A world pioneer in tourism, an active contributor to local development

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1 Respecting cultures and people

Respect for the host country and its population is one of the guiding principles of Club Med. Already in 1952, the Club was for instance writing to its GMs in "Le Trident": "It is absolutely essential that, when travelling to Italy, Yugoslavia or Greece, the Club be synonymous with good manners, courtesy, sociability, and, above all, impeccable conduct."

Our concern of respect regards all of the riches found in the countries that host our Villages, starting by the most precious of them, its children...

1.1 Inform clients against sex tourism working with ECPAT

Since 2005 Club Med has been committed to fighting against child sex tourism with ECPAT, an NGO devoted to combating sexual exploitation of children around the world.

With help from ECPAT, Club Med was the first tourism operator to produce its own information and prevention publication on these issues and to mail it directly to its clients. Since 2005, almost 600,000 leaflets have been sent to the homes of its French clients travelling to sensitive destinations; awareness-raising is also undertaken on the sales website of several countries, including France and the US.

[www.ecpat-france.org](http://www.ecpat-france.org)

Since 2007 Club Med has also regularly supported the "Dire NON" (Say No) competition designed to raise the awareness of Tourism students on this issue.
1.2 Preventing child exploitation in the field

In the field of prevention in the field, since 2006 Club Med supports the Atfalouna charity, founded in 2003 in Marrakech to aid the city’s street children and ensure their physical and mental health. It works to reintroduce them to society and family life by providing accommodation, medical care, literacy education, training, and awareness of their rights... all with the ultimate aim of rebuilding the links between children and their families and bringing them back together.

1.3 Inform about responsible tourism: Responsible Travel Guidelines

"Where happiness means the world, and respecting it...

When you show respect, you invite respect.

In all Villages, the Discovery Area posts and supplies GMs with guidelines raising awareness of the need to respect the host populations, their culture, the environment and the local economy. The guidelines are adapted to the relevant country and are available for each host country in both English and French.
2 Contributing by employing locally

2.1 Upskilling and developing the employability of local staff

The variety of activities on offer in a Club Med Village explains the high number of jobs created, compared to Tourism standards. Almost three-quarters of the jobs we create are filled by local people:

The use of local subcontractors also makes a major contribution to strengthening the local economic and social fabric, as do indirect jobs, even though these benefits are harder to measure accurately.

The upskilling and employability of local staff is a priority for the Group, which implements a training policy especially designed to promote geographical and professional mobility.

In 2011, a little over 9% of GEs ("Gentils Employés" or kind employees), i.e. those doing traditional hospitality activities, worked in a country other than their home country.

<table>
<thead>
<tr>
<th>Proportion of local jobs in the villages (scope: World)</th>
<th>At Aug. 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Local GO/GE jobs</td>
<td>73.60%</td>
</tr>
<tr>
<td>International GO/GE jobs</td>
<td>26.40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development of GEs (scope: World)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments carried out in Village</td>
</tr>
<tr>
<td>Number of GE assessments carried out</td>
</tr>
<tr>
<td>% of GE positions assessed</td>
</tr>
</tbody>
</table>

| Training of assigned GEs                              | 2007       | 2008       | 2009       | 2010       | 2011       |
| % of GEs trained                                      | 20.40%     | 21.88%     | 22.17%     | 33.55%     | 35.76%     |
3 Contributing through local purchases

The presence of a Club Med Village naturally generates economic and social spin-off benefits for its host region. The Club considers that merely acknowledging these positive secondary outcomes is not enough, but rather seeks to maximize and develop them. The Green Globe certification approach covering all areas of sustainable tourism reinforces and supports a policy of responsible purchasing and, in particular, local purchases.

3.1 Preferring to purchase local goods, products and services

The vast majority of goods and materials bought throughout the year by a Club Med Village are purchased from suppliers in the host country. The average rate has stood stable around 95% ever since it started to be monitored.

Even though some of these purchases (the precise proportion of which cannot currently be assessed) may have been imported by our local supplier, this rate of local purchases demonstrates Club Med's commitment to work with local producer and distributor partners wherever possible. This commitment is a strong guideline of the Purchasing policy.

Club Med works to develop local purchases of small hotel equipment, fruit and vegetables and regional delicacies such as cheese and meat products in Savoie, olive oil from the olive grove in the Village in Opio, fish and seafood at La Palmyre, exotic goods in the Caribbean and Mauritius.

Local purchasing is preferred for local goods and services whenever possible (supplier's ability to deliver to Club Méditerranée quality and quantity requirements).

3.2 Supporting entrepreneurship: the partnership with Agrisud

Since 2008, Club Méditerranée has funded study and support projects in several villages worth 240,000 euros Club Med is the Agrisud NGO’s main partner in the tourism industry.

For almost twenty years, the Agrisud NGO has been committed to fighting against poverty and ensuring food safety on behalf of the deprived populations of many Southern hemisphere countries. It supports these populations in the creation of very small sustainable family farms selling their produce on the local markets. It also has an eco-responsible approach and promotes practices that reconcile local development and low pressure on the environment. Club Med signed a partnership agreement with Agrisud in 2008 allowing it to operate around its Villages to ensure that Club Med
can purchase produce more regularly from small local farmers and thus contribute to reducing their insecurity and supporting the local economy. For instance, Agrisud supported and trained 150 market gardeners in Casamance, in both agro-ecological techniques and the organisation of the marketing of their produce, to the point where our Cap Skirring Village now primarily purchases its vegetables not in Dakar but from these growers, whose daily life has improved lastingely because of this opportunity. Similar projects are being implemented in Brazil, Morocco and Tunisia.

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**Senegal, support for market gardeners in Casamance**

This first project undertaken with Agrisud made it possible to turn professional almost 200 women market gardeners from the Cap Skirring area and develop the Cap Skirring's Village vegetable purchases from them. For the 2011-2012 season, deliveries amounted to almost 9.3 tonnes of quality produce (i.e. 21% of vegetables procured by the Club Med Village), an offer multiplied threefold against the previous season and diversified (21 different vegetables).

Working with the Club Med village procurement departments, communication actions were organised before the clients:

- Exhibitions in the restaurant present the project and the products once a week: this occasion is much appreciated by both the market gardener women, for whom it is an opportunity to talk about their work with the clients, and the clients, who can discover something of the origin of the products the consume;

- Clients are invited to visit the market gardens, where they can see the fruit and vegetable production methods and the women supported by the project;

- A book of recipes based on the produce grown in the gardens, combined with portraits of the women, was created in 2011 and sold during the 2011-2012 season. The benefits were entirely used to fund Agrisud projects.
Morocco: support for fruit-growing operations near Marrakech

The project started in 2010 aims to take small fruit-growing operations to professional level, allowing them to add more value to their production. The first phase was implemented over 18 months (mid-2010 to end 2011) in the Cercle d’Asni (El Haouz Province, South Morocco).

- 16 very small farms (TPE) received technical, economic and organisational reinforcement
- 1 agro-ecological cooperative was created to ensure the Project has lasting results
- 796 tonnes of fruit were produced in the 2011 campaign (i.e. +26% against 2010)
- 59% of the fruit produced was first class (all varieties)
- 2 tonnes of fruit are sold to the Marrakech Club Med village
- the machine is in motion: over 30 operations wish to join the programme

Brazil: support for the organisation of a farmers' collective near Rio

Club Med started making purchases from the Serorgânico collective in the summer of 2011, after the collective received support from Abio, Agrisud’s local partner, involving:

- a both individual and collective approach to help producers better to overcome the difficulties linked to their activity: management of the workforce and workload, technical issues (fertility, tillage, irrigation, etc.), logistics issues (produce transport), financial issues (working capital or reserve) and formalisation of the producers’ collective,
- training in the setting of prices gives the producers a frame of reference to identify profitable products and allows them to negotiate the prices better.

There are multiple interests in this for Club Med (substituting existing products by similar items from small producers, extending the range to new products, innovation), as there are for the producers, who appreciate the support and training received. Agro-ecological practices are an effective and sustainable response to producers’ problems. These practices make it in fact possible to reduce the risks of drought and cut back or completely eliminate use of the tractor. Agro-ecology thus helps limit dependency from the outside and will result in greater autonomy for all producers.
In 2012, the first Agrisud missions made it possible to:

- identify the current offer of products on the island and its potential in the short, medium and long-term;
- determine the circuits to implement for each product (direct, short and sometimes long circuits);
- identify part of the criteria of the specifications for benchmarking.

### 3.3 Contributing by preventing counterfeiting

Counterfeiting encourages undeclared employment, stifles the economic growth of the country, inhibits local creativity, and infringes all employment and environmental standards and thus completely hinders the possibility of healthy and sustainable local development. Club Méditerranée is committed to combating this damaging practice, and in June 2007 signed a partnership agreement with UNIFAB (Union des Fabricants), a French anti-counterfeiting organization representing more than 400 companies.

Awareness-raising campaigns for staff and GMs continue in particular through training courses in Sustainable Tourism for Club Med Discovery guides and deployment of Green Globe certification of the Villages.
4 Contributing by transferring skills

Its international vision and culture of innovation have often led Club Méditerranée to introduce, in some countries, practices and techniques that were previously absent.

For example, in 1978, the largest array of solar collectors in Europe was to be found at... the Les Boucaniers Club Med Village in Martinique!

4.1 Eco-friendly wastewater treatment systems via Jardins Filtrants® filtering gardens

In 1973, Club Med was the first to build a wastewater treatment plant on the island of Mauritius, as part of the La Pointe aux Canonniers Village construction project. In 2006, it also installed a totally groundbreaking and eco-friendly wastewater treatment system in its second Village on Mauritius, la Plantation d'Albion.

The Jardins Filtrants (filtering gardens) process approved by the island's Ministry for the Environment is the first in Mauritius, and represents an enormous advance in government thinking. Its simplicity and financial appeal (lower upfront costs than a conventional treatment plant, as well as lower operating costs) make this a model that could easily be duplicated throughout the region.

This innovation received the special mention in the “Cost-effective Clean Technologies” category of the 2009 Edition of the Prix Entreprises & Environnement awards given out by the French Ministry of Ecology, Energy, Sustainable Development and land use planning (MEEDDAT) and the French Environment and Energy Management Agency (ADEME).

Information panels help inform the clients of this process, further increasing its "showcase" effect. Visits of the site have allowed the producer of this technology to spread it, particularly in Asia.

In 2011, a second wastewater treatment plant using Jardins Filtrants® was set up at the Yasmina Club Med in north Morocco.
4.2 Cap Skirring waste processing centre

The waste sorting and recycling expertise gained as a result of constructing the Cap Skirring waste processing centre sets the benchmark for West Africa, and could be duplicated in other rural communities in the future.

4.3 Co-financing of the Agrisud agro-ecology manual

Under its partnership with the AGRISUD NGO, in 2010 Club Méditerranée co-funded the printing of an agro-ecology manual targeting agricultural production, family or cooperative structures in developing countries. In this way it proposes to contribute to the upskilling of local producers in the field of sustainable agriculture.
4.4 With INRA fighting the propagation of red palm weevil

In 2011, confronted with the rapid propagation of the red palm weevil in the Mediterranean basin, an INRA (French National Institute for Agricultural Research) scientist specialising in these insects taught a course for our technical staff, landscape gardening providers and the staff of neighbouring hotels, ensuring these regions benefited from the best detection, prevention and treatment means to eradicate this insect.
5 Beyond contribution: solidarity

5.1 Almost 30 years of solidarity with the Club Méditerranée Foundation

Club Méditerranée Foundation was created in 1978 and aims to promote voluntary work and transfer of employees’ skills for solidarity missions, as well as recycling all Club Med equipment that can be of use to the associations. 2,200 volunteer GOs are currently working under its aegis in support of children, social action, education and reinsertion through sport near its Villages or Offices throughout the world.

At the Paris head office and branch offices (Saint-Ouen, Lyon, Brussels, Milan, Johannesburg) the volunteers get together to visit sick children at the Robert Debré Hospital, provide school support, show films for Restaurants du Cœur charity beneficiaries. Others take part in one-off operations such as solidarity car boot sales, teaching workshops and/or gift-wrapping operations for the benefit of charities such as Aides, Arcat, Apprentis d’Auteuil, etc.

Another form of volunteer work is also possible: Solidarity Leave. The Club Méditerranée Foundation encourages its employees to carry out volunteer work through fortnight-long missions in the field, working with people in precarious circumstances. Today, recurring missions teaching French are carried out in Morocco, in Marrakech and at Yasmina.

<table>
<thead>
<tr>
<th>D4 – Support and donation to communities (in K€)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget of the Club Méditerranée Foundation</td>
<td>114</td>
<td>114</td>
<td>114</td>
</tr>
<tr>
<td>Value of working hours of GOs and GEs</td>
<td>90</td>
<td>73</td>
<td>61</td>
</tr>
<tr>
<td>Value of volunteer work outside working hours</td>
<td>195</td>
<td>74</td>
<td>116</td>
</tr>
<tr>
<td>Donations</td>
<td>92</td>
<td>93</td>
<td>59</td>
</tr>
<tr>
<td>Club Méditerranée Foundation Total</td>
<td>491</td>
<td>354</td>
<td>350</td>
</tr>
</tbody>
</table>

Reporting according to Global Reporting Initiative guidelines (indicator D4 of GRI 3 Tour Operator) only concerns the Foundation budget excluding actions undertaken by the Sustainable Development Division and the sites.
5.2 Foundation corners addressed to the GMs

In order to respond to GMs' ever growing demand for ways to take part in solidarity actions, the Club Méditerranée Foundation, whose missions usually rely on volunteer work and transfer of employees' skills, has created specific places where it collects donations in kind from the GMs.

The first "Foundation corner" was created in 2006 in Senegal in the Cap Skirring Village. Others opened subsequently in September 2007 in Marrakech and Agadir in Morocco, then in 2008 at Pointe aux Canonniers on Mauritius, in Cancun in Mexico, at Punta Cana in the Dominican Republic, and in Luxor in Egypt. In 2009, two new corners opened in Phuket in Thailand and at Itaparica in Brazil. In 2010, it was Djerba la Douce's turn. Two new corners were created in 2011, one in Yasmina in Morocco, and one in Yabuli in China. In the pipeline for 2013 is the opening of two additional Foundation Corners in Belek in Turkey and in Guilin in China...

European clients are informed of local needs in terms of schoolbooks and school supplies or items for babies and toddlers on the holiday documents sent three weeks prior to departure, or on the website www.clubmed.fr/lafondation.

The needs are identified earlier on by the Foundation working with a charity, a school or an institution based near the Village with which it signs an agreement for a minimum term of 3 years. Located at the heart of the "Discovery Areas" in the Villages, the "Foundation Corners" are equipped to receive the donations in kind made by the GM.

5.3 Launch of "Friends of the Club Méditerranée Foundation" in June 2012

Since 2006, clients can join our 2200 volunteer employees in supporting Club Med's responsible action, by handing in material donations at the Foundation Corners of 12 villages on 4 continents. Today, through the creation of the Friends of the Club Méditerranée Foundation support organisation, our clients can extend their involvement.

The Friends of the Club Méditerranée Foundation will be receiving financial donations, initially from our French and Belgian clients, and subsequently from all European clients.

Managed by the King Baudouin Foundation, which guarantees its integrity and reliability, this structure makes it possible to benefit from tax breaks and is capable of handling the accounting and
legal procedures. In addition, Belgium is one of the cradles of Club Med, since one of its founders – Gérard Blitz – was Belgian by birth.

In 2012, the programmes targeted by the Foundation receiving financial support from the Friends of the Foundation will be French and Moroccan, extending to other countries in 2013.

5.4 Two rallying events every year

The "Worldwide Snack"

The Club Méditerranée Foundation puts the spotlight on children!

Every year since 2000, at the beginning of the summer on the Club Med planet, the Club Méditerranée Foundation organises its "Worldwide Snack" in over 40 Club Med Villages around the world.

Over 3,000 underprivileged children of 35 different nationalities living near a Club Med Village enjoy an unforgettable day filled with sports activities, colourful buffets, shows and many other activities organised especially for them by the GOs.

In 2012 the snack theme was "a tree, a pebble, a child". The children, helped by the entire team of GOs, planted a tree and each child placed a pebble at its foot bearing his or her name and a message for the future.

This large event encourages exchanges between the Villages and the host countries, and enables the implementation of micro-projects or local partnerships, such as the schooling/educational programmes in Luxor (Egypt), Marrakech, Agadir and Yasmina (Morocco), Djerba (Tunisia), Phuket (Thailand), Cherating (Malaysia), La Pointe aux Canonniers (Mauritius), Punta Cana (Dominican Republic), Cancun (Mexico), Itaparica (Brazil), Cap Skirring (Senegal) and, shortly, Yabuli (China).
Every winter since 2005, the Club Méditerranée Foundation joins forces with the Petits Princes Association.

In that operation, all Club Med Villages in France, Switzerland and Italy as well as the offices in Paris and Lyon fly the colours of the Petits Princes Association. Volunteers, GOs and holidaymakers from every resort are invited to take part in several events (snowman-building competitions, auctions, etc.) and sports activities (races, buggy on ice, bowling or downhill skiing, among others) by paying a minimum contribution of €1.

The amounts collected are used to help many severely ill children to fulfil their dream of swimming with dolphins. Since 1987, the Petits Princes Association helps severely ill children and teenagers suffering from cancer, leukaemia, some genetic diseases, etc. In living their passion and fulfilling their dreams, children find additional strength to fight against the disease.

5.5 Sports schools

The Sports School embodies a concept that perfectly matches the Foundation’s goal of involving GOs and GEs in the villages around the world.

The Sports School allows some forty disadvantaged children to practice a sport regularly, using the Club Med infrastructures and benefiting from the advice of its monitors.

Thus 7 Sports Schools* were created in partnership with a local school or charity based near the Villages.

The Sports School encourages the children to go to school and helps those most motivated to become professionals by offering them the possibility of becoming GOs in the future.

* Schools in Marrakech, Agadir, Yasmina, Cap Skirring, Djerba la Douce, Cherating and Punta Cana