



CORPORATE SOCIAL  
RESPONSIBILITY



**COFACE'S  
ENVIRONNEMENTAL,  
SOCIAL AND  
GOVERNANCE  
ACTION PLAN**



# WE BELIEVE IN GOOD GOVERNANCE

## STATEMENT

We are committed to acting as a responsible global company, and to being the reliable partner of our clients.

We are aware of the multiple challenges around us. When promoting safer trade, we do so with a constant commitment to ensuring we have a positive impact on our environment, our communities, our clients, our employees and all of the Group's other stakeholders.

The respect of human and socio-economic rights, the preservation of our environment and strict compliance with anti-corruption regulations and best practices are amongst our core priorities everywhere we conduct our business. Day-to-day, we abide by the United Nations Global Compact (UNGC) to which we have been a signatory since April 2003.

It is our intention, inspired by the Principles for Sustainable Insurance as defined by the global sustainability framework and initiative of the United Nations Environment Programme (UNEP- Finance Initiative), to transform Coface into an example of greater sustainability in the credit insurance industry.

## METHOD

In addition to embedding the spirit of the Principles for Sustainable Insurance in our strategy and activities, we consider it fundamental to constantly improve our accountability and transparency by regularly disclosing to the public our progress in implementing changes that support sustainability. We communicate on a yearly basis through our Reference Document and participate in the relevant disclosure and reporting framework set up by the United Nations Global Compact.

We are also committed to continuously enriching and updating our established company strategy at Board and executive management levels to identify, assess, manage and monitor environmental, social and governance (ESG) issues in our operations. An ESG Group Manager is in charge of setting our global ESG strategy and liaises with statutory auditors regarding the certification of our annual regulatory ESG report to the general assembly of shareholders. ESG managers will be appointed for each geographical region within Coface and be responsible for maintaining, updating and reporting on an ESG continuous improvement plan.



# OUR COMMITMENTS

The credit insurance industry's core business is to understand, prevent, manage and carry risk. Through risk prevention, credit insurance helps to guide economic actors towards creditworthy sectors and clients; through risk reduction, the industry has an important contribution to the mitigation of the domino effects of economic crises. The industry thus plays a significant role in protecting businesses, encouraging innovation and supporting economic development. Our ESG action plan should boost these inherent benefits for our clients, our employees, our environment as well as for the communities in which we operate.

## COMMITMENTS TO OUR CLIENTS

**As a socially responsible company, we are responsible for providing high-quality products and services. We consider that we are responsible not only for working with our clients and business partners to understand their needs and manage their risks in their best interests, but also for raising their awareness of economic, social and governance issues.**

### DEVELOPING OUR CLIENTS' AWARENESS OF ECONOMIC, SOCIAL AND GOVERNANCE ISSUES

We believe it essential to work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop appropriate solutions. One way we can do so is by leveraging Coface's expertise in country risk information.

Our own economic publications available on Coface's website, will include sector economic studies relating directly or indirectly to economic, social and governance issues.

In addition, we will take into account the ESG behavior of our prospects and clients through our Know Your Customer diligence. Coface will preclude any contractual links with companies blatantly and publicly in breach of key aspects of social and environmental legislation.

### TAKING ESG ISSUES INTO ACCOUNT IN OUR PRODUCTS AND SERVICES OFFERING

As a credit insurance company, our goal is to contribute to the development of economic exchanges by offering a safer framework for commercial transactions. We strive to offer our customers products that are best suited to their needs, in support of their development.

We also make sure that we offer services that are as reactive and efficient as possible and that our products and service coverage, benefits and costs are appropriate and clearly explained and understood by our customers.

We care about developing new products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management. Some of our products are entirely designed for small and medium-sized companies, such as EasyLiner, accessible via online subscription.

**40,000**

customers in 2015

**€ 475 bn**

insured receivables in 2015

It is worth noting that we provide guarantees to green energy sectors, and we intend to include a larger sample of this customer segment, as well as of the green industrial segment, when conducting our next market research study.

Finally we attach the utmost importance to developing paper-free communication with our customers. We have consistently encouraged the use of online declarations and/or notifications with our customers over the last years. Our EasyLiner product, mentioned above, makes an additional contribution to this paper-free policy, and paves the way for commercial relationships conducted increasingly on-line.

3<sup>rd</sup>

worldwide  
Compliance Day  
in 2015

100%

of employees  
trained in fraud  
detection in 2015

### COMBATTING FRAUD

Though credit insurance is usually regarded as low risk in terms of money laundering, Coface has developed detailed and stringent measures to combat money laundering and corruption on a daily basis through a number of different tools and tailor-made procedures. These are constantly updated and applicable in each entity of the Group and to all of our employees and customers. To avoid acts of fraud, we have put in place specific tools to detect fraudulent transactions, and we consider it critical to update them as often as possible, in the best interests of our customers, our employees and our shareholders. Coface has also set up a

Group-wide anti-fraud network which ensures that any dubious transactions and/or behavior occurring in the Group's entities and functions are immediately brought to light.

In addition, we ensure all of our employees are fully aware of fraud detection methods, fraud and money laundering risks, and adhere to the high ethical standards required in our business day-to-day, through a comprehensive e-learning program taken each year.

Regarding lobbying activities, we will introduce a dedicated section in our annual EGS report, to describe our participation in professional and business associations.

### SOCIALLY RESPONSIBLE INVESTMENTS (SRI)

As part of our investment program, we wish to integrate responsible assets into our investment decision-making and ownership practices. We therefore undertake to consider ways of broadening our investment opportunities into renewable energies and other similar assets and to report on these decisions accordingly.

## COMMITMENTS TO OUR EMPLOYEES

**Our strong desire to address ESG issues extends to ensuring an engaged and rewarding business life for the people who work across Coface. As a signatory of the United Nations Global Compact, we stand for the respect of liberty of association and the right of collective bargaining, the elimination of forced or mandatory labor, and the effective abolition of child labor. ESG concerns have always been included in the recruitment process to promote increased diversity and equality, and in the management of our employees to develop their talent and their satisfaction in working for Coface.**

### RAISING EMPLOYEES' WORK SATISFACTION - ENHANCEMENT OF INFORMATION DISCLOSED

We are concerned with our employees' satisfaction in working at Coface. Though we expect a great deal from our employees, including integrity and commitment, as well as loyalty and a sense of responsibility, we do our best to support and develop our employees' skills and aim to maintain a high





level of dialogue, synergies and cooperation. We maintain fruitful relationships with internal labor associations. In the future it is our intention to communicate more widely on ESG matters internally by including relevant topics in annual plenary meetings of Coface's European Work Council.

We offer our employees career opportunities and foster their professional mobility nationally and internationally. Our employees' personal development is a top priority that we closely monitor. We will therefore broaden disclosure on our employee turnover and monitor internal mobility rates in order to take action accordingly.

The promotion of health and wellbeing is also a key concern; we care about offering our employees' satisfactory working conditions, healthy eating options, and a range of physical training and activities. In the interests of transparency, we will broaden the scope of our report on accident frequency rate each year to new countries where Coface

is established. We will also edit Group guidelines on workplace health and wellness, and launch communication campaigns in this respect with the cooperation of national health committees. These will include Group guidance on workplace experience standards to be rolled out in all Coface entities.

All our employees are bound by the Coface Group Code of conduct, which promotes ethical behavior and requires that all employees avoid conflicts of interest. Our Group Code of conduct is regularly updated by the Group's Compliance Department.

Among our objectives, we undertake to measure our employees' satisfaction on a regular basis through opinion surveys, like the one carried out in 2013. Gathering employees' feedback allows us to define tangible follow-up actions, and consequently to strengthen employee engagement and build our employer brand, creating a more attractive Coface work environment.

**4,600**  
employees  
worldwide

**73**  
different employee  
nationalities

**55%**

of Coface employees are women

### DEVELOPING TALENT

It is important to us to constantly develop new training campaigns on management and credit insurance-related topics and to actively encourage our employees to follow such training sessions in order to increase their technical knowledge and skills in their line of business.

Not only will we develop bespoke development programs for high potentials and reinforce their management capabilities, we will also educate Coface sales and marketing staff on ESG issues relevant to products and services. To do so, we will embed key messages on ESG into our sales and marketing training, strategies and campaigns. We would like to ensure that for Coface insurance products, the benefits and costs to society are appropriate and clearly explained and understood by our people thanks to new sales training. We will also develop an individual approach to learning by giving each Coface employee access to an enriched global learning management system that offers adapted and interdisciplinary content available anywhere and at anytime.



### IMPROVING DIVERSITY AND EQUALITY

As a global company, we promote diversity within our recruitment policy so that our company reflects the multicultural societies in which we operate. Equal opportunities for men and women in each Coface office are also promoted and we aim at continuously improving gender parity for senior management positions. For more transparency, we will broaden the scope of our report on gender parity each year to new countries where Coface is established. We will also ensure proper compliance with diversity guidelines integrated into the Group recruitment policy.

As part of our new objectives, we undertake to be more specific about our recruitment policy towards disabled persons and adapt the workplace accordingly.

## COMMITMENTS TO THE ENVIRONMENT

**We are fully committed to protecting the environment. Although our activity does not cause significant pollution, most Coface offices across the world have developed campaigns and policies designed to mitigate any negative impact we may have on the environment and to raise our employees' awareness of environmental issues.**

Our approach to reducing our environmental footprint has been a significant driver for our real estate choices, more specifically in the choice of our head office. We have also made significant efforts to reduce the consumption of energy and paper, along with other initiatives established in France and other countries which favour waste sorting and recycling, particularly for parts of obsolete IT equipment.

In addition, we will ensure appropriate actions are carried out in all countries with a view to contributing to the protection of our environment. While local additional initiatives will be welcome, the following a minima principles will be followed in all regions: (i) the replacement of high quality paper reams with recycled paper reams and the production





of recycled paper gifts for clients; (ii) the subscription to electronic newspapers instead of print versions; (iii) the promotion of digital communications with clients and prospects; (iv) the replacement of current light bulbs with LED light or other energy-saving light bulbs; (v) the recycling of plastic through dedicated office spots; (vi) the reporting on CO<sub>2</sub> emission and energy consumption from transportation; (vii) the increasing use of video conferences rather than business travel; (viii) the introduction of clear guidelines for our buildings on required environmental standards for renting or acquiring new office spaces.

Since the regulatory reporting scope on environmental issues has, to date, been limited to France and Germany, we undertake to gradually broaden the scope of our environmental report to new countries and to strengthen our guidelines for office management across the world.

Finally, we will launch a Coface “Green Day” together with all-employee communication around best-practices on ESG issues, in order to increase awareness of the need to reduce electricity and paper consumption.

Our managers will also organize quarterly information-sharing sessions to raise colleagues’ awareness on environmentally friendly practices.

#### **SETTING UP SUSTAINABLE STANDARDS IN SUPPLY CHAIN MANAGEMENT**

We maintain a constant dialogue with our business partners and suppliers and conduct our business relationships with transparency and integrity.

We are committed to improving our supplier selection process and management by identifying suppliers who demonstrate measurable sustainability in their operations and will work with them in priority. This selection process follows the standard rules and guidelines newly set up in our Supplier Charter which include questionnaires addressed to bidding suppliers on compliance with ESG issues.

Our Supplier Charter will be implemented in all countries, with the help of our Group Procurement Department, over the coming years in order to have consistent practices of supplier selection across the countries.

## COMMITMENTS TO THE COMMUNITY

**We pay close attention to the cultures and environment of the countries where we carry out our activities. By providing credit insurance, we contribute, by definition, to the development of the economic and social fabric of these countries - providing jobs, prosperity and investment to local communities. This is why we believe it crucial to favor local employment as much as possible across all our offices. We believe it is an integral part of our social responsibility strategy to promote social activities that are consistent with Coface's values in the communities in which we operate. Our employees can propose social action, whether in the form of individual initiatives or collective action for charities, in order to facilitate economic exchange. In particular, we support action that encourages exchange between developed and emerging countries, and that may help populations who, due to their economic or social circumstances, are prevented from participating fully in economic life.**

### SUPPORTING COMMUNITY PROGRAMS

Coface Trade Aid targets specific, identified micro-projects, which have been selected for their utility, effectiveness and ambition. Financial transparency, dynamism and the degree of commitment of the organisations are likewise important criteria for selection. Today, this operation involves the vast majority of Coface offices, who share the same aim of supporting local initiatives based on education, professional training, micro-finance or facilitating economic exchange.

To pursue this worldwide operation, we undertake to focus Coface Trade Aid initiatives under one corporate umbrella, with action that is two-fold: linked to economic local development and children's education. Micro-finance organisations will be included in the program in order to support the development of local economies.

In addition to Coface Trade Aid, we intend

to promote employee volunteerism and charitable giving in the community through an incentive program to be closely supervised by Coface.

This program will include all the current activities Coface contributes to on a more systematic basis: (i) donation to local charity organisations; (ii) participation in charity races (or other activity); (iii) voluntary home visits to elderly people. We believe volunteering is a great way for employees to develop communication and leadership skills as well as to build positive relationships cross-teams. At the end of each year, we will recognize and reward the "Coface Volunteer of the Year".

### PREPARING OUR FUTURE: YOUTH DEVELOPMENT AND INTEGRATION PROGRAM

Finally, the development and integration of young people into Coface will also be more systematically encouraged through partnerships with local universities/educational institutes, internship offers, work study contracts and attendance at graduate and undergraduate job fairs. Therefore in the recruitment process, we commit to favoring the employment of students who have undertaken a work study contract.

36

countries participated in Coface Trade Aid Day in June 2015







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The logo for COFACE, featuring the word 'coface' in a lowercase, sans-serif font. The 'c' is dark blue, the 'o' is green, and the 'face' is dark blue.

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