

Groupe

Pierre & Vacances
CenterParcs

UNIVERSAL REGISTRATION DOCUMENT 2018/2019

Including the Annual Financial Report





EXTRA-FINANCIAL PERFORMANCE DECLARATION

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4.1. Committing to responsible tourism

4.1.1 Creating shared value through CSR

The Group's sustainable development strategy is in line with the Group's ambition to "strengthen our European leadership with experiential, innovative and responsible tourism". This ambition draws on our history. In the 1960s, we opened the first car-free ski resort in Europe. Fifty years on, Avoriaz remains a laboratory of innovation. Striving for a harmonious relationship between humans and their environment (in economic, social, environmental and cultural terms) and creating a unique customer experience are part of our DNA.

This commitment to sustainability is rooted in our business model, which successfully combines property development with tourism. This unique aspect involves reconciling short-term performance with a long-term environmental, corporate, societal and architectural vision.

As in the past, our longevity and success today depend on our ability to innovate sustainably and reinvent ourselves through our approach to financing property development projects and creating new tourism concepts. These challenges are addressed in our Ambition 2022 strategic plan, which focuses on four key areas:

- ◆ improving our offer;
- ◆ undertaking major property development projects;
- ◆ boosting sales;
- ◆ optimising our organisation.

The CSR approach is a cross-cutting element of this strategy. It contributes to the Group's performance through the actions and initiatives described in this chapter.

Non-financial performance

For the eleventh year running, the Group was listed in the 2019 Gaïa – Index, and kept its ranking in the index's top 20, coming 16th out of 230 companies. This ranking demonstrates the Group's non-financial performance in relation to other SMEs and intermediate-sized businesses listed on the French stock market.

Since 2014, the Group has also been eligible for listing on the Ethibel Excellence investment register and its CSR performance was judged better than average in its sector. Moreover, the Group regularly responds to ratings agency questionnaires, giving investors access to detailed external analysis of the progress of its CSR policy and initiatives undertaken.

The pillars of our CSR strategy

The Group's CSR strategy seeks not only to ensure that the CSR risks linked to its business are properly managed, but to identify and exploit new opportunities for growth and differentiation. To be ready for these opportunities and pave the way for this development, the Group has made three commitments:

Make sustainable development a lever to enrich customer experience

One of the priorities of the Ambition 2022 strategic plan is to become a "Customer Company" by developing a new customer experience. CSR underpins this goal by pioneering a new and original kind of holiday based on nature and the regions, and by offering services and activities attuned to the changing expectations of families.

Creating value in the regions where we operate

The beautiful environment surrounding the Group's locations is a key asset to attract customers. Our expertise lies in protecting this natural capital while promoting local resources among our customers. Forging close links with the local community is a major pillar of our sustainable development policy. We achieve this through our contribution to the local economy, our corporate sponsorship and our ongoing dialogue with local authorities and residents.

Set the highest standards operating our business

Corporate social responsibility is a subject that encompasses all business lines, operational departments and support services. The Group's commitment is based on its ability to incorporate CSR throughout its value chain and to set the highest standards of excellence, from site design to operation. In this context, each business line has its own CSR management and coordination tools. In addition, the Group actively encourages external certification and labelling for construction and operation.

The Group's responsibility extends across all business lines and operations. Our brands embrace this via a sustainable development programme combining operational action plans and targets.

"*Faisons plus ensemble*" ("*Doing more together*"), the Pierre & Vacances sustainable development approach, means working with partners and customers to create value for the regions and mitigate environmental impacts.

Targets:

- ◆ **water:** 15% reduction in consumption per overnight stay between 2014 and 2022;
- ◆ **energy:** 20% reduction in consumption per overnight stay between 2014 and 2022;
- ◆ **waste:** separate recycling bins in all apartments, residences and villages under direct management;
- ◆ **biodiversity:** banning the use of plant protection products in garden and landscaping maintenance.

"Naturall" the Center Parcs approach means protecting nature while ensuring respect for guests, employees and partners.

Targets:

- ◆ **water:** 25% reduction in consumption per person per night between 2010 and 2022;
- ◆ **energy:** 25% reduction in consumption per person per night between 2010 and 2022; increase the use of renewable energies (target to be defined);
- ◆ **waste:** 60% of waste to be recycled by 2022;
- ◆ **biodiversity:** 100% of sites to have an environmental management plan by 2022.

4.1.1.1 Our contribution to the Sustainable Development Goals (SDGs)

The Group's programmes and action plans contribute to the achievement of the UN's Sustainable Development Goals. We have identified 11 major and priority goals linked to our business lines.

Using sustainable development to enhance the customer experience



Our contribution:

- ◆ Developing offers and activities that reflect local heritage and nature
- ◆ Sorting and managing waste via specific channels
- ◆ Selecting and promoting eco-labelled products in the Group's purchasing policy



Our contribution:

- ◆ Educating and raising awareness of customers about nature conservation and environmental protection
- ◆ Reducing waste
- ◆ Banning the use of agrochemical products

Creating value for the regions



Our contribution:

- ◆ Social and professional reintegration via the company Foundation
- ◆ Skills development



Our contribution:

- ◆ Boosting local employment and supporting the local economy
- ◆ Responsible and inclusive purchasing
- ◆ Group commitment to human rights



Our contribution:

- ◆ Consulting local stakeholders to ensure that developments are in harmony with the regions
- ◆ Showcasing natural and cultural heritage through the company Foundation

Being exemplary in the course of our business



Our contribution:

- ◆ Combating all forms of discrimination and advocating a gender balance within teams
- ◆ Ensuring the health and well-being of employees and respecting all forms of diversity



Our contribution:

- ◆ Wastewater treatment; reduction in the use of chemicals and hazardous substances in wastewater
- ◆ Measures to optimise water consumption (hydro-efficient equipment, optimised pool water management)
- ◆ Ecological management of rainwater in new projects



Our contribution:

- ◆ Renewable energy production at 5 of the 26 Center Parcs sites (geothermal energy, solar panels, wood-fired heating)
- ◆ Purchase of green energy



Our contribution:

- ◆ Gender equality
- ◆ Fight against discrimination



Our contribution:

- ◆ Reducing CO₂ emissions; purchasing green energy
- ◆ Taking climate change into account when choosing new sites



Our contribution:

- ◆ Conducting impact assessments and protecting biodiversity during site construction and operation
- ◆ Environmental management plan for green spaces and woodland areas and monitoring of protected species on sites
- ◆ Buying timber sourced from sustainably managed forests (FSC/PEFC)

4.1.2 Listening to our stakeholders

The Group's sustainable development policy is designed to meet the expectations of our stakeholders, with whom we have specific channels of communication and dialogue:

Our stakeholders	Forms of communication	Highlights of the year
Customers (Nearly 8 million customers)	Satisfaction survey, on-site team presence, social media and review sites, litigation monitoring service, etc.	Digitalisation and personalisation of the customer relationship: nearly half of customers responding to customer satisfaction surveys leave a detailed review of their stay
Employees (Nearly 12,200 employees)	Intranet, employee satisfaction survey, company-level agreements, one-on-one interviews, etc.	74% participation rate in the Happy@work survey, up 2% from 2017
Shareholders	General meeting, roadshow, one-on-one meetings, socially-responsible investment (SRI) questionnaire, etc.	Bronze medal in the 2018 Best Mid-Cap Investor Relations awards
Owners and institutional investors	Website and online customer relationship, co-ownership meetings, litigation monitoring	Increasing number of leases renewed by electronic means (+76%)
Suppliers	Individual meetings, questionnaires, call for tender, audits, etc.	Renewal of the Responsible Supplier Relations label
Public and local authorities	Dialogue, consultation, public meetings, steering committees, etc.	Creation of the public/private entity as part of the Center Parcs Lot & Garonne construction project
Civil society (residents, associations, etc.)	Working groups/workshops, public meetings, advisory committees, website, partnerships, etc.	Public inquiry into the expansion project of Center Parcs Bois France (July-August 2019)

4.1.3 Our main non-financial risks

In 2018, the Group conducted an internal study to assess its main non-financial risks. Each risk was assessed according to its impact, likelihood of occurrence and level of management by teams. The main non-financial risks are listed below in order of priority:

- ◆ priority issues: land search, access to water resources in areas under water stress, anticipation of the consequences of climate change on the business;
- ◆ major issues: management of the risk of water pollution and deterioration of natural environments, quality of relations with owners, recruitment and development of the skills of teams, waste management;
- ◆ important issues: quality of relations with our local stakeholders and our customers, health and safety of our employees, management of energy consumption and energy fares.

The CSR strategy is based on the three pillars described earlier (section 1.1). It is designed to address these risks through the policies put in place in the various business lines. The impact of these policies is monitored using Key Performance Indicators (KPIs). It also draws on the Group's strengths, such as forging links with the local community and choosing remarkable locations in mountainous, coastal or rural areas.

4.1.4 Ethical and responsible governance and practices

4.1.4.1 Existing governance system

The CSR policy is managed at the highest level of the company:

- ◆ the CSR Department reports directly to the Group Executive Management;
- ◆ the Tourism and Property Development Committees hold six-monthly briefings;
- ◆ the Executive Committee performs a six-monthly or quarterly review of the operational departments.

4.1.4.2 Our organisation

The CSR and Foundation Department, which reports to the Executive Management, is responsible for defining the Group's CSR strategy and actions, supporting the operational departments in preparing and implementing roadmaps, and overseeing non-financial reporting. In 2019, liaison officers were appointed within the various departments and business lines (Pierre & Vacances, Center Parcs, Pierre & Vacances Développement, Purchasing, PVCP China) to lead, monitor and coordinate the operational implementation of roadmaps with teams and on the ground.

4.1.4.3 Ethical and responsible practices

Business ethics

Context

Business ethics is a key commitment for the Group, particularly in view of its image as a market leader in the tourism industry and its ethical positioning vis-à-vis its customers, employees, partners and suppliers. The enforcement of the French Sapin II Law marked a new phase in the legislator's commitment to increasing transparency in various economic activities and to extending its right of scrutiny over international operations.

Policy and action plan

During the year, the Legal Department put in place an action plan to bolster measures to prevent and protect against the risk of corruption. The action plan is led by a Chief Compliance Officer. It is coordinated jointly with the departments concerned and presented to the Audit Committee once a year. It is based on six requirements:

- ◆ dissemination of a code of conduct (or code of ethics);
- ◆ introduction of a whistleblowing mechanism that allows employees to report a breach of ethical rules and any behaviour posing a serious danger or threat to the public interest;

- ◆ training for employees exposed to significant risks: people in contact with local authorities (PVCI/PVD), buyers, Finance department employees;
- ◆ risk mapping;
- ◆ accounting control;
- ◆ management and evaluation of the approach.

Issued in March 2019, the code of conduct is designed to safeguard the Group's reputation and integrity for its clients, stakeholders and employees. The code of conduct only covers France at present. The formalisation of our commitments to business ethics has made it possible to underline the fact we foster an open corporate culture: employees must be free to exchange ideas and information, seek advice and report problems. This approach allows us to serve the interests of our customers, create opportunities for our employees and generate sustainable profits for our shareholders. The code of ethics is attached to the internal regulations that each new employee joining the Group in France must read.

The Legal Department has chosen to implement these actions in France within the central departments (at head office) and at the Pierre & Vacances and Center Parcs operating sites. The procedure will then be extended to the other European countries in which the Group operates (Belgium, The Netherlands, Germany, Spain), followed by China.

The Group also has a Vigilance Plan (see Chapter 8 of the EFPD).

The whistleblowing mechanism was introduced in March 2019. It includes a whistleblowers' charter distributed to employees, and the Whispli online tool which guarantees the anonymity for whistleblowers. No reports were submitted during the year.

Results

- ◆ A total of 50 employees participated in an awareness-raising session on the code of ethics through face-to-face training.

Tax evasion

Context

The Group is not based in any low-tax jurisdictions. In accordance with the requirements of the Sapin II Law, the Group has based its tax policy on four pillars:

- ◆ tax compliance;
- ◆ tax transparency;
- ◆ tax risk management;
- ◆ assistance for operational staff.

Policy and action plan

Tax compliance

The Group's operations in Europe and China generate significant taxes of all kinds (corporate income tax, local taxes, customs duties, registration fees, payroll taxes, etc.).

The Group's Tax Department ensures that the various business lines comply with all applicable laws, regulations and international treaties in force. This involves filing the necessary tax returns, as well as timely payment of taxes due. In addition, the Group monitors changes in tax regulations.

Tax transparency

The Group complies with the international tax standards published by the OECD, as well as the country-by-country reporting (CBCR) requirement for transfer pricing under the French finance law.

Tax risk management

The Tax Department is supervised by the Group Chief Financial Officer under the responsibility of the Group Deputy Chief Executive Officer. Tax risk is handled with a view to safeguarding the Group's reputation. This means:

- ◆ complying with all applicable regulations and paying the correct amount of tax;
- ◆ mitigating tax risk by monitoring tax developments and seeking external advice where appropriate;
- ◆ closely monitoring tax audits and disputes.

In addition, the Audit Committee examines and discusses the implications of the tax policy.

Assistance for operational staff

The Group's tax policy is fully integrated with the Group's business and development. The Tax Department has a central team that works closely with the operational teams to ensure that its policy is implemented properly and in accordance with the various regulations.

Respect for human rights

Context

The outsourcing of services in the tourism (particularly cleaning) and construction sectors could involve human rights risks linked, for example, to working conditions and health and safety.

Policy and action plan

The Group is committed to protecting human rights within its direct sphere of operations. The code of ethics is based on upholding the United Nations Universal Declaration of Human Rights and the founding texts of the International Labour Organization. The basic principles that inform the Group's actions are:

- ◆ respecting laws and regulations;
- ◆ respecting people;
- ◆ respecting the environment;
- ◆ respecting the best interests of the PVCP Group.

The code of ethics states that all employees must act with integrity, transparency, fairness and accountability in the interests of the Group.

The issue of human rights is also included in the CSR questionnaires sent to our suppliers and covered in the vigilance plan.

General Data Protection Regulation (GDPR)

Context

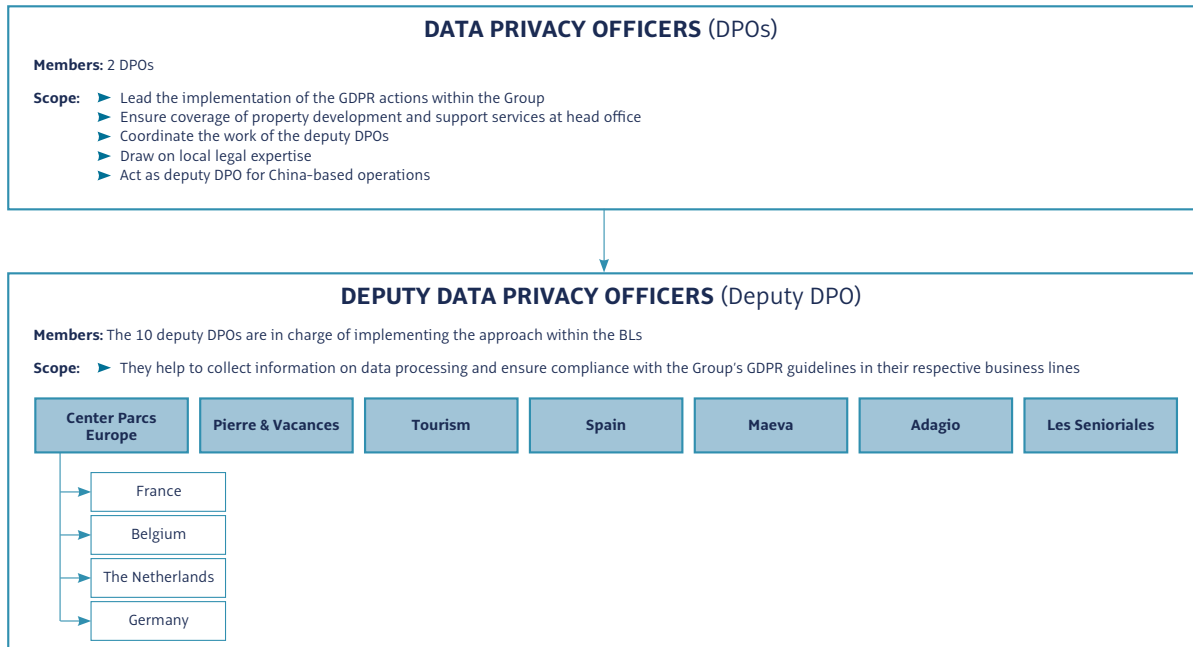
The new data protection regulation has affected the types of queries we receive from our existing and prospective customers. More informed about their rights, they are now able to submit more detailed and substantiated requests. The GDPR legal framework enforced in May 2018 with a view to protecting individuals by ensuring respectful use of their data. This was an opportunity for the Group to review its internal processes to ensure that the use of its customers' and employees' personal data remains supervised and sustainable. It meant that some of the Group's business lines had to rethink their approach to data, security and human rights.

Policy and action plan

A GDPR policy has been developed to incorporate the "data protection" aspect throughout the data life cycle, in a bid to ensure compliance with the GDPR and local laws in each country where we operate.

Governance and organisation

Based on the principle of subsidiarity, a dedicated unit has been set up to oversee GDPR issues. A team of two Data Privacy Officers (DPOs) is assisted by ten Deputy DPOs, who act as points of contact for the various activities:



During the year, the DPOs implemented the "privacy by design" process, widely adopted by project managers. This enables GDPR constraints to be embedded right from the start of a new service or project for customers or employees. In this context, Privacy Impact Assessments (PIAs) have also been launched to assess the risks of harm to individuals resulting from the use of their data. The first PIAs carried out covered existing operations as well as two key projects for the Group: the consent management platform and the future data storage space.

The DPOs conduct on-site audits based on a cyclical audit plan to ensure that practices are compliant with the regulations.

This organisational structure with DPOs and Deputy DPOs is supported by two governance bodies:

- ◆ the Data Privacy Committee, which establishes the Group's GDPR guidelines and meets four to six times a year;
- ◆ the Data Privacy Executive Committee, which allows COMEX members to decide on the policy when necessary and gives them oversight of the process. It meets two to three times a year.

Since the Group's head office is in France, the Group has designated the National Commission for Data Protection and Liberties (CNIL) as the lead supervisory authority in Europe.

Results

During the year, a variety of tools were used to implement this policy. These are available on the Group's employee intranet or on the intranet reserved for Deputy DPOs and members of the Data Privacy committees. These document libraries are regularly updated by the DPOs.

Fields	Deliverables/documents distributed throughout the Group
Employee communications	<ul style="list-style-type: none"> ◆ Video presentation "Pour tous savoir du RGPD, ses objectifs et ses principes" ("Everything you need to know about the GDPR and its aims and principles") distributed to all Group employees ◆ Overview of the GDPR ◆ Newsletter illustrating the projects undertaken and completed
Business processes	<ul style="list-style-type: none"> ◆ Model subcontractor agreements ◆ How to react in the event of an audit by the French data protection authority (CNIL) ◆ Whistleblowing procedure – Weak points and management
Best practice	<ul style="list-style-type: none"> ◆ Specific user guides detailing the key GDPR principles applied to the CRM and Marketing, HR and Indirect Sales departments ◆ Response guidelines for the Customer Relations department ◆ Best practice guide "Garantir la sécurité physique des pièces et des documents" ("How to ensure that documents are secure") ◆ Privacy by Design
Training	<ul style="list-style-type: none"> ◆ Two training sessions for managers: <ul style="list-style-type: none"> – training on the "privacy by design" process, which enables GDPR constraints to be factored in right from the start of a new service or project for customers or employees. Training is given to the entire Pierre & Vacances-Center Parcs France Marketing team (eight participants); – training on consumer rights given to Call Centers, Customer Relations and CRM teams in France, The Netherlands, Belgium and Germany (45 participants).

4.2 Using sustainable development to enhance the customer experience

In 1967, Gérard Brémond helped to found the Avoriaz ski resort, a singular, completely pedestrianised destination fully embedded in the landscape thanks to its mimetic architecture. This innovation was in step with the new leisure residence concept.

4.2.1 Innovation focused on customer satisfaction

Context

The innovative approach begun 50 years ago continues today: innovation is one of the four pillars of the Group's Tourism strategy. A dedicated Innovation department was set up this year at Group level. Its mission is the same as that of all the Group's other departments: to improve customer satisfaction and enhance the offering.

Policy and action plan

The Group places the customer at the heart of everything it does, improving the customer experience and making it smoother, to make the relationship personal.

The aim is to identify the stages of the customer experience that need to be improved, then look at possible solutions to resolve the problems identified.

An innovative ecosystem to boost customer satisfaction

To support this policy, the Group's Innovation Department has identified two key missions:

- ◆ cooperate with start-ups to build a personalised and smooth customer experience;
- ◆ spread innovation, set up a community of innovators within the Group and in all departments.

The selected start-ups provide new services which generate customer satisfaction (innovation in products or services). After 9 months, 11 proofs of concept have been launched. Some of these help to improve the impact of our CSR policy:

- ◆ the ADDOCK start-up is developing a solution to enable customers to book local activities in real time (currently being tested with maeva.com) thereby enhancing the customer offering via activities related to the regions;
- ◆ mapsindoors is a geo-location system that enables customers to find their way around Center Parcs sites more easily using a digital card integrated into the Center Parcs app. This innovation is being trialled at Center Parcs Le Bois aux Daims. Customers who use it are able to find their way around more easily, and can discover more of the site's biodiversity and everything else it has to offer.

This start-up partnership strategy was facilitated by the creation, in January 2019, of the community of innovators, which is tasked with devising innovative products and services for customers and spreading innovation across all of the Group's business lines.

The dissemination of innovation within the Group began with "Innovation breakfasts", in which external speakers presented new ways of innovating to employees at the head office.

Managing customer satisfaction

Each Business Line has a process in place to assess and manage customer satisfaction. By processing the customer satisfaction questionnaires that are completed each week, the Net Promoter Score⁽¹⁾ (NPS), intention to return and overall satisfaction can be monitored. The "social room" (responsible for social media interactions with customers) analyses scores left online. Sites receive a monthly report to notify employees of the things they are doing well and areas where the service could be improved.

Results

There has been a clear increase in customer satisfaction:

- ◆ Net Promoter Score (NPS) for Pierre & Vacances (all PV, Premium, Villages and Maeva brands): 21.3% (an increase on the previous year: 15.1%);
- ◆ NPS for Center Parcs: 3.2% (an increase on 2017/2018: 1.8%).

In 2019, 123 Pierre & Vacances-Center Parcs Group sites received a TripAdvisor Certificate of Excellence (1 Center Parcs, 40 Pierre & Vacances residences, 80 partner residences and 2 multiple ownership residences), which is awarded to establishments all over the world that offer a quality service over the long term.

Personalising relationships with our owner customers

The relationship of trust that we have built with our owners is essential to the longevity of our business model. In addition to the profitability of their investment, they expect better fluidity in their relations with the Group. The Owners' Department is organised on two levels: a team at the registered office manages owner enquiries about their properties (lease renewals, renovation, owner relationship) while property managers, locally based, manage some of the co-owned properties operated by the Group.

Major efforts have been made to improve owner satisfaction in the following areas:

- ◆ the Group's responsiveness to queries throughout the term of the lease;
- ◆ the way stays are organised;
- ◆ the way disputes are dealt with;
- ◆ the simplification of the renewal of leases on the digital platform.

Currently, 93% of owners have set up an online account, and 30% of leases were renewed online over the year (compared to 17% in 2017/2018).

Results and KPIs

Owner satisfaction:

- ◆ processing of owner litigations took 1.9 days in average (1.8 days in 2017/2018);
- ◆ number of owner litigations (as a proportion of the total number of owners): 1.40% (a 0.15% drop compared to 2017/2018; 46 fewer litigations);
- ◆ lease renewal rate: 83% – note: *result based on an estimate for one site whose operations are still ongoing.* (76% in 2017/2018).

In addition to customer satisfaction during their stay, the Group is working to ensure customer safety, given the risks identified as high by the European authorities.

Ensuring the safety of our customers

In the context of enhanced security in France, Center Parcs continued the certification process for its French sites. During the financial year the Villages Nature® Paris site received the "Sécuri-Site" label which certifies the introduction of a complete security plan, both inside the site and in the surrounding areas, as well as a close partnership with local authorities. Issued by the French State and based primarily on prevention, the exchange of information and crisis management preparation, this partnership is further enhanced by shared safety drills.

ISO 14001 standards have been introduced at Center Parcs sites and a safety plan is in place at Pierre & Vacances to monitor customer safety. The accident rate is 0.006% for Pierre & Vacances and 0.001% for Center Parcs. This accident rate refers to damages as a result of personal injury involving civil liability (above the insurance franchise) in relation to the number of customers (Center Parcs) and the number of units occupied (Pierre & Vacances).

(1) The Net Promoter Score is the difference between the number of "promoters" and the number of "detractors" in response to the question: "would you recommend this site to your friends and family?".

4.2.2 Offering a customer experience focused on nature and the regions

Context

For over 50 years, the Pierre & Vacances-Center Parcs Group has been working to place the customer experience at the heart of its service offer to ensure that "holidays are the best experience". Our customer base, 80% of which is made up of families⁽¹⁾, wants holidays that enable them to reconnect with loved ones, but also to discover the region while protecting the environment.

Pierre & Vacances residences and villages are located in a wide range of destinations, often at the very heart of the natural environment (mountains, coast, countryside), and Center Parcs sites are located in forests. 70% of Center Parcs sites are covered by green spaces or forests, such as the Center Parcs Allgäu at the foot of the Bavarian Alps, which opened in October 2017. The Group wants to showcase this natural capital and encourage its customers to discover local attractions.

Policy and action plan

One aim of the Pierre & Vacances and Center Parcs brands is to increase the number of fun and educational activities focused on nature and the regions. The teams offer nature-based activities, either alone or in partnership with associations. The Group also offers regional discovery activities via tourist information offices on Center Parcs sites and the RendezvousCheznous platform for the Pierre & Vacances brand.

Showcasing natural heritage and encouraging customers to preserve the environment

In 2019, Pierre & Vacances added the "Gardener" activity to its Nature activity programme. The activity is aimed at children aged 3-5 at the Pierre & Vacances villages kids' club. The Group has set up educational hives to highlight the importance of protecting bees, an endangered species which is crucial to preserving biodiversity.

Center Parcs also continues to enhance its "Wanna be" activity programme, which focuses on jobs relating to nature, such as forest ranger, photographer or animal keeper, etc. Other nature activities are also offered in partnership with local associations; the aim is for each site to provide at least one Nature activity by 2022. Finally, small farms on each site encourage children and their families to respect animals and their environment.

A focus on animal welfare

During the year, two veterinary schools analysed practices and provided recommendations on animal welfare. This work led to Kid's Farm teams at all Center Parcs France sites being trained to harmonise and improve animal care practices, as part of the process to continually improve the way we manage operational risk.

Showcasing local tourist attractions and developing partnerships to enhance the activities offered

In January 2019, the Group acquired the RendezvousCheznous marketplace which has a selection of 1,400 authentic activities in France, with which Pierre & Vacances cooperates. This transaction has given the brand the in-house skills to offer its customers the chance to discover France "differently", thanks to locals who are true ambassadors of their region and their know-how, who share experiences – food, wine, crafts, art, sport, etc.

Encouraging environmentally-responsible behaviour during stays

Pierre & Vacances has disseminated "eco-tip" stickers in all Pierre & Vacances units in France and Spain to remind customers to sort waste, close windows when the heating or air conditioning is on, save water, etc. The brand's improved CSR standards also enable these criteria to be incorporated into its service system (use of environmentally-friendly cleaning products, reusable tableware or failing this, tableware made of cardboard or other biodegradable materials for meetings, option to compost organic waste on some sites, etc.).

(1) Families make up 78% of the customer base at PV sites in France and the French West Indies (data from the IQSurvey) and 81% at Center Parcs Europe.

Promote sustainable nutrition, prevent food waste and single-use plastics

On Center Parcs sites and in Pierre & Vacances villages, catering is supplied by external providers (catering is only under direct management at two Center Parcs and one Pierre & Vacances sites). The Group encourages partners to include and enhance the offering of local or organic products in restaurants and grocery stores using the Green Key certification. It is also tackling food waste and reducing the reliance on single use plastics. At the Villages Nature® Paris site, the PUR, etc. restaurant features environmentally-friendly dishes (using little meat), and works in direct partnership with local producers to provide a wide range of organic, gluten-free and lactose-free options.

In line with the site's environmental strategy and the EGALIM law for balanced business relations in the agriculture and food sectors and healthy, sustainable nutrition accessible to all, the grocery store at Villages Nature® in Paris has replaced all single use plastic products (plates, cutlery, stirrers) with wooden or bamboo products. This will be rolled out across all Group sites during the financial year.

At Pierre & Vacances, we have worked with our catering supplier, Restoleil, to replace small individual portions with larger containers on the breakfast buffet at the Branville residence. Since April 2019, jams, spreads and butter have been provided on the buffet in larger containers.

This responsible purchasing policy aims to establish a close relationship with its suppliers whose CSR performance is closely linked to the Group performance. For example, on catering sector, the Group and its partners are committed to abandoning eggs and egg products from caged hens by 2025, for all its sites, in all the countries where the Group operates, and thus exclusively use eggs and egg products from outdoor or ground-based farming or alternatives to eggs.

Results

- ◆ Nature activities are available at 24 Center Parcs sites (92% of our sites).
- ◆ 4,586 children signed up for Nature activities at the seven Pierre & Vacances villages that have introduced these events.
- ◆ Ban on plastic drinking straws in the six Center Parcs in Germany.

4

4.3 Creating value for the regions

4.3.1 Encouraging a property development strategy that has less impact and uses biodiversity in a respectful way

Context

One of the major non-financial risks identified by the Group is the reduction in available land area. This is due to land pressure and the Group's requirements regarding the location of its sites. The Group's property development strategy has been adjusted in response to these limitations; it continues to develop in countries with existing operations (France, the Netherlands, Belgium, Germany and Spain) and in new areas (China and Europe).

In the design phase

Policy and action plan

The Group has implemented a growth strategy with three focus areas:

- ◆ enhancing the Pierre & Vacances tourism offering through external growth (asset light) via franchises and management contracts and the marketing of partner sites. The target set by Pierre & Vacances Tourism International development is to reach 300 partner residences by 2022;

- ◆ capitalising on the existing property portfolio by renovating our holiday residence portfolio (three renovation projects delivered during the financial year: Hoch Sauerland, De Haan and Zandvoort) and extending some sites (Center Parcs Les Bois Francs, Villages Nature®);
- ◆ selecting sites that have already been built on in the past and sites with limited biodiversity reduces the environmental impact of property development projects; major renovations to existing buildings... Specifically, when the property development teams in France or BNGC (Belgium, the Netherlands, Germany and China) look for new land, sites that have previously been built on such as the many abandoned military zones in Germany or partially-developed spaces (e.g. car parks in mountain resorts) are of particular interest when considering future developments. Furthermore, an environmental pre-assessment or mapping is conducted on projects under development (with capacity of over 100 units and located in natural areas) when selecting sites. Finally, renovating existing buildings is an important way to unlock future development potential.

The second two focus areas are managed by two property development teams, PVD for France and the Belgium, Netherlands, Germany and China construction team.

Several construction projects are in the development phase:

This year, 6 of the 9 projects under development in natural areas or previously unbuilt areas with over 100 units (Center Parcs Lot & Garonne, the extension of Villages Nature®, the extension of Center Parcs de Bois Francs, Center Parcs Jura, Center Parcs Saône et Loire, Center Parcs de Roybon) have undergone a previous environmental assessment, over and above the legal obligations. The two other sites concerned: The new Belle Dune premium residence: the work on the mixed development zone where the residence will be sited has been entrusted to the public/private entity "Baie de Somme – Grand Littoral Picard", which has taken on all of the administrative demands relating to new developments planned in this zone. As such, the Group has not ordered any environmental studies for this project. As regards the Téléphérik project in Avoriaz: the land within the resort has been identified by the city of Morzine-Avoriaz for a tourism development. An environmental study has also been conducted by the city of Morzine-Avoriaz concerning the modification to the Local Urban Development Plan. In the same way, for the ongoing Aime-la-Plagne project, an impact study was conducted as part of the touristic development of the area. Furthermore, both of these mountain projects are located in areas which have been partially developed in the past: car parks and existing buildings. This vastly reduces the portion of the land being artificialized: +36% of additional soil artificialized for the Téléphérik project, and +6% for the Aime-la-Plagne project. As for the latest residence at Deauville, the "Bâtiment des Douanes", and the Capella project in Avoriaz, the existing buildings are undergoing major renovations, which does not involve the development of any new land.

The Group's new Center Parcs village in Belgium is another example of its asset light policy. Operated under a management contract, this site, called Terhills Resort, will have 250 villas in a natural setting. It will open in the spring of 2021.

Results

- ◆ 191 residences marketed by our platforms (a 29% increase on last year).
- ◆ 6 environmental pre-assessments or mapping of issues were carried out for 9 potential projects.

Operational

Policy and action plan

During the operational phase, the Group implements an environmental safety and standards policy at Center Parcs Pierre & Vacances sites, with a view to achieving zero accidental pollution of the natural environment. To better preserve biodiversity at these sites, Center Parcs aims to have a biodiversity plan for green spaces, to include a biodiversity assessment for all sites by 2022 and specific measures for each site (late mowing, selection of species, maintenance method selected according to the purpose of each space, ban on phytosanitary products).

Making biodiversity an asset of our sites

During the financial year, two Center Parcs sites in the Netherlands (De Kempervennen and De Eemhof) conducted an initial biodiversity assessment in partnership with the university of applied sciences of 's-Hertogenbosch (Netherlands). This assessment yielded a methodology for calculating a biodiversity score covering the following criteria: the number of species present at the site and the biodiversity index (calculated based on the richness and diversity of species, the presence of benchmark species in the region, rare or endangered species, protected species and management of biodiversity intensity). This standardised methodology will be replicated at eight Center Parcs sites in Europe in 2019/2020 to gain a clear picture of the biodiversity status of our sites, and implement the appropriate protection measures. The aim is to roll out this approach in all Center Parcs by 2022.

Results

- ◆ 58% of Center Parcs sites have a full biodiversity plan.
- ◆ Biodiversity score of 6.2/10 for the two Center Parcs analysed.

4.3.2 Developing new projects jointly with local partners and residents

Context

The local acceptability of our development projects is of major importance to the Group, which also wants to create value in the regions. During our development projects, this focus on local involvement involves close cooperation with public and private partners from the very beginning. For each development project, a specific organisation and a consultation plan are drawn up in line with the national regulatory framework, the project's characteristics and the local context.

Policy and action plan

The consultation is intended to notify the local population of the project, support its successful integration in the local economic fabric and to make changes to the project if necessary.

For major property development projects (over 100 accommodation units) where there are significant environmental challenges, a local consultation process, over and above regulatory requirements, automatically takes place at least six months before any application for planning permission is filed.

Center Parcs Lot & Garonne – working in partnership with local players

2018/2019 was devoted to fine-tuning and completing the economic set-up of the central facilities in the form of a local public-private partnership as part of the “public/private” partnership bringing together regional authorities (Region of Nouvelle Aquitaine, Department of Lot-et-Garonne, joint local authority of Landes de Gascogne, the bank financing territories (“banque des territoires”) and the PVCP Group. This local public-private partnership will own these central facilities and make them available to the Group under a long-term commercial lease, in exchange for a fixed rent subject to review. A final agreement to this effect was signed between the various partners in July 2019. As a result of this agreement, the PVCP Group was able to sign the off-plan sale commitment in favour of the public-private partnership.

Ensuring ongoing dialogue with our stakeholders is a fundamental stage in our development process, for property development projects in France and BNGC (Belgium, Netherlands, Germany, China). This dialogue is tailored to each country, and project type.

Project name	Project description	Type of consultation
Yixing, Jiangsu province (China)	144 accommodation units, 50% of which are apartments. Development via the management contract	Work with local authorities
Telephèrik, Avoriaz (France)	7,500 m ² for 163 accommodation units	Consultation with the city council, representatives of owner associations and ski lift owners
Aime-la-Plagne project (France)	Construction of a hotel (new “lifestyle” holiday accommodation concept including services and restaurant)	Economic feasibility study of the overall Aime 2000 mixed development zone project involving the local authority and various potential partners, consultation with local stakeholders (owners' association, etc.)
Project to extend Villages Nature®, Ile-de-France (France)	242 new cottages	A consultation during phase 1 of the development (prior to the site's opening in 2016) and public inquiry in the summer of 2019
Project to extend the Center Parcs site at Les Bois Francs, Normandy (France)	322 new cottages	<ul style="list-style-type: none"> ◆ 1 voluntary consultation in the spring of 2019 ◆ including 5 public meetings and a file outlining the project available at the town hall and online ◆ 1 public inquiry in the summer of 2019.

Results

7 out of the 9 projects being developed in France of more than 100 units (Center Parcs Lot & Garonne, Pierre & Vacances Aime-La-Plagne, Pierre & Vacances Belle Dune, Telepherik Avoriaz, extension of Center Parcs des Bois Francs, extension of Villages Nature®, Center Parcs Jura, Center Parcs Saône & Loire, Center Parcs Isère) underwent a consultation suited to the local context.

Saône & Loire, Jura and Roybon projects

Regarding the Jura Center Parcs project, the litigation relating to the Local Urban Development Plan has not been resolved: the joint local authority, which is responsible for urban planning, has decided to refer the matter to the administrative court. Pending a hearing which will take place in 2020 at the very earliest, the project is currently suspended.

For the Saône-et-Loire project, the Local Urban Development Plan became final in September 2019, after the administrative court dismissed the appeal proceedings begun by opponents. The Group is now able to continue concertation with all stakeholders and approach local authorities to re-examine the technical and financial conditions under which the project could go ahead.

Regarding the development of a Center Parcs in Isère, Roybon, in April 2019, the Administrative Court of Lyon ordered an expert environmental assessment, which at year-end had yet to begin.

4.3.3 Committing to the local economy

Context

The Group wants to be more than just a tour operator, and intends to contribute to the local economy. Our largest sites, of the Center Parcs brand, employ up to 600 people in order to provide a full range of leisure activities, catering and maintenance services. Around 200 people are employed by Center Parcs across a range of sites such as Bispingen (Germany) with an average headcount of 286 people. Villages Nature® has 209 employees on average. Most Center Parcs sites are located in the countryside or rural areas, far from major centres of employment. The Group is therefore heavily dependent on the quality and availability of the local workforce while providing work and jobs across its entire supplier chain.

Policy and action plan

Local economic growth is an integral part of the Group's CSR policy. During the construction phase, the Group favours local businesses. Prior to opening, employees work with local economic players (Department, Region, job centre) to release job vacancies on the new site and we train employees in the skills required to work in the tourism sector.

In the construction phase

For the Lot & Garonne Center Parcs which is currently under construction, initiatives are in place to boost the local economy, prior to project delivery. After the information phase and involvement of the stakeholders, the Group began working closely with construction companies and their consular chambers to plan the construction phase. The first contracts awarded were for roads and miscellaneous networks prior to the construction of the accommodation units and central facilities, with a view to beginning work on the cottages at the end of 2019. At 30/09, over 80% of the contracts had been awarded to regional companies.

Two years prior to the site opening, the employment committee met for the first time. Its role is to ensure optimum conditions for finding employees, with a view to their subsequent training and recruitment.

At the same time PVCP, the joint local authority and the Département of Lot & Garonne set up a short channel committee to seek out and build future partnerships for food/catering supplies, maintenance and cleaning services, and operation of the farm.

In the operation phase

Our sites contribute to regional vitality, providing the local population with jobs and favouring purchases from local companies.

- ◆ The sites develop links with local producers, notably by holding local produce markets on several of our sites and through the local produce shop at the Center Parcs Bois aux Daims site which offers products (local specialities, etc.) sourced from local producers.

The socio-economic footprint of the Center Parcs Bois aux Daims site

In 2019, Protourisme conducted a survey which analysed the economic impact of Center Parcs Bois aux Daims⁽¹⁾ by looking at spending by our customers outside the Center Parcs:

- ◆ over 1/4 of customers engage in activities outside the Center Parcs;
- ◆ an average of €7 was spent in the local area (i.e. Vienne) by each Center Parcs customer (mostly on services and eating out), amounting to total consumption by customers outside the Center Parcs in the département of Vienne of €7.4 million in 2017 (including taxes);
- ◆ 520 employees in 2018, over half of whom live in the Lot & Garonne area;
- ◆ from the construction of the site to the 10th year of operation, the Center Parcs Bois aux Daims will have generated 1,400 direct and indirect jobs outside the site.

KPIs

- ◆ Local purchases on sites in Europe (within a 150 km radius of the site): 84% local purchases in the construction phase.
- ◆ Local purchases/Operation Center Parcs France (within a 150 km radius of the site): 32% local purchases in the operation phase.

(1) Survey conducted in September 2018 on 614 respondents.

4.3.4 Supporting general interest projects that benefit local populations

Context

Convinced that dynamic regions are key to the success of its business model, in November 2017 the Group set up the Pierre & Vacances-Center Parcs Group Foundation, to boost regional vitality and forge community links. It only supports general interest organisations (associations, foundations, etc.) working on projects relating to at least one of the three following areas:

- ◆ nature and leisure for all;
- ◆ culture and local memory;
- ◆ social and professional integration.

The Foundation has an allowance of €250,000 per year and relies on volunteering by Group employees.

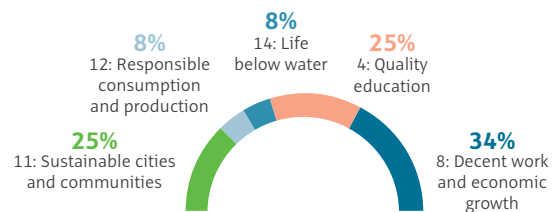
Policy and action plan

Each project supported by the Foundation must be located within a 50 km radius of one of the Group's holiday sites. This strong geographical proximity enables the Group to involve employees in specific initiatives in their local area, which they care about and for which they are motivated to act.

In 2018/2019, the Foundation supported 12 projects (almost 50% of which had already been financed in 2017/2018) to which it has allocated €20,000 on average. It has intensified its initiatives and continued to create local synergies with associations and employees.

This financial support enables the Foundation to contribute to the Sustainable Development Goals of the United Nations:

SDGs addressed by projects supported by the Foundation



To support this strategy, this year the Foundation developed the following communication tools:

- ◆ a separate website to showcase the Foundation's work: fondation.groupepvcp.com;
- ◆ a clip introducing the Foundation, its mission and its areas of work;
- ◆ in-house tools that enable employees to learn about the Foundation's identity and the processes for selecting projects.

Results

Among the 12 projects supported by the Foundation in 2018/2019, the following four projects are a particularly good illustration of the work that has been done:

Name of the project supported	Location	Ambition	Local synergies	Number of employees involved
Akindo/Work hard Chill hard	Lommel in Belgium, near Center Parcs De Vossemeren	Creation and consolidation of a programme to help young people aged 13 to 30 access regional leisure and vocational training opportunities.	<ul style="list-style-type: none"> ◆ Career workshops led by employees of Center Parcs De Vossemeren ◆ Young people can spend time relaxing at Center Parcs. ◆ Community team building organised by the Center Parcs management team to help the association organise its summer activities. ◆ A charity run by employees in aid of Akindo which raised an extra €2,000 for the association. 	<ul style="list-style-type: none"> ◆ 4 ambassadors organised the "Run for Akindo" with around 200 participants. ◆ 10 employees organised a community team building event. ◆ 4 employees helped organise a careers day.
La Source-La Guéroulde	Near Center Parcs Les Bois Francs	Gives families who are geographically and socially isolated the chance to engage in the plastic arts and go on cultural outings.	<ul style="list-style-type: none"> ◆ A meeting room at Les Bois Francs was made available for a week-long art workshop for 16 parents and children. ◆ Installation of a fresco at the entrance of Les Bois Francs ◆ Hosting of an art exhibition featuring works by beneficiaries of the association. 	<ul style="list-style-type: none"> ◆ 3 ambassadors organised events with the beneficiaries of the association.
Sauvegarde des Forêts Varoises/Copains	In Porquerolles, near Pierre & Vacances Presqu'île de Giens	<ul style="list-style-type: none"> ◆ Preservation of ancient Porquerolles tree species and management of organic market gardening by workplace inclusion employees. ◆ Introduction of a culinary transformation laboratory and launch of the "Les Jardins de Porquerolles" organic produce brand. 	<ul style="list-style-type: none"> ◆ A half-day community team building event run by local teams to help the association with harvesting and weeding. ◆ Throughout the summer: a weekly sale of "Les Jardins de Porquerolles" produce at Pierre & Vacances residences. ◆ Creation of a Porquerolles tourist map handed out to customers to tell them about the Copains project. ◆ One Copains beneficiary employed at Pierre & Vacances on a fixed-term contract. 	<ul style="list-style-type: none"> ◆ 1 ambassador organised a community team building session with 16 employees.
La Ruche Marseille/Passe la 3^e	In Marseille, near Adagio Marseille	Creation of an entrepreneurship programme for residents of disadvantaged areas of the city of Marseille.	<ul style="list-style-type: none"> ◆ Provision of 50 places at La Ruche Marseille co-working space for Adagio customers and employees. ◆ 2 x 2-hour training sessions on business negotiation and management techniques led by Adagio employees. 	<ul style="list-style-type: none"> ◆ 1 ambassador organised two skills sponsorship training sessions.

In 2018/2019, almost 80 employees took part in one of the Foundation's initiatives, and were able to discover a new way of investing in their region.

Center Parcs Europe organizes many activities throughout the year to increase awareness of customers (children and adults) about the preservation of nature. The Kids Climate Conference was held for the 8th consecutive year in partnership with the Missing Chapter at Center Parcs Hoch Sauerland (Germany). This event aims to raise the awareness of children from surrounding schools to the issues of

climate change. The proposals that emerged from it were submitted to the mayors of the communes.

In addition, Center Parcs Bispinger Heide organized the "Naturcampus" in collaboration with the Lüneburger Heide Nature Park Association in September 2019. This event, which brought together 90 children, offered them the opportunity to explore nature under the following themes: the wolf, the Lüneburger heather, the bee and climate change.

4.4 Being exemplary in the course of our business

4.4.1 Acting as a responsible employer

4.4.1.1 Our HR strategy and values

Human resources are central to the Group's performance and the tourism activity accounts currently for 85% of jobs. The challenge is to manage the development of our business lines, expertise and corporate culture to support:

- ◆ the growing digitalisation of the tourism sector, with customers increasingly booking, reviewing and recommending holidays online, fuelling the demand for IT professionals (developers, data analysts, UX/UI designers, cybersecurity experts, etc.);
- ◆ the flexibility on arrival dates offered to our customers requires greater agility from reception and housekeeping staff in particular;
- ◆ the competition in the holiday rental market, leading to a change in the owner relationship;
- ◆ the internationalisation of the market with new sites opening in China, requiring us to develop our global expertise;
- ◆ the development of the business model, with the growth in "contract management" and franchises;
- ◆ increased customer demand for high-quality, up-to-date products and services.

This transformation requires team commitment and engagement and a Group culture underpinned by two key values: "to enable togetherness" and "to be responsible entrepreneurs".

Policy

To support this change, the Human Resources Department is implementing a strategy based on the following pillars:

- ◆ attracting and hiring new talent and skills within the Group;
- ◆ developing the talent and skills of teams;
- ◆ ensuring that teams are committed to the Group's values.

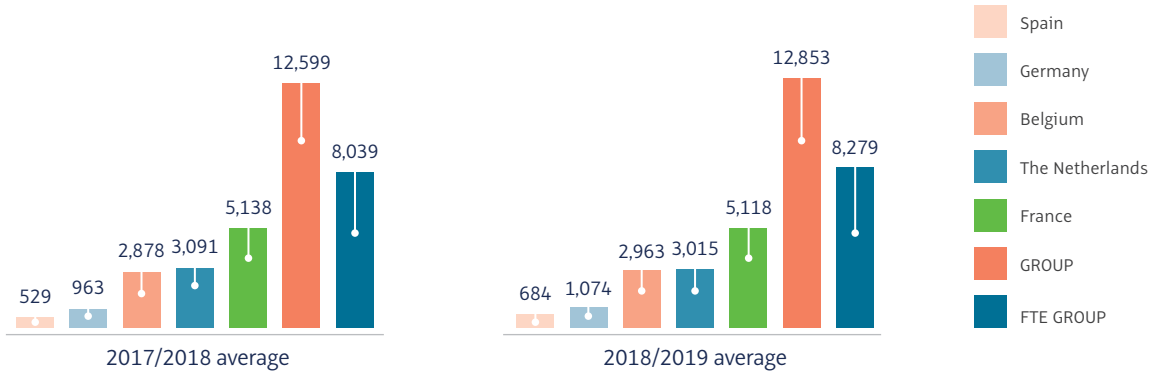
The policy, actions implemented and results achieved during the year for each of these pillars are detailed below.

The Group's profile

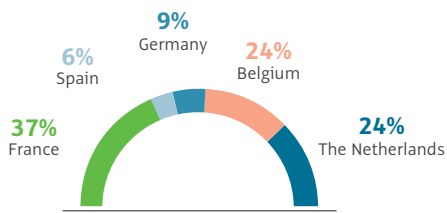
The Group's activities require the expertise of different business lines:

- ◆ tourism operations: front desk, reception, maintenance, renovation, security, housekeeping, swimming pools, events management, site management, operational control;
- ◆ property development business lines: property development and promotion, property marketing and management and relationships with the owners;
- ◆ support functions: marketing, finance, IT services, purchasing, legal, human resources, communication, sustainable development, security;
- ◆ business functions, digital, analytics and customer relations.

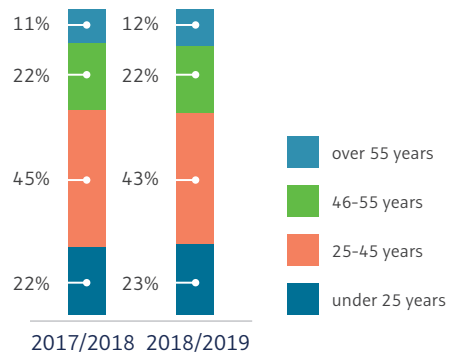
Average annual headcount by country and average annual Group headcount by full-time equivalent



Distribution of average headcount by country

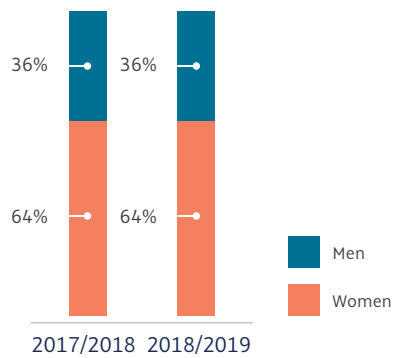


Breakdown of headcount at 30 September by age range

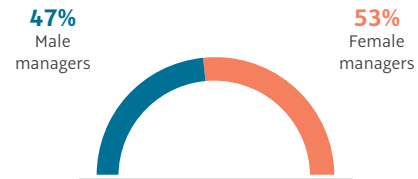


Key employment figures within the Group

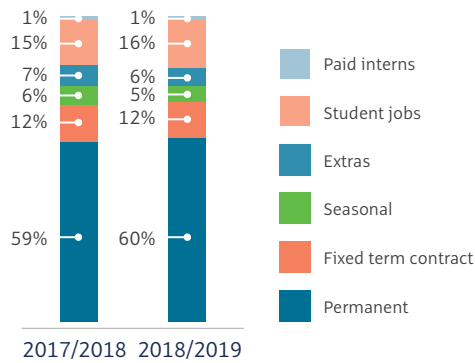
Breakdown of headcount by gender



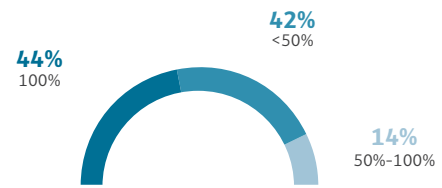
Proportion of women in management at 30 September 2019



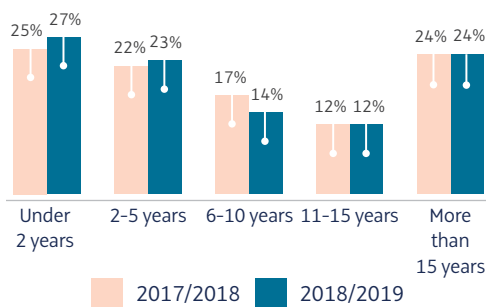
Breakdown of employees by contract type



Breakdown of contracts by rate of activity



Breakdown of headcount at 30 September by seniority



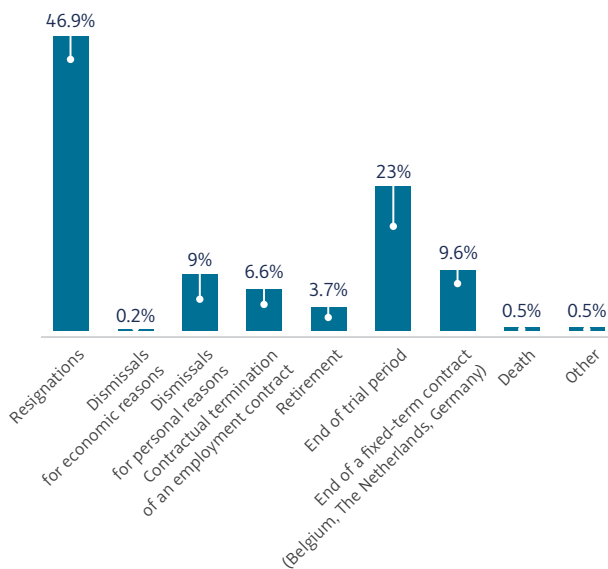
The turnover rate of 20.8% this year is slightly higher than last year (19.1%). The increase is due to numerous employees leaving and joining the Group on account of:

- ◆ site openings (Les Senioriales in Sainte-Marie (Réunion, France), Allgäu in Germany, Eurobuilding (Spain);

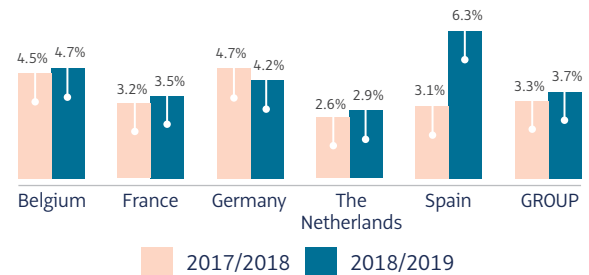
- ◆ new organisations deployed at head office (notably PPCI and some support functions);
- ◆ the increasing business activity of the Villages Nature®;
- ◆ the highly competitive labour market in some countries, particularly the Netherlands.

Turnover rate	2017/2018	2018/2019
Number of new staff	1,924	2,312
Number of departures	2,110	2,293
TURNOVER RATE	19.1%	20.8%

Breakdown of departures by reason in 2018/2019



Absenteeism rate



The absenteeism rate has increased slightly, from 3.3% in 2017/2018 to 3.7% in 2018/2019. The reason for this trend is the higher rate in Spain due to the increase in absenteeism periods of employees on temporary contracts.

4.4.1.2 Attracting and hiring talents

Context

Given the strong labour market in most of the countries where the Group operates, the Group has had to rethink its approach and employer image to attract and hire new talents.

Policy and action plan

During the 2018/2019 financial year, the Human Resources Department continued to refine and strengthen the Group's value proposition as an employer.

During the year, the Human Resources Department intensified the work on the employer brand, the aim of which is to:

- ◆ ensure that the Group stands out from its competitors with a clear identity resulting from:
 - a precise definition of the employer brand platform,

- the launch of an online toolkit enabling field-based recruiters to create their own recruitment tools (posters, billboards, social media, etc.) for local recruitment campaigns. A total of 120 tools are available, covering a wide range of requirements,
- updating our employer identity using photo shoots of employees from all over Europe to increase the authenticity of national recruitment campaigns;
- ◆ boosting applications through targeted recruitment campaigns with:
 - a brand new recruitment strategy using job boards (specialised job sites such as LinkedIn, Indeed, Xing, Job Teaser and Welcome to the Jungle) and social media (recruitment video aimed at cleaners, lifeguards, etc.);

- ◆ improving the Group's image and reputation on social media by:
 - enhancing the Group's reputation on LinkedIn with a dedicated page (25% increase in followers during the 2018/2019 financial year),
 - creating the hashtag #PVCPTeam, giving employees a voice so that they can be ambassadors for the Group's employment pledge on social media.

The Group is testing new ways of recruiting for certain technical roles using immersion, site tours, meetings with future colleagues and a fast-track application process, rather than the traditional CV and covering letter.

Seasonal workers, human capital to be developed for Pierre & Vacances

Hiring staff on seasonal contracts is essential for Pierre & Vacances residences to run smoothly and cope with busy periods during the high season. Pierre & Vacances employs 700 seasonal workers in winter and 1,200 in summer. Because they are the key to a successful season, all seasonal workers take the Work@PV integration and development program, which provides them with 4,000 hours of training each year. The course consists of an integration session, training course with the culture and practices at Pierre & Vacances, and an end-of-season appraisal during which they receive feedback about their performance and have the opportunity to share any ambitions they might have to develop or move elsewhere within the Group. The retention rate for seasonal workers is 49.8% for the Pierre & Vacances business line.

KPI

49.8%: retention rate for seasonal workers (up from 45% in 2017/2018). This corresponds to the percentage of seasonal workers who have already spent a season working for Pierre & Vacances France either that year or in the previous year. It represents a change in scope and definition compared with the previous year, since in 2017/2018 the definition was as follows: "Proportion of seasonal workers who worked at least one season in year N and at least one season in year N-1".

4.4.1.3 Skills development

Context

Skills development is a fundamental challenge for supporting the transformation of our business lines. The Group is keen to develop and invest in its human capital by employing teams who are committed and ready to learn new skills.

Policy

Skills development is largely based on a training policy that facilitates the growth of the business lines. The policy consists of five strands:

- ◆ health, safety and environment;
- ◆ business line expertise;

- ◆ sales;
- ◆ customer relations;
- ◆ management and leadership.

Within each strand, the Group strives to develop its employees' cross-disciplinary skills in areas such as foreign languages and office technology. Training needs are identified in one of two ways:

- ◆ either the employee can request training during his or her annual appraisal;
- ◆ or the department in charge of development and training will decide, jointly with each business line, to train employees on a specific topic or policy (such as Happy Family Makers at Center Parcs).

During the 2018/2019 financial year, the majority of training actions helped to:

- ◆ facilitate the transformation of the business lines to cope with major changes;
- ◆ develop the skills of our employees so that they can respond to business challenges;
- ◆ build on the expertise of managers, who are key to enhancing team performance.

Action plan

Facilitate the transformation of the business lines to cope with major changes

- ◆ To support the digitalisation of our businesses, 41 employees from the IT, Tourism Sales, Digital and Innovation departments were trained in IT software, "agile" working methods and new graphic animation tools.
- ◆ Welcome@PV: a pilot project was launched for the reception team at the Pierre & Vacances Le Crotoy residence to assist the whole team (six employees) in the transition to more modern, open-plan and digital reception areas. The training enabled them to become familiar with the new reception layout and guided them through the new customer service procedure.

Training – key to meeting business challenges

- ◆ Center Parcs Europe: launch of the "WE ARE ALL" two-part cultural transformation programme, comprising "Happy Family Makers", which seeks to enhance the customer experience at all points of contact, and "Improving together", a version of the Lean methodology, which aims at improving working conditions and make employees more productive so that more time can be devoted to customers.
- ◆ Handling of complaints and abuse at Pierre & Vacances: more than 100 employees have been trained in handling disputes (communication techniques and the customer refund process, in the case of a straightforward complaint) and/or abuse (physical assault or verbal abuse). The aim of this training is to provide support for sites that are being upgraded, while at the same time teaching staff how to handle changes in customer behaviour.

Making managers the key to team performance

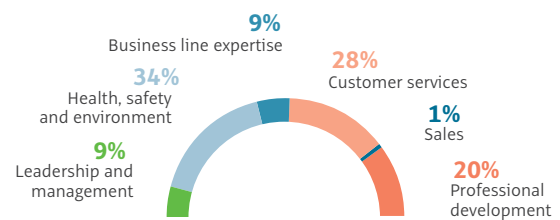
- ◆ Convinced that the actions and skills of managers are essential to the Group's performance, PVCP is continuing its leadership and management training programme. Launched in 2014, the programme is based on a common framework of values: B-CORE (Best in Class/Client Centric/Ownership/Role Model/Entrepreneur). Two new modules have been added to the common framework of managerial values for local leaders and managers:
 - a module focused on "intrapreneurship" for Pierre & Vacances site and regional managers. The aim of this module is to encourage site and regional managers to envision new ways of working with local communities, creating business and development opportunities for their teams;
 - an intensive module on coaching and feedback techniques for local managers and middle management. In all, 27 managers have completed this training.
- ◆ Evaluating employee performance is one of the manager's key tasks in an effort to ensure continuous improvement. Fully digitalised via the Group-wide H@RIS tool and information system, the evaluation is formally carried out each year during the employee performance appraisal. In 2018/2019, 91% of our employees completed an

appraisal. Lastly, HR and managers carried out a comprehensive talent review during the year. This was part of a Group-wide approach based on the 9box, which compares the level of performance and potential. This talent review was accompanied by an employee performance review – irrespective of their level of performance and potential – designed to develop and implement personal development action plans for Group employees.

Results

378 managers B-Core trained

Training hours distribution in 2018/2019



Total number of training hours

	2017/2018	2018/2019
Total number of training hours	69,446	92,573
Average number of training hours per employee	9.19	11.40
Proportion of employees trained	60%	63%
Proportion of women among trained employees	61%	64%
Training budget	€2,415,698	€3,131,305

4.4.1.4 Fostering employee engagement and satisfaction

Context

The Group is convinced that customer satisfaction is closely linked to the satisfaction and engagement of the employees who greet our guests and assist them on a daily basis. This is why, for the past few years, one of the pillars of our HR management policy has been employee engagement, which has a direct bearing on overall performance. The Group also believes that employees are more engaged in their work if they buy in to the Group's mission statement and its role within society.

Policy and actions

The Happy@Work approach requires all employees to be more engaged. This is a three-step programme:

- ◆ measuring employee engagement every two years using the Happy@Work questionnaire, which asks employees how they feel about their work environment;
- ◆ sharing and analysing the figures for each department in small working groups;
- ◆ taking action to improve engagement and job satisfaction. Following the previous survey in 2017, 600 actions were implemented by teams throughout the Group.

As part of this approach, the Group also organises events for its employees which enable them to socialise with and meet other colleagues. These events help bolster employee engagement while fuelling their search for meaning, a key driver of engagement. Each year, the Grand Tour Pierre & Vacances and Village Tour Center Parcs, conferences organised by each business line, annual 1Team1Time Group Leaders seminar and management seminars provide team-building opportunities where the Group can share its strategy during a day of discussion, brainstorming and communication around its future direction. Sportsday was attended by 1,400 employees from the Center Parcs Europe and Villages Nature® Paris sites. For two days, they took part in sporting events designed to foster team spirit and a sense of belonging and solidarity.

maeva.com, the Group's HR test bed

To be more agile in its operation and organisation, the maeva.com business line and the Group's HR Department have embarked on a project to transform maeva.com's HR policy in a bid to attract, hire, develop and engage staff who are younger, more agile and digital than elsewhere in the Group. Based on the results of this project, an engagement questionnaire was set up using the Peakon tool. Mirroring the Happy@Work concept, this weekly survey is sent to all employees so that the engagement of maeva.com employees can be continuously improved. The new tool offers more flexibility in terms of the rate at which employees are interviewed, and enables improvements to be implemented more swiftly.

Results

2019 Happy@Work results:

- ◆ participation rate: 74%, up 2% from the 2017 campaign;
- ◆ 82% of employees say they are satisfied with the company in general;
- ◆ 76% are proud to work for the Group;
- ◆ 70% believe their work contributes to their professional and personal development;
- ◆ 70% would recommend the Group as an excellent place to work.

4.4.1.5 Promoting access to work for all**Context**

The Group takes the view that having an inclusive policy and tackling all forms of discrimination contributes to employee well-being and the creation of human value. Committed to employing workers with disabilities, the Group is continuing its efforts to tackle discrimination.

Policy, action plan and results

The Group has had a disability policy in France since 2005. The last disability agreement was signed in 2018 and covered 13 entities. It is implemented via the CSR and HR policies of the PVCP Group.

As part of its disability initiative (Mission Handicap), the Group has a proactive policy aimed at:

- ◆ supporting workers with disabilities;
- ◆ adapting the workstations of people with disabilities wherever necessary;
- ◆ informing and educating employees about disability;
- ◆ raising awareness of disability among recruiters and improving the direct employment rate;
- ◆ adapting workstations;
- ◆ encouraging the use of the protected sector in our purchasing processes and improving the indirect employment rate.

Mission Handicap is led by a dedicated team in charge of disability initiatives. The team has stepped up its communication and awareness actions and events: internally with initiatives at head office (testing employees on what they know about disability, updating information on the intranet, organising an information stand); activities on site (organising an information stand during the Grand Tour Pierre & Vacances 2019); a campaign to encourage staff to work with the protected sector through organisations helping people with disabilities into work (Support and Work Assistance Establishment).

Disability awareness day (DuoDay)

For the first time in May 2019, the Group took part in DuoDay, an event held throughout France. Employee volunteers were called on to form 17 duos: nine at head office and eight on site. Group employees spent the whole day mentoring someone with a disability who was looking for a job or a considering a career change via support organisations (Cap Emploi, Pôle Emploi, Support and Work Assistance Establishment, etc.). The aim of the event was to promote career opportunities within the tourism industry. For the employees, it was a chance to learn more about disability in the workplace and to overcome any prejudices. Employees and trainees alike gave very positive feedback on the day. Following the event, participants could choose to have their resume forwarded to the recruitment team to investigate potential job opportunities. The scheme also led to a work placement in reception and at the call centre at head office in September 2019.

There are 201 workers⁽¹⁾ with disabilities at Pierre & Vacances and Center Parcs France, equivalent to 3.9% of the in-scope workforce. This represents a marginal increase of 0.1 percentage points on last year. Efforts to tackle discrimination in general extend beyond France, with Center Parcs also taking steps to employ people with disabilities at its sites.

Employment of workers with disabilities – France.

	2017/2018	2018/2019
Proportion of employees recognised as workers with disabilities	2.8%	3.9%
Number of employees with disabilities during the year	147	201
Number of employees recognised as workers with disabilities recruited during the year	21	28
Number of adaptations of the working environment for employees with disabilities	0	13

(1) Figures for the period 1 January 2018 to 31 December 2018.

4.4.1.6 Promoting gender equality

Context

The proportion of female managers – an indicator that has been monitored for several years – remains high (and stable) within the Group's workforce. This year, the Group published the gender equality index, launched in 2019 to measure the gender pay gap.

Policy, action plan and results

Women make up 65% of employees (unchanged from the previous year) and 53.1% of managers are women. Women account for 63% of trained employees, which is consistent with their representation in the workforce.

Each year, equal pay indicators are shared with labour partners during the Statutory Annual Wage Negotiations. In accordance with the French law on the freedom to choose one's professional future, the gender equality index has been calculated for three Group entities:

List of agreements signed or renewed during the year:

Agreements	Scope	Year of signature	Duration of validity
Health Insurance Agreements	PVCI – UES Support – UES Tourisme – Pierre & Vacances Résidences & Resorts France	2018	Unspecified
Health insurance and welfare protection in the form of a unilateral employer declaration	SET Pierre & Vacances Martinique, SET Pierre & Vacances Guadeloupe, La France du Nord au Sud, Maeva gestion	2019	Unspecified
Record of the disagreement over the Statutory Annual Wage Negotiations	PVCI – UES Support – UES Tourisme, Pierre & Vacances Résidences & Resorts France	2019	Annual
Agreement for the Statutory Annual Wage Negotiations	SET Pierre & Vacances Martinique, SET Pierre & Vacances Guadeloupe	2019	Annual
Collective agreement to set up the Economic Social Committee (ESC)	PVCI – UES Support – UES Tourisme – Pierre & Vacances Résidences & Resorts France	2019	Unspecified
Agreement on electronic voting	PVCI – UES Support – UES Tourisme – Pierre & Vacances Résidences & Resorts France	2019	Unspecified
Equal opportunities action plan	PVCI – UES Support – UES Tourisme – Pierre & Vacances Résidences & Resorts France	2019	Annual
Pre-election Memorandum of Understanding	SET Pierre & Vacances Martinique	2018	4 years
Pre-election Memorandum of Understanding	SET Pierre & Vacances Guadeloupe	2019	4 years
Outsourcing of catering services	Center Parcs Les Ardennes + Sunparks Belgique (De Haan aan Zee + Oostduinkerke aan Zee)	April 2019	Not specified
Collective labour agreement concerning the tourism sector	The Netherlands	2019	2 years
Agreement on HR-Rodibus controlling	The Netherlands	2019	1 year
Willis Towers Watson Assurance santé	The Netherlands	2019	1 year renewable each year

- ◆ Pierre et Vacances (PV RESIDENCES & RESORTS France): 93/100;
- ◆ Center Parcs (UES Tourisme: CENTER PARCS RESORTS FRANCE and SNC DOMAINE DU LAC D'AILETTE): 93/100;
- ◆ UES SUPPORT (GIE PV-CP Services, PV-CP Gestion exploitation, PV-CP Distribution and PV Développement): 79/100.

All three entities exceed the threshold of 75 points, below which companies must take corrective action or face financial penalties.

4.4.1.7 Labour relations

The Group respects the freedom of association and the right to collective bargaining in the countries where it operates. Determined to foster a constructive labour relations, the Management regularly informs and consults staff representatives on key decisions taken. During the 2018/2019 financial year, several agreements were renewed:

4.4.1.8 Ensuring the health and safety of our employees

Context

The safety of our employees and customers is of the utmost concern for the Group, both from a health and business point of view. In the last two years, the two occupations most affected by accidents at work were technical staff and cleaners. The issue of operational risk is managed jointly by the Operational Risk departments and the Human Resources Department. A dedicated team specific to each business line has been set up within Center Parcs and Pierre & Vacances.

Policy

To guarantee a healthy, safe environment for all customers and employees in the Group's residences and resorts, the Prevention & Safety Operational Risk departments of Pierre & Vacances and Center Parcs have established a framework for action addressing the following three areas: anticipation, analysis and training/coaching.

Nine risk areas have been identified in accordance with the regulations:

- ◆ workplace health and safety;
- ◆ security;
- ◆ fire safety;
- ◆ accessibility;
- ◆ leisure activities;
- ◆ swimming pools;
- ◆ playgrounds;
- ◆ food safety;
- ◆ safe drinking water (legionella bacteria).

Action plan

For Pierre & Vacances

The Operational Risk – Prevention and Safety manager manages risk in France and Spain. He is represented at a regional level by two prevention and safety officers in each operational department. Each Pierre & Vacances and maeva.com site has a single regional contact person for all the risks identified.

The target is a 30% reduction in workplace accidents by 2022. In Spain, Pierre & Vacances is seeking to maintain the accident frequency and severity rate. The trend is positive, since the number of accidents in France and Spain fell by 26% during the year. This decrease reflects the efforts made in:

- ◆ awareness-raising and training:
 - training specific to each business line: housekeeping, reception, engineering, events management, lifeguards. 163 employees received training on ergonomics and body mechanics in an effort to reduce workplace accidents,

- an awareness day was held at the group's head office with seven workshops on occupational health and safety (fire safety, first aid, cardiovascular risks, welfare, workstation ergonomics, virtual reality). 550 employees took part,
- training of all seasonal workers: a charter summarising the seven safety pillars has been published to raise awareness among employees working in our residences during the season;
- ◆ prevention: audits were carried out at 40% of residences in France and Spain;
- ◆ the first phase of work to improve the accessibility (for disabled people) of our buildings was completed as part of the Scheduled Accessibility Program. 40% of public buildings are yet to be upgraded by 2021;
- ◆ management and reporting: a monthly report is sent to Pierre & Vacances management and employees.

Using safety briefings to prevent accidents

Safety briefings are short, informal meetings where participants share information on a specific health and safety topic. Each month, the Prevention & Safety department sends a document to organise them on-site. These opportunities for discussion are part of a participatory and feedback-based approach in line with our Health and Safety policy. Lasting around 10-15 minutes, the safety briefings can be led by the various team leaders or site manager. During the year, invitations to hold safety briefings were also sent to employees at head office, with information on topics such as how to use new forms of mobility (e.g. electric scooters) safely, or on what measures to take during a heat wave.

For Center Parcs

Risk management is the responsibility of the head of operational risk at Center Parcs Europe. He is assisted by four national managers (one in each country of operation, i.e. Germany, Belgium, the Netherlands and France). These national managers work closely with the SHE managers (Safety, Health, Environment) at each Center Parcs site.

The safety policy and procedures are communicated to staff in order to reduce accidents at the sites.

Results

Frequency/severity rate of workplace accidents – Group

	2017/2018	2018/2019
Frequency rate	32.2	34.9
Severity rate	1.38	1.47

4.4.2 Implementing a responsible purchasing policy

Context

Totalling around €742 million during the 2018/2019 financial year, purchasing is a key performance lever for the Group in terms of its CSR. The Purchasing Department manages only part of the Group's purchases.

The Group published its vigilance plan for the first time this year and has decided to step up its supplier audits.

Policy and action plan

The Purchasing Department has introduced a responsible purchasing policy based on four pillars:

- ◆ purchasing responsible products and services for our brands;
- ◆ building a responsible supplier database;
- ◆ improving our relations with subcontractors and suppliers;
- ◆ being a long-term economic partner to the regions.

During the financial year, the Group made 92% of its purchases from European suppliers, 46% from French suppliers and less than 1% from suppliers in countries considered to be "at risk", notably China.

Purchasing responsible products and services for our brands

During the year, the responsible purchasing specifications were adapted to become CSR criteria, which have an impact on tender specifications. The CSR criteria are derived from the Group's CSR strategy, CSR risk mapping on supply chains, and the commitments undertaken by the business lines. Risk areas have been identified for high-risk purchasing categories:

Purchasing categories	Risk areas
Maintenance	Environmental risks
Chemicals and cleaning products	Environmental and Human rights risks
Laundry, cleaning and temporary employment services	Environmental and Human rights risks
Building trades	Environmental and Human rights risks
Linen	Environmental risks
Single-use products	Environmental risks
Indoor and outdoor furniture	Environmental and Human rights risks
Maintenance work and upgrades, water purification, drinking water maintenance	Environmental risks
Uniforms and protective clothing	Environmental and Human rights risks

Approved in June 2019, the CSR criteria are applied to all new contracts and contracts up for renewal by Purchasing on the Operations and Construction sectors. These criteria affect the contracts signed by the Purchasing Department and contribute to the Group's CSR targets. For example, if a supplier is unable to confirm that it meets the CSR criteria, it is excluded from the tendering process.

Building a responsible supplier database

The "CSR supplier pre-qualification" is now outsourced to an independent third party. When a supplier or service provider is selected by the Purchasing Department, its CSR performance is assessed using three questionnaires (see vigilance plan).

Relations with subcontractors and suppliers

The Pierre et Vacances Center Parcs Group has held the Responsible Supplier Relations Label since 2016. In 2019, the Purchasing Department renewed its Responsible Purchasing and Supplier Relations Label for another three years. The label's criteria have been updated and extended following the introduction of ISO 20400, the international standard on sustainable procurement. In addition to the label, the Group has achieved a "convincing" level of maturity under the standard.

The average payment time for the Tourism France scope is 46 days. The increase of five days is largely due to the two entities at head office which have been added to the scope of analysis.

Each year, the Purchasing Department polls a representative sample of the supplier panel to ascertain how satisfied suppliers are with their business dealings with the Group. The results of the 2019 survey "Suppliers, your opinion matters" were as follows:

- ◆ 64% of suppliers are satisfied with their business dealings with the Group;
- ◆ more than 85% of suppliers think that the tendering process is clear and fit for purpose;
- ◆ suppliers believe that more emphasis could be given to CSR issues in calls for tenders. The Pierre & Vacances Tourism Committee has therefore approved the CSR criteria for several purchasing categories.

Being a long-term economic partner to the regions

In the construction phase

The Group is keen to have a positive impact on the local economy, for example by partnering with companies based less than 150 km from the point of consumption of services when developing new sites. During the last financial year therefore, 84% of construction purchases were made within 150 km of the construction site (compared with 73% in the previous financial year).

In the operational phase

On average, 32% of purchases made during the operational phase at the five Center Parcs France sites (excluding Villages Nature®) were made within 150 km of the site.

Results

- ◆ The amount spent with suppliers from the protected and adapted sector stood at €316,000 excluding VAT in 2017/2018 (compared with €259,000 excluding VAT in 2017/2018).
- ◆ The 306 suppliers selected by the Purchasing Department during the last financial year were asked to complete various questionnaires to assess their CSR performance. Micro and small enterprises are generally less mature in terms of CSR than medium-sized and large enterprises.

Type of questionnaire	Micro/small and medium enterprises	Medium-sized/large enterprises	Anti-corruption
Percentage of suppliers that responded to the questionnaire	11%	26%	27%
Average score obtained/100	27/100	59/100	39/100

Eco-labelled products made up 31% of the cleaning products available to Pierre & Vacances in 2018/2019, up from 12% in 2017/2018.

4.4.3 Improve the environmental performance of sites

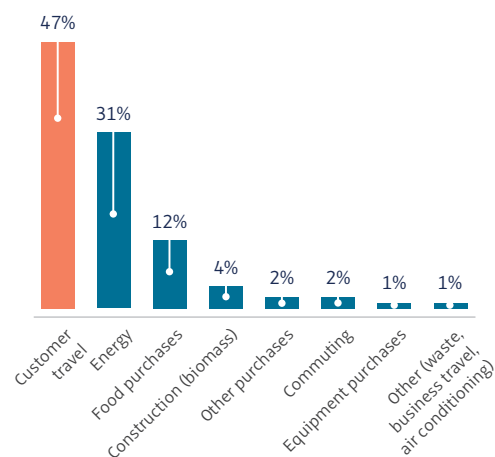
4.4.3.1 Climate action

Context

Climate change is a major challenge for the tourism sector. On the one hand, tourism companies contribute to it by building new facilities, , and by providing transport, lodging and meals for holidaymakers (generating greenhouse gases). The tourism and property development sectors contribute 8% and 30%, respectively, to greenhouse gas emissions in the world. In addition, weather phenomena (decreasing snowfall, natural catastrophes, etc.) are having an impact on the destination choices of tourists.

The carbon assessment prepared by the Group has identified the areas which have the greatest impact (see chart below from the Group's 2016 Carbon Assessment).

Breakdown of CO₂ emissions sources (tCO₂e) - 2016 Carbon Assessment



Customer travel to our sites and energy consumption accounts for nearly 80% of the Group's greenhouse gas emissions.

As a result, the Group has committed to energy transition by:

- ◆ taking action on asset resilience (via building certifications);
- ◆ working to decrease its carbon footprint;

- ◆ including renewable energy sources in new building projects;
- ◆ promoting local tourism.

The group launched its strategy on the reduction of Greenhouse Gas emissions. The results will be disseminated next year.

Policy and action plan

The Group is committed to the fight against climate change throughout the value chain:

- ◆ in the construction phase: by implementing an eco-design approach for the residences it builds. The goal is to achieve environmental performance for buildings which meets the required certification for all new building projects in France (High Environmental Quality) and similar standards for all projects in Europe (DGNB in Germany for instance) and China (in the latter country, the Group provides consulting only) and to include a significant share of renewable energy production;
- ◆ in the operational phase: by monitoring the greenhouse gas emissions generated by the Group's energy consumption and by implementing actions to reduce them.

In the development phase

Three construction projects are under way:

- ◆ the Center Parcs Lot & Garonne Les Landes de Gascogne (400 cottages – delivery in 2021) will be "HQE Aménagement" certified (High Quality Environment certification in building and landscaping) to ensure the project's environmental performance and to address economic and societal concerns (integration in the region, consultation measures, etc.). With respect to the low-carbon strategy, the project intends to provide 80% of the village centre's heating needs with renewable energy (wood heat). The cottages are targeting E+ C- certification which guarantees the energy performance of the buildings and a low carbon footprint. In addition, no air conditioning is planned for the water park or for the cottages – ventilation systems will be installed;

Results

100% of construction projects use renewable energy (the KPI used covers the projects delivered during the financial year. It was not published this year as there were no deliveries).

Volume of CO ₂ emissions from energy consumption managed by the Group	CP		PV		Group	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
Number of sites included in the scope	25	26	159	153	184	179
GHG emissions (in tonnes of CO ₂ equiv.)	161,005	172,808	17,124	17,274	178,129	190,082

Scope: same as energy volumes. Usage by heating networks is not included.
Calculation based on the ADEME Carbon Assessment tool (version 7.5 of 15 January 2016).

Capitalising on the proximity and accessibility of our sites

Since its creation, the Group's strategy has been to promote local tourism by developing tourist sites located near towns and cities. Pierre & Vacances sites are designed for local holidays. When a Center Parcs is designed (regardless of whether it is located in Europe or China), the trading area is calculated based on a

- ◆ although they do not have an environmental certification, the two construction projects in the mountain region, which will be delivered in the winter of 2020/2021, will be energy efficient.

- The Pierre & Vacances Premium residence at Méribel (Hévana) (85 units) is energy efficient as a result of its limited energy loss thanks to compact architecture, mineral wool exterior insulation, high-performance windows and low energy requirements and thanks to its bioclimatic architecture (building oriented to limit heating needs).
- At the Pierre & Vacances Premium residence at Avoriaz Crozats (37 units), 100% of heating and hot water needs will be provided by renewable energy (connection to the Avoriaz wood heating system).

The indicator on environmental certification of construction covers projects delivered during the fiscal year. No project delivery has been made this year, as a consequence it is not published.

In the operational phase

The Group addresses the two main sources of greenhouse gas emissions by:

- ◆ improving the energy performance of sites;
- ◆ promoting local tourism.

Reducing energy use-related CO₂ emissions

Energy use-related CO₂ emissions were up slightly (188,538 tonnes of CO₂e) in 2018/2019. The increase was the direct result of the increase in energy consumption at Center Parcs Europe sites (see 4.3.3).

Actions have been undertaken within each business line to manage energy consumption and promote the use of renewable energies (see Chapter 4.3.3). In addition, the installation of renewable energy equipment is studied for each new project. Center Parcs intends to increase the use of renewable energies (target to be defined); Villages Nature® Paris tends towards carbon neutral on the energy consumption thanks to its use of geothermal energy.

maximum travel time of 2.5 hours. The Group is working to reduce the carbon impact of customer transport in several ways:

- ◆ ongoing research into solutions to facilitate access to its sites via public transport (partnership with the SNCF, ride sharing platform, etc.) and mobility solution alternatives to cars during stays (promotion of bicycle routes, organisation of excursions, etc.);

- ◆ roll-out plan for electric vehicle charging stations on Center Parcs sites. Initiated at the start of the financial year, this programme will provide 100% of Center Parcs with electric charging stations by the summer of 2020. As of the end of this financial year, 52% (13 of 25) Center Parcs are equipped with charging stations for electric vehicles.

The Group is also providing solutions for employee mobility: head office mobility plan in progress, travel policy, shuttles for employees at certain Center Parcs sites. The Group has updated the service vehicle fleet by adding electric and hybrid vehicles.

4.4.3.2 Certification of our villages and residences

Context

Among the changes affecting tourism, increasing collective awareness of environmental and social impacts are major issues that need to be tackled. Customer appetite for information enabling the selection of environmentally-responsible tourist destinations is growing.

Rental category	Sites certified Clef Verte	Percentage of sites certified compared to the total number of sites in the category (in mainland France for PV)
PV Village	9	90%
PV Premium	24	100%
PV	19	22%
Center Parcs (including Sunparks)	5	19%
TOTAL	57	33%

4.4.3.3 Sustainable operation of our sites

Context

According to a 2018⁽¹⁾ study led by Booking.com, over two thirds (68%) of travellers plan to stay in an environmentally-friendly rental, compared to 65% in 2017 and 62% in 2016. This increase shows that our customers expect our residences to be sustainably managed. The heat waves and drought suffered in the summer of 2019 by the countries in which the Group operates (Germany, Belgium, France, Spain and the Netherlands) raised awareness among people of climate issues and of the need to manage water and energy consumption.

Policy and action plan

In order to improve the environmental quality of our sites, the Group is using the leading international environmental label for tourist lodging and restaurants: Clef Verte certification. It guarantees respect for the environment and for people via the implementation of environmental, social and societal criteria. The certification process also encourages certified residences to implement a continuous improvement approach given that improvements are identified during each audit.

The Group has set itself the following goals for the 2018/2019 financial year:

- ◆ Clef Verte certification for all of its Premium and Villages residences in mainland France as part of its "Faisons plus ensemble" environmental policy;
- ◆ certification of all of its Center Parcs resorts (including Sunparks and Villages Nature®) as part of the Naturall program.

Results

- ◆ Pierre & Vacances: 100% of Premium residences and 90% of Villages certified Clef Verte in France.
- ◆ Center Parcs: 100% of resorts certified Clef Verte in France.
- ◆ 33% of Group sites certified.

Policy and action plan

Water use

The environmental policies of the Group's brands provide for:

- ◆ Naturall: a 25% decrease in water consumption (ratio by rental night) between 2010 and 2022;
- ◆ Faisons plus ensemble: a 15% decrease in water consumption (ratio by rental night) between 2014 and 2022.

An experiment was carried out at Villages Nature® Paris to encourage our customers to reduce their water consumption each time they take a shower. Connected shower heads were installed in 57 cottages (114 shower heads). A shower uses an average of 40 to 60 litres of water. Thanks to a light display, the intelligent shower head shows the amount of water used in real time. A red light indicates when the shower has used more than 30 litres of water.

After six months, the experiment results recorded that our customers used an average of 26.11 litres of water for their shower. After raising customer awareness, the volume was reduced by 10% to 23.46 litres on average.

(1) <https://globalnews.booking.com/where-sustainable-travel-is-headed-in-2018/>

Targeted action on sites identified as medium or high risk for water resources (overall risk)

During the year, the Group developed a water stress study using the World Water Resources (WRI) Aqueduct tool for Center Parcs, Pierre & Vacances and maeva.com. The study identified that 29% of sites were located in "very vulnerable" or "vulnerable" areas. These are residences located in Spain, in the Mediterranean basin, and some Center Parcs in Belgium, Germany, the Netherlands and France ⁽¹⁾. A report on the analysis was provided at a Pierre & Vacances Executive Management Committee meeting to raise the awareness of the operational teams. Awareness-raising actions were identified with the teams responsible for facilities management, renovation and the SOGIRE (co-ownership syndicate).

Concrete action was also taken on sites, for example, the installation of a rain water recovery tank at the Amara residence in Avoriaz.

Share of renewable energies gross consumption

	In kWh
Share of renewable energies produced on sites	7.5%
Share of renewable energies purchased (as part of green energy contract)	8.5%
Share of renewable energies (over Center Parcs Europe's total energy consumption)	16.1%

- ◆ the goal of the "Faisons plus ensemble" programme is to reduce the energy consumption per rental night at Pierre & Vacances residences by 20% between 2014 and 2022.

At Center Parcs, the energy management approach is rolled-out jointly with the ISO 14001 (environmental management system) and ISO 50001 (energy management) certification processes.

Pierre & Vacances is continuing to improve its energy efficiency efforts by replacing equipment and carrying out preventive maintenance on installations. This includes, for example, a remote heating management system for the residence at Val Thorens (France) to reduce electricity consumption and a project to monitor water leaks based on threshold alerts at the Saint-Anne de Guadeloupe site.

Actions intended to better manage our energy consumption have been implemented on several Center Parcs sites:

- ◆ installation of a power co-generation system at Bostalsee (Germany) and De Vossemereen (Belgium);
- ◆ installation of a remote metering system at De Eemhof (the Netherlands) to ensure more reliable water and electricity consumption readings;
- ◆ a new air treatment system has been installed in the central equipment at Vielsam and De Haan (Belgium);
- ◆ various technical installations have been improved thanks to the installation of frequency regulators and measurement systems;
- ◆ new, more efficient boilers have been installed at three parks;
- ◆ intelligent thermostats have been installed at Bispingen (Germany).

Energy use

The Group has implemented an energy consumption reduction policy via its brands:

- ◆ The Naturall programme plans to:
 - achieve a 25% reduction in energy consumption per person per night between 2010 and 2022,
 - increase the use of renewable energies (including the production of renewable energy on site and the purchase of green energy).

To date, renewable energy accounts for 16.1% of Center Parcs Europe's total energy consumption (in kWh).

Results and KPIs

Total volume of water and energy used by the sites, managed by the Group	2017/2018			2018/2019		
	CP	PV	Group	CP	PV	Group
Number of sites included in the scope	25	159	183	26	153	179
TOTAL WATER (M³)	3,592,045	1,854,936	5,446,981	4,103,211	1,836,705	5,939,916
Volume of water (m ³)/night ⁽¹⁾	0.86	0.59	0.74	0.92	0.60	0.78
TOTAL ENERGY (IN MWh)	705,963	146,948	852,911	765,253	139,836	905,089
Volume of energy (kWh)/night ⁽¹⁾	170	47	117	171	46	120
Electricity (in MWh)	167,767	112,965	280,732	163,071	106,690	269,760
Gas (in MWh)	493,782	12,176	505,958	544,597	14,635	559,232
Wood heating system & geothermal energy (in MWh)	44,414	0	44,414	57,585	0	57,585
Fuel oil (in MWh)	0	7,187	7,187	0	6,548	6,548
Urban heat (in MWh)	0	14,620	14,620	0	11,963	11,963

(1) Nights: an accommodation rented for one night represents one night, irrespective of the number of occupants.

(1) Given that there is no data from the Aqueduct tool for the sites located in the French West Indies, the island of Réunion, Mauritius and the Greek islands, they have not been analysed.

Pierre & Vacances scope

At Pierre & Vacances sites, there has been a decrease in energy consumption per rental night due to the rise in winter temperatures, resulting in a drop in electricity consumption at our mountain residences. The total volume of energy consumed has decreased due to the reduction in the scope of operations (from 159 to 153 sites). The ratio of volume of water consumed per night has decreased slightly (from 0.59 m³/night to 0.60 m³/night). This increase can be explained mainly by the heat waves during summer (which led to an increase in the volume of water associated with watering).

Center Parcs scope

The increase in water consumption is the result of the high consumption at Villages Nature® (which has the largest outdoor swimming pool of business line Center Parcs), water leaks, water quality issues and renovation work at certain parks. The total volume of energy consumption increased due to the opening of Allgäu and increased occupancy (+7.2%). The volume of energy per rental night remained virtually the same (171 KWh/night compared to 170 KWh/night in 2017/2018) thanks to the investments made (co-generation systems, renovation of certain installations).

The European Center Parcs sites are certified ISO 14001 and ISO 50001, attesting to the efficiency of the energy and environmental management system:

- ◆ 77% of Center Parcs sites are certified ISO 50001;
- ◆ 77% of Center Parcs sites are certified ISO 14001.

This approach was extended to the Sunparks sites in 2018/2019.

4.4.3.4 Reducing waste and promoting the circular economy

Context

The collection and processing of waste generated by operating our sites is one of the Group's major concerns. The average waste produced per customer per night at our Center Parcs sites is 1 kg. Pierre & Vacances customers are aware of the importance of reducing and better recycling waste. They confirmed their desire to improve waste sorting at our residences in our customer satisfaction survey.

Policy and action plan

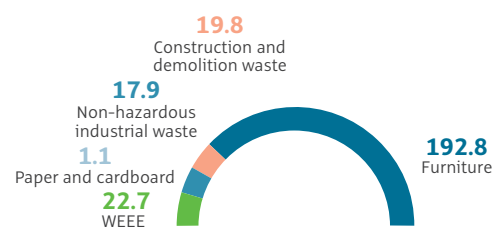
In the construction and renovation phase: ensure the proper management of construction waste

The Group implements waste sorting and recycling at its various construction sites. Although recycling waste is a major concern of the teams, the green construction site approach could not be implemented in the two construction projects under way in France (Hevana, Crozats) for internal organisation reasons.

The renovation projects account for a significant share of the business activity and the Group is implementing a policy to promote the reuse of materials and circular economy.

Furniture and electrical and electronic waste (WEEE) are recycled via specialised channels which are managed by eco-organisations which the Group contacts for each renovation job. In 2018/2019, 254 tonnes (131 tonnes the previous year) were collected via these organisations in France. The increase is the result of improved monitoring carried out during the financial year in France. On average, 194 kg of waste are generated for each renovated flat (see distribution below).

Overall tonnage by type of renovation waste in 2018/2019



In the operational phase

Center Parcs

Our aim is to optimise waste sorting so that we can work together with our waste management providers to recycle a high proportion of our waste. Prompting employees by means of clear communication and operating standards, and raising customers' awareness of best practices to be adopted are just some of the Group's levers for action.

A commitment was made to recycling as part of the Naturall policy: 40% of waste sorted in 2018/2019 and 60% of waste sorted by 2022. The 2022 target includes a reduction in the volume of waste generated (goal of 0.9 kg per customer per night by 2022).

On the Center Parcs sites, cooperation with private waste management service providers means that waste can be monitored at each site. However, the Group is dependent on the reports provided by each service provider. Discrepancies in reporting reliability were observed according to the service providers. Works to improve data reliability are underway.

This target is staggered over the next few years and is included in the environmental programme of each site and in ISO 14001 certification.

Pierre & Vacances

All Pierre & Vacances residences are equipped to enable customers to sort their waste (household waste, cardboard and plastic packaging, glass). The waste is collected by local authority services; Pierre & Vacances does not have any information about quantities. A study was launched during the financial year to obtain a clear picture of waste sorting practices at Pierre & Vacances residences. The results, to be provided in 2020, will enable updating of the services implemented to increase the rate of sorting.

Results

In 2018/2019, the sorting rate across all Center Parcs sites in Europe reached 43% (up compared to the previous year: 39.7%). The increase was due to the very high rate of sorting at the Allgäu (Germany) site which opened in October 2018 and is equipped with a very innovative collection and sorting system.

The volume of waste per night per person is 1.02 kg.

Operations: waste sorting volume and distribution figures

Volume and waste sorting rate – Center Parcs	2016/2017	2017/2018	2018/2019
Number of sites	24	25	26
Total (in tons)	17,190	19,129	19,495
Recycling rate	34%	40%	43%
Volume of waste produced per overnight stay (kg/night/person)	0.99	1.11	1.02

Breakdown by waste type – Center Parcs	2016/2017	2017/2018	2018/2019
Non-hazardous industrial waste – unsorted	66.5%	60.2%	57.0%
Glass	9.1%	11.1%	8.7%
Cardboard/paper	10.2%	10.3%	7.4%
Biodegradable waste	12.0%	8.9%	16.9%
Other non-hazardous waste – sorted	2.0%	9.5%	9.9%
Hazardous waste	0.2%	0.03%	0.2%

Scope: Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany and Villages Nature®.

4.5 Data collection methods

4.5.1 Reporting scope

The reporting reference year runs from 1 October 2018 to 30 September 2019.

The Adagio brand's social and environmental reporting is included in the AccorHotels Registration Document as the brand signed up to that Group's sustainable development programme in 2015/2016.

4.5.2 Reported data

The annual extra-financial performance declaration is based on:

- ♦ employment, environmental, and some societal indicators devised in line with a protocol describing the indicators, in detail, together with a calculation and internal control methods and data collection responsibilities;
- ♦ information and indicators monitored by the departments in question and forwarded for reporting purposes.

4.5.3 Data collection methods

Employment data (Section 4.4.1)

Reporting scope

For employment data, all employees paid by the Group are included, irrespective of the business (property development or tourism) or the brand (Center Parcs, Pierre & Vacances, Maeva, Les Senioriales and Villages Nature® Paris) for which they work and in all five countries where the Group operates (France, Belgium, the Netherlands, Germany and Spain). Teams based outside the EU (China) are not included in the reporting scope. They account for less than 0.4% of the workforce. Lastly, the indicators do not include temporary staff.

Data collection and tools

Control and collection of employment data is managed by Human Resources teams in each country. Various data controllers coordinate raw data collection *via* payroll or HRIS tools, or monitoring tools specific to each country. Indicators are then consolidated by country and on a Group-wide basis.

Environmental data (Section 4.4.3)

Reporting scope

For environmental data, the reference scope consists of all of the Group's operational units marketed for over a year as at 30 September 2019, with the exception of Les Senioriales (where water and energy use is not managed by the Group) and Maeva time-share residences. With regard to Villages Nature® Paris, water, energy and waste data are incorporated in Center Parcs Europe data. Sites and residences marketed but not operated (maeva.com, franchises, etc.) are not included in the reporting scope.

Data collection and tools

- ◆ Across Pierre & Vacances sites, the Group consolidates water and energy use for which joint owners under lease agreements are responsible. Volumes of water and energy consumption are for the Group's share of each site. Data is supplied by ICARE – the internal energy use management tool. Data is reported by the sites. The strategic support team at head office monitors water and energy consumption at the sites, performs budget reconciliation and analyses differences. It also supports regional maintenance managers in producing assessments and alerts them in the event of abnormal, unexplained changes.
- ◆ The concept of shared use does not apply to Center Parcs. Water and energy use and waste production are monitored weekly and monthly by the energy coordinator for each site. Monthly data are verified by an internal expert who analyses and consolidates the data and monitors targets for all European sites. Center Parcs sites will use the Icare software from 2019/2020 to collect water, energy and waste data.
- ◆ As with Center Parcs Europe, Pierre & Vacances environmental data (in m³ or in kWh) are reported by number of overnight stays: an overnight stay corresponding to a unit rented for one night, regardless of the number of occupants.

Societal data

(Sections 4.1.4, 4.3.4 and 4.4.2)

Purchasing, customer satisfaction and construction data are supplied directly by the departments in question which consolidate these indicators so that they can be managed and the scope is the same as for environmental data. It should be noted that the Purchasing Department introduced a responsible purchasing policy based on a number of quantifiable indicators and targets which are monitored and implemented through specific action plans.

Find the details of the summary protocol of the CSR report on www.groupepvcp.com, Sustainable Development section.

4.6 Independent Third-Party Body report

Report from the Independent Third-Party Body on the Consolidated Non Financial Performance Statement in the Management Report

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity Pierre et Vacances, we present our report on the consolidated non-financial statement established for the year ended on the 30th September 2019 (hereafter referred to as the "Statement"), presented in the management report pursuant to the provisions of the Article L. 225 102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code (Code de Commerce).

Responsibility of the entity

It is the responsibility of the Board of Directors to establish the statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and available on its website⁽¹⁾.

Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of the Article L. 822-11-3 of the French Commercial Code (Code de Commerce) and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work, to express a limited assurance conclusion on:

- ◆ the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- ◆ the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

Nonetheless, it is not our responsibility to express any form of conclusion on:

- ◆ the compliance by the entity with other applicable legal and regulatory provisions, particularly regarding the vigilance plan and the fight against corruption and tax evasion;
- ◆ the compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below has been carried out in accordance with the provisions of articles A. 225 1 *et seq.* of the French Commercial Code determining the procedures in which the independent third party conducts its mission and according to professional standards as well as to the international ISAE standard 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

(1) <http://www.groupepvcpc.com/> section « publications »

The work that we conducted enables us to assess the compliance of the Statement with the regulatory provisions and the fairness of the Information:

- ◆ we took note of the activity of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, if applicable, its effects regarding compliance with human rights, the fight against corruption, tax evasion as well as the resulting policies and their results;
- ◆ we assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- ◆ we verified that the Statement covers each category of information provided in III of Article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion;
- ◆ we verified that the Statement includes an explanation justifying the absence of the information required by the 2nd paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- ◆ we verified that the Statement presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation; including if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, including key performance indicators;
- ◆ we verified, when relevant to the main risks or the policies presented, that the Statement presents the information provided for II in Article R. 225-105 II of the French Commercial Code;
- ◆ we assessed the process of selecting and validating the main risks;
- ◆ we inquired about the existence of internal control and risk management procedures put in place by the entity;
- ◆ we assessed the consistency of the results and the key performance indicators selected regarding the main risks and policies presented;
- ◆ we verified that the Statement includes a clear and reasonable explanation for the absence of a policy regarding one or more of these risks;
- ◆ we verified that covers the consolidated scope, i.e. all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;
- ◆ we assessed the collection process put in place by the entity for the completeness and fairness of the Information;
- ◆ we implemented the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions,
 - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of contributing entities listed below: the entity Pierre et Vacances France, specifically the Ouest Campagne Operational Direction and the sites Pierre et Vacances La Petite Venise and Le Clos d'Eguisheim, and the entity Center Parcs Germany, specifically the site of Center Parcs Bostalsee, which cover 23% of the workforce and 34% of the energy consumptions;
- ◆ we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1;
- ◆ we assessed the overall consistency of the Statement with our knowledge of the entity;
- ◆ we consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our verification work mobilized the skills of five people and took place between September and November 2019 on a total duration of intervention of about seven weeks.

We conducted about ten interviews with the persons responsible for the preparation of the Statement, in particular the directions of CSR, environment, human resources, health and safety, risks, procurement, development (France and international).

Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the non-financial statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

Comments

Without qualifying our conclusion above and in compliance with the provisions of Article A. 225-3 of the French Commercial Code (*Code de Commerce*), we express the following comment: Group definitions are not sufficiently shared with consolidated entities, particularly at the international level and regarding renewable energy, turnover and health and safety indicators.

Paris-La Défense, 18 December 2019

Independent Verifier
EY & ASSOCIÉS

Philippe AUBAIN
Associate Director sustainable development

Jean-François BELORGEY
Partner

Appendix 1: The most important information

SOCIAL INFORMATION

Quantitative Information (including key performance indicators)

Average yearly headcounts, turnover, return rate of seasonal workers.
Frequency rate, accident severity rate.
Average number of training hours per employee trained.

Qualitative Information (actions or results)

Employment (attractiveness and retention).
Health and safety.
Training.

ENVIRONMENTAL INFORMATION

Quantitative Information (including key performance indicators)

Energy consumption per rental night.

Percentage of renewable energy in the global consumptions of Center Parcs.
Greenhouse gas emissions in Tons of CO₂ equivalent linked to energy consumption managed by the Group.
Water consumption per rental night.
Waste sorting rate on Center Parcs.

Qualitative Information (actions or results)

Center Parcs "Naturall" and Pierre & Vacances "Faisons plus ensemble" policies.
The monitoring of energies, including green energies.
Waste Management during renovation and exploitation phase.
The protection of water resources.
The protection of biodiversity.

SOCIETAL INFORMATION

Quantitative Information (including key performance indicators)

Qualitative Information (actions or results)

Management of the impact of new developments (local acceptance, energy efficiency, environmental certification, available surfaces).
Sustainable procurement.
Owners' relationship management.
Fight against food waste.

4.7 Concordance tables

Table of Concordance of the Elements Required by the Non-Financial Statement

Topics	Chapter
Business model description	Chapter 1 of the URD
Description of the major risks related to the group's activity	Chapter 2 of the URD
Human rights	4.1.4.3
Fight against corruption	4.1.4.3
General Data Protection Regulation	4.1.4.3
Climate change	4.4.3.1
Circular economy	4.4.3.4
Food waste	4.2.2
Collective agreements in force	4.4.1.6
Fight against discrimination	4.4.1.5
Societal commitments	4.3.4
Tax evasion	4.1.4.3
Fight against food insecurity; respect for animal welfare; responsible, fair and sustainable food	4.2.2

4.8 Vigilance plan

4.8.1 Regulatory framework

The Pierre & Vacances-Center Parcs Group has implemented a vigilance plan in line with the French duty of care law for parent and subcontracting companies.

The plan contains reasonable vigilance measures to identify risks and prevent violations of:

- ◆ human rights and fundamental liberties;
- ◆ personal health and safety;
- ◆ the environment.

It targets the major risks resulting from the business activities of the Group and of the companies controlled by the Group as well as the activities of subcontractors and suppliers with which there is an ongoing commercial relationship.

Governance

The plan and its components are applicable to all Pierre & Vacances Group brands. It is designed in cooperation with the representatives and managers of the Group departments: Purchasing, Legal, Sustainable Development, Human Resources and Risk Management.

4.8.2 Risk mapping

Methodology

Risk mapping for the duty of care has been developed using the following sources:

- ◆ a materiality analysis of the Group's sustainable development challenges (2016);
- ◆ business risk mapping;
- ◆ CSR risk mapping (updated in 2019);
- ◆ the ethical alert system (2019).

4.8.3 Procedures to assess the situation of brands, subcontractors and suppliers

4.8.3.1 Pierre & Vacances-Center Parcs Group

Organisation of the internal controls for business and labour law risks

The Group's activities are subject to the risks related to its type of business. Internal controls are organised as follows to prevent the risks:

- ◆ the Legal Department intervenes upstream to secure the Group's legal commitments and monitors disputes involving all of the operational subsidiaries;
- ◆ Group Internal Audit, in partnership with the Legal Department, monitors the Group's risk mapping and works with the different business units to prepare the annual audit plan and via missions requested by General Management. The missions and topics dealt with may affect all of the Group's businesses and subsidiaries;
- ◆ together with Group Internal Audit and the Operational Control team, the Operational Finance Department takes an active role in financial audits as well as in social and regulatory audits related to the tourism operations of the residences in order to protect human capital and ensure compliance with the laws and regulations in effect. These audits are mainly carried out on the operating sites (residences or villages from all the brands). The choice of sites audited is decided by Group Internal Audit based on the type of site and on specific criteria.

Operational risks organisation

PVCP Group assessment procedures

The Group has included procedures and action plans in its CSR roadmap to assess and prevent the risks related to duty of care. The system is described in the following sections of the Universal Registration Document.

Risks related to the duty of care	Sections in the registration document
Human rights	4.1.2 Listening to our stakeholders
	4.1.4 Responsible governance and ethical practices
	4.3.4 Supporting general interest projects that benefit local populations
Health and safety of employees and customers	4.4.1.7 Ensuring the health and safety of our employees
	4.4.1.3 Fostering employee engagement and satisfaction
	4.4.3.1 Climate action
The environment	4.4.3.2 Certification and labelling of our villages and residences
	4.4.3.3 Sustainable operation of our sites
	4.4.3.4 Reducing waste and promoting the circular economy

The Operational Department of Center Parcs Europe and Pierre & Vacances Tourisme is made up of operational security experts (water quality, fire prevention, etc.) who coordinate the health and safety policy on the sites for all customers and employees and take all necessary steps (training, operational audits, crisis management).

Center Parcs and Villages Nature®

Risk management is organised by country. A Risk Manager is the national contact for the operational teams in each country and monitors legal and regulatory requirements and changes at local and national level. The operational risk management process is based on the ISO 14001 standard and on an HSE (Health, Safety, Environment) management system.

4.8.3.2 Suppliers and subcontractors

The Pierre & Vacances-Center Parcs Group has implemented a Responsible Purchasing policy which consists of:

- ◆ alignment of the responsible purchasing policy and strategy with the CSR objectives set by the Group;
- ◆ risk management and opportunities to define priorities and action plans;
- ◆ the implementation of an approach to prevent corruption, notably via the signature of an ethics code by all Group purchasers.

The objective of the policy is to secure the supply chain to reduce risks (reputation, licence to operate), promote local purchasing (development

Pierre & Vacances and Maeva France and Spain

The Operational Risk Manager – Prevention and Security, manages risk in France and Spain. Regional prevention and security officers represent this manager on the ground and ensure the smooth roll-out of defined procedures. Each Pierre & Vacances and Maeva site has a single regional contact person, i.e. a prevention and safety officer, for all risk areas identified.

In Spain, a risk prevention tool enables each site to perform a risk analysis and produce a “Document Unique des Risques” (risk report).

Results

- ◆ 112 “Health, Safety and Environment” audits led on the scope Pierre & Vacances Center Parcs.
- ◆ The Group did not carry out any social audit during the financial year because it has no new suppliers in China.

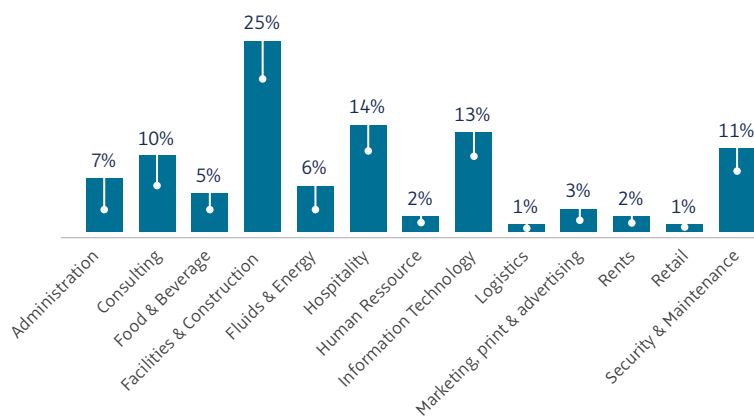
of channels and contribution to local employment) and to commit to a sustainable and balanced relationship with partners and subcontractors.

Assessment of the CSR performance of suppliers

Local cleaning (SME/VSE), laundry, construction and furniture (related to the Construction business) service providers account for a significant share of Group suppliers.

The Group’s expenditures break down as follows:

Breakdown of Group purchasing by category



When a supplier is selected by the Purchasing Department, the supplier or subcontractor must answer one of several questionnaires assessing its CSR performance.

- ◆ The SME/VSE questionnaire is based on ISO 26000: the questionnaire consists of 10 questions which assess the maturity level of the smallest suppliers without penalising them when compared to larger companies.

- ◆ The CSR questionnaire based on ISO 26000: this questionnaire consists of 16 questions. It is intended for ISEs and large companies and asks them to document their actions. The two questionnaires cover matters relating to the environment, employment, ethics, human rights and responsible purchasing.
- ◆ The anti-corruption questionnaire: based on the Sapin 2 Law: this questionnaire has 17 questions. It assesses the supplier’s compliance with the Sapin 2 law. It is sent to medium-size and large companies.

- ◆ The questionnaires are sent via the self-assessment platform (ACESIA). The results do not condition the selection of a supplier or service provider. On the other hand, this step is required to establish a contract with the supplier. In addition, the results obtained are valid for the duration of the contract.

Results

- ◆ 167 suppliers answered to CSR questionnaire.

- ◆ The amount spent with suppliers from the protected and adapted sector stood at €316,000 excluding VAT (compared with €259,000 excluding VAT in 2017/2018).

Supplier audits

Pierre & Vacances-Center Parcs carries out checks via independent auditors. This is notably the case for Chinese suppliers. 100% of all Chinese suppliers were audited in 2018. A suitable monitoring action plan was implemented by the Purchasing Department to track the audits.

4.8.4 Risk mitigation and serious harm prevention actions

4.8.4.1 Pierre & Vacances-Center Parcs Group

Crisis management

The Group has implemented a specific crisis management organisation to ensure the handling of any situation with the potential to endanger its employees, its customers, its interests and/or its reputation. This specific crisis management system consists of a dedicated, multi-disciplinary team headed by the Operational Risks Department.

4.8.4.2 Suppliers and subcontractors

Training

- ◆ In 2018, 100% of all Group purchasers received awareness training about CSR issues and new responsible specifications for purchase categories said to be "at risk".
- ◆ The Code of ethics and the charter of best purchasing practices were signed by all purchasers.

Inclusion of CSR in calls for tender

CSR criteria are included in calls for tenders for certain categories of purchases in order to impact the contract agreed with the supplier or service provider. The criteria are the result of the risk mapping done for the Group's supply chain. The compulsory criteria reflect the operational implementation of the Group's CSR objectives. Compliance with the criteria is a prerequisite for access to the tender. An escalation procedure is initiated when a supplier does not meet the criteria. It provides for a meeting between the CSR Department, the person in charge of the call for tenders and the Purchasing Department to find a compromise.

CSR clause in contracts

A CSR clause is included in the consultation rules covering the terms and conditions of calls for tender and is signed by all buyers. The clause is included in all purchasing contracts and is available in French and English.

4.8.5 Alert and whistleblowing mechanism

The Group has implemented an internal alert system available to all employees with access to KIT+. The Group provides its employees with a mechanism to report any occurrences of fraud or corruption via this system.

The alert system has been active since March 2019. It will be extended to the countries in which the Group operates (Belgium, the Netherlands, Germany, Spain) and, at a later time, to all Group stakeholders.

4.9 Table of key indicators

Corresponding CSR risks/opportunities	CSR policy area	Scope	Policy/objective	KPI	Results	
					2017/2018	2018/2019
Sites close to nature and local communities (opp.)	Using sustainable development to enhance the customer offering and experience	CP	To offer one nature activity at 100% of sites by 2020	Proportion % of sites offering nature activities	75%	92%
		PV	To offer one nature activity at 100% of sites	Number of children who took part in a nature activity (children's club)	-	4,586
Site search Damage to ecosystems Stakeholder relations	Creating environmental/economic/social value in the communities where our sites are located	Construction France	To adopt a consultative approach commensurate with the scale of the development and the local context (> 100 housing units with significant environmental issues at stake)	% of developments for which a local the appropriate consultation was conducted	80%	77%
		Construction France	To consider the environmental sensitivity of the sites	% of developments projects (>100 housing units situated in undeveloped areas) for which a preliminary environmental study was carried out	60%	66%
		CP	To have a dedicated management plan for 100% of sites	Proportion % of sites with a dedicated plan to manage green spaces	75%	58%
		Group	To incorporate CSR criteria for high-risk purchasing categories	% of high-risk purchasing categories covered by responsible specifications	100%	100%
		Construction Europe	To monitor and optimise our local construction purchases and set targets for our flagship projects	% of local purchases during construction phase	73% (France scope)	84% (France scope)
		CP France	To monitor and optimise our local operational purchases	% of local purchases during operational phase	24% (scope CP France)	32% (scope CP France)
Recruitment and retention of employees	Attracting and growing (retaining) talent	Group	To monitor and manage employee safety -30% accident rate at PV France (2022)	Rate of workplace accidents	32.2	34.9
				Severity rate of workplace accidents	1.38	1.47
Health and safety of employees and customers		Group	To develop our employees' skills	Average number of training hours per employee	9.19	11.4
				% of employees trained	60%	63%
		Group	To monitor and improve employee satisfaction	Satisfaction rate in the Happy@Work satisfaction survey	(no survey in 2017/2018/ survey every two years)	82%
		PV		Rate of retention of seasonal workers*	45%	49.8%
Group		Turnover	19.1%	20.8%		
Group	To guarantee equal opportunities	Share % of female managers	52.9%	53.1%		

Corres-ponding CSR risks/oppor-tunities	CSR policy area	Scope	Policy/objective	KPI	Results	
					2017/2018	2018/2019
Water resources	Being exem-pleary in the course of our business	PVD	To obtain eco-certification for 100% of new property developments	% of projects delivered with an environmental building certification	100%	NC*
Damage to ecosystems		CP	To obtain ISO 14001 certification for 100% of CP sites	% of CP sites with ISO 14001 certification	80%	77%
Waste management		CP	100% of CP sites awarded the Clef Verte label	% of CP sites awarded Clef Verte certification	20%	19%
Energy performance				% of PV Premium sites awarded the Clef Verte label	92% (France excluding overseas departments)	100% (France excluding overseas departments)
Climate change resilience		PV	100% of Premium and Villages sites awarded the Clef Verte label	% of PV Villages sites awarded the Clef Verte label	84% (France excluding overseas departments)	90% (France excluding overseas departments)
				% of PV sites awarded the Clef Verte label	35%	36%
				% of Group sites awarded the Clef Verte label	29%	33%
		CP and PV	To obtain an eco-label for sites in operation	% of Group sites awarded the Clef Verte label or ISO 14001 certified	41%	45%
		CP	To reduce energy consumption by 25% by 2022 (2010 baseline) 2010 baseline = 172.3 KWh per overnight stay)	Energy use per overnight stay (in kWh) Percentage reduction (2010 baseline)* since FY2017/2018, calculated on the basis of consumption per overnight stay and no longer per person per night	170 KWh/night -1.3%	171 KWh/night -1.2%
		PV	To reduce energy consumption by 20% by 2022 (2014 baseline) 2014 baseline = 46 KWh per overnight stay	Energy use per overnight stay (in kWh) Percentage reduction (2014 baseline)	47 -16%	44 -21%
	CP	To reduce water consumption by 25% by 2022 (2010 baseline) 2010 baseline = 0.932 m3/night	Ratio (m ³ /overnight stay) Percentage reduction	0.86 m ³ /night -7,7%	0.92 m ³ /night -1,3%	
	PV	To reduce water consumption by 15% by 2022 (2014 baseline = 0.59 m ³ /night)	Ratio (m ³ /overnight stay) Percentage reduction	0.59 -14%	0.60 -10,4%	
	CP	To ensure that 60% of operational waste is recycled by 2022	% of waste sorted	39.8%	43%	
	Construction France	To monitor construction waste	% of waste separated on site	-	data not collected this year	
	Renovation France	To monitor waste separation at renovation sites	% of renovation waste recovered	-	85%	
	Group	To assess the Group's carbon footprint	Group carbon footprint on energy	178,129 tCO ₂ e	190,092 tCO ₂ e	

Corres-ponding CSR risks/oppor-tunities	CSR policy area	Scope	Policy/objective	KPI	Results	
					2017/2018	2018/2019
Quality of our stakeholder relations	Satis-faction of our Customers and Owners stakeholders	CP	To monitor the satisfaction rate	Net Promoter Score	1.8%	3.2%
		PV	To monitor the satisfaction rate	Net Promoter Score	15.1%	21.3%
	Group	To monitor the lease renewal rate	Lease renewal rate	76%	83%**	

* No project delivered during the financial year.

** Result based on an estimate for a site where operations are ongoing.

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