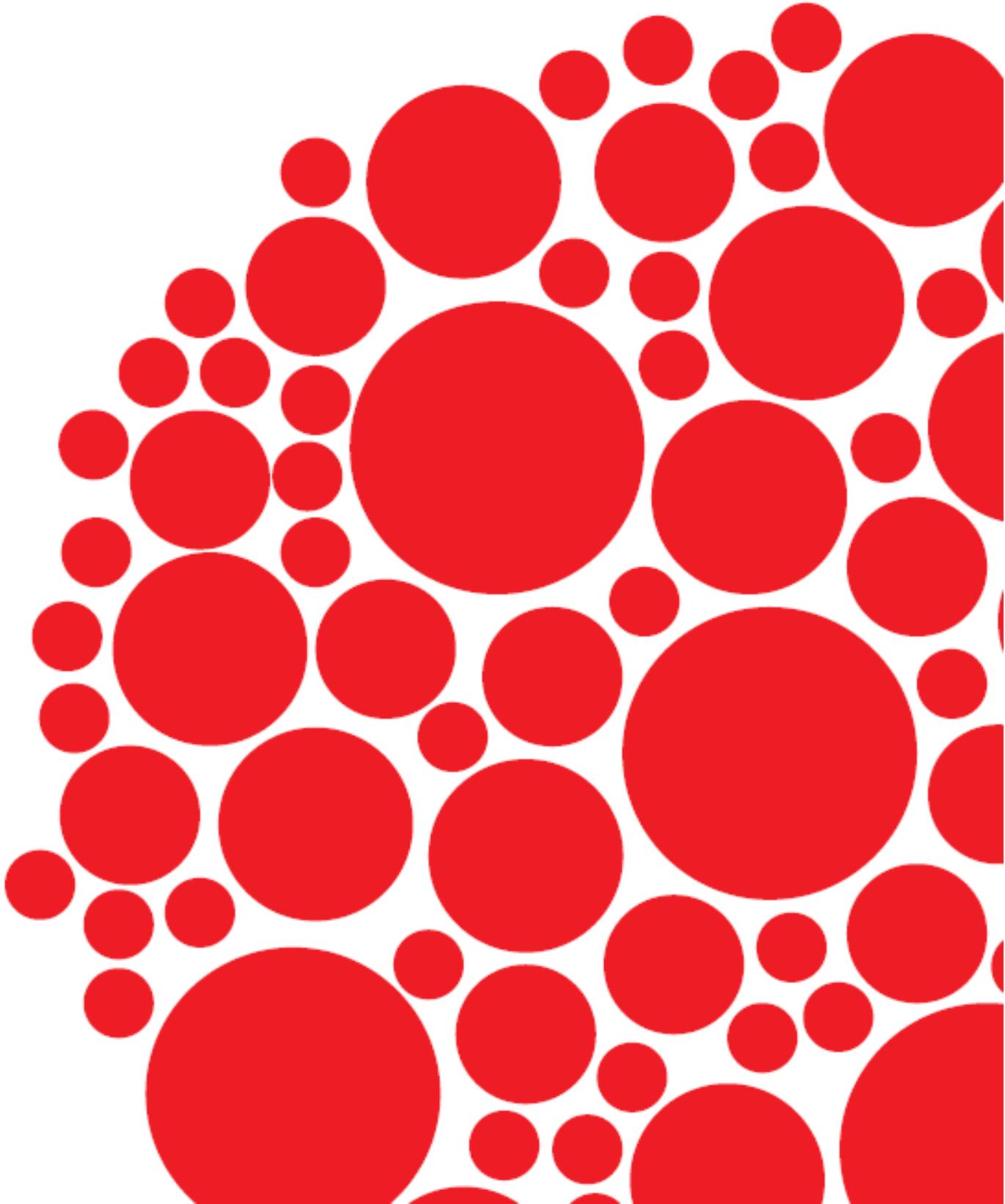




United Nations Global Compact

2018 Communication on Progress



Letter from the president

“In addition to generating profitable and sustainable growth, we aim to mobilize our employees around a unifying project to create shared value among all stakeholders.”

Edenred is a worldwide leader with an essential mission: Help organizations, whether public or private sector, to better manage their expenses while improving the purchasing power of employees and citizens.

Fifty years ago, our pioneering spirit gave rise to the creation of the Ticket Restaurant program, an initiative that revolutionized lunch breaks and still contributes to employee well-being to this day. Many Employee Benefits programs have emerged since then, responding even more closely and effectively to the expectations of employees as well as of corporate clients and partner merchants.

Today, Edenred's solutions connect 44 million employees, 770,000 companies and 1.5 million partner merchants in 45 countries.

Bertrand DUMAZY

Chairman and Chief Executive
Officer of Edenred



Our sustainability policy, a federating approach consistent with our activities

The societal aspect of our operation is an integral part of our business model and a real driver of aspiration for each of our 8,000 employees. By developing innovative and relevant solutions, our ambition is to support transformations towards sustainable society. To do so, we need to listen and collaborate with our stakeholders.

Today, our sustainability approach is focused on three challenges: Foster a better life (People), preserve the environment (Planet) and create value responsibly (Progress). With these commitments, we will continue to respect the principles of the UN Global Compact and contribute to the UN Sustainable Development Goals.

Our employees, first ambassadors of our values

As our most valuable asset, people have been a core component of Edenred's growth strategy over the past 50 years. They embody the pioneering spirit that has driven our success, demonstrating every day their ability to take action and deliver superior performance. In today's changing environment, we rely more than ever on our employees to achieve our goal in the spirit of our 5 values: Passion for customers, respect, imagination, simplicity and entrepreneurial spirit.

With these solid strengths and a clear strategic plan for the future, I am very confident that we will meet conditions to keep and accelerate our development.



Our Corporate Social Responsibility approach

Edenred is driven by a deep commitment to making employees' lives easier and companies more efficient. To achieve this, the Group conducts its business based on an ambitious sustainable development policy, involving its stakeholders and drawing on the recommendations of France's Grenelle II Act, GRI guidelines (1). In 2018, the Group sought to give fresh impetus to its sustainable development policy by proposing an action plan for 2022, in line with its Fast Forward strategic plan.

A materiality matrix to identify major issues

To prepare this action plan, a global materiality study was conducted in 2017 through interviews with Group's internal and external stakeholders, identifying and prioritizing the issues facing Edenred according to their relevance to its stakeholders and their impact on the Company's performance.

Three pillars to meet the major challenges

The Group's new sustainability plan is based on three pillars grouping together a series of commitments. Dedicated action plans are in place to ensure that these commitments are properly implemented:



PEOPLE

One of Edenred's missions is to improve the quality of life of its stakeholders on the basis of three underlying goals: Be a benchmark employer by providing a favourable environment for professional development and encouraging diversity in all of its forms, promote solutions for well-being through a healthy and sustainable diet and contribute to local development by becoming personally involved and sharing the benefits of growth.



PLANET

Edenred aims to preserve the environment by reducing its carbon footprint and its consumption of resources, by designing eco-services for mobility and food waste and by managing the impact of its solutions and services across their lifecycle.



PROGRESS

Edenred is committed to creating value by developing its business and partnerships in an ethical way throughout its value chain, ensuring IT security and data protection and meeting the expectations of its stakeholders while making them partners in its digital transformation.

Given the social nature of Edenred's corporate purpose, Corporate Social Responsibility (CSR) falls within the remit of the Human Resources (HR) Department. Edenred's Corporate Social Responsibility roadmap is co-constructed with the country organizations and jointly managed within the Group by networks of HR and CSR correspondents. Validated by the Group Executive Committee, it is cascaded to the various managers and all Group employees, as well as to external stakeholders. Its implementation and performance are the subject of indicators monitored annually and audited by third party bodies with a report stating a declaration of independence, ISAE 3000 certification available publicly in our management report, approved by the Board of Directors.

http://2017registrationdocument.edenred.com/Page/7871/MANAGEMENT_REPORT_AFR

(1) Cross-reference tables with Article 225 of the Grenelle II Act as well as the GRI indicators are available in our registration document on page 315: http://2017registrationdocument.edenred.com/Page/8071/ADDITIONAL_INFORMATION

To become a key partner to all of its stakeholders, Edenred engage regularly a dialogue with its main stakeholders. Recently, Edenred also conducted a materiality matrix where corporate clients, partner merchants, businesses, public authorities, shareholders, NGOs and employees were involved to identify the major issues and reshape the Group social commitments.

Stakeholders	Key Edenred actors	Primary means of dialogue	Issues addressed
Client companies Key accounts, SMEs, public sector.	<ul style="list-style-type: none"> Sales Department; Subsidiary senior management; Group Human Resources and Corporate Social Responsibility Department. 	<ul style="list-style-type: none"> Customer surveys; Tender bids; Client presentations; Website; Theme workshops. 	<ul style="list-style-type: none"> Satisfaction and opinion surveys; Building awareness of healthy eating or the environment; Product and service compliance; Ethical conduct; Responsible services content in proposed Group solutions.
Partner merchants Restaurants, foodservice outlets, service stations...	<ul style="list-style-type: none"> Subsidiary Affiliates Department. 	<ul style="list-style-type: none"> Extranet website; CSR programs (Nutrisavings, Ticket Fit, Firm on the plate...); FOOD program affiliate questionnaires; Targeted newsletters and email campaigns. 	<ul style="list-style-type: none"> New business development; Educating restaurants in healthy eating practices.
Employee users Citizens.	<ul style="list-style-type: none"> Subsidiary Marketing Department. 	<ul style="list-style-type: none"> Website, social media; Beneficiary website; Targeted newsletters and email campaigns; Dedicated events (cooking classes, workshops with nutritionists). 	<ul style="list-style-type: none"> Satisfaction and opinion surveys; Information related to the solutions in use; Building awareness of healthy eating; Increasing purchasing power.
Employees Edenred employees and employee representative organizations, job applicants.	<ul style="list-style-type: none"> Group Human Resources and Corporate Social Responsibility Department; Subsidiary senior management and HR manager. 	<ul style="list-style-type: none"> Special committees (Works Council, Health, Safety and Working Conditions Committee, European Works Council); Employee satisfaction surveys; Internal communication; CSR events: Edenraid and Idealday. 	<ul style="list-style-type: none"> Social dialogue; Workplace well-being policies; Employee retention and motivation; Engagement in the corporate project.
Shareholders Institutions, individuals, the financial community, SRI rating agencies, the French financial markets regulator (AMF).	<ul style="list-style-type: none"> Group senior management; Investor Relations Department; Group Human Resources and Corporate Social Responsibility Department. 	<ul style="list-style-type: none"> Registration Document; Roadshows and conferences; Meetings with investors; Shareholder breakfasts and meetings; Newsletters; Website, specific emails and toll-free number. 	<ul style="list-style-type: none"> Educational material about Edenred's businesses and the unique features of its key indicators; Business ethics; Corporate governance; Transparency.
Public authorities	<ul style="list-style-type: none"> Group Institutional Relations Department; Subsidiary senior management. 	<ul style="list-style-type: none"> Meetings; Working groups; Economic research. 	<ul style="list-style-type: none"> Contributions to public health solutions.
Society Associations, NGOs, local communities.	<ul style="list-style-type: none"> Subsidiary CSR correspondents. 	<ul style="list-style-type: none"> Financing, donations in-kind or in person-hours; Promotion via the communication channels with Edenred stakeholders. 	<ul style="list-style-type: none"> Partnerships; Visibility given to a cause or association; Fundraising support.

Contributing to the SDGs with a five year plan

By defining 9 priorities with long term objectives, the Group aims at aligning its new sustainability plan with the UN Sustainable Development Goals (SDGs) and the principles of the Un Global Compact and scaling up its solutions and activities to support the achievements of the SDGs.

	COMMITMENT	KPI	SDG
PEOPLE	Be a top employer by ensuring a positive environment for professional development and respecting diversity & human rights	<ul style="list-style-type: none"> % employees who received at least 1 learning per year % women among executive positions 	
	Promote wellbeing services through healthy food	<ul style="list-style-type: none"> % Food users and merchants sensitized 	
	Contribute to local development by involving ourselves and sharing the fruits of our growth	<ul style="list-style-type: none"> Number of days of volunteering 	
PLANET	Reduce our carbon footprint and amount of energy, natural resources and waste	<ul style="list-style-type: none"> % reduction GHG intensity VS 2013 (GHG/m²) 	
	Develop environmental-friendly services for mobility and foodwaste	<ul style="list-style-type: none"> Number of environmental-friendly services 	
	Manage sustainable impacts of our solutions during their lifecycle	<ul style="list-style-type: none"> % of eco-designed / recycled solutions 	
PROGRESS	Ensure Ethics performance on our entire value chain	<ul style="list-style-type: none"> % acknowledgment employees to Ethics Charter 	
	Disclose transparent practices and commitments on IT security and data privacy	<ul style="list-style-type: none"> % subsidiaries under common standard of compliance & employees sensitized on personal data issues 	
	Meet our stakeholders expectations by onboarding them in our digital transformation	<ul style="list-style-type: none"> % of subsidiaries quality management certified 	

2017 highlights

Human Rights	<ul style="list-style-type: none"> • Women accounted for 50.2% of employees worldwide and held 38% of management positions; • 40% of the Board members are women; • 4.9% of employees are over 55 years old; • 50.3% of employees are under 35 years old. 	<ul style="list-style-type: none"> • 63.3% of employees work in units with employee representative bodies; • 57.4% of employees are currently covered by a collective agreement.
Labour	<ul style="list-style-type: none"> • 95.3% of employees work under permanent contract; • 6507 employees or 83.7% of the workforce, participated in at least one training course. 	<ul style="list-style-type: none"> • Sustained progress towards the well-being at work objective with 89.5% of employees working in a subsidiary involved in the program.
Environment	<ul style="list-style-type: none"> • 2% reduction in paper used for brochures and vouchers or in office compared to 2016; • 48% of employees work in an environment that has been certified (ISO 14001...); • 86% of country organizations (in business volume) that use paper use environmental friendly paper for vouchers. 	<ul style="list-style-type: none"> • In 2017, 8924 tons of Credits carbon equivalent were generated by Ticket Log in Brazil; • Ticket Ecocheque, in Belgium, is promoting environmental friendly products and services. 800,000 users have been using this solutions already.
Anti-Corruption	<ul style="list-style-type: none"> • Charter of Ethics is available online and approved by 83% of employees; • Anti-corruption handbook is available online supported by a training program in 2017; • 16 countries are certified ISO 9001 representing 36% of our countries. Its target is to reach 50% of subsidiaries certified with quality management by 2022. 	<ul style="list-style-type: none"> • Group risk mapping project will be operational in 2018; • Compliance system is verified annually by financial auditors (Deloitte) with publication of an official report. And parts of our activities are supervised by regulators who are in charge of verifying compliance with laws; • No ongoing corruption & bribery cases in 2017.
Community investment	<ul style="list-style-type: none"> • 188 NGOs supported; • €1,860,098 donated; • 586 days devoted by employees to volunteering activities. 	<ul style="list-style-type: none"> • 5.6 million employee users and 180,000 partner merchants • Reached by the various programs to raise awareness about healthy nutrition.

Human Rights

Edenred is committed to respecting the fundamental human rights as defined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. As a result, it avoids infringing on human rights in all of its actions. Since 2016, Edenred distributes a new version of its Charter of Ethics endorsed by its CEO that applies to every employee, business partner, contractor and supplier, enjoining them to abide by ethical, environmental and employee relations guidelines that comply with the Charter's values.

The Charter of Ethics, available on the corporate website, presents Edenred's main ethical principles including the respect of Human Rights. Line managers cascade the Charter's fundamental guidelines to their teams and maintain constant awareness of their importance. By end-2017, a total of 83% of employees had approved the Charter and two-thirds of subsidiaries had introduced a clause requiring compliance with the Charter in new work contracts.

A diverse workforce

Diversity is a source of value and performance. Edenred is committed to promoting diversity in all positions; thus decisions with regard to hiring, promotion, training and compensation are based solely on the individual's capabilities, skills and experience. In this way, new targets have been set up on gender equality for 2022 to reach 25% of women among executive positions. All employees demonstrating the same levels of performance, ability and engagement are guaranteed the same possibilities of success, regardless of age, gender, disability, religion or other factors. To demonstrate this commitment to respecting differences, a variety of agreements have been signed, backed by targeted action plans, which are being diligently applied in hiring, training, mobility, promotions and every other Human Resources process. Edenred United Kingdom, for example, has developed a policy designed to ensure that employees are hired, promoted, trained and generally treated on the basis of their skills and aptitudes alone, without regard to gender, country of origin/nationality, religion, age or other factor. As a major stakeholder in this policy, management is responsible for combating all forms of discrimination on a daily basis and raising employees' awareness about the seriousness of discriminatory behavior, which can lead to disciplinary action.

Gender equality

At end-2017, women accounted for 50.2% of employees worldwide and held 38% of management positions. Different types of initiatives have been taken by the subsidiaries to promote gender equality:

- Formal policies to eradicate discrimination and promote gender equality, implemented for example in the United States and the United Kingdom;
- Agreements on workplace gender equality, such as the one signed by Edenred SA, which reaffirms the principles of respect for equal opportunity between men and women at all stages of their careers. It includes initiatives to eliminate roadblocks for women at Edenred, as well as measures to facilitate more equal sharing of childcare responsibilities. The intergenerational contract, which came into force in early 2014, was abolished by the French government during the year. However, Edenred has decided to honor its existing commitments and remains committed to ensuring a gender balance and maintaining employment levels for young people and older workers.

Integrating and retaining people with disabilities

Edenred took an assertive stance in this area by signing an initial Group agreement in 2012 (applicable in the French subsidiaries and the parent company) to hire and retain people with



disabilities. At the end of 2017, it reaffirmed its commitment by signing a new three-year agreement that includes not only a plan to hire people via a variety of recruitment channels but also a plan to keep people in employment, as well as training, communication and awareness initiatives. The agreement also includes a plan to strengthen collaboration with sheltered workshops, under which Edenred will work with more people recognized as having disabilities.

More broadly, the subsidiaries demonstrate their commitment to integrating and retaining people with disabilities in a number of ways, aligned with each country's specific characteristics:

- The direct hiring of 92 people with disabilities, in a large number of subsidiaries, for example in Turkey, China, Sweden and Slovakia. In addition, Edenred Belgium renewed its partnership in 2017 with Proorienta, a dedicated job training center;
- The indirect hiring of people with disabilities, for example at Edenred Spain, Edenred France and corporate headquarters for various services, and Edenred Italy, in accordance with an agreement signed with the Milan province to integrate employees with disabilities through an outside company;
- The design and/or upgrading of workplaces to make them accessible to people with disabilities;
- A dedicated team has been set up for the French subsidiaries with identified internal correspondents who are responsible for developing partnerships with recruitment organizations and sheltered workshops, creating a purchasing policy, ensuring the continued employment of employees recognized as having disabilities, and organizing employee information and awareness sessions on disability issues;
- A plan to retain disabled Edenred France employees by upgrading their workstations with hearing devices, ZoomText magnifiers for the visually impaired, and a number of other ergonomic adjustments;
- A plan to support clients, merchants, beneficiaries and other stakeholders in France, with the introduction of an innovative system for making all of our solutions accessible to the hearing impaired;
- Training of Edenred France sales people in the Group's disability policies;
- Communication and educational initiatives for Edenred France employees, focused on digital accessibility;
- Participation in the National Disability Week, with the goal of presenting disabled employment as an equal opportunity issue, with a focus on digital accessibility as a means of retaining disabled employees,
- Participation in the European Disability Employment Week, where Edenred won first prize in the first Hackathon organized by the ADAPT organization around the theme of "uniqueness as an innovation driver",
- Update of the customer relationship platform to make it accessible to people who are deaf and hard of hearing (Elioz).

Older employees

Edenred International made a commitment in late 2010 to promote the hiring and retention of older employees. This commitment was formalized in a three-year agreement, in compliance with legal obligations, that features a pledge to maintain the number of employees over 55 at a minimum of 4.5% of the total workforce at corporate headquarters. A number of initiatives have been taken to support this measure, notably in the areas of hiring, career planning, working conditions, skills development, end-of-career transitioning and knowledge and skills transfer. A similar action plan has been deployed throughout the French subsidiaries. In 2014, employee representatives from parent company subsidiaries signed an intergenerational contract. Despite the decision of the French government to abolish the obligation at the national level, Edenred decided to honor its commitments in 2017. Under the agreement, the Company commits to increasing the hiring rate of people under 26 by two percentage points



and to preserving the proportion of employees aged over 45. Employees aged 55 and over may scale back their workweek to 80% while still retaining the same basis of assessment for their pensions as when working full-time.

Fostering social dialogue

At Edenred, social dialogue covers the full range of negotiation and consultation procedures, as well as the simple exchange of information between employee representatives and management. All of the social advances achieved since July 2010 demonstrate the importance of social dialogue as a key success factor. Representative bodies have been set up in most Edenred subsidiaries (except small units), providing a crucial foundation for the social dialogue process. In all, 63.3% of employees work in units with employee representative bodies and 57.4% are currently covered by a collective agreement.

Labour

Edenred's 8,000 employees are its most valuable asset, demonstrating every day their ability to take action and deliver superior performance. In the Group's transformation, Human Resources policies and the managerial approach are powerful tools for providing structure and driving engagement and motivation. Human Resources policies are designed to support the Group's operating strategy and ongoing transformation. In its management of Human Resources, the Group respects the fundamental principles and rights at work stated in the ILO's fundamental conventions (International Labor Organization), which cover subjects deemed fundamental principles and rights at work, namely: freedom of association, effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, and the prohibition of any form of discrimination with regard to gender, age, family situation, origin, sexual orientation, physical abilities, or membership in a political, religious or labor organization. Each policy is applied locally, taking each unit's size, history, culture, circumstances and regulatory environment into account. Human Resources initiatives and policies are built on four pillars:

- Employee attraction: implementing a talent acquisition program, reviewing the Edenred employer brand and improving hiring and new employee onboarding processes;
- Professional development: employee training, performance appraisals and career management;
- Recognition and compensation: compensation and employee benefits, mobility and ad hoc recognition program;
- Workplace environment: "Best Place to Work" program, social dialogue, health and safety, and diversity.

In 2017, Edenred hired a total of 1,840 employees on permanent contracts to support its business development. The hiring of new employees is seen as a critical process, and is managed rigorously. Internal policies ensure compliance with the principles of non-discrimination and diversity so that the recruitment process takes place without any form of discrimination. Before starting an external search, country organizations first look at internal mobility paths.



Offering high-quality training programs

Supporting employees' growth and skills enhancement is crucial for:

- Promoting the Group's strategy, notably in the stepped-up transition to digital solutions and in the development of new solutions;
- Improving team members' employability, by developing their expertise and fostering their personal growth.

Training is a key part of every HR initiative at Edenred. In 2017, 6,507 employees (or 83.6% of the workforce) participated in at least one training course during the year. In other words, every employee on payroll at December 31 had attended nearly 17 hours of training on average in 2017 (2).

Appraising employee performance

Appraising employee performance and skills plays an important role in HR processes. Mandatory for all employees, regardless of their job level, performance reviews are conducted at least once a year, generally between December and March. Subsidiaries in some countries, such as Japan, Austria, Poland and Mexico, also carry out mid-year reviews.

To improve stakeholder buy-in, some subsidiaries have created performance management training courses for managers or employees. Operations in Mexico and Romania, for example, have developed specific training sessions on performance reviews.

After collecting the individual reviews, the HR function devises its training plan, adjusts salaries in agreement with management and tracks career and skills development aspirations.

Providing fair compensation and benefits

Both global and local compensation policies are designed to recognize employees for their individual engagement and contribution to the Company's growth. They are structured to ensure that individual and collective objectives are effectively aligned with the Group's strategy and support its deployment.

Fixed pay raises are determined in relation to the local environment, particularly the applicable labor legislation. The principles shared across the Group are based on individual performance, taking into account:

- Proficiency and initiative for a given job;
- The job's positioning as compared to internal and external benchmarks.

Being a "Best Place to Work"

High performance and well-being are part of Edenred's commitment towards both customers and employees. Improving quality of life in the workplace is therefore a key deliverable for the Group. For this reason, Edenred pays close attention to employee well-being, health and safety as part of the commitment shared by all of the subsidiaries to be engaged in a "Best Place to Work" initiative, supported by the Executive Committee. At end-2017, nearly 90% of employees worked in an environment that had earned or was actively involved in earning quality of worklife certification.

(2) Hours of training corresponds to the total hours of training (classroom and online) undertaken by employees in all Group subsidiaries, except in two Brazilian subsidiaries (Ticket Log and Ticket Serviços) for which only online training hours are included.

Promoting better health and sustainable food

It is essential for Edenred to take proactive actions to promoting good eating habits, fighting obesity and contribute to better health and well-being not only for employee users but also for Edenred's people. With nearly 10 years of actions on healthy habits, Edenred has sought to step up its action in this area since its independence. The main solutions of Edenred are based on the will of providing healthy eating and well-being options to the working population. This priority has become a business differentiation and a new way to develop product and services but also partnerships such as the FOOD program, which houses the majority of the Group's initiatives in Europe, the Nutritional Balance program in South American countries, and local initiatives in certain countries such as Brazil with the creation in July 2017 of the Ticket Fit solution. As of end-2017, 22 subsidiaries covering two-thirds of the Group workforce were already involved in healthy and sustainable eating projects.

An example of a global partnership to promote healthy nutrition is the FOOD program where Edenred act as coordinator in Europe. Organized as a public-private consortium, the FOOD (Fighting Obesity through Offer and Demand) program focuses on the growing problem of obesity in Europe. The program began in 2009 as a project co-financed by the European Commission in six European countries (Belgium, Czech Republic, France, Italy, Spain and Sweden) with the goals of raising awareness about balanced nutrition among employee users and restaurant managers and aligning supply (offer) to demand. Edenred is the project's sponsor and coordinator. With operations in each of the countries in which the program has been introduced, it is responsible for deployment with the different partners – and more specifically for its diffusion – and for relations with the restaurant network. In light of the pilot project's results, the partners decided to transform FOOD into a program in order to pursue the same principles and objectives over the long term. On December 14, 2011, a total of 23 partners signed a new consortium agreement defining the program's main initiatives and organization, thereby enabling its launch in 2012. The decision to pursue FOOD as a program was also made with the idea of expanding into new countries and bringing in new partners.

Main events in 2017

On October 19, 2017, the program celebrated its fifth anniversary during a conference organized by the European Parliament on the topic of new technologies for promoting healthy, balanced eating in the workplace. In conjunction with the event, Edenred organized an interactive discussion on eating habits in the workplace that brought together the Group's Chairman and Chief Executive Officer, Bertrand Dumazy, the Coordinator of the FOOD program, Nathalie Renaudin, and a nutritionist.

In Italy, the Italian Ministry of Health officially became a partner of the FOOD program in 2016, alongside the Edenred subsidiary, and is now updating the program's Italian recommendations.

In Czech Republic, after piloting a program in-house in 2015, Edenred teams launched "Firm on the Plate," a set of hands-on workshops for companies to help their employees eat healthy and balanced meals during the working day. The program effectively builds corporate awareness of how eating right can positively impact employee health and productivity while reducing work-related accidents. It offers employees recommendations about nutrition in order to improve their listening skills, concentration and motivation.

In 2016, the University of Porto partnered with Edenred to launch "Eat Better, Save More" a free massive open online course (MOOC) dedicated to healthy eating. It was inspired by the eponymous book published by the Portuguese Directorate General of Health and Edenred in 2013, as part of the FOOD program.



In the nine country members of the program, 3,600 restaurants have become FOOD affiliates and more than 300 tools have been developed to instill the principles of balanced nutrition among employees and restaurants.

Promoting a satisfactory work-life balance

Edenred is committed to developing a positive work-life balance through a number of initiatives that vary by geography:

- Flexible working hours, as in Sweden, Finland and the United Kingdom. In Germany, for example, the subsidiary offers significant flexibility with 22 different worktime arrangements. At PrePay Solutions, policies are in place to manage flextime and telecommuting arrangements;
- Part-time work, which is encouraged by the Austrian and Slovakian subsidiaries, especially for employees with young children;
- Concierge services that can handle some private tasks for employees during their working hours;
- Benefits to promote employee well-being, such as gym and dance classes, healthy eating and balanced diet workshops;
- Support for parents at the birth of a child, with new baby bonuses in Austria, incentives to take paid parental leave beyond the legal minimum at PrePay Solutions and "Keep in Touch Days" in the United Kingdom,
- Support for childcare with the distribution of Edenred childcare solutions to employees (e.g. Childcare Vouchers in the United Kingdom, Ticket Junior in the Czech Republic, and Ticket CESU in France), offices designed with an area to welcome employees' children when they are ill or need temporary childcare (Mexico and Germany), a Moms and Dads" program in Italy to support women returning from maternity leave and expert help in identifying the most appropriate childcare solution.

Environment

Although it has a limited impact on the environment because its operations are mainly service related, Edenred undertakes to:

- Analyze existing initiatives to ensure that the Company is in compliance with local environmental regulations and international environmental standards and has implemented a continuous improvement approach to prevent any risks related to its operations;
- Reduce its environmental impacts by improving waste management and carefully controlling its consumption of natural resources;
- Communicate effectively and present its environmental policy to all stakeholders, both internal and external.

The Group's environmental initiatives focus on four main paths: environmental management, eco-designed products, environmental-friendly programs with environmental value for partner merchants and corporate clients and employee awareness.



Environmental management

Edenred has established an environmental management system based on the principles of ISO 14001. Subsidiaries in France, Brazil, and the United Kingdom have received this certification and renew it at least once every three years. Edenred Italy and Edenred Chile received accreditation in November 2017. Subsidiaries in Mexico and the Czech Republic have also obtained other local environmental certifications. As a result, 48% of Edenred employees now work in a subsidiary that has earned environmental certification.

In 2017, the Brazilian Ticket Services and Ticket Log subsidiaries earned their maintenance certificate for the sixth straight year, reflecting Bureau Veritas' recognition of the maturity of our environmental management process. To encourage the other subsidiaries to seek certification, the CSR Department released the results of a study it conducted on the challenges and steps involved in obtaining ISO 14001 certification, along with feedback from certified subsidiaries.

Data from the environmental initiatives being led by the country organizations are consolidated in a reporting system based on some 20 indicators covering:

- Energy & water use;
- Paper & plastics use;
- Waste production;
- Greenhouse gas emissions.

Owing to the nature of its business, Edenred has a limited impact on climate change. Nevertheless, in 2012, a continuous improvement program was undertaken as part of a formal environmental policy. Moreover, new objectives were taken in 2018 with a commitment to reduce Greenhouse gas emissions following the Science Based Target initiative framework. As a consequence, Edenred is committed to reduce by 26% its GHG emission intensity (GHG/m²) by 2022 compared to 2013 level.

To move to the next level, Edenred worked with an outside firm to conduct the industry's first comparative study of the environmental impact of its Ticket Restaurant® paper vouchers and cards in France, and published the results in 2017. The lifecycle assessment (LCA) was the method used to measure the impacts of each medium on three indicators – climate change, resource depletion and water use – so that priority actions could be identified to reduce the card's environmental impact. For these first two indicators, the Ticket Restaurant® card appears to be more effective in driving improvement than the paper voucher. Switching to the card cuts GHG emissions by nearly two thirds (64%) and reduces resource use by 86% across the product lifecycle. One of the main reason is because the card is manufactured and sent to the user once every two years, which means that energy use and carbon emissions are significantly reduced in the production and distribution stages.

On the other hand, the card results in higher water use than paper vouchers, for two reasons:

- In 2012, Edenred France opted to use only 100% recycled paper in its voucher production and to recycle all the redeemed vouchers, which significantly attenuated their impact;
- The Ticket Restaurant® card uses more water in the utilization phase because the lifecycle assessment took into account the non-recyclable thermal paper receipt issued with each payment.

The assessment helped to identify effective action levers to reduce the environmental footprint, both at Edenred and across the entire payment voucher chain.

Eco-designed solutions

Most of Edenred's impacts on the environment stem from the production of paper vouchers and cards.

Vouchers are printed on pre-printed backgrounds sourced from third-parties. These backgrounds are also used by some of the subsidiaries to customize their own vouchers at Edenred production facilities using specialized printers. This means that paper represents one of the leading impacts of Edenred's business activities. In 2017, 23 subsidiaries, representing 75% of the workforce and 86% of business volume in subsidiaries producing paper vouchers, used recycled paper or paper certified to the standards of the Forest Stewardship Council (FSC) for voucher production.

The Group is actively engaged in transitioning its solutions to paperless media in the form of cards, mobile applications and digital platforms. As of end-2017, 78% of business volume was delivered in digital format. This approach considerably reduces the impact of Edenred's activities on paper resources. To pursue this commitment, Edenred plans to have 35% of its business volume to be delivered with eco-designed solutions by 2022.

Environmental-friendly programs for corporate clients and partner merchants

A number of Edenred subsidiaries have developed services to add environmental value to their programs. The Group encourage the creation of value added services for its stakeholders and plan to increase by nearly 3 times its number of environmental friendly services. As for today, Edenred has diverse services for mobility and food waste such as:

In Brazil, Ticket Log's Carbon Credit program generates carbon credits by replacing traditional fuel with ethanol in flexible-fuel vehicles. The 11 Ticket Log client companies employing this unique solution generated 8,924 metric tons of CO2 equivalent in carbon credits in 2017.

Edenred created Ticket EcoCheque in 2009 at the request of the Belgian authorities. This solution promotes environmentally friendly products and services, and increases the buying power of employee users. Some 800,000 employees have already used Ticket EcoCheque vouchers, which are intended solely for the purchase of environmentally friendly goods and services. An exhaustive list has been drawn up by the National Labor Council.

In Mexico, Ticket Car developed the Ticket Carbon Control program in Mexico in 2012, which gives clients detailed, precise information about their vehicles' fuel-related CO2 emissions.

Cycle to Work is a solution devised by the UK subsidiary that allows employers to reduce their payroll costs by subsidizing the purchase of bikes for their employees. The model strongly encourages employers to promote this healthy, alternative mode of transportation.

The Italian subsidiary and the National Consortium for the Recovery and Recycling of Cellulose-based Packaging (COMIECO) have formed a partnership to produce special meal voucher booklet covers with recommendations for avoiding waste. By offering a few simple waste-avoidance tips, such as asking restaurants for a container to bring uneaten food back home, these COMIECO recommendations will give more than one million Edenred meal voucher employee users greater awareness of the need to nurture a sustainable food culture, sort garbage and prevent the waste of natural resources. At the same time, Edenred Italy offers partner restaurants free "doggy bags" for their customers to use during their lunch breaks.



In Chile, Edenred did an alliance to develop "Ecomida", a Mobile App who take care of the economy of the people and protect the planet, for its employee users and partner merchants. The objective is avoiding the food waste and rescue thousands of products nobody will eat and that will be lost. By providing discount to Ticket Restaurant® users, the partner merchants of Edenred are saving products from being wasted.

Employee awareness

Because employee commitment is a key success factor for Edenred's environmental policy, a variety of resources have been deployed to inform and teach employees about environmentally friendly practices. In 2017, a total of 5,167 employees were made aware of environmental issues, such as:

- Green IT, an increasingly important challenge for the Group as its business and solutions become more and more digitalized. In France, the FBI (Faites Bonne Impression) program, implemented by the IT Department, makes employees aware of the environmental impact of printing and provides every employee with a scorecard to measure individual use;
- Mobility: for example, in Brazil, employees were surveyed to help identify their mobility profiles and offer them recommendations to reduce the environmental impact of their commute;
- At the Argentinian subsidiary, awareness-building campaigns were organized on waste disposal issues, with a focus on waste classification and the entire waste life cycle. Employees throw organic waste into containers that are stored in a suitable location until collection by city waste disposal services.

Anti Corruption

As a leader in transactional solutions, Edenred needs to be a trusted partner and has a responsibility towards its stakeholders such as partner merchants, client companies, employee users, shareholders and public authorities to do everything in its power to guarantee that all Edenred's activities are conducted in full compliance with the law.

To lay down the fundamental principles of the Group approach to corruption and ethics, Edenred has deployed a Charter of Ethics and an anti-corruption guide. These documents and rules apply to all managers and employees of Edenred and its subsidiaries. As a matter of principle, no employee may, directly or indirectly, offer, promise, grant or authorize the giving of money or anything else of value to anyone as part of his or her work in order to obtain an undue advantage. The general rules and principles also apply to consultants and other third parties acting in the name of Edenred, as well as to suppliers and other business partners.

Measures taken to prevent corruption

The Charter of Ethics, available on the corporate website [here](#), presents Edenred's main ethical principles, and defines the behaviours and practices that every employee and every supplier is expected to demonstrate. Line managers cascade the Charter's fundamental guidelines to their teams and maintain constant awareness of their importance. By end-2017, a total of 83% of employees had approved the Charter and two-thirds of subsidiaries had introduced a clause requiring compliance with the Charter in new work contracts. As a commitment on ethical performance, Edenred has set out as objective to have 100% of employees' acknowledgement by 2022.



In addition, the Legal and Regulatory Affairs Department has prepared a best practices guide to avoid corruption in every geography, in compliance with France's Sapin II Act concerning transparency, the fight against corruption and modernization of the economy. Translated into several languages, the guide was supported by a training program in 2017. The guide is available on the corporate website [here](#). At the same time, a whistleblowing procedure was introduced so that the Group Legal and Regulatory Affairs Department can respond quickly to any suspected case of bribery or corruption.

In addition, in 2012, policies on anti-money laundering (AML) and combating the financing of terrorism (CFT) were introduced at the Group level and deployed at European subsidiaries. They were revised in 2017 following legislative changes; the new policies will be implemented in 2018.

Reliance on subcontracting

The majority of outside contractors used by Edenred are hired to provide IT services. The Group requires its subsidiaries to ensure that subcontractors are employed in strict observance of the applicable regulations and labor laws concerning work shifts, the basis for calculating hours worked, etc., and encourages compliance through awareness measures with CSR correspondents. By virtue of its Charter of Ethics, Edenred is committed not to use forced or concealed labor, and to refuse to work or immediately stop working with suppliers and service providers using employees working under duress or threat. Edenred France, for example, introduced a Responsible Purchasing Charter in October 2014 to set out its expectations of suppliers in such areas as human rights, employment best practices and non-discrimination. The Charter has been signed by the subsidiary's main suppliers.

Inclusion of social and environmental issues in purchasing policy

Since 2016, Edenred distribute a new version of its Charter of Ethics that applies to every business partner, contractor and supplier, enjoining them to abide by ethical, environmental and employee relations guidelines that comply with the Charter's values. The Charter plays a critical role in laying the foundations for dialogue with suppliers, whose billings represent more than 30% of consolidated revenue. Purchasing policy is decentralized to the subsidiary level. However, a Group Purchasing Department was created in October 2017. The Group has a few suppliers identified as key partners with whom it has international framework agreements. Examples include contracts with the main printers or card suppliers selected jointly by the Group and each subsidiary through tenders. These agreements include clauses on compliance with labor laws in the country of production. Concerning paper purchases, which are still business-critical, environmentally friendly materials such as FSC-certified and/or recycled paper and vegetable-based inks are consistently preferred whenever possible without jeopardizing voucher security.

Edenred in a nutshell

Edenred is the world leader in transactional solutions for companies, employees and merchants, with business volume of more than €26 billion generated in 2017, of which 78% through digital formats. Whether delivered via mobile, online platform, card or paper voucher, all of these solutions mean increased purchasing power for employees, optimized expense management for companies and additional business for affiliated merchants.

Edenred's offer is built around three business lines:

- Employee benefits (Ticket Restaurant®, Ticket Alimentación, Ticket Plus, Nutrisavings...)
- Fleet and mobility solutions (Ticket Log, Ticket Car, UTA, Empresarial...)
- Complementary solutions including corporate payments (Edenred Corporate Payment), incentives and rewards (Ticket Compliments, Ticket Kadéos) and public social programs.

The Group brings together a unique network of 44 million employees, 770,000 companies and public institutions, and 1.5 million affiliated merchants.

