

SDR

2017

Extract of 2017
Annual Financial Report



Cegecim's Corporate Social Responsibility

6

6.1	Cegecim's core values	1
6.2	Employment information	3
6.3	Environmental information	8
6.4	Societal information	11
6.5	Going even further	14
6.6	Methodological note	15
6.7	Report of one of the statutory Auditors designated as third-party independent body to audit social, environmental and societal information	17

6.1 Cegedim's core values

Cegedim's values aim at federating its employees around keys messages below:



6.2 Employment information

6.2.1 Employment

6.2.1.1 Employees

The Cegedim Group's total workforce as of December 31, 2017 was 4,230 employees versus 4,062 as of December 31, 2016. The number of employees related to assets held for sale are 27 as of December 31, 2017 and were excluded on this report from 2017 data, the disposal occurred on February 28, 2018. The 2016 data haven't been modified, they include 26 employees related to this activities.

Employees based in France represented 67% of the Cegedim Group's total workforce in 2017.

97% of employees are employed under open-ended contracts. The same rate in France and abroad.

In 2017, the Cegedim Group hired 1,128 employees. Among them, 842 were under open-ended contracts (of which 53% were in France), 286 were under temporary contracts (of which 84% were in France). 13 employees joined the Group through acquisitions of entities.

	31.12.2016	31.12.2017
Total staff in the Group	4,062	4,230
Staff in France	2,749	2,853
Employees on open-ended contracts	3,936	4,088
As a % of total staff	97%	97%
As a % of staff in France	96%	97%
As a % of international staff	98%	97%
Additions	1,266	1,115
Of which new hires on open-ended contracts	966	843
Of which new hires on temporary contracts	300	286
Of which change in consolidation scope	16	13
Subtractions	943	934
Activities held for sale	-	26

In order to support the Company's plans and initiatives, Cegedim:

- Hires several hundred employees in France each year, with an ever-increasing effort to promote diversity among the Company's employees and to help persons with disabilities enter the workforce;
- Employs a large number of interns and young people under work-study contracts;

- Recruits employees internationally through its presence in over 10 countries around the world.
- The Group hires temporary employees when needed.

The breakdown of the workforce by region as of December 31, 2017 is as follows:

Zone	% of employees as of Dec. 31, 2017
France	67%
EMEA hors France	28%
America	5%

In 2017, based on legally available data, 58% of the Group's employees were men, with an average age of 41, and 42% were women, with an average age of 39.

In 2017, 934 Cegedim employees left the Group, 557 in France and 377 abroad. Reductions in staff include completed temporary employment contracts, completed assignments, completed trial periods, resignations, changes in consolidation (entities sold), mutually-agreed terminations, layoffs and deaths.

In France, layoffs accounted for 10% of all the 557 causes for staff departures. With regard to the procedures around staff departures in France, 23 disputes were initiated in 2017.

6.2.1.2 Compensation and evaluations

The Group's compensation policy aims to recognize talent by rewarding both individual and group wide performance, with greater weight accorded to individual performance.

A fixed and variable compensation policy is in place for certain employees to incentivize high performance:

- The variable portion of Operational Managers' compensation is objectives-based, reflecting the Company's overall strategic direction in terms of the Group's growth, profitability and cash flow;
- The compensation paid to salespeople, consultants, Project Directors, and certain operational employees includes a variable component. It is based on achieving yearly objectives established by senior management; these are for the most part individual and to a lesser degree group-wide.

Each year, the Cegedim Group's managers meet with their team members one-on-one for an individual assessment and to review target achievement. An assessment guide is provided to participants to ensure that discussions take place under the best possible conditions. In France in 2017, an online training course was mandatory for all managers, in order to help them manage the annual assessment. The assessment takes place in the first quarter using the internal software tool known as *SmartRH*.

Semi-annual assessments are held as the case may be, and others are held systematically at the end of trial periods in order to examine the work done by employees.

Under the "generational contract" signed in 2014, the Group is committed to, inter alia, maintaining the employment of older workers, hiring more young people under 25 and managing the end of its employees' careers. The Group pursues the terms of the "generational contract" although it is not anymore a compulsory tool.

A Compensation Committee was formed in 2010. Its main duties are to review and make proposals to the Board of Directors on the compensation of Cegedim's Directors, Chairman & CEO and Deputy Managing Directors. The Committee also examines the policies relating to the attribution of free shares and variable compensation. It consists of three Directors of the Board, including one Independent Director. In the past fiscal year, the Compensation Committee met twice.

6.2.1.3 Payroll costs

Payroll costs include net salaries, benefits in kind, variable compensation, bonuses and incentives, as well as payroll taxes and contributions to social welfare programs for employees. The fluctuation in these costs over the past two years is as follows:

In thousands of euros	12.31.2016	12.31.2017
Payroll costs(*)	202,657	215,434

(*) excluding activities held for sale in 2016 and 2017.

Employees make up the Group's main resource and represent one of the most significant expenses. Cegedim adapts its wage policy appropriately in order to motivate talent, ensure training and recruiting while maintaining salary costs within a reasonable growth level.

There are employment benefits (at minimum health insurance, which can be supplemented with other benefits plans) and retirement benefits for employees in all countries where such are required by law. The Group intends to gradually broaden such plans into those countries where they are not required by law. As

a practical matter nearly all Group employees have been offered health insurance.

6.2.2 Work organization

6.2.2.1 Organization of work hours

For employees in France, who represent 67% of the Cegedim Group's total workforce, work hours are organized based on an annual total of 216 work days with a contractual work week of 35 hours, in exchange for reduced work hour ("RTT" for working time containment) days. There are 13 RTT days per year.

Employees receive 25 days of paid annual vacation, plus certain paid vacation time for legal holidays or days off established under Company agreements.

The provisions applied for overtime comply with the collective bargaining agreements applied within each entity.

Outside of France, the local regulations governing work hours are observed in each respective country. If there are no regulations, the Cegedim Group applies work hour requirements that are considered reasonable by the Human Resources Department of that region, in consultation with the head office. In all countries where it operates, the Group respects the conventions of the International Labor Organization.

There were 115 employees working under part-time contracts in France and 43 part-time employees abroad.

In 2017, absenteeism (absence due to sickness, family events such as maternity, marriage, etc., and unjustified absences) totaled 12.7 days per employee in France (including 17% for maternity and 64% for sickness) and 11.3 days per employee for the Group. Paid leave and reduced work hour days are not included in the above absenteeism statistics.

6.2.2.2 Professional relations and collective bargaining agreements

The Cegedim Group works to maintain good relations with its employees and their representatives and fosters regular dialogue between the parties.

In the French subsidiaries and in the Group as a whole, there are a very large number of collective bargaining agreements in place. It is not possible to provide a detailed list of all of them. None of the agreements set up in France have yet been opposed by the employee or union representatives, which illustrates the relevance of the social dialogue.

In 2017 in France, collective bargaining agreements were negotiated on working time setting up part time

work within the group and experimentation of teleworking. With these two major improvements, the Group continues its initiative in order to allow employees to better balance their personal and professional lives.

Since 2016 in France, the Group has gotten of a declarative tool in order to allow the control of employees' workloads and allowing to ensure that they get their mandatory rest time. This daily monitoring of working hours send immediate alert to the chain of command, and to the HR Department, in the event of an anomaly.

In the French subsidiaries, the major agreements include profit-sharing agreements (signed for 3 years) and an incentive plan agreement. They are reviewed annually with the staff representative bodies. 2017 highlights, a new profit-sharing agreement was negotiated at the Group level, encouraging the pooling of efforts to share added value within a single entity.

In the French entities and in the Group as a whole, there are employee representatives and Works Councils elected in the legal frameworks.

In 2017, the Group in France has 5 major divisions composed of: 2 UES (Economic and Social United) - UES Cegedim in Boulogne Billancourt and UES Alliadis in Niort, which have respectively a works council (EC), staff representatives and a committee of health and safety and working conditions (CHSCT) - 2 DUP (Unique Staff Delegations) including one CE and one CHSCT each, in Rodez and Marseille - and finally 1 EC, 1 CHSCT and staff delegates for the entity of Cegedim Activ.

In social matters, the 2018 challenge will consist to comply with the new legal provisions and to put in place the new ESCs (social and economic committees), the main innovation introduced by the Macron ordinances in France.

A member of top management regularly attends all mandatory meetings with the staff representatives. In addition, two members of the Works Council serve on Cegedim SA's Board of Directors.

For all entities combined, in France, there were about 176 meetings in 2017, or about 742 hours, with the elected representatives from the various bodies (Works Councils, Staff Delegates, Union Delegates, CHSCT, etc.).

The themes covered by social dialogue are not always the same based on the entities. The most frequent in particular have to do with working time, hygiene and safety, compensation, training, and investments and disposals.

The Group respects the obligations towards the various staff representation bodies around the world. It ensures

that these bodies are created and monitors the frequency of meetings or the discussion themes (on the life of the company's employees, the organization, hours, safety, health, departures, etc.).

6.2.2.3 Works Committee

It is impossible to report the activities of all the Works Committees in the Group. It can be noted, however, that in 2017, no local Works Committee brought to the Group HR Department a major question that was not handled successfully at the local level.

With respect to the Works Committee at the parent company, Cegedim SA, it should be noted that this Works Committee made no comment on the Company's economic and employment situation in 2017.

In 2017, the Works Committee of the UES of Boulogne-Billancourt, France, met 12 times for Ordinary Meetings and 2 times for Extraordinary Meetings.

6.2.2.4 Information and communication

Within the Company, information is disseminated via the following communication tools:

- An Intranet, launched in 2013, one purpose of which is to collect a set of documents including: the welcome packet, which provides information specific to each country and what is available to employees there;
- An in-house newsletter;
- Intranet news messages for employees;
- A presentation at least once a year of the Group operations and key events by one of the Deputy CEOs for employees located in the Paris Region. This presentation is also relayed to the rest of the Group through internal media. The Head of Investor Relation takes the opportunity of his travels aboard during roadshows, to visit subsidiaries and present the Group annual results to employees.
- Half-yearly individual interviews;
- The site of the UES of Boulogne-Billancourt, France, which disseminates a transcript to employees;
- The welcome packet given to every new hire, containing the Company rules, the Cegedim Group security charter, the business conduct charter, the ethical charter, the social media usage charter, together with documents about the schedule of benefits and France's 1% housing program;
- A personal, secure electronic lockbox (www.arkevia.com), where Group employees

can find their pay stubs and store personal documents without cost;

- Various other initiatives have been launched locally within different Group entities. For example in 2017, at the three Boulogne-Billancourt sites, a network of 21 screens was deployed in all buildings. It broadcast the Group's news as well as social, legal and business information messages, the list of available e-learnings,...

6.2.2.5 Health and safety

In France, health and safety conditions are addressed during meetings of the Health, Safety, and Working Conditions Committee (CHSCT). These meetings are held regularly in the Group's various entities.

In France in 2017 there were 60 job-related accidents which 30% of these accidents occurred during work-related travel. Such accidents did not result in any case of permanent disability. These statistics do not include potential accidents affecting temporary personnel or service providers. Further information about the measurement of workplace accidents is provided in the paragraph about methodological limits.

Additionally, in France the Accord National Interprofessionnel has since 2012 allowed supplementary private health insurance to be paid for former employees looking for a new job. The assumption of this cost by the Group, except in the case of resignation, is available for twelve months after the employee has left the Company.

After numerous negotiation meetings between the broker of the Group, employee representatives, and Management, the Cegedim Group came to an agreement in 2014 that established a new optics price list in compliance with the new French awareness contract decree.

Since 2015, the service company taking care of the French employees' medical claims, opened a secured intranet platform where the employees can manage their claims and exchange relating information.

In 2017, we noted a nominal operation of the services set up.

Both in France and abroad, the Group adheres to all local regulations in relation to health and safety conditions.

In general, the Group considers the situation regarding agreements relating to health and safety at work to be satisfactory.

6.2.2.6 Training

Training, which gives employees a foundation on which they build their skills and maximize their potential, is a cornerstone of the Cegedim strategy. The Group works to help employees define and achieve their individual development goals. Requests for training may be expressed during the annual evaluation meeting or at any other time. Requests may be placed through a central management system for employees connected to the Group Intranet.

In accordance with the new regulations in force since 2016, the HR Department set up the tools to conduct a professional interview, independent from the annual individual interviews. This professional meeting aims at discussing the employees' career, including their training needs. It will be repeated at least every two years.

In 2017, an e-learning platform was created and allows employees to follow many training modules during their working hours on a wide range of training courses. In the same way, a digital platform has been put online for research and development teams to update their knowledge of new technologies related to their jobs.

For the year 2017, 1% of the Cegedim Group's payroll was allocated to training, representing a total budget of 2,207 thousand euros.

The training budget went primarily toward outside training hours. Internal training was also organized for the employees of the Group.

In France 25% of employees received one or more training within the Company. This training represents a total of 23,095 hours.

Training costs are paid for either by each entity of the Cegedim Group or by collecting bodies, depending on the payments made.

Consolidation France	12.31.2017
Employees receiving training	709
Number of hours of training	23,095

6.2.2.7 Gender equality in the workplace

The Group does not discriminate when hiring and assigning positions. Job offers provide wages without discrimination; raises depend on criteria linked to the performance and experience of each worker.

Any person who is a victim of or a witness to discrimination has several means of calling attention to it. They can among other things contact the Group Ethics Committee (see following page) or any employee representative, who will act with complete independence.

6.2.2.8 Jobs and assignments given to workers with disabilities

The Cegedim Group aims to ease the way into the Company for workers with disabilities and to lessen instances of discrimination. The Group is making efforts to improve access to buildings for handicapped people. Furthermore, in France, special five-day paid leave is offered to employees with disabilities to allow them to take care of their medical and administrative needs.

In France in 2017, 78 handicapped persons, recognized as such by the MDHP (Departmental institute for persons with disabilities) were counted towards the contribution program for workers with disabilities.

A mediator handles, among other issues, the interface between occupational healthcare and workers with disabilities.

Both in France and abroad, the Group enforces the regulations in force with regard to the employment of people with disabilities and, in general, works to combat any form of discrimination

6.2.2.9 Ethical charter and Ethics Committee

Cegedim complies with the laws and regulations applicable to the economy and conducts all its business honestly and with integrity, in accordance with the highest ethical standards.

Cegedim has therefore made a commitment to comply with 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.

In addition to regulatory requirements and legal sanctions, compliance with the law has an ethical dimension. Ethics involves the behavior of all Cegedim Group employees around the world, at all levels of the company, with no exceptions. It also applies to all corporate officers and members of the executive and management committees of Cegedim Group and its subsidiaries worldwide.

The Code of Ethics, was updated by end of 2017, it reaffirms our ethical commitment and factors in new laws and regulations on business conduct. It is also meant to be easier to use and more educational as it now includes concrete examples. This Code aims to inform and protect Cegedim's Employees by setting out the Group's standards in these areas and the related codes of conduct.

"Every one of us needs to make a commitment to ethics to ensure lasting growth and balanced development." Jean-Claude Labrune Chairman & CEO

This Code is provided to all new Cegedim employees. Updates to the Code of Ethics are sent electronically to each Employee in French and English and in hard copy to each Activity Director, to the members of Cegedim's Board of Directors and to the Group's senior executives.

These executives promote the values and commitments resulting from this Code among their Employees and monitor their implementation

Lastly, the Code is made available to the public online in French and English on the www.cegedim.fr and www.cegedim.com websites.

The Ethics Committee is composed of five permanent members:

- The Director of Group Communications: Aude Labrune, who chairs the committee;
- The Director of Group Human Resources: Anne-Louise Senne;
- The Chief Financial Officer of the Group: Sandrine Debroise;
- The General Counsel: Christelle Vivet;
- The Director of Financial Communications: Jan Eryk Umiastowski.

6.3 Environmental information

In keeping with the code of ethics described above, the Cegedim Group works to protect the environment. Nevertheless, it should be mentioned that the Group's activities do not, by nature, generate pollution, since its products are essentially intangible. Cegedim relies first and foremost on its human capital, as it provides service activities that do not directly require the use of industrial processes or raw materials.

Quality

Operating in the sector of technologies and services relating to information and databases, the Cegedim Group's priority is to satisfy its clients and partners concerning systems and data security. Cegedim with its affiliates Cegedim Assurance and Cegedim IT, is certified IDEA 3402 Type 2 and ISO 27001 for its data center located in Boulogne-Billancourt and in Toulouse, and its activities of hosting and IT outsourcing. Cegedim also has three approvals issued by ASIP (the Shared Healthcare Information Systems Agency) for the hosting of personal health data.

Protection

The best precautions are taken to guarantee that clients have the highest quality of service and that the data and data flows entrusted to Cegedim are protected.

Concerning the compliance with the General Data Protection Regulation (GDPR), the Cegedim Group began in 2017 a global review of treatments of processes and documentation in order to identify potential deviations from the requirements of the RGPD and treat them. Privacy Impact Assessments (PIAs) are also running. This project is managed by the Group General Management with the support of the Group Legal Department.

The goal of being in compliance on May 25, 2018 is therefore a Group priority. It is part of a continuity since under the current law, the Cegedim group has always been particularly vigilant about the security of

personal data that have been at the heart of its business for many years.

Cegedim Group's General Management has requested that all Group employees or service providers be trained in the RGPD regulations. Online training has been created and must be followed in the first quarter of 2018 by each employee. It includes a mandatory evaluation, accessible only after having followed the entire training course.

Security

Thus, the reduction of risks and impacts that can affect the assets and the image of the Group, relating in particular to fire, floods or other natural disasters, power outages, computer viruses and sabotage is a constant and primary concern for the Group.

The Group implements strategies for activity and service continuity, drawing on the geographical distribution of its IT centers and the state of the art of information technologies. Some industrial risks are also covered by suitable insurance policies.

Environmental responsibility

The Group is careful to follow best practices and promotes processes that minimize its impact on the environment, especially as regards the day-to-day organization of work activities.

Given their essentially intangible nature, the activities of the Cegedim Group have no significant environmental impact.

The main levers for environmental responsibility are based on:

- Reducing energy consumption, mainly at the level of the data centers through the use of latest generation equipment;
- Purchasing recycled products;
- Optimizing the life cycle of manufactured goods by managing certain products' end of life (paper, cardboard, IT equipment, cartridges, etc.);
- Controlling the Group's vehicle fleet;
- Controlling travel;
- Controlling the printing of work documents (using black and white instead of color, shared printers rather than personal ones);
- Installing equipment which enable to reduce energy consumption (timer to turn off the lights, automatic hand dryer);
- The use of water fountains, which generate less waste than purchasing bottled water.

Within the framework of Cegedim Compact, the Cegedim Group has continued to develop global and local initiatives to reduce its environmental impact in accordance with local laws and regulations.

Cegedim Compact's main efforts are aimed at:

- The virtualization of the data centers and reducing their energy consumption;
- Equipping people with new generation computers that consume less;
- The drawing up of an ethics charter and a non-discrimination charter;
- The creation of an Ethics Committee ;
- The implementation of best HR practices for managing key positions, spreading the Group's values and carrying out employee awareness campaigns;
- Introducing a travel policy more respectful of the environment;
- Developing remote communication tools.

Additionally, the subsidiaries abide by local laws and regulations relating to hygiene, safety and the environment.

6.3.1 Considering the environmental impact in the day-to-day management of IT equipment

For over thirty years, Cegedim has designed, built and run its data centers and technological platforms with a view to optimizing energy efficiency, in order to respond to both the economic demands of a highly competitive market and the objectives of sustainable development.

When deploying its data centers, the Group has always considered environmental, energy and economic constraints throughout the design, deployment and operation stages. These constraints have been integrated into every dimension of information systems hosting.

In 2017, Cegedim's technical and IT teams further developed the ongoing improvement program related to energy efficiency within Group's IT hosting services. This program is structured around three main areas:

Optimizing the use of IT resources

Virtualization continues to bring about a series of significant optimizations. In 2017, the number of physical servers dropped by around 15%, while the number of virtual machines (which bring far more interesting performances per unit) was up by around 32%. Consequently, the ratio stands at 16 virtual servers for one physical server, this ratio stands at 9 in 2016.

The use of oversized virtual servers also increases the sharing rate of services and optimizes energy consumption during periods of low activity.

Reducing the energy consumption of servers and IT equipment

Cegedim renewed its main computer hardware between 2014 and 2015, without changing the overall level of services delivered by the Group, and with an ongoing focus on data and access security.

In 2016 this policy continued with the simplification of the topology of the network equipment.

The Group selects high energy efficiency equipment for equivalent or superior capabilities. The capacity of the network infrastructure thus increased tenfold at constant energy needs.

Synergies were implemented between the data centers of Toulouse and Boulogne-Billancourt, in order to optimize performance and use of these sites.

In 2017, these facilities have reached a nominal and satisfactory level.

Optimizing the efficiency of air conditioning systems at hosting centers

Construction of more environmentally-friendly air conditioning systems has successfully been carried out since 2014 in all data centers.

In 2016, partitions in the cold areas of the data centers in France were generalized and continued to deliver in 2017 the expected performance. The implementation of free cooling, a cost-effective method that uses the difference in temperature between the air of the computer hardware and the temperature of the outside air, on the Toulouse data center helped decrease consumption from air conditioning by about 15%.

6.3.2 Energy Consumption

The Group's carbon footprint regarding greenhouse gas is measured in terms of the electricity consumption necessary to carry out its business activities.

The figures below show the Group's annual electricity and gas consumption in kilowatt hours for its affiliates located in France and in the United-Kingdom, representing 80% of the Group's employees. These two countries accounted for 94% of the Group's consolidated revenue in 2017.

The Group has IT hosting centers in Boulogne-Billancourt and Toulouse. The figures given below include the electricity consumption required to operate these data centers and that attributable to other premises (offices, other administrative sites, etc).

Annual power consumption for France and the UK	12.31.2017
Electricity (in thousands kWh)	16,511
Gas (in thousands kWh)	1,220
Total (in thousands kWh)	17,731
Total of greenhouse gas emission (in tones CO ₂ equivalent)	2,160

6.3.3 Considering the environmental impact in the business travel policy

The Company has been making a special effort to reduce work-related travel. This item represents a large expense, as well as a large source of CO₂ emissions. The Group clearly encourages employees to cut back on their travel and use alternative solutions while maintaining the quality of the services offered to customers.

This encouragement to reduce travel was announced by the Chairman, when launched in 2012, and has been broadcast then after within the Cegedim Compact initiatives, which were described in the Employment information section of this document.

Regarding business travel policy, the Group measures its impact on CO₂ emissions using annual air travel statements supplied by its travel agencies.

The data below indicate the annual emission of CO₂ in France in 2017.

(in tons - CO ₂ equivalent)	31.12.2017
Annual CO ₂ emissions	554

In France, Cegedim opts for categories with lower CO₂ emissions when renewing Company vehicles. In 2017, 73% of the French fleet consists of vehicles that emit less than 120 g of CO₂ per kilometer (compared with 67 and 58% in the last two years), and 93% of this same fleet emits less than 140 g of CO₂ per kilometer (compared to 89% and 86% in the past two years).

6.3.4 Considering the environmental impact in the day-to-day management of business activities

The Cegedim Group's sustainable development program, the Cegedim Compact, was launched on the initiative of Group Management and is based on the United Nations' Global Compact.

In most countries, Cegedim promotes and deploys actions regarding the items that have a large impact on the environment throughout the entire Group. Since the Group's activities do not generate pollution, there are no specific training in environmental protection. The Group however is implementing certain preventive initiatives in waste recycling and disposal.

The Group is taking care of the end of life of the computer equipment in its data centers, in order to ensure a waste processing respectful of the environment. Waste are in most cases handled by the supplier of the replacing equipment, otherwise, they

are recycled by a specialized recycling company. The Group can also decide to convert certain equipment into spare parts, thus optimizing the life cycle of certain components with on-site recycling.

Reducing the number of documents printed by employees is an important goal for the Group. In all countries, on a day-to-day basis, teams are encouraged to consider whether or not they truly need to print out their work 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 less and less individual printers being used among employees, who instead send their documents to a shared printing station. This limits printouts made simply out of convenience and helps to save consumables by encouraging black-and-white printing over color printouts.

Regarding reducing printing, since 2007, the Group has promoted electronic dissemination of the information it is required to provide under French regulations. The Group has cut the number of printed

copies of its Registration Documents from 1,200 to 200 copies between 2009 and 2017. Furthermore, electronic greeting cards sent to customers and providers have mostly replaced paper cards.

Other actions revolve around more responsible individual behaviors and various initiatives by local teams in charge of general services. For instance, ink cartridges are recycled throughout almost the entire Group, and the recycling of paper is increasing within many subsidiaries.

The purchase of green office supplies is encouraged when the price-to-quality ratio is reasonable ("Ecolabel" recycled paper or paper from sustainably managed plantations), especially for certain initiatives requiring mass printouts. For example, since 2007, the Group's Registration Document has been published on 100%-recycled, European Ecolabel-certified paper.

Simple ways to reduce energy use have been implemented on a case-by-case basis, such as automatically turning off lights and air conditioning in the offices after a certain time, encouraging car-pooling, etc.

6.4 Societal information

As part of its international presence, Cegedim is naturally involved in sustainable development, which puts human capital and, particularly, social equity for its employees as well as its communities, at the forefront of the Group's concerns.

6.4.1 Societal commitments to Group employees

In 2017, Cegedim's employment policy supported the Group's business activities. Cegedim considers human resources as the main asset of the Company and it is committed to strengthening this human capital. This year, the Group hired 1,128 employees, of which 75% had open-ended contracts.

The Group also sees to it that upcoming graduates are hired under apprenticeship contracts thanks to partnerships with schools and universities.

Expertise and potential for advancement are top priorities when hiring employees. The people hired as Managers all have advanced degrees. Most employees have a scientific or business-oriented educational background.

As an international service provider, Cegedim encourages its employees to work as a group-wide team and to collaborate with teams in other geographic regions. The Group aims to consistently provide high quality services to its international customers, wherever they are based.

For Cegedim, opportunities for internal promotion to different geographic areas allow employees to broaden their skills and their business knowledge and help the Group guarantee the transfer of knowledge among entities.

The Group applies an ambitious HR policy for training and internal mobility, and uses professional advancement as a tool to motivate employees and drive their success. To this end, an international mobility department serves managers, salespeople, and technicians to manage their requests for international placement (generally on assignments lasting three years), for transfer or for short-term assignments from France to abroad, or from abroad to France, or between different locations outside of France.

As a major proponent of the "win-win" principle, the Cegedim Group seeks to create an environment in which its employees are able to fully develop their talents while actively contributing to the Company's performance. The diversity of business activities and the international presence of Cegedim in more than 10 countries give employees opportunities to enrich their skills and personal experience with a view to taking on new responsibilities. When there is a vacancy, priority of consideration is given to the Group's employees.

6.4.2 Societal commitments to organizations interested in the Group's business

6.4.2.1 Impact on regional development and employment

Cegedim consistently bears in mind the regional impact of its activities, in terms of both employment and development. The Group is active in more than 10 countries. New employees are typically hired locally, which helps to boost the local economy.

The international mobility policy ensures that employees are able to retain their health and pension benefits and offers the necessary return and repatriation provisions.

Cegedim focuses on three goals for progress:

1. Take the full scope of the Company into consideration and treat human resources as the Company's most valuable asset;
2. Put a greater focus on people;
3. Continue efforts to support transparent, effective governance.

6.4.2.2 Subcontracting

Regarding sub-contracting in France, agreements are centralized. In other countries, it is a local responsibility. Cegedim also subcontracts part of its activities to its own subsidiaries, to guarantee the application of the quality and safety standards required by the Group. Certain specific computer support or back office tasks are thus covered in subsidiaries in Morocco or Romania.

Cegedim works with vendors who apply responsible practices and strives to apply the same treatment to the employees of external subcontractors as to Group employees.

As discussed in the context of the Ethics Charter (see the "Employment information" section), the Group aims to offer its suppliers, partners and subcontractors opportunities for success in a competitive, open and fair environment but also in the spirit of cooperation, partnership and mutual benefit.

In 2017, subcontracting represented 73,964 man-days worked person-days in France. This amount pertains to external vendors of the Cegedim Group.

6.4.2.3 General commitments regarding consumer health and safety

The Group is fully aware of the fact that it operates in a sensitive sector, that of life science industries, and it ensures the anonymization of health data, secure hosting and the carrying out of studies in line with standards that are regularly audited by customers.

The Group has extensive expertise in data management, as well as in the management of financial flows and electronic documents. Due to their highly strategic and sensitive nature, these activities have led the Group's IT teams to devise and implement resources and architectures with very high availability that meet the most stringent security requirements and, in particular, standards governing the hosting of personal health data. Cegedim thus offers its customers a complete private Cloud service, PaaS (Platform as a Service) mode or in SaaS (Software as a Service) mode, based on its hosting capacities and knowledge. These Tier III+ level sites make it possible to implement Service Continuity Plans (PCA – Plan de Continuité d'Activité) or Disaster Recovery Plans (PRA – Plan de Reprise d'Activité).

The Group offers a secure electronic safe service (www.arkevia.com) for storing personal documents.

As part of the Group's Ethics Charter described in the Employment information section, Cegedim seeks to ensure that its employees protect the confidentiality of the information and data to which they have access as part of their job.

6.4.2.4 Philanthropy and other initiatives of the Group

The Group commits to developing initiatives to support social causes around the world.

Several initiatives are organized at the discretion of Group subsidiaries. For example:

- The Aguesseau art gallery, located in the premises of the Group's headquarters, exhibits the works of about ten artists each year and regularly promotes young local artists;
- Since 2 years, Cegedim Insurance Solutions support the organization of the Foulées de l'Assurance, for the prevention of cardiovascular diseases;
- Pulse, the Group's American subsidiary, sponsors in each various actions in favor of the American Heart Association and work also with the Wichita's Littlest Heroes association, who supports young terminally ill patients, other punctual actions are carried out during the year in favor of people in need or in difficulty;
- in different initiatives collecting school supplies, or delivering meals with local organizations, or charities giving toys to children or helping impoverished families during the end-of-year holidays;
- The different offices of the Group's British subsidiaries encourage employees to support

various charitable organizations, working in particular in neighborhood healthcare centers; employees are asked to participate in bake sales to support various causes; in addition to fight against cancer, in 2017 the association dealing with mental health that was selected;

- Cegedim SRH sponsor the participant of a sailing race, sporting the company's colors and values.
- Generally speaking, according to local customs, subsidies were granted to some employees for extra-curricular activities (sports, leisure, culture);
- actions have been undertaken in connection with the year-end holidays (gift vouchers, Christmas tree, etc.), school breaks (vacation vouchers) and for other important events.

6.4.2.5 Actions undertaken to prevent corruption

As mentioned in the Group's Ethics Charter (see the "Employment information" section), the Group is committed to act against corruption in all forms. In 2017, no evidence was submitted or reported to the Ethics Committee.

6.5 Going even further

6.5.1 Certification and quality system

Since 2012, Cegedim has started a certification process for type 2 (reviewed annually) ISAE 3402 (International Standard on Assurance Engagements No. 3402, which covers all countries except for the US) for both its hosting services delivered by Cegedim IT and for the Boulogne-Billancourt and Toulouse data centers for several of its activities. This certification stems from the US Sarbanes-Oxley Act (SOX) of 2002, which implies that suppliers of these companies must also be audited on financial risks. The assessment is conducted by an independent auditor recognized by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).

Cegedim also relies on international standards, such as ISO 27001 for informational security and ISO 20000/ ITIL on IT service management, ISO 9001 for quality management and CMMI for project management and software development.

To assert and validate this high level of compliance, Cegedim, through its various subsidiaries, obtained several accreditations or certifications:

- ISO 27001 and ISAE 3402 Type 2 for Cegedim IT's hosting services on the Boulogne-Billancourt and Toulouse data center (France);
- ISO 27001, ISO 20000 and ISAE 3402 Type 2 for Cegedim Activ (France);
- Personal Healthcare Data Hosting Agreement (France);
- ISAE 3402 Type 2 for Cegedim SRH (France);
- ISAE 3402 Type 2 for CETIP (France);
- ISAE 3402 Type 2 for iGestion (France);
- ISO 27001 pour Cegedim RX (UK) ;
- ISO 27001 for INPS (UK).

6.5.2 Useful links

Cegedim Group website links

- Sustainable development

<https://www.cegedim.com/about-us/compliance/Pages/sustainable-development.aspx>

- Group Ethics Charter

<https://www.cegedim.com/about-us/compliance/Pages/sustainable-development.aspx>

- Group Professional conduct Charter

<https://www.cegedim.com/about-us/compliance/Pages/sustainable-development.aspx>

6.6 Methodological note

6.6.1 Scope of consolidation

The information contained in the present report concerns the whole Cegedim Group, that is to say the parent company and all its consolidated subsidiaries using the full consolidation method, unless a different scope is expressly stipulated.

In general terms, the comments are more detailed and the illustrations more numerous for the French companies, which represent 67% of the total Group workforce.

The figures relating to employment information, unless otherwise specified, are consolidated for all fully consolidated companies worldwide, i.e. 63 companies.

The figures discussed in the Environmental Report relating to electricity and gas consumption in kilowatt hours concern the Group's subsidiaries present in France and in the United-Kingdom. Those two countries are considered to be the most representative for these indicators. The employees in these countries represent 80% of the Group's workforce.

The figures of the environmental balance on CO₂ relating to travels include only France.

6.6.2 Information sources

In order to ensure the homogeneity and reliability of the indicators monitored in all its entities, the Group has developed common employment and environmental reporting tools. These are accompanied by methodological instructions and definitions that ensure the clarity of the questions asked and guarantee the comparability of the responses.

The collection of employment figures has been carried out by the Teams^{RH} worldwide database, developed by the Group. This database enables workforce data as well as other employment information to be monitored in each country. It meets the security and confidentiality requirements and, more generally, the legal constraints specific to each country, which are systematically respected for data collection and processing.

It is updated on a daily basis by the Human Resources teams in the different regions where the Group operates.

The other quantitative data has been collected by means of 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 or invoices and annual report prepared by energy suppliers relating to the energy consumption expressed in kilowatt hours.

The qualitative information contained in this report results from interviews with the managers responsible for the matters dealt with, either at the Group's headquarters or in the Group subsidiaries (notably in the Human Resources, IT, OPEX and Finance Departments).

Most of these declarations have been corroborated by a survey sent to each country where the Group is established and completed under the responsibility of the local Financial Director. This survey, which is integrated in the consolidation software but follows a different procedure from the annual financial consolidation process, can be completed, on the basis of one survey per country, from the beginning of the fourth quarter until the closing of the annual financial statements. It aims to test the knowledge and application of the key measures contained in the Cegedim Compact charters, and also to report qualitative information on the practices or actions of foreign subsidiaries regarding social, environmental and societal issues.

6.6.3 Reporting period

The information contained in this report covers a period of 12 months, from January 2017 to December 2017. The exception is that a 12-month rolling calendar may have been used exclusively for the energy consumption indicator, with a maximum difference of two months with regard to the previous fiscal year.

6.6.4 Methodological precisions and limits

The methodologies relating to certain indicators can be limited by the following:

- The absence of definitions that are recognized at a national and/or international level (for example, concerning the different types of employment contracts);

- The need to make estimations, the relevance of the measurements carried out or the limited availability of the external data necessary to make calculations;
- Practical or legal methods for collecting and inputting data (for example, storing information regarding the age or gender of employees may be prohibited).
- The consideration of noise pollution and all other forms of pollution specific to an activity;
- The water supply in accordance with local constraints;
- Land use;
- The measures taken to preserve or develop biodiversity;
- Adapting to the consequences of climate change.

The reporting scope and coverage of the measurements relating to certain indicators have, if necessary, been adapted. This is indicated in the report, notably:

- Information pertaining to the calculation of the rates of frequency and severity of work accidents could not be collected across the Group. The number of work accidents is nonetheless provided;
- CO2 emissions only relate to emissions from work-related travel by plane in 2017 in France.
- Electricity consumption in kilowatt hours covers, in France and in the United-Kingdom, all the establishments for which the data is available. Certain premises have been excluded since bills are included in the rent, but these cases are minimal. The Group considers that these omissions do not significantly affect the published information;
- In view of the low polluting nature of its activities, waste prevention, recycling and elimination measures do only apply occasionally to the Group. Nonetheless, actions in favor of responsible environmental practices are being taken, and are detailed in the "Environmental information" chapter.

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

6.6.5 Non-applicable indicators

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

- Resources set aside for the prevention of environmental risks and pollution;
- Measures to prevent, reduce or repair air, water or soil pollution having a serious effect on the environment;

6.6.6 Consolidation and internal controls

The data is consolidated under the responsibility of the Human Resources and Finance Departments at the headquarters of the consolidating entity.

A preliminary validation of the data is carried out by the persons responsible for its collection. Coherence checks on the data are then carried out by the Human Resources and Finance Departments when consolidation takes place. These checks include comparisons with the data from previous fiscal years, with any differences considered to be significant being systematically analyzed. They 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.

6.6.7 External controls

In order to obtain an external opinion on the reliability of the data and the robustness of the reporting process, the Statutory Auditor of Cegedim SA has been asked to attest on the information required by article R. 225-105.1 of the French Code of Commerce, and issue an opinion on their fair presentation. In this context, specific checks have been carried out on certain information reported by the Company and considered to be key indicators of the Group's Employment and Environmental policy. It covers the workforce, CO2 emissions and energy consumption in kilowatt hours. The Statutory Auditor's Assurance Report detailing the work carried out together with his or her comments and conclusions is included in the Group's Registration Document.

6.7 Report one of the statutory auditors, appointed as independent third party parties, on the consolidated human resources, environmental and social information included in the management report

This is a free English translation of the statutory auditors' 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 2017

To the Shareholders,

In our capacity as statutory auditor of Cegedim Company, (the "Company"), appointed as independent third party and certified by COFRAC under number n° 3-1080¹, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31st 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the "Guidelines"), available on request from the company's head office and summarized in section 6.6 of the management report entitled "Methodological note".

Independence and quality control

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

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved three persons and was conducted in March 2018 during approximately one week period. We were assisted in our work by our CSR experts.

¹ whose scope is available at www.cofrac.fr

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000² concerning our conclusion on the fairness of CSR Information.

1 Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations presented in section 6.6 of the management report entitled "Methodological note".

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2 Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted two interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important³:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected⁴ by us on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in

² ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

³ Total headcount as of 12/31/2016; recruitment in permanent and fixed-term contracts; dismissals rates; departures; absenteeism; number of training hours; annual energy consumption; CO₂ emissions.

⁴ France.

order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 68% of headcount and 86% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are 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. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, March 28th 2018

French original signed by one of the statutory auditors:

Grant Thornton
French Member of Grant Thornton International
Solange Aiache
Partner



www.cegedim.fr/finance

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