



2018

**STATEMENT
OF NON-FINANCIAL
PERFORMANCE
2018 CEGEDIM GROUP**

06

Statement of non-financial performance for 2018 Cegedim Group

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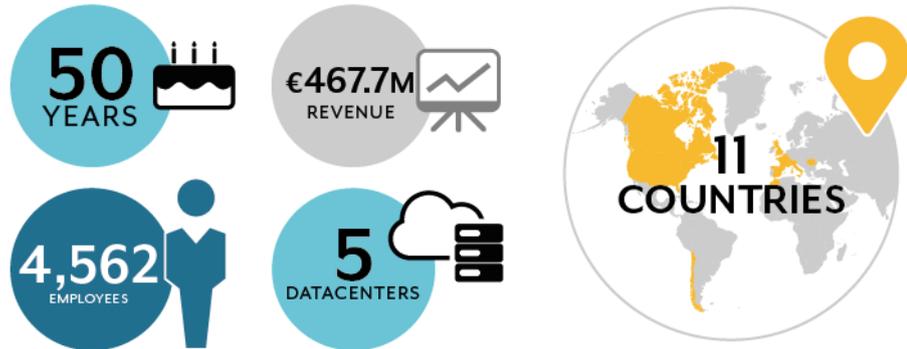
6.1 Cegedim Group overview and core values

About us

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals.

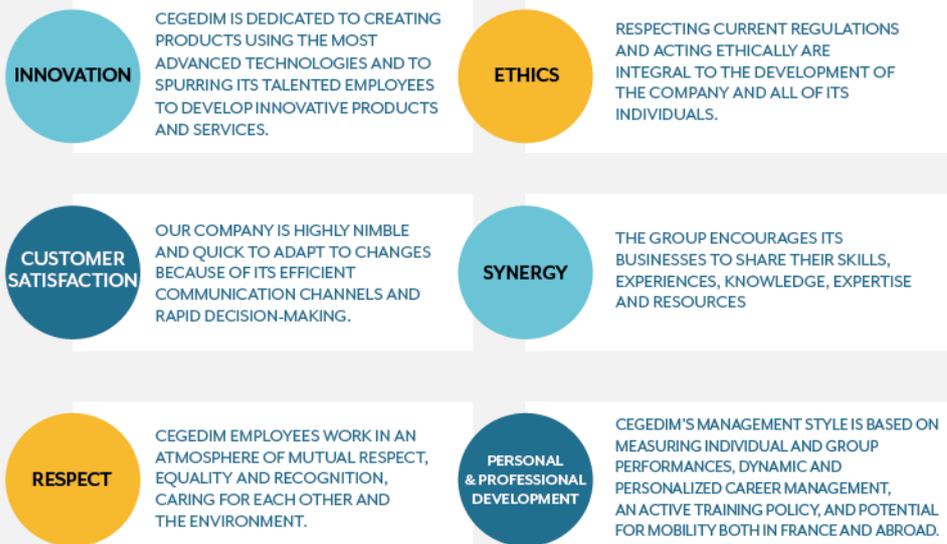
The Group is also active in human resources management and digitization services for all types of industries.

Key figures



Our values

Cegedim Group's growth strategy is based on a high standard of innovation, quality, and investment, and strong core values. Our values start with the men and women who contribute to the Group's corporate ecosystem. They are based on equality, respect for others, environmental conservation, and economic efficiency. These values help us achieve one of our top goals—delivering strong added value to our clients, partners, shareholders, and employees—and unite all our stakeholders.



Strategy and transformation

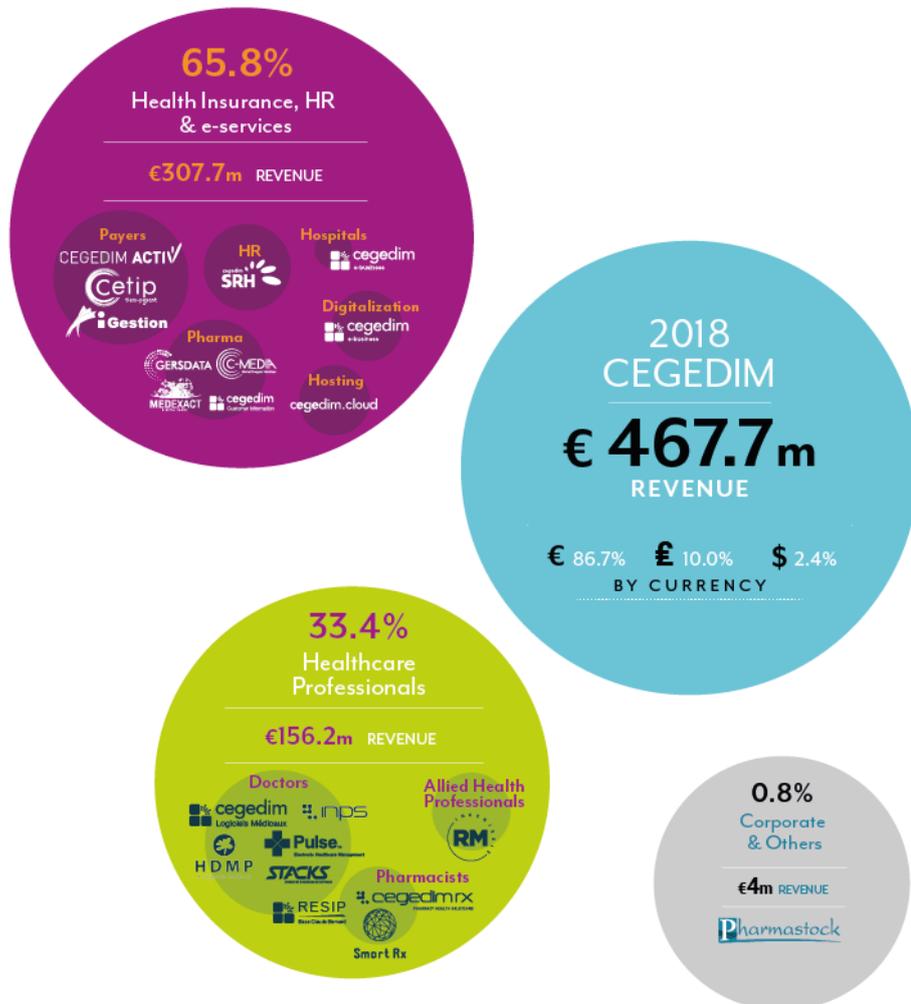
Cloud, SaaS, and digital technologies are the focus the Group's transformation and have also helped drive our investments in data and business process outsourcing services (BPO). As a result of constantly evolving, complex regulations, we must continuously innovate and create new tools to deliver the indispensable solutions our clients need to meet the new requirements. These growth areas are the bedrock of our development strategy in France and abroad for the years ahead.

Our strategic priorities are therefore the synergies generated by our comprehensive offerings and the innovative tools with which we help clients navigate their digital transformation. This digital transformation is a major opportunity for the healthcare sector, because it cuts costs and improves the quality and accessibility of care. Our strategy will benefit society since it contributes to the overall improvement in everyone's health, well-being, and quality of life.

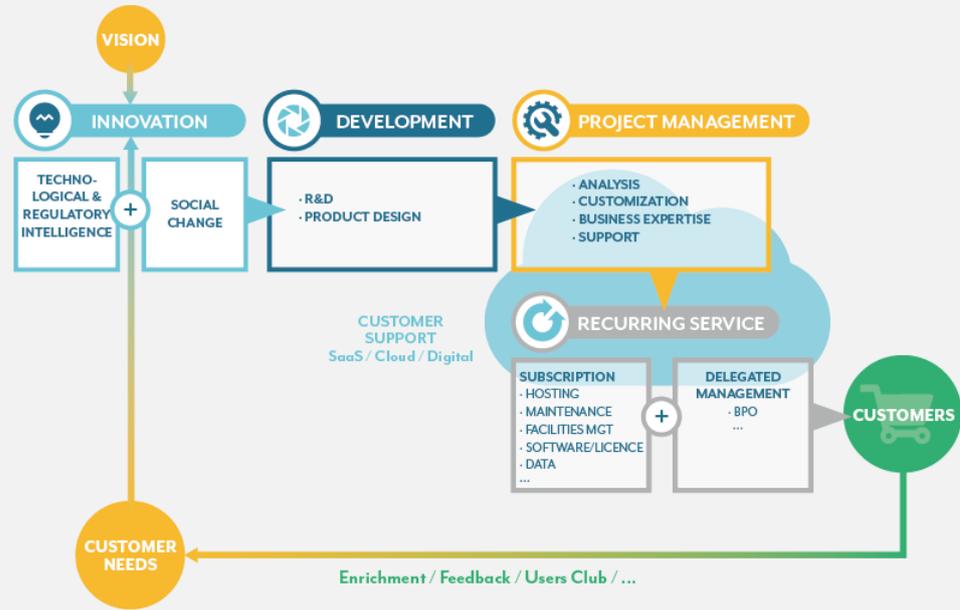
Our activities

Our two main operating divisions share:

- A healthcare ecosystem,
- Strict regulatory frameworks,
- Aspirations of market leadership.



Value chain



Value is created differently in each of the operating divisions

Value creation:
The Health insurance, HR and e-services division

To offer a diverse portfolio of suitable products and solutions, this division's business model is based on:

- tailored products and services for large corporate clients,
- a project-by-project approach that requires lead time to design and execute solutions suited to the complexity of each client's needs,
- the option of SaaS or hosted management formats, plus BPO.

Product	Solutions	Key figures
 Insurance	+ Software + Digital Solutions + BPO + Third-party payment management	- 43 million persons managed - 3 billion health benefits invoices managed / year
 Digital and Data	+ E-promotion + Digital communication + Data & sales statistics for pharmaceutical & HABA products	- Network of 7,000 screens in pharmacies in France
 HR	+ SaaS platform for HR management + BPO	- for all industries - +250 clients
 e-business	+ SaaS platform for electronic data exchange including payment and process digitalization platforms	- for all industries - 3.2 billion euros paid
 Other services	+ Outsourced services	- 1 new BPO service center created in 2017

Value creation: The
Healthcare
professionals
division

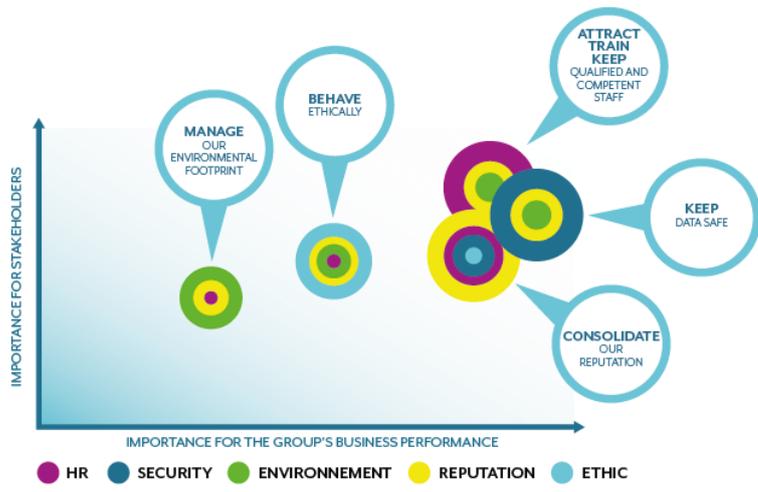
To offer a diverse portfolio of suitable products and solutions, this division's business model is based on:

- packaged product and service offerings for professionals, clinics, and pharmacy chains,
- management software designed for use in individual practice or clinics,
- client support based on a dense nationwide network of local representatives, a helpline, and maintenance services.

Product	Solutions	Key figures
 Pharmacy software	<ul style="list-style-type: none"> + Integrated software for pharmacies + Web solutions for patient monitoring and third-party payment 	<ul style="list-style-type: none"> • 39% market share in the UK • 650 million prescriptions managed / year in the UK
 Doctor software	<ul style="list-style-type: none"> + Practice Management Software + Electronic patient record management, billing solution, Revenue Cycle Management SaaS/ mobile solutions 	<ul style="list-style-type: none"> • #1 France, Italy, Spain • #3 United Kingdom
 Paramedical software	<ul style="list-style-type: none"> + Practice management software + Integrated mobility solutions 	<ul style="list-style-type: none"> • 46,000 healthcare practitioners used RMI in France in 2017
 Medication database	<ul style="list-style-type: none"> + Medication database + Apps and web portals providing access to the database 	<ul style="list-style-type: none"> • Used by healthcare professionals in 5 countries • Approved by the «Haute Autorité de Santé» since 2008

6.3 Group CSR challenges and goals

Workforce-related, Social, Environmental, and Ethical Responsibilities

<p>Identifying and assessing CSR risks</p>	<p>We refer to the following:</p> <ul style="list-style-type: none"> – The 43 provisions of the Grenelle II Act as laid out in Article L225-102-1 of the French Commercial Code, – The 17 United Nations Sustainable Development Goals, – The ten principles of the United Nations Global Compact, – The new requirements of the EU Non-financial Reporting Directive transposed into national law, notably anti-corruption and tax evasion measures, – The provisions of the Sapin II Act and the Cegedim Group Ethics Charter, – The risks listed and detailed in the Group's Annual Registration Documents.
<p>CSR risks and challenges</p>	<p>Looking at the Group as a whole, and at its two main business models, we have identified and analyzed material non-financial, CSR-related risks, taking into account their workforce-related, environmental, social, and ethical aspects. These risks, detailed in the methodology annex fall into one of five main challenges valued in the below materiality matrix.</p> <ul style="list-style-type: none"> ● Attracting and retaining suitable human resources ● Protecting stakeholder data ● Limiting our environmental footprint ● Upholding the Group's reputation ● Behaving ethically
<p>Our objectives</p>	<p>To meet these challenges in a meaningful way, Cegedim Group implements policies and due diligence that help improve its non-financial performance and achieve its objectives in these areas. These goals are grouped into key themes, which allows us to take a comprehensive approach to risk while also providing detailed responses based on the Group's actions. We monitor and measure our performance in these areas by looking at the results and relevant key performance indicators presented in this report.</p>
<p>Cegedim Group CSR materiality matrix</p> <p>Estimates at March 20, 2019</p>	

6.4 Attracting, training, and retaining competent, qualified personnel

HR policy	<p>In 2018, Cegedim's human resources policy helped advance its business activities. The policy fosters an environment in which employees can cultivate their skills to the fullest while also actively contributing to the company's performance. Cegedim adapts its compensation policy to motivate talented individuals and ensure training and recruitment, while at the same time keeping growth in payroll to a reasonable level.</p>
Social equality	<p>Cegedim Group's human resources policy reflects its keen interest in social equality. Our human-sized HR teams focus on communicating, imparting skills, and sharing experiences, which are critical ingredients for continuous personal development. We also have a proximity management policy which fosters rapid, efficient decision-making and nimble responses. Employees are appraised regularly and receive training and advancement opportunities. This allows them to enrich their skills and personal experience, giving them the prospect of taking on new responsibilities. Experience gained at Cegedim Group, a benchmark employer, boosts their employability.</p>
<h3>6.4.1. Recruitment</h3>	
Workforce	<p>The Group is committed to strengthening its human capital, prime assets. As a result, one of our key ongoing concerns is recruiting qualified personnel suited to our needs. This is a critical issue for Cegedim Group as a B2B company, because applicants and future employees may not have access to or know about our corporate communication and products. Our strong presence on professional social media sites gives us a high profile in France, and we actively use these sites to recruit.</p>
Recruitment	<p>To ensure we have the personnel needed for our business development, every year Cegedim recruits:</p> <ul style="list-style-type: none"> - Several hundred employees in France, with a growing focus on promoting diversity in the workforce and providing employment for persons with disabilities, - A growing number of interns and young people under work-study contracts, - Internationally, via the Group's operations in over ten countries. <p>To this end, at our Boulogne, Morocco, and Romania offices, we have created an area dubbed RecrutLab, with rooms specifically designed for recruitment efforts and applicant interviews.</p>
Recent graduates	<p>Most of our employees have a scientific or business educational background. The Group makes a concerted effort to recruit graduates through work-study programs in partnership with higher education establishments and universities. Cegedim offers students and recent graduates internships in France and abroad. These internships put participants on a fast track to employment and often turn into permanent positions with Group companies. In France, Cegedim participates in job fairs and a variety of student forums. We also have one position at our Spanish R&D subsidiary in Barcelona for young people on the V.I.E French international internship program.</p>
University partnerships	<p>Cegedim Group has several partnerships with higher education establishments: Group employees work with students at the University of Poitiers, the Sorbonne, and Simplon, an IT school in Paris. Cegedim is also the proud sponsor of France's first Master's degree in HRIS (human resources information systems), which admitted its first students at the University of Paris I Sorbonne in September 2018 and is taught by Cegedim employees. We also promote work-study programs by offering the students apprenticeships with the Group's teams. In addition, Cegedim Group awards travel scholarships so students can study research and health in the UK.</p>

Speed-interviewing	We hold regular speed interviewing sessions at our French sites for applicants responding to Group ads or selected by recruiters. The sessions consist of a series of rapid interviews of around ten candidates by HR teams and relevant managers, who may then offer jobs to some candidates. Events like these complement traditional job ads and are promoted at schools in regions where Cegedim is looking to recruit. They generate around one-third of all hires and are mainly used to recruit HRIS consultants and sales staff.
Onboarding	New hires at French sites are onboarded in groups of roughly ten employees. On their first day, they are welcomed with an introduction by the HR team with a company presentation and the, and complete various administrative formalities. The welcome program, designed specifically by the Human Resources teams at corporate headquarters and the business units (BU), includes a number of job-specific training modules: School SRH, insurance industry track, sales academy, and e-business. Some of the BUs periodically hold "job swap" style programs to deepen the onboarding experience and assign mentors to the new hires. Prior to a new recruit's arrival, the HR department goes over a checklist with the employee's future manager to make sure everything is ready for day one. The onboarding process ends with an end-of-trial-period review with the manager.
Employee referral program	Cegedim Group created its employee referral program in 2011 and expanded it in 2018. The program rewards employees who refer job candidates whose qualities match the Group's operational needs and values. Cegedim holds events for referring employees and their referrals to give Group managers a chance to meet the candidates informally at themed gatherings.
Compensation policy	The Group's compensation policy aims to recognize talent by rewarding both individual and group-wide performance, with stronger emphasis placed on individual performance through variable compensation based on individual goals. Each year, Cegedim Group line managers meet with their team members one-on-one for a performance appraisal and review of annual targets. Every year, we use remuneration studies to verify that our compensation policy is in line with the market. The Remuneration Committee is composed of three directors. Its chief tasks are to set the policy for awarding free shares and variable compensation, and to propose any capital increases in the form of exclusive offerings to employees. The Appointments Committee is also composed of three directors. Its chief tasks are to review and make proposals to the Board of Directors regarding the creation of a succession plan for corporate officers in the event of an unplanned vacancy..

6.4.2. Work organization and quality of life

Employer brand	The Group has an active HR policy in support of its employer brand, detailed through this chapter, and in 2018 redoubled its efforts to build employee loyalty. There is generally a higher employee turnover rate within the account manager specific to some our activities, which is typical of these professions.
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Internal communication	<p>In 2013, the Group set up an intranet that provides internal news and communication, notably a newcomer's guide, country-specific company information, in-house newsletters, the style guide, and local information per office location. Individual Group entities have also taken a variety of local initiatives. For example, around 20 screens were installed at the three Boulogne-Billancourt sites to display Group news; labor, legal, and industry updates; e-learning courses, and so on. The Group plans to install the screens, which can also display information tailored to each BU and entity, at all sites with 50-plus employees.</p> <p>In France, the BUs hold half-yearly "Feel HR" meetings to bring their teams together and convey the latest company news. The Managing Director gives an annual presentation on the year's activity and highlights to employees in the Paris region. Employees in other locations can view the presentation over the Group intranet. When travelling abroad for roadshows, the Chief Investment Officer & Head of Investor Relations takes the opportunity to visit local subsidiaries and present the Group's annual results to employees.</p>
Forging ties between employees	<p>After-work events for several BUs help create ties between employees from different departments working at the same location, for example in Lyon or Nantes. Certain entities hold get-togethers at important times of the year, such as year-end holidays or New Year's.</p>
The cross-generational contract	<p>Signed in late 2013, the cross-generational contract the Group in France sets out concrete measures to train and onboard new recruits, hire and retain older employees, and encourage the sharing of experience and expertise across generations. The Group continues to implement the contract, even though the Labor Act of January 1, 2017, made it no longer mandatory. Some Cegedim subsidiaries have managers closely oversee junior team members and offer chances for senior employees to mentor younger ones.</p>
The right to disconnect	<p>The Labor Act of January 1, 2017, enshrined the right to disconnect. However, we have not implemented any measures to block IT communication. This is because we cannot shut down servers or other IT infrastructure equipment during non-working hours, owing to continuity of service requirements and the resulting need for staff to be on duty. Cegedim meets the law's requirements by using tools to report time off and by creating an HR hotline that employees can call if they require a meeting to discuss their workload. Their situation is then analyzed and a remediation action plan drawn up with their manager.</p>
Works councils	<p>We cannot provide a detailed review of the activities of all the Group's works councils in this report. We can, however, note that they provide numerous employee perks, in keeping with local practices, for example housing benefit, discounts on leisure activities (sports, entertainment, culture, travel, and CESU home help vouchers), support with year-end holidays (gift vouchers, Christmas trees, etc.), school holidays (vacation vouchers), and other significant life events.</p>
Healthcare coverage	<p>Cegedim provides healthcare coverage (minimum health insurance, plus optional supplemental health and protection plans) for all its employees in France and retirement coverage for employees in all the countries where this is required by law. The Group intends to gradually expand this kind of health and protection benefit to countries where it is not required by law. In fact, nearly all the Group's employees have been offered health insurance.</p>

Fighting discrimination	The Group does not discriminate when hiring and assigning positions. Job offers provide for wages without discrimination and raises are based on each employee's performance and experience. Any person who is a victim of or witness to discrimination has several means of reporting it. They may contact the Group Ethics Committee or an employee representative body, both of which will act with complete independence.
Disabled workers	Cegedim Group aims to facilitate the integration of workers with disabilities and combat all forms of discrimination. We are endeavoring to improve access to our buildings for the disabled and have disabled parking spaces at some of its premises. Cegedim expanded an existing disability unit in 2018 to better assist employees known to have disabilities, regularly monitor their administrative paperwork, and make any necessary accommodations to their work station and schedule. In France, Cegedim grants employees with disabilities five days extra paid leave to attend to their medical and administrative formalities. Both in France and internationally, the Group complies with local regulations governing the employment of people with disabilities.
Organization of working hours	The working hours of employees in France—67% of the Group's total workforce—are based on a statutory annual total of 216 working days or 1,607 hours, and a contractual working week of 37 hours and 10 minutes. Any overtime entitles employees to RTT days off ("Réduction du Temps de Travail", or reduced working hours). Outside of France, local working hour legislation is observed in each country. We observe the International Labor Organization conventions in all the countries where we operate. Cegedim implemented remote working, both regular and periodic, in 2018. These arrangements give employees real flexibility to manage their time and travel. Employees in France are also offered spots in the company nursery, which is operated in partnership with a leading provider. In 2018, all employees who requested a spot for their children received one.
Collective bargaining agreements	<p>Numerous collective bargaining agreements apply to the French subsidiaries and the Group as a whole. We cannot provide a detailed review of them all. To date, none of the agreements reached in France has been opposed by employee or union representatives, which illustrates the success of the social dialogue. In 2018, negotiations related to collective agreements notably covered:</p> <ul style="list-style-type: none">– remote working, which was expanded to include all Group employees in the second quarter,– profit sharing, for which 11 agreements were signed at the end of the second quarter,– mobile working, with a move to classify travel time as working time for our roughly 400 mobile workers. <p>We also began work on Quality of Work Life or QWL, which continued into early 2019. These major advances build on the Group's ongoing efforts to accommodate work times and help employees achieve a better work-life balance.</p>

6.4.3. Managing qualifications and skills

Skills	<p>We operate in a variety of businesses and can help our employees enrich their skills and gain new experiences so they can take on new responsibilities. The Group's HR policy is based on training and internal mobility, because we believe that professional development is a major factor in motivating employees to achieve success. Joining Cegedim means seizing the opportunity to work in a high-tech environment where teams tackle a variety of interesting and challenging projects, all while continuously developing professionally.</p>
Training	<p>Training is a cornerstone of Cegedim's strategy, and we devote more resources than we are legally obligated to so that employees can realize their fullest potential. The Group's training policy combines a focus on individual progress, skills development, and company performance in order to keep pace with strategic projects and changes in the healthcare profession. In addition to professional training, we provide first-aid training, coordinated by the Social and Economic Committee, or "CSE", at our Boulogne offices.</p>
E-learning	<p>Cegedim has created an e-learning platform so employees can complete a series of courses during work hours by selecting from a wide range of training programs. Similarly, we have launched an online digital platform for so our Research & Development staff can update their knowledge of new technologies in their field.</p>
Skills sharing	<p>Skills sharing is a key challenge for Cegedim Group that ensure our teams have the necessary knowledge and expertise. Our business units set up tailored training sessions by calling upon resources within their own teams. These initiatives allow us to meet the specific needs of our business lines, impart our culture, and pass on our expertise. Mentoring arrangements—which are required for vocational training, or work-study contracts—are also used in some subsidiaries to teach mentees what they need to know for a given position (processes, procedures, tools, organization, etc.) or business line expertise within the Group. For example, an employee at the Niort site spent 18 months in Morocco to guide the development of local teams and facilitate skills sharing within the business units.</p>
Internal mobility	<p>Cegedim believes that professional development is a major factor in motivating employees to achieve success. When a vacancy arises, priority is given to internal recruitment. Internal mobility opportunities, with moves to different geographic regions, allow employees to develop their skills and knowledge of the business and also help the Group ensure the transfer of knowledge between its entities. To this end, we have an international mobility service for managers, salespeople, and technicians to handle requests for expatriate postings. These typically involve three-year assignments, transfers and short-term assignments from France to another country, from an international office to France, or between different international locations outside of France. Certain entities have a mobility commission with representatives from Group HR, local HR, and local management whose purpose is to review, twice a year, mobility requests for moves within the Group to France.</p>

Results

Headcount	Employer brand and university partnerships	Training France
2018 2017	2018 2017	2018 2017
4,562 4,226 Total headcount	17 - Speed interview sessions (1)	24,245 23,095 Hours of training
3,051 2,849 Headcount France	2 - Job fairs (2)	1,024 709 Employees trained
1,511 1,377 Headcount International	3 - Student recruitment events (3)	
1,508 1,115 New hires	56 - Hires from 1, 2 & 3	
1,152 829 New hires on permanent contracts	41 - Work-study contracts	
356 286 New hires on temporary contracts	16 - Apprenticeships	
1,268 934 Departures	16% - Conversion of work-study contracts to permanent contracts	
4,382 4,084 Employees on permanent contracts	49 - internships	
180 142 Employees on temporary contracts		
39.66 40.37 is the average age		

Equality 2018 2017	Health and safety in France 2018 2017	Quality of work life 2018 2017
45% 42% male employees	54 60 workplace accidents	271 - French employees regularly work from home
55% 58% female employees	34,351 36,182 Absenteeism 11.26 12.7 Is the average number of days of absenteeism excluding overtime rights (RTT)	8.9% - of the French workforce 188 158 part-time Group employees 4.1% 3.7% of the workforce

OBJECTIVES AND KEY PERFORMANCE INDICATORS

	%age of confirmed permanent contracts	In 2018 81%	Attract employees Employees on permanent contracts in 2018 whose trial periods were confirmed by December 31, does not include employees still on trial period at that date.
	Number of confirmed employee referral hires	In 2018 125	Promote employee referrals. In 2018 the employee referral program was extended to all Cegedim France employees.
	Number of recruitment events	In 2018 22	Maintain a visible presence through recruiting events These events consist of speed interviews, job fairs, and student recruitment events. We also held employee referral events that are not counted here.

6.5 Protecting stakeholders' data

<p>Security is a key priority</p>	<p>Cegedim Group supplies technology and services related to information and databases, so one of our top priorities is ensuring that our clients and partners are entirely comfortable with the level of data and system security. Cegedim's businesses process sensitive data, notably personal health records. For Cegedim and its employees to be successful, it is vital that we respect current regulations and strictly follow our code of ethics. For the Group to grow and remain in business, we also need to develop the right products at the right time and anticipate the services consumers want and the technological innovations the industry needs.</p>
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6.5.1. Information system security

<p>A secure, resilient, durable infrastructure</p>	<p>Cegedim strives to build robust security for its sites and its datacenters. Security is an ongoing, vital concern, and the Group does all it can to limit the impact of events that might damage its assets, products, infrastructure. Its risk-control on-site policy focuses notably on covering fire, flooding, or other natural disasters, as well as power outages and cyberattacks, such as malware or penetration.</p>
<p>System and data security</p>	<p>Covered by the Information System Security Policy, developed by the Group, the system and data security is supplemented by an Information System Security Charter included in every employee's job contract, as well as a guide to data security available on the Group intranet. Specific clauses have been added to the job contracts of employees whose responsibilities expose them to data, confidentiality, and intellectual property issues.</p>
<p>Data protection</p>	<p>The policy and charter's rules and recommendations aim to protect data in all its forms—spoken, paper, or electronic—and respect its confidentiality, integrity, availability, and non-repudiation. They cover not only the Group's information systems (networks, computers, software, data, and communication and copying resources), but also information shared orally or in writing, and physical protection both on and off the company's premises. Cegedim Group subsidiaries lay out specific rules for this security policy in a set of documents governing security within the scope of their business activities, using the Group IS Security Policy as a mandatory baseline for which rules to apply.</p>
<p>Business and service continuity</p>	<p>The Group spreads out its IT centers geographically and uses state-of-the-art information technologies to execute its business and service continuity strategies. It also has appropriate insurance policies covering certain industrial risks. A dedicated security team with experience in critical data hosting oversees operating security, in conjunction with a 24/7 Security Operations Center (SOC). Each Cegedim Group subsidiary has its own internal security organization.</p>
<p>Internal awareness</p>	<p>Anyone who uses the Cegedim Group information system is regularly informed of security best practices and the regulations that apply to their business activities. Information sessions devoted to security may take place in person or remotely, for example via an e-learning course or webinar. Subsidiaries are free to raise awareness of issues specific to their activities, in addition to the actions carried out at the Group level.</p>

6.5.2. Secure data collection

Personal data	<p>In the course of our business activities, we collect individuals' personal data. We take the utmost precaution to ensure our clients the highest quality of service while also protecting the data and flows we process. We collect data in a manner consistent with all the legal and regulatory requirements that apply in each country in which the Group operates, and with the contractual specifications agreed upon with our partners and clients. Cegedim Group has always made sure it complies with all applicable laws and regulations in the area of personal data protection. As soon as General Data Protection Regulation (EU) 2016/679 was made public, Cegedim began the work needed to ensure compliance from the moment the regulation took effect.</p>
Healthcare: a CSR-sensitive industry	<p>The Group is well aware that we operate in a sensitive sector—healthcare—and we ensure that health data is anonymous, securely hosted, and that studies are conducted according to ethical standards that are regularly audited by customers.</p>
High availability architecture	<p>The Group has substantial expertise in managed services, and in the management of financial flows and digitalized documents. The highly strategic and sensitive nature of these activities led the Group's IT teams to design and build equipment and architecture with a very high degree of availability. These resources meet the most demanding security requirements, notably for hosting personal health data. For example, we offer our clients a comprehensive private cloud service, available in either PaaS (Platform as a Service) or SaaS (Software as a Service) mode. To do so, we draw on our hosting capacities and implement Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP).</p>
Data accuracy and quality	<p>Data accuracy and quality are indispensable if Cegedim Group wants to continue to deliver tools and services that meet our clients' needs, thereby contributing to the healthcare systems of the countries in which it operates. The Group's GERS Data subsidiary supplies totally and irreversibly anonymized data and analysis made possible by a unique mass data collection system covering almost seven years. The data's representativeness is achieved by collecting from a variety of sector players. The R&D teams dedicated to this activity make it possible to collect, structure, and generate databases that can be used immediately, contain quality data, and comply with all personal data protection regulatory requirements.</p>
Databases	<p>The Group's real-life patient and prescription databases, which have been chosen by the French and UK health authorities, contain anonymized raw data collected by a permanent network of nearly 3,000 private practitioners, primary care physicians, and specialists. The databases have a European structure and record over a billion medical procedures: patient and prescriber profiles, diagnoses and illnesses, prescriptions and treatment plans, reimbursements, and results of certain tests. The Claude Bernard Database of medicine and healthcare products helps make the entire medication chain to the point of fulfillment safer, and it allows users to offer patients high quality advice. The database is used daily by healthcare professionals in France and around the world.</p>

6.5.3. Data protection

Data protection	<p>Protecting personal data has always been a key concern for Cegedim Group. Our data protection policy reflects the Group's commitment to respecting these principles, and we regularly raise employee awareness of the issue through:</p> <ul style="list-style-type: none"> – training sessions on data protection and security delivered by e-learning, webex, or in person depending upon the subject matter and the employees' needs, – the Information Systems Security Charter, – the Group Ethics Charter. <p>Cegedim sets rules and devotes adequate resources to ensure that equipment and information are handled in a manner consistent with their level of sensitivity. For example, equipment used to host confidential data is subject to heightened security measures, such as restricted access and data encryption. All users must apply the security rules that correspond to the category of information—published or not—that they handle as part of their job.</p>
Certified by ASIP Santé to host medical records	<p>Cegedim Group has earned HDS (medical records hosting) certification from the government's digital health agency, ASIP Santé.</p> <p>Our Cegedim Activ' subsidiary is certified to provide hosting services for the personal health data that clients collect via applications used to monitor care. This certification covers the HDS unit of the Toulouse-Labège datacenter—the production site—and the corresponding HDS unit of the Boulogne-Billancourt datacenter—the backup site.</p> <p>Cegedim SA is certified to provide hosting services for the personal health data collected via applications supplied by clients that let them manager personal health data. This service includes a function that gives patients direct access to hosted apps. This certification covers the HDS unit of the Boulogne-Billancourt datacenter—the production site—and the corresponding HDS unit of the Toulouse-Labège datacenter—the backup site.</p>
End of life of equipment	<p>The Group has specific measures governing equipment disposal to ensure that data cannot be recovered. These measures also apply to any equipment that might contain confidential information. Old equipment that is not going to be physically destroyed must undergo high security formatting before it is reused or returned. Paper documents that are confidential or classified for internal use only are shredded.</p>
Copyright laws and Intellectual property rights	<p>Our internal procedures aim to ensure that the Group and its employees do not break any laws regarding the copyrights of other companies, organizations, or individuals (patents, licenses, copyrights, trademarks, etc.). These measures also ensure respect for data confidentiality and integrity.</p> <p>Management of intellectual property rights is governed by the IS Security Policy, contracts, and the security charter. Cegedim regularly informs its information system users about the rules that apply to intellectual property. Licenses are monitored as part of the configuration management process.</p>

Personal data protection policy

The personal data protection policy was updated in 2018 when the GDPR came into force. It describes the general measures Cegedim Group takes to ensure adequate protection of the personal data it processes, either directly or through its outsourcing activities.

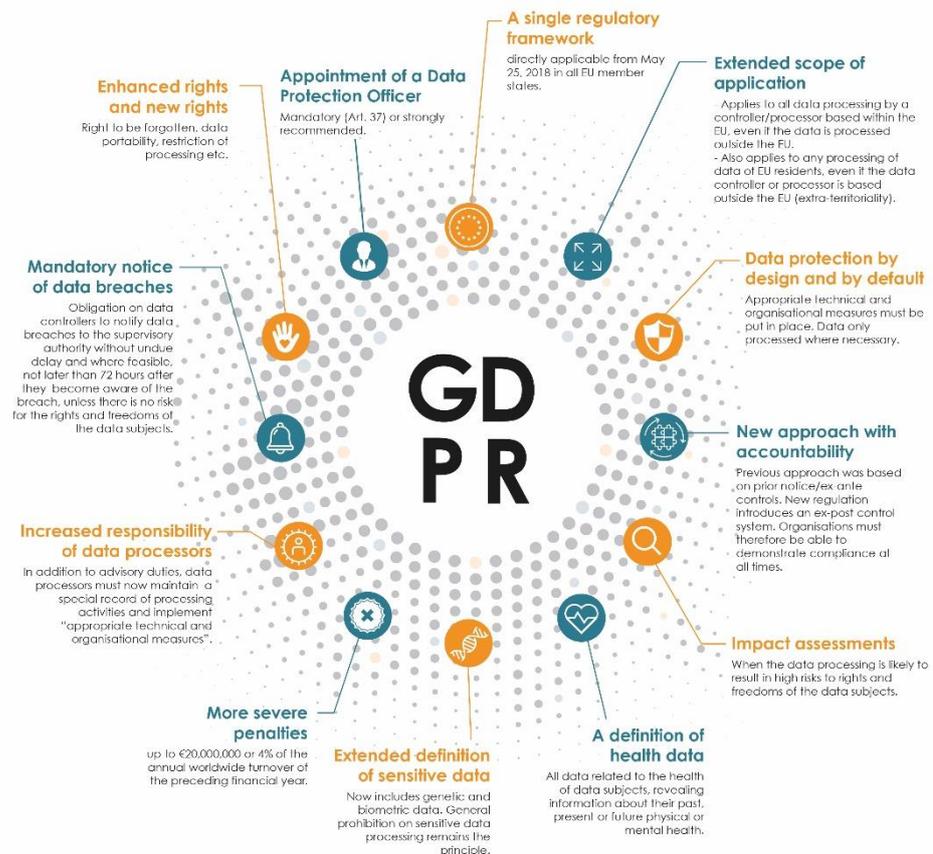
The policy applies to all Group subsidiaries in France and internationally, and to all data processing activities in which it engages. It lays out the guiding principles with respect to data processing: adhering to stated goals, proportionality and fairness, relevance and minimization, storage, security, accountability, rights of access and correction, respecting the legal data processing regulations.

Before the GDPR took effect in May 2018, the Group trained all its employees using an e-learning module and then tested them on what they had learned.

We are currently developing an e-learning program on specific data protection topics to supplement the initial training.

Considering the diversity of its business activities, Cegedim Group has decided to appoint Data Protection Officers (DPO) for every entity and business unit. They inform and advise the individual or subcontractor responsible for data processing and any employees involved in data processing. They also monitor compliance with GDPR and bylaws, guide the actions of the head of processing, provide advice when asked about impact analyses and verify that these are conducted. DPOs also act as the point of contact for and cooperate with the National Commission for Computing and Civil Liberties (CNIL), France's GDPR supervisory authority.

GDPR in twelve points



RESULTS

Data

2018 | 2017

35,257 | 25,377

of health data processed in gigabytes

OBJECTIVES AND KEY PERFORMANCE INDICATORS



Completion of the security checklist

In 2018
100% complete

Securing our information systems

We completed the entire security checklist.

Cegedim IT systems security checklist	2018
Raise awareness (training, e-learning, anti-phishing campaigns, etc.)	✓
Regular security committee meetings	✓
Internal audits	✓
External audits	✓
Risk analysis	✓
Vulnerability audits	✓
Penetration tests	✓
DRP tests	✓
Information System Security Policy review	✓
Information System Security Charter signed by new employees	✓



Increase in the volume of hosted data

In 2018
+39%

French and US datacenters

Data volumes grew because existing clients experienced organic growth and because we acquired new clients.

6.6 Limiting our environmental footprint

Corporate social responsibility	<p>Cegedim's activities are to some extent inherently socially responsible. We provide services for health and insurance professionals who in turn work for the welfare of their patients and the best interests of their policyholders. Our corporate services (HR and e-services) also have a social purpose, notably by reducing paper usage and by hosting and supplying information. The social context in which we operate is currently one of rising health expenses, growing patient expectations, challenging technological transformation, and changing regulations.</p> <p>Cegedim has always believed in innovation as a way to improve the service it provides its stakeholders and as such, also sees it as the concrete reflection of its efforts to be a responsible company.</p>
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6.6.1. Reducing our environmental footprint

CO2 emissions	<p>As providers of services for health professionals and the pharmaceutical industry, our activities are office-based, and our CO2 emissions are commensurate with those of standard office activities. Our primary carbon footprint is generated by company cars and air-conditioning systems, while our secondary carbon footprint mostly stems from energy consumption and business travel.</p>
Fleet management	<p>Our company car policy specifies what type of cars our employees may use and who is eligible for one. Fleet management takes into consideration vehicle age and changes in pollution standards, and respects official and industry recommendations. In France, Cegedim also has a code of conduct for company car users. Our fleet consists of hybrid vehicles and when employees replace their cars, they are strongly encouraged to choose the most carbon-friendly categories.</p>
Limit business travel	<p>We are particularly careful about business travel because it is a large source of carbon emissions. The travel policy we implemented as early as 2008 includes specific rules and best practices for meetings and related business travel and encourages employees to cut back on their travel and use alternative, less polluting solutions without reducing the quality of the services offered to customers. Travelling to attend in-house meetings is forbidden and any exemption requires prior approval by two management levels.</p> <p>We introduced remote work technology as early as 2007 and encouraged our employees to reduce short-distance travel and instead use videoconferencing, telephone conferencing, instant messaging, and document exchange platforms (like Skype, Sharepoint, and Webex). As well as improving quality of life, working from home also reduces the daily journeys made by our employees.</p>

Waste management

Cegedim Group has no industrial activities and does not produce toxic waste. Paper, cardboard and computer equipment make up the bulk of our waste. The only hazardous and dangerous substances we use are:

- IT hardware (screens, batteries, printers, and photocopier ink cartridges),
- Car equipment (batteries, engine oil),
- Cleaning products.

In France, Cegedim outsources the management of all its waste electrical and electronic equipment (WEEE) to ensure that the materials are recycled, and the toxic components are correctly disposed of. Several of our subsidiaries have already introduced recycling programs for printers, photocopier ink cartridges, and computer hardware.

When computer equipment in our data centers reaches the end of its life, it is disposed of in an eco-friendly way. This type of waste is usually collected by the supplier providing the new replacement hardware. Otherwise, it is given to a specialized recycling company. We also sometimes decide to keep some equipment for spare parts, thus optimizing the life cycle of certain components which are recycled on-site.

The only wastewater produced by our activities is domestic.

6.6.2. Using less resources**Less printing**

Reducing the number of documents printed by employees is also an important goal for the Group. In all countries, teams are routinely encouraged to consider whether they truly need to print their documents or whether there are simple alternatives at their disposal (e.g. projecting information for a meeting on a screen rather than printing it out, only printing out emails when necessary, two-sided printing, etc.). There are fewer individual printers being used by employees, who instead send their documents to a shared printing station. This reduces printing simply for convenience's sake and helps save consumables by encouraging black-and-white printing over color printouts. We also have a modern, efficient in-house print and copy center that handles bulk printing for our Boulogne sites.

Printed distribution of mandatory regulatory information

In 2007, we decided to distribute our mandatory regulatory information electronically. Between 2009 and 2017, we also reduced the number of printed copies of our Registration Document, cutting the French version more than tenfold and halving the number of English copies. Now, we only print 100 copies in each language. For the last ten years, the Registration Document has been printed on 100%-recycled, European Ecolabel-certified paper. Furthermore, electronic greeting cards sent to customers and suppliers—available throughout the Group since 2018—have mostly replaced paper cards.

Digitized administrative processes

We decided early on to digitize administrative processes for new recruits in France and no longer send out mass mailings of paper documents in France. All contractual documents (letter of appointment, work contract, bylaws and charters, mutual health and personal protection insurance policies, etc.) are sent by email and signed electronically by both parties. We have also introduced meal cards, which avoids printing and handling meal vouchers.

Digital vault	<p>In a bid to reduce printing, we also offer our employees in France a secure digital vault service where they can store private, sensitive e-documents. For example, in France, employees can have their monthly pay slip deposited automatically in a digital vault for storage.</p>
Energy in the workplace	<p>We have introduced simple ways of reducing energy costs on a case-by-case basis. For example, we encourage car-pooling and the use of shuttle services, we have installed time switches that automatically turn off the lights and air conditioning after hours, coffee machines with inline water filters, electronic timers, hand-driers, water fountains, etc. We also have maintenance contracts for our air-conditioning systems to ensure optimum performance.</p>
Management of IT equipment	<p>For over thirty years, Cegedim has designed, built, and run its data centers and technological platforms with a focus on maximum energy efficiency. This approach makes both financial—it's a highly competitive market—and environmental sense. Environmental, energy, and financial concerns are factored in at every stage of a data center's creation—in its design, deployment, and operation. These issues are incorporated into every aspect of information systems hosting.</p>
Carbon footprint	<p>We measure our greenhouse gas footprint in terms of the electricity we need to run our businesses efficiently. The Group's data centers in Boulogne-Billancourt and Toulouse account for a significant share of our electricity consumption.</p>
Constantly improving our IT hosting services' energy-efficiency	<p>Several years ago, Cegedim launched a program to continuously improve energy reduction for its IT hosting services. Efforts focus on three main areas.</p> <p>Virtualization to ensure optimal use of IT resources: this process continues to significantly boost efficiency. In 2018, the number of physical servers continued to drop, while the number of virtual machines (which have much higher per-unit efficiency rates) is growing. The use of oversized servers also increases the ratio of shared services and optimizes energy consumption during periods of low activity.</p> <p>Reducing server and IT equipment energy consumption: we renewed our main computer hardware between 2014 and 2015 and then simplified our computer network topology in 2016. In 2018, we maintained our performance and energy-efficiency. The overall standard of our services has not been affected, and data security and secure access remain top priorities.</p> <p>Optimizing the efficiency of data center air conditioning systems: we successfully installed more environmentally-friendly air conditioning systems in all our data centers. In 2018, we continued to install cold aisle containment solutions in our data centers in France, and the expected improvement is still being felt. The installation of free cooling—a cost-effective method that uses the temperature difference between the air leaving the computer hardware and the ambient air—helped reduce air-conditioning energy use in the Toulouse data center.</p>
The “Green IT and Data Center” program	<p>In 2019, Cegedim's Green IT and Data Center program to improve energy efficiency and reduce its environmental impact includes acquiring a refrigeration unit for the Toulouse data center, installing a photovoltaic farm, heat pumps, waste heat re-use systems, managing heat exchangers, fan coil units, and chilled water distribution. All these measures are designed to obtain Energy Saving Certificates (ESC) from the French Agency for the Environment and Energy Management (ADEME).</p>

6.6.3. Contributing to regional development

Local impact	We monitor the local impact of our activities, in terms of both employment and regional development. We have operations in more than ten countries. New employees are typically hired locally, which helps to boost the local economy.
Local jobs	<p>Cegedim's compensation policy is fair and equitable and we aim to pay a competitive wage in line with labor market practices in all the countries where we operate. Employees are typically hired locally, and we make sure that our operations make a positive contribution to the countries where we are present. We also comply with all local legislation, including laws governing compensation, and respect ILO conventions 100 and 131. The Human Resources department ensures that this principle is applied in each country.</p> <p>Our international mobility policy ensures that employees retain their health and personal protection benefits while on assignment abroad and includes the necessary provisions for their return or repatriation.</p>
Subcontracting	In France, subcontracting is regulated by centralized agreements, while in other countries, subcontracting agreements are managed locally. Cegedim also subcontracts part of its activities to its own subsidiaries, to ensure that the quality and safety standards it requires are applied. For example, some specific IT support or back-office services are provided by its subsidiaries in Morocco and Romania.
Digitalization and regional development	Some services offered by Cegedim in France also help solve regional development—or desertification—issues and, what is more, digitization is an eco-friendly solution. The Sesam-Vitale data transmission tools—where Cegedim is the leader in France; the development of Docavenue's remote medical consultations—enabled by regulatory changes in 2018; the digitization of patient medical records for preventive health care; the European strategy for convergent and integrated healthcare: all these measures reduce our customers' environmental footprint and are designed to improve coverage of territories with a low number of doctors per capita. It is estimated that in France over 3 million people no longer have access to medical treatment close to home. Physician density has shrunk about 10% on average in the last ten years, and by over 20% in a dozen French departments. This is a critical social issue and Cegedim intends to be one of the major players providing suitable, high-quality solutions for the French government's healthcare system reform, dubbed MaSanté 2022.

Giving back to the community

We encourage giving back to our local communities in all the countries we operate in. Cegedim subsidiaries organize initiatives at their discretion. For example:

- Galerie d'Aguesseau, the art gallery in our head office building in Boulogne-Billancourt, exhibits the work of about ten artists a year and regularly promotes local artists;
- Since 2016, Cegedim Insurance Solutions has sponsored "Les Foulées de l'Assurance", charitable races (5 and 10 km runs or an 8 km walk) which raise funds for the prevention of cardiovascular diseases;
- Several subsidiaries have supported charitable organizations, contributing to food drives to support the victims of natural disasters (floods, etc.), donating equipment for a children's sports club, and supporting local cultural and sports nonprofits;
- C-Media supported Établissement français du sang (EFS), the French blood agency and its nation-wide campaign for blood donations launched on July 17, 2018. C-Media ran the EFS advertisement asking people to give blood on its vast network of over 7,000 screens and more than 800 digital window displays in over 1,800 pharmacies and health and wellness stores;
- Cegedim Insurance Solutions set up an online fundraiser to help employees affected by heaving flooding in France at the beginning of the year;
- At the end of 2017, Cegedim sponsored the Gustave Roussy yacht competing in the biennial transatlantic race, Transat Jacques Vabre. We also support the Fondation Gustave Roussy's campaign "Guérir le cancer de l'enfant au 21^e siècle" (Cure childhood cancer in the 21st century);
- Since 2014, Cegedim Outsourcing is a partner with the city of Meudon of the First Lego League annual robotics challenge for kids aged 9 to 16. This event aims to get youngsters interested in science and technology: computer programming for sustainability, animal protection, or renewable energies. Approximately 200 participants and 20 teams entered the competition in Meudon in 2018, and four teams went on to compete in the final in Bordeaux;
- Cegedim Insurance Solutions is a partner of Nos Quartiers ont des Talents, a nonprofit which helps young graduates find jobs or internships through a network of companies committed to promoting equal opportunities and youth employability. University graduates under the age of 30 from humble backgrounds or priority neighborhoods are mentored by experienced working managers, and even senior executives.

Results

Greenhouse gas emissions	Use of resources	Community measures
2018 2017	2018 2017	2018 2017
1 777 1 865 metric tons of CO2 equivalent generated by our electricity consumption	15 584 16 511 of electricity consumed in kWh	11 10 Number of countries where Cegedim is present
360 295 metric tons of CO2 equivalent generated by our gas consumption	1 478 1 220 of gas consumed in kWh	71 - Number of sites where the Group is present
856 762⁽¹⁾ metric tons of CO2 equivalent generated by air travel		53 - Number of local sites in France
2,40 - is the average age of our French car fleet		18 - Number local offices outside France
0€ 0€ Provisions and guarantees for environmental risks		416 - Number of mobile workers

(1) For the sake of comparison, we have restated the 2017 published figure of 554 according to the new CO2 scale.

OBJECTIVES AND KEY PERFORMANCE INDICATORS

	% vehicles emitting <120g CO ₂	In 2018 79%	Company car fleet in France The company car fleet is increasingly comprised of newer vehicles and fewer diesel engines—we now prefer gasoline and hybrid electric vehicles (+60%). In 2017, 73% of the company car fleet in France was below the 120g/CO ₂ threshold.
	% vehicles emitting <140g CO ₂	In 2018 93%	Company car fleet in France In 2017, 93% of the company car fleet in France was below the 140g/CO ₂ threshold.
	Increase in number of virtual servers	In 2018 +12%	Server virtualization The reduction in the number of physical servers in favor of virtual machines continued in 2018, with a ratio of virtual to physical servers of 15.

6.7 Upholding our reputation

Our goals	We aim to provide our customers with the added value they require at the right price. We react fast and adapt to change easily because we keep our teams relatively small so they can communicate, pass on expertise and share experiences easily. We function with efficient, responsive, motivated teams, short communication channels, and rapid decision-making.
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6.7.1. Certified expertise

Security management	Cegedim has obtained certifications guaranteeing the quality of its security management expertise and upgrades. Cegedim IT, a Cegedim group subsidiary that houses all the Group's IT resources (both human and material resources), rolled out and operates an ISO 27001-certified data security management system for our Boulogne Billancourt and Toulouse data centers, our data and app hosting activities, and our managed services.
Quality and internal control –ISAE 3402	<p>Since 2012, Cegedim has employed quality and internal control procedures in accordance with the ISAE 3402 (International Standard on Assurance Engagements) Type II standard, which is reviewed annually. This standard, which stemmed from the United States' Sarbanes-Oxley Act (SOX), requires the suppliers of companies applying it to be audited for financial risks too. The examination is carried out annually by a third-party auditor recognized by the Auditing Standards Board of the American Institute of Certified Public Accountants. The following companies and activities have earned the ISAE 3402 Type II standard:</p> <ul style="list-style-type: none"> – Cegedim IT for all its activities, – Cegedim Activ' for its SaaS, managed services, and technical hosting activities, – Cegedim SRH for all its activities, – CETIP for all its activities, – IGestion for all its activities.
Standards and certification ISO 27001	<p>Cegedim also applies several international standards, like ISO 27001, the information security standard; ISO 20000/ ITIL, the IT service management standard; ISO 9001, the quality management standard; and CMMI, the project management and software development program. The following companies and activities earned certifications:</p> <ul style="list-style-type: none"> – ISO 27001 for Cegedim IT's hosting and managed services at the Boulogne Billancourt and Toulouse data centers (France), – ISO 27001 and ISO 20000 for Cegedim Activ's SaaS, managed services, and technical hosting activities (France), – ISO 27001 for pharmacy IT supply, support, and maintenance services at Cegedim RX (UK), – ISO 27001 for healthcare industry IT supply, support, and maintenance services at INPS (UK).
HDS and OSAP accreditation	<p>Cegedim has obtained the following certifications to host personal health records:</p> <ul style="list-style-type: none"> – Agrément d'Hébergeur de Données de Santé (HDS) à caractère personnel (France) – EHNAC OSAP-Data Center Accreditation, via Pulse Systems (United States)

6.7.2. Aiming for operational excellence

Research and development	<p>Cegedim devotes a large share of its resources to innovation and Research & Development. Our efforts in this area represent a significant—and growing—share of both revenue and human resources. This proactive policy allows us to offer our stakeholders products and infrastructures that meet the latest quality, security, and environmental standards and requirements.</p> <p>We have set up a virtual pharmacy at one of the Boulogne sites to showcase Group products and innovation to both our clients and employees.</p>
OPEX (Operational Excellence)	<p>The OPEX (Operational Excellence) department is responsible for the information systems security policy. Every year, it defines the general security objectives for the Group and its subsidiaries, in agreement with senior management. It monitors the implementation of measures required to meet the security objectives at monthly Group security committee meetings.</p>
Product certification	<p>Cegedim Group products enjoy a variety of certifications and accreditations specific to the countries, regions, and industries in which they are sold. In France, these include SesamVitale, HAS, DMP, LAP, TlSi, and e-santé (CDS/MSP); in Belgium, EHealth / CIN; in the UK, NHS, EMIS, TPP, MHRA, NMVS, and Research Ethics; and in the US, Rx and DEA. These certifications and accreditations – which are regularly renewed – demonstrate that our high-quality products and solutions meet the strictest standards.</p>
Project management	<p>We account for security right from the start of every type of project (IT, business, or software development). We identify security requirements when projects are initiated. If these requirements are not formally defined in writing by the customer, or in the project specifications, we apply the standard security requirements of the subsidiary or organization concerned.</p>
Technological developments	<p>We verify our technological developments using a process security policy, change control procedures, a technical review of applications after the changes, and tests. Our environments undergo security and engineering checks that meet the highest standards and best practices.</p>
Information systems security audits	<p>Cegedim regularly audits the security of its information systems. Independent assessments of information security are carried out regularly within the group: internal and external audits, certification and customer audits, and vulnerability checks. These audits are conducted in such a way as to safeguard the independence of both the auditors and their findings.</p>
Synergies and internal optimization	<p>We manage our workforce using our own human resources and skills management tools and services. Our SRH subsidiary, which specializes in outsourced HR management, offers a range of solutions and services, from payroll management to employee management, with its Smart RH offer. Its TeamsRH platform is a complete, modular tool with a wide range of functions that meet the needs of every organization: payroll and personnel administration, HR portal, HR monitoring and decision-making, career and skills management, time management, etc.</p>
Reputation and external communication	<p>We care deeply about our image and reputation. Only employees with delegated authority may communicate on the Group's behalf about its activities, products, partners and suppliers. This applies to both traditional media (press, websites, radio stations, etc.) and social media. This issue is covered in full in the Ethics Charter, which also informs our employees about the need to use social media responsibly and respectfully.</p>

6.7.3. Practicing continuous improvement

Service Management System	<p>Providing top quality products and services to our clients and partners is a cornerstone of our strategy. To maintain this level of excellence, Cegedim Group is committed to a continuous improvement policy.</p> <p>To maintain its high quality standards, Cegedim IT takes a process-based approach using a Service Management System. This approach is based on the ISO 20000 standard, which is in turn based on the ITIL best practice framework. It also includes Capability Maturity Model Integration (CMMI) principles for engineering and project management. This system is applied to data and application hosting, and infrastructure management services, and is run according to the principle of continuous improvement.</p>
Risk assessment	<p>The risk assessment conducted by Cegedim IT and Cegedim Activ' as part of the ISO/IEC 27001: 2013 certification process is based on the EBIOS 2010 method of France's cybersecurity agency, Agence Nationale de Sécurité des Systèmes d'Information (ANSSI). It identifies and rates the security risks to the availability, integrity, confidentiality, and auditability of the subsidiary's information and draws up a risk treatment plan, if required. Security risk assessments are also conducted for projects in our subsidiaries. The level of detail and the methods employed in these assessments depend on the project's sensitivity and the security requirements expressed at its onset.</p>
Managing IT suppliers	<p>The IT supplier management process is part of Cegedim IT's Service Management System. It guides relations with suppliers and monitors their performance for the duration of the relationship. Suppliers are assessed according to the quality, innovation, security, and cost of the service they provide.</p>
Continuous improvement	<p>As part of its policy of continuously improving information systems security, Cegedim pledges to investigate any weakness in the system reported by employees, clients, or third parties via the dedicated email address: security@cegedim.com.</p>

RESULTS

Certifications

2018 | 2017

79 | -
product certifications

OBJECTIVES AND KEY PERFORMANCE INDICATORS



Share of
revenue spent
on R&D

In 2018
12.5%

Research and development

Payroll expenses for the R&D workforce represent 12.5% of the last twelve months of Group revenue. Although, this percentage is not a targeted figure, it has increased compared with last year (12.1% in 2017).

6.8 Behaving ethically

Our commitment	<p>"We must all commit to acting ethically to ensure lasting growth and harmonious development." Jean-Claude Labrune, Chairman and CEO of Cegedim.</p> <p>Cegedim has committed to respecting the ten principles of the UN Global Compact, the principles of the 1948 Universal Declaration of Human Rights, and the International Labor Organization's fundamental conventions. Cegedim complies with business laws and regulations and conducts all its activities honestly and fairly, in accordance with the highest ethical standards.</p>
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6.8.1. Embracing the Ethical Charter

Our principals	<p>For us, complying with the law goes beyond observing regulatory requirements and avoiding legal sanctions—it is an ethical issue. Ethics is a matter that concerns the behavior of all our employees worldwide, at all levels of the company, with no exceptions. It also concerns the behavior of all corporate officers and members of the executive and management committees of Cegedim Group and its subsidiaries worldwide.</p>
The Ethics Committee	<p>The Ethics Committee comprises five permanent members: Aude Labrune (Director of Group Communications and Chairman of the Committee), Anne-Louise Senne (Director of Group Human Resources), Sandrine Debroise (Chief Financial Officer of the Group), Christelle Vivet (General Counsel), Jan Eryk Umiastowski (Chief Investment Officer & Head of Investor Relations).</p> <p>The Ethics Committee met as often as necessary. In 2018 the Ethics Committee met twice, on January 8, and May 31, 2018. It notably updated the Code of Ethics to include the obligation related to the Sapin II law. It also drew up a plan to distribute the Code of Ethics internally and externally.</p> <p>Employees may contact the Ethics Committee if they have any concerns. In 2018, the Ethic Committee received no requests and no reports.</p>
The Ethics Charter	<p>The Group's Ethics Charter was updated at the end of 2017 and is available in French, English, Spanish, Romanian, and Dutch. It reaffirms our ethical commitment and factors in new laws and regulations on business conduct. The new version is more hands-on and instructive and includes concrete examples. The Charter aims to inform and protect Cegedim's employees by setting out the Group's ethical standards and related codes of conduct. It is also available to the general public on the Group's website.</p> <p>The Ethics Charter is given to all new recruits. When it is updated, the latest version in French and English is emailed to every employee and a hard copy is sent to Cegedim Group's Business Directors, board members, and senior executives. These people promote the values and commitments of this Charter among their employees and ensure that they are upheld.</p>

Human rights	Cegedim is present in many different countries and keeps an eye on local conditions, particularly regarding respect for human rights and corruption. We pay close attention to the reports published by organizations like Transparency International and Human Rights Watch, so we can identify risks and potentially sensitive issues. We also endeavor to defend and respect fundamental human rights and all charters and policies pertaining to those rights, are respected on our premises, while also complying with the laws of our host countries. All Group employees, including those in the countries most at risk, may use the ethics hotline to confidentially report any difficulties, both inside and outside the company.
Fighting corruption	We are committed to fighting corruption in all its forms and actively apply the relevant portions of France's Sapin II Act. Bribery is forbidden in all the countries where we operate, and extra precaution is used when representatives of public authorities are involved. We have a zero-tolerance policy on corruption, and this includes facilitating payments, i.e. payments made to complete or expedite certain administrative formalities.
Fighting tax evasion	Cegedim faithfully reflects its operations in its accounts and communicates independently and completely transparently about its performance. Cegedim is committed to ensuring the simultaneous, effective, and complete dissemination of financial information that is relevant, accurate, detailed, and truthful in a manner that is timely and consistent with previous publications. We have implemented internal procedures to ensure that our employees work for clients with lawful activities and no financial links to criminal or illegal activities. We also hire a French tax specialist that systematically verifies sensitive operations, and our OECD-compliant price transfer and margin rate policy to ensure that we respect best practices and current French tax regulations. Cegedim Group does not have any legal entities (companies, subsidiaries, or representative offices) in countries on the list of Non-Cooperative States as defined by French and international law.

6.8.2. Being a responsible company

A responsible company	Cegedim applies local laws in all the countries where it operates and has taken steps to ensure that it complies with their requirements, particularly regarding corporate social responsibility. In all its host countries, Cegedim respects the principles of the International Labor Organization's conventions (nos. 29, 100, 105, 131, 111 & 138). Management applies these principles and the Human Resources department teams enforce them.
Fair trade practice	<p>We place great importance on choosing our suppliers fairly. They must comply with the principles stipulated in our Ethics Charter and make sure they respect the same principles with their own suppliers and subcontractors. If they do not, Cegedim reserves the right to re-examine and possibly terminate the relationship, in accordance with the law.</p> <p>Our employee ethics training and awareness raising program includes an e-learning module on issues pertaining to competition law and the fair treatment of third-parties in our commercial relationships. These issues are part of the e-learning course developed by our Legal Department, which will continue to roll it out in 2019.</p>

Digitalization	Some of Cegedim Group's products and services serve a social purpose. These notably include the digitization of management documents, since our efforts help companies automate processes from ordering to payment, including invoicing. Cegedim e-business (SY), a process automation and digitalization specialist since 1989, designs, develops and markets invoice digitization, probative value filing, and EDI offers in Europe and the rest of the world. These offers are supplemented with electronic signature and business process digitization tools, as well as a digital vault which enables electronic documents to be stored with probative value.
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6.8.3. Sustainable procurement and consumption

Office supplies	We encourage our employees to purchase eco-friendly office supplies, as long as the price is reasonable. We prefer to use "Ecolabel" recycled paper or paper from sustainably managed forests, especially for bulk printouts. We have streamlined our purchases and prefer to source our office materials from referenced suppliers who offer a catalogue of selected supplies. These suppliers must meet ISO certification standards and respect our ethical, environmental, and traceability standards.
Sourcing	We take care to buy our promotional items and branded merchandise from suppliers that are also committed to sustainable sourcing and work with certified companies and manufacturers, particularly for clothing items. The company that prints our remaining paper greetings cards (about 300), and our main supplier of promotional items, are both social enterprises that employ disabled people.
Telephone policy	Our telephone policy also factors in sustainability concerns. We purchase double-SIM mobile phones—so our employees can use the same device for both personal and professional purposes—with low SARs. We also plan to replace our landlines with VoIP solutions. All our telephones are recycled at the end of their lives. As part of a wider effort to streamline our sourcing, the mobile devices we offer our clients in package deals are the same ones we offer our employees.
Food waste	We only purchase food for our meeting rooms and do so occasionally and in very small quantities. We avoid food waste by consistently ordering limited amounts (of water and food) in individual portions and by carefully managing our stocks.
Waste management and Recycling	We are currently standardizing our best waste management practices, particularly for waste sorting and collection in the offices, and aim to have a system in place in 2019. Local teams responsible for site services also encourage more responsible behavior and initiatives. For example, ink cartridges, batteries, and light bulbs are widely recycled throughout the Group and many of our subsidiaries increasingly choose to recycle their paper waste.

Results

Sustainable procurement

2018 | 2017

100% | -

Of the paper and envelope products listed in the Group catalogue in France, office supplies, Copy center and mandatory regulatory information are eco-certified.

OBJECTIVES AND KEY PERFORMANCE INDICATORS

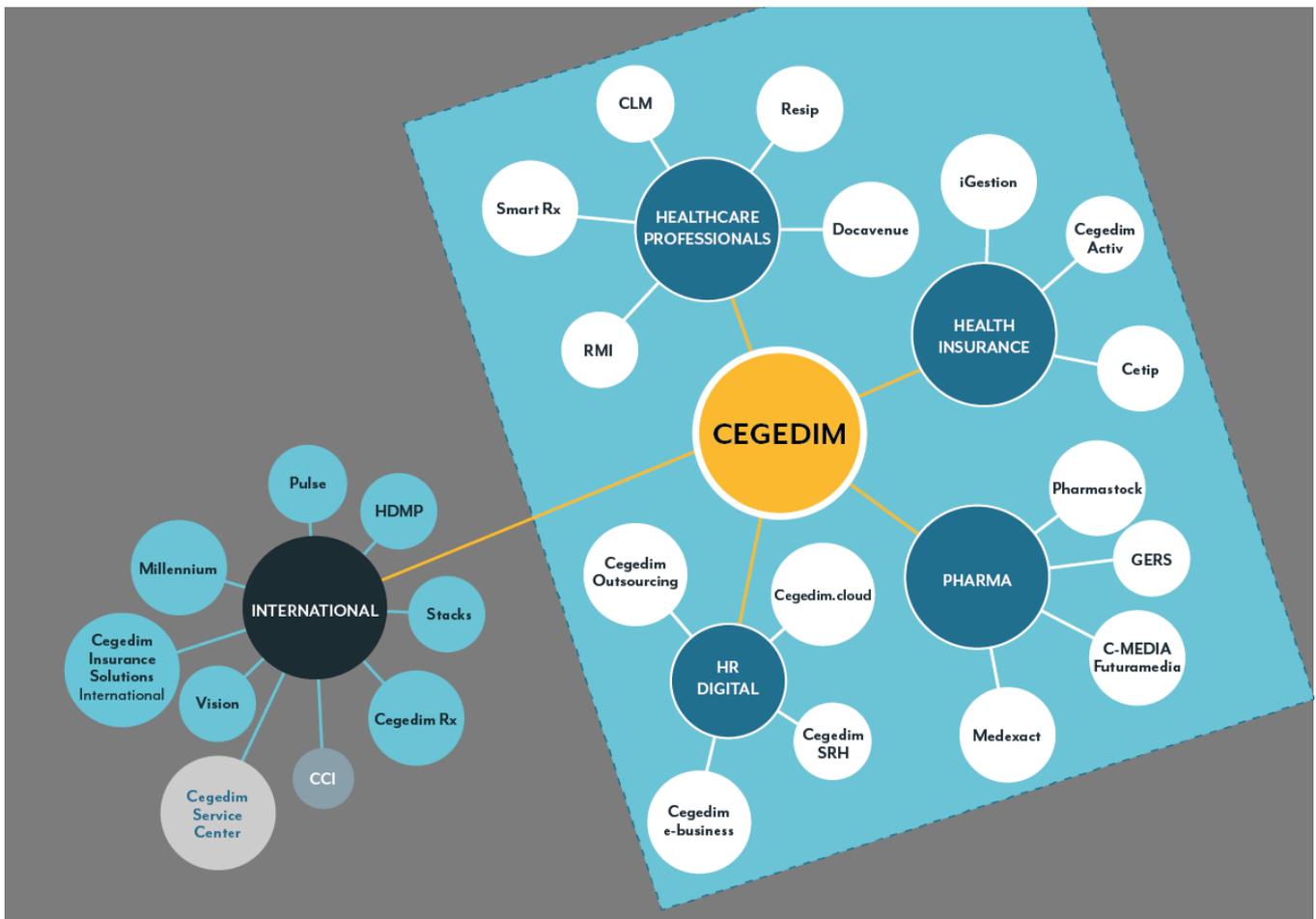
	<p>Number of Ethics Committee meetings</p>	<p>In 2018 2</p>	<p>Ethics Committee. The Ethics Committee, created in October 2017, met twice in 2018, in January and in May. No incidents were reported to the alert line.</p>
	<p>Share of eco-friendly purchases</p>	<p>In 2018 48%</p>	<p>Office supply purchases Purchases of office supplies in France are centralized in a Group catalog that highlights eco-friendly products from a supplier with a sustainability policy.</p>

6.9 Methodological note

6.9.1 Scope of consolidation

The information contained in this report concerns the whole of Cegedim Group, i.e. the parent company and all its fully consolidated subsidiaries, unless a different scope is expressly stipulated. In general, the comments are more detailed and

the illustrations more numerous for the French companies, which represent 67% of the total Group workforce. Unless otherwise specified, the human resources figures are for all the fully consolidated companies worldwide, i.e. 65 companies.



6.9.2 Information sources

In order to ensure the consistency and reliability of the indicators monitored in all its entities, the Group has developed shared human resources and environmental reporting tools. They include methodological instructions and definitions to ensure that the questions are clear and the answers comparable.

The human resources figures were collected using the TeamsRH worldwide database developed by the Group. This database enables workforce data as well as other human resources information to be monitored in each country. It meets the security and confidentiality requirements and is compliant with the data collection and processing laws of each country, which are strictly observed. It is updated daily by the Human Resources teams in the Group's various subsidiaries.

The other quantitative data is collected via a questionnaire that is included in the annual consolidation package and is completed by each of the consolidated subsidiaries.

Data relating to external suppliers is also used, notably statistics from travel agencies relating to CO2 emissions, and

invoices and annual reviews prepared by energy suppliers that show the energy consumption in kilowatt hours.

The qualitative information in this report is based on interviews with the managers from the relevant departments, both at the Group's head office and in the subsidiaries (notably in the Human Resources, Information Technology, Operational Excellence and Finance departments).

Most of these declarations are corroborated by a survey sent to each country where the Group operates and completed under the local Financial Director's responsibility. This survey is integrated in the consolidation software but follows a separate procedure from the annual financial packages. It can be completed—one questionnaire per country—from the beginning of the fourth quarter until the closure of annual accounts. The survey's purpose is to assess how much is known about the Group charters and whether their measures are applied. It is also used to provide qualitative information on foreign subsidiaries' best practices and initiatives regarding human resources, environmental and social issues.

6.9.3 Identifying risks

Significant non-financial risks related to CSR were identified and analyzed in a collegial manner, led by the Chief Compliance & Risk Officer, whose approach and results were approved by the executive bodies. Around 15 employees studied the business model and the risks it entails. They notably analyzed workforce, environmental, and social impacts, and ethical issues, in accordance with the regulation in force since passage of the Grenelle II Act.

These risks are reviewed at greater length in the five chapters of this report, in which we detail the policies adopted to manage them and recent outcomes.

The key risks they identified were:

- The loss of skills or failure to retain employees;
- Damage to infrastructure or data;
- The negative environmental impacts of our activities;
- Reputational risks;
- Unethical practices.

6.9.4 Reporting period

The information in this report covers a 12-month period from January to December 2018. The only exceptions are the

energy consumption indicator, which is based on a rolling 12-month period with a maximum difference of two months on the previous fiscal year.

6.9.5 Methodological explanations and limitations

The methods used for some of the indicators may have limitations due to:

- The lack of nationally and/or internationally recognized definitions (for example, for the different types of employment contract);
- The need to use estimates, the representativeness of the measurements, the limited availability of external data needed for the calculations;
- The practical and legal methods of collecting and entering data (for example, storing information about employees' age or gender may be forbidden in some countries).

Where necessary, the reporting scope and completeness of the measurements for some indicators were adjusted. This is indicated in the report. Notably:

- The information needed to calculate the frequency and severity of work-related accidents could not be collected across the Group. The

number of work accidents is nonetheless provided;

- CO2 emissions only relate to business travel by airplane in 2018 of French entities;
- Electricity and gas consumption in kilowatt-hours concern the entities established in France, Morocco, UK, and Romania. These countries represents more than 93% of the Group workforce. It includes also establishments for which the data is available (Chili and Switzerland). A marginal number of premises are excluded since their utility costs are included in the rent without significantly affecting the published information.

The Group intends to continue to gradually expand the scope of these indicators to a larger number of countries and to other sources of emissions.

6.9.5 Non-applicable indicators

Given the Group's activities, the following indicators are not considered to be applicable:

- Food waste;

- The fight against food insecurity, respect for animal welfare, and ensuring fair, responsible, and sustainable food sources.

6.9.6 Consolidation and internal controls

The data is consolidated under the responsibility of the Human Resources and Internal Control departments at the head office of the consolidating entity. An initial validation of the data is carried out by the persons responsible for collecting it. Consistency checks are then carried out by the Human Resources and internal Control departments when

consolidation takes place. These checks include comparisons with data from previous fiscal years. Any differences considered to be significant are analyzed. Checks also include ratio analysis when data can be related to the workforce, to a business activity or to another relevant indicator used to compare entities.

6.9.7 External controls

In order to obtain an external opinion on the reliability of the data and the soundness of the reporting process, an independent third party was asked to attest the Declaration's conformity with the provisions of article R. 225-105.1 of the French Commercial Code and issue an opinion as to the fairness of the information provided, i.e. policies, actions, and results, including key performance indicators relating to the

main risks. Therefore, specific checks were conducted regarding the information in the report, as key indicators of the Group's Statement of non-financial performance. The independent third-party Assurance Report explaining the verification procedure, together with the auditor's comments and conclusions, is included in this statement and in the Group's Registration Document.

6.10 Report by an independent third party, on the consolidated non-financial statement included in the Group management report of CEGEDIM

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

For the year ended December 31st, 2018.

To the shareholders,

In our capacity as independent third party, accredited by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December, 31st 2018 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third party verifier

On the basis of our work, our responsibility is to provide a report expressing 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 in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of this activity on compliance with human rights and anti corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225- 102- III, 2;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement "Methodological note";
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes¹ that we considered to be the most important, we implemented:
 - o analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - o substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities² and covers between 67% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we assessed the overall consistency **of the Statement based on our knowledge of all the consolidated entities.**

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

¹ % of confirmed permanent contracts; % of completion of the security checklist; Increase in the volume of hosted data; %% vehicles emitting <120g CO₂ and < 140g CO₂; Increase in number of virtual servers; Share of revenue spent on R&D; Share of eco-friendly purchases on the French in a Group catalog; Number of confirmed employee referral hires; Number of recruitment events; Number of Ethics Committee meetings.

² French entities of the Group Cegedim.

Means and resources

Our work was carried out by a team of 5 people between November 2018 and March 2019 and took a total of 2 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 7 interviews with the people responsible for preparing the Statement, representing Internal Control – Risk & Compliance, Human Resources and IT departments.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, March, 27th 2019

MAZARS SAS

Jean-Philippe MATHOREZ

Partner

Edwige REY

CSR & Sustainable Development Partner

2018



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