

The COFACE Group is aware of its responsibility and has made a commitment to cooperate in the field of, environmental and societal issues for several years now. In 2003, it joined the United Nations Global Compact, through which it supports in its sphere of influence the 10 principles of the Global Compact relating to human rights, international labour standards and the fight against corruption. Coface's human resources (HR) policy is a reflection of its economic and corporate plan. It accompanies and accelerates the COFACE Group's strategic transformations, while ensuring the development and commitment of its employees. The activity of Coface, a service sector company, has a very limited impact on the environment. Nonetheless, Coface is committed to environmental protection and to sustainable development issues.

Carrying these principles even further, in July 2015, Coface's general management created the function of Group corporate social responsibility (CSR) manager, which is handled by the Corporate Secretary in order to ensure the monitoring of actions undertaken and those to be undertaken in this field by all Coface entities worldwide. Lastly, in 2015, the COFACE Group drew up a medium-term company-wide CSR plan under which it specifies the Group's corporate, environmental and societal values and makes a number of corresponding commitments to be implemented in the coming years.

The CSR report was established to meet the obligations of Article 225 of the Grenelle II law of July 10, 2010 and its application decree no. 2012-557. The reporting standards and methods are described in Section 6.5.



**4,078 employees**  
in 63 countries



**51 Fit to Win seminars**  
(strategy days) organised –  
More than 3,500 participants



Launch of a global  
initiative on gender  
**balance**

## 6.1 / CORPORATE INFORMATION

### 6.1.1 HUMAN RESOURCES AND PERFORMANCE DEVELOPMENT POLICY

Each year, the Group HR department reviews and shares with its contacts in the Coface regions and countries all its governance principles; these are presented together with the overall HR strategy. The goal is to adopt a common vision of the organisation of the function, its challenges and the application of its policies, in particular Talent Reviews and succession plans, the compensation policy and HR support for business lines.

#### General presentation of staff

In 2012, the Group built an HR reporting tool, which came online in December 2013. The database is updated in real time, and receives a steady flow of data from local HR managers in the countries. Consolidation of this information occurs on the last

business day of the month, which allows monthly dashboards to be produced. This reporting includes the individual data regarding contract, activity and business, as well as length of service for each legal entity in the Group and information on the hierarchical link between the different positions.

The tool also serves as a strategic planning tool for staff, as it makes it possible to manage recruitment actions and internal mobility within the context of a reference budget.

At December 31, 2017, the Group employed 4,078 people based in 63 countries, compared to 4,282 at December 31, 2016. Among them, 1,315 were assigned to sales & marketing, 1,382 to support functions, 1,040 to information, litigation and debt collection and 341 to underwriting.

#### / Distribution of employees by geographic region

The table below presents the geographic breakdown of the Group's workforce since December 31, 2015:

Workforce	2017	2016	2015	% of total 2017
Northern Europe	713	771	918	17%
Western Europe	974	1,175	1,485	24%
Central Europe	715	721	709	18%
Mediterranean & Africa	763	760	564	19%
North America	125	112	117	3%
Latin America	388	366	394	10%
Asia-Pacific	400	377	391	10%
<b>TOTAL</b>	<b>4,078</b>	<b>4,282</b>	<b>4,578</b>	<b>100%</b>

In 2016, Coface reorganised its global regions by putting Russia in the scope of the Central Europe region (it was previously part of Northern Europe), and Spain and Portugal in Mediterranean & Africa (previously part of Western Europe), which resulted in certain changes in the regions concerned.

Changes in the workforce in Western Europe between 2016 and 2017 were due to the transfer of the State guarantees management business to Bpifrance Assurance Export.

### / Breakdown of workforce by business sector

The table below presents the breakdown of the Group's workforce by activity type since December 31, 2015:

Workforce	2017	2016	2015	% of total 2017	Change 2017 vs 2016
Sales & Marketing	1,315	1,308	1,567	32.2%	0.5%
Support	1,382	1,595	1,554	33.9%	(13.4)%
Information, litigation, debt collection	1,040	1,040	1,124	25.5%	0.0%
Underwriting	341	339	333	8.4%	0.6%
<b>TOTAL</b>	<b>4,078</b>	<b>4,282</b>	<b>4,578</b>	<b>100.0%</b>	<b>(4.8)%</b>

Changes in the workforce in the support functions were in large part due to the transfer of the State guarantees management business.

### / Breakdown of workforce by type of contract

In France, Germany, Italy, and Spain, the total workforce at December 31, 2017 was 1,713 employees and broke down as follows according to type of contract:

		Permanent contracts	Fixed-term contracts	Supervising managers
France	2017	98.4%	1.6%	22.0%
	2016	99.2%	0.8%	18.5%
	2015	99.6%	0.4%	17.4%
	2014	99%	1%	17%
Germany	2017	99.7%	0.3%	13.9%
	2016	99.7%	0.3%	13.3%
	2015	99.9%	0.1%	12.7%
Italy	2017	99.5%	0.5%	25.9%
	2016	99.0%	1.0%	23.6%
Spain	2017	97.8%	2.2%	28.6%

In 2017, the Company welcomed 145 new hires on open-ended contracts in France, Germany, Italy and Spain, with 180 departures, including 71 resignations, 36 retirements and 12 dismissals. The transfer of the State guarantees management business to Bpifrance Assurance Export also gave rise to 249 departures. In order to conduct this transfer in the best possible conditions, Bpifrance Assurance Export and Coface created a steering committee, which met over 15 times in 2016, in order to organise the various aspects of the departures.

### Promoting diversity: fostering talent

Due to the nature of its activities and their geographic coverage, the Group is multicultural, with an international focus. For the

year ended December 31, 2017, 77 nationalities were represented in the Group; this diversity is strengthened by the frequent integration of employees from other countries into the teams; currently, 263 employees work outside their country of origin. This diversity guarantees that the Group reflects the diversity of the business communities and clients that it serves. For example, there are 21 different nationalities among employees based in France.

The male/female balance (53% women throughout the Group in 2017), as with the cultural diversity within the Company and each Coface region, is an asset for the Group, which has for several years taken steps towards promoting internal mobility and access of its employees to roles of responsibility.

The table below shows the change in female representation in countries within the reporting scope since 2014:

		% women among total workforce	% women among managers
France	2017	50.7%	37.0%
	2016	56.0%	41.6%
	2015	56.5%	43.2%
Germany	2017	53.0%	17.1%
	2016	52.2%	14.9%
	2015	53%	15.2%
Italy	2017	48.7%	40.8%
	2016	48.7%	34.0%
Spain	2017	64.3%	40.4%

Female representation is on the rise in Germany, and in management positions in Italy. The fall in France is explained in large part due to the transfer of the State guarantees management business, an activity with a high level of female representation, outside the scope of Coface.

At December 31, 2017, female representation within the governance bodies was as follows:

- ◆ Board of Directors: five women out of 11 directors, or 45.5%;
- ◆ Executive Committee: five women, or one-third of the members of the Executive Committee;
- ◆ Management Committee: three women, or 37.5% of the members of the Management Committee.

The Group has been cited several times for its exemplary conduct regarding the promotion of women in the workplace. In 2015, Coface ranked 18<sup>th</sup> in the ranking of female participation. This ranking, established by Ethics & Boards, ranks companies based on criteria such as female presence on the Board of Directors, number of women among executive managers and the implementation of proactive policies to promote gender equality.

In 2017, Coface launched a certain number of initiatives to promote gender balance, translated into action plans at each level of the organisation.

At the global level, the Group developed and published its key initiatives to be launched as of early 2018:

- ◆ a mentoring scheme for women, to facilitate their career development and progress within the Company;
- ◆ a training initiative to raise awareness of prejudices in perceptions that can, in particular, harm the consideration given to the contributions that women can make to the Company, but also the promotion of diversity in general;
- ◆ a conference bringing together women from various countries to discuss career management and balancing career success with a fulfilling personal life.

To continue promoting access by women to positions of responsibility, Coface has decided to ensure that at least one woman is systematically considered among the applicants for senior management positions, while continuing to ensure equal treatment for all applicants in the final selection process. This initiative will be implemented as of 2018.

Lastly, a prize will be awarded to the most active and effective region in implementing the action plan to promote gender equality. The plan is to award this prize at the Annual Leadership Meeting in 2018.

At the local level, by way of an example, Coface took part in 2017 in the South African Gender Mainstreaming Awards to promote female representation in business, and won first prize for "Equal representation and participation of women in the workplace" in the category of companies not listed on the Johannesburg Stock Exchange. It also won second prize for "Representation of women on Boards of Directors", and two third prizes for "Place of women in the Executive Committees of multi-national companies" and "Ability to entrust women with professional responsibilities". These prizes reflect the robust measures taken within the South African subsidiary to support gender balance. Also this year, Coface Italy launched a partnership with *Valore D*, a local institution offering training on diversity.

In Chile, Coface notably held conferences on the role of women in senior management teams and on health at work in connection with International Women's Day, and took the opportunity to remind all employees of the importance of diversity in teams as a source of richness and creativity.

In Asia-Pacific, the regional entity developed a scheme to promote family balance, including among other things the possibility of flexible working hours to facilitate young mothers' return to work, or the ability to work from home for part of the time. Young parents also benefit from easier access to parental leave while maintaining a social link with the Company. This scheme has now been up and running since January 1, 2018.

In France, a female network called Women to Win was created in 2017 by young employees, with the support of general management. The aim is to enable the exchange of experiences and ideas on career management for women working at Coface, and to promote bottom-up initiatives within the Group. With

Carine Pichon, Group CFO, as sponsor, several editions have already taken place, with the organisation of conferences on the theme of "female leadership", attended in particular, in September 2017, by Marguerite Berard Andrieu, then a member of the Management Board of BPCE, and in December 2017 by Florence Ann Carr, a partner at Ernst & Young, each offering an inspiring career path. A group in Coface's Yammer application brings together members and participants of the Woman to Win network in order to share content in advance of the network's meetings and activities.

Creating working conditions that enable all talents to express themselves is a key priority for Coface. Thus, in Germany, Coface launched at the end of 2017 the process to renew its *Beruf und Familie* certification, which recognises sustained efforts to promote a work-life balance. Coface had already obtained this certification two years ago.

Lastly, talents within the Group continued to be promoted with the awarding of the CEO Awards by the Chief Executive Officer. Since 2016, this award has drawn attention to the Group's employees and teams who, thanks to their outstanding contribution, manage to win contracts, secure the balance sheet or address client expectations by embodying the Group's values. At the event celebrating the Group's 70th birthday in Paris, 17 employees from various countries, functions and levels of experience were awarded their prize by Xavier Durand.

Local initiatives also exist, such as that of the Central Europe region, which awards a *Going-Beyond* prize each quarter to employees having made an outstanding contribution to the region's success. The winners are offered dinner for two at one of the city's best restaurants.

Young talents are also a priority for Coface. In order to enhance its ability to attract the new generation to its entities abroad and renew its talent pool, Coface has given added impetus to its VIE scheme by orienting VIE assignments towards key roles in the Company's development, where the young person selected can develop their talent in full. In total, more than 30 participants in the VIE scheme form this unique pool of talent each year.

## Work organisation

Coface complies with local regulations and agreements regarding the organisation and duration of the working hours of its employees, and does so in all countries where it is established, either directly or through subsidiaries or branches.

It should be noted that 8% of the Group's total workforce chooses to work part time for personal organisation reasons. This figure stands at 12% within the reporting scope; furthermore, the Company offers employees the possibility, as part of its working hours agreements, to organise their work hours according to selected times. No employee in France, Germany, Italy, or Spain works according to shifts or at night.

In 2017, the absenteeism rate observed was 2.7% in France, 4.8% in Germany, 2% in Italy and 3.5% (including maternity leave) in Spain. In each of the countries within the reporting scope, the absenteeism rate is monitored according to local calculation methods. The calculation method in Italy, for example, has changed, as it now includes only sick leave (as opposed to sick leave, maternity leave and leave for long-term illness in 2016). Therefore, communication of consolidated data for the whole of the reporting scope will be possible after homogenisation of the calculation methods for this rate.

## Honing our skills to foster success

In 2016, more than 2,300 employees from 66 countries contributed, *via* an online survey, to defining the Group's four key values: client focus, expertise, courage & accountability and collaboration, with integrity as a given prerequisite. These values reflect the fundamental culture of Coface and are an essential lever for its transformation, by clearly expressing its expectations in terms of required conduct.

Coface has adapted its HR processes, especially the annual appraisal, to make these values key success factors for Coface and to serve as a foundation for the individual development initiatives.

In 2017, Coface organised Fit to Win Days (strategy days) in 50 countries, reaching over 3,500 employees. These days are organised in the form of conferences, presentations to small groups and participatory working groups, and give all employees the opportunity to meet each other in a relaxed environment. The aim is to present the strategic plan and the various Fit to Win initiatives, discuss how to improve customer service and celebrate the Coface values. They also provide employees with the opportunity to take the floor and express how these values take form within the Company, and share their ideas on how to continue promoting them day to day, to strengthen the unity of the Group as a whole in its cultural transformation. At the local level, for example, Coface Romania invited an inspiring speaker, Vlad Voiculescu, the former Health Minister, who presented his initiatives in the humanitarian field.

In addition, Coface France attaches great importance to creating a community of students on work-study placements, in order to promote their presence in the Company, encourage them to meet each other and expose them to a wider range of careers at Coface. In 2018, the plan is to strengthen this initiative through themed breakfasts and LinkedIn training, for example.

In the course of 2017, Coface also launched Yammer, its company social network, in order to facilitate communication between departments and countries and exchange information more efficiently.

### / Training

Training at Coface plays an important role with regard to the combined effect of the specific aspects of credit insurance and the regulatory obligations. It is a tool for developing employees' technical and behavioural knowledge, which leads the Group to broaden the employability of its teams and integrate new needs expressed by its clients and the economic realities of its markets. Employees are in touch with their environment and are able to support the Group's business in line with strategic requirements and client expectations. In addition to developing technical skills, more resources have been assigned to training in skills associated with the Group's values. The goal is to help employees understand how these values translate into the behaviour expected in the responsibilities linked to their job.

The contract with the "360 Learning" platform corresponds to Coface's belief that internal experts should be given the opportunity to transmit their knowledge. They are given complete freedom to formalise their knowledge by placing it on any medium at their convenience, publish it for a specific audience, and follow and interact with participants *via* a collaborative feature. In this way, Coface is able to rapidly and efficiently address all Group

employees, with content that perfectly meets its needs. The Solvency II programme (regulatory reform aimed at redefining the solvency margin of insurance companies according to their risk profile) is an example of this strategy.

The solution selected by Coface is aimed at creating the conditions for a learning Coface, open to acquiring knowledge and constantly adapting to changes. Training modules can be created both at Group and local level to meet this type of need.

In 2017, average use of the e-learning platform each month more than tripled in the second half of the year, reaching an average of almost 2,900 visits per month, with a peak of more than 7,300 in November, in favour of significant initiatives launched by the Group to develop certain key business skills and ensure the dissemination of fundamental shared ethical principles. The anti-corruption module was, for example, rolled out at the global level by the Compliance Department in order to raise Group employees' awareness of acceptable and unacceptable practices and develop their capacity for discernment in day-to-day business life. Continuing the effort started with the Sales Force 1 programme, an international project group made up of sales and human resource teams produced a digital training programme for sales representatives. More than sixty modules have been combined within the sales school, the deployment of which commenced in 2017 for 116 "pilot" participants based in Central Europe and Asia-Pacific. Based on their experience, the modules have been updated and sometimes simplified, and arranged into specialised programmes according to the profiles of the participants, in order to best meet their specific needs. Wider roll out of these training programmes is planned for early 2018. Lastly, in December 2017, the new risk management awareness module was inaugurated and rolled out in the Group's main countries. It will enable each participant to acquire the fundamental concepts and know-how and understand their role in risk management.

As part of the Fit to Win strategic plan, Coface has continued its Lean Management programme, which entails optimising its processes, tools and organisation to free up resources for more added-value tasks in order to increase its operational efficiency and better address business challenges and the needs of its clients.

Following an awareness campaign *via* the in-house newsletter in 2016 and the workshops set up for members of the Management Committee in Bois-Colombes, Coface rolled out more workshops dedicated to the progress achieved in the Group's core business division thanks to the application of lean management principles in 2017. Furthermore, training was given to small groups within each division, responsible for setting up action plans in cooperation with their colleagues. Thirty-six employees were therefore trained in 2017, representing 458 hours of training.

Coface also launched an extensive training plan on annual appraisals, which have been revised to better respond to the interests of both employees and the Company. Developed and delivered by the HR teams, this training is delivered at the local level in face-to-face sessions for both managers and employees. The aim is to remind participants of the basic purpose and nature of the annual appraisal, explain the changes for the forthcoming round and enable employees to ask questions to clarify the organisation of this key meeting between a manager and each member of their team.

Investment in training is monitored *via* the number of hours of training delivered, the number of employees trained and the budget dedicated to training. In total, in France, Italy, Germany and Spain, each employee received on average slightly over 10 hours of training throughout the year. The detailed indicators are as follows:

Country	Number of training hours 2017	Number of people trained 2017	Budget spent (in €) 2017
France	7,290	698	621,762
Italy	2,551	188	87,130
Germany	4,862	609	95,962
Spain	5,747	188	128,445
<b>TOTAL</b>	<b>20,450</b>	<b>1,683</b>	

Training costs are reported in accordance with local regulations and practices. Therefore, communication of consolidated data for the whole of the reporting scope will be possible after homogenisation of the calculation methods for this budget.

## / Performance management

Since 2013, an annual appraisal process was rolled out using an online tool in 22 languages in all of the countries where the Group is established, in order to determine the strategic priorities and share standardised criteria for employee performance assessment. At the start of 2017, 96% of annual appraisals had been conducted, illustrating the need of employees to exchange views with their manager and discuss clear individual objectives for the year, based on a sharing of the major strategic priorities for each entity and function.

Over the course of 2017, feedback was compiled to identify ways in which performance management may be improved. The process was revised in response to this feedback, without changing the main themes addressed in the course of the interview. A simple overall performance ranking scale was introduced, which continues to take into account the achievement of the objectives fixed at the start of the year and professional conduct with regard to the Group's values, but which reinforces the importance of these values. This new ranking is also intended to enable the manager to transmit more clearly to the employee how their work is perceived, the reasons for this and areas for improvement. Hence, the Group clearly expresses the fact that collective performance resides in the capacity of each individual to demonstrate in their behaviour their ability to create value for the business.

Another change is that the setting of individual objectives has been separated from the annual appraisal: in 2018, the objectives may be fixed up to the end of April, whereas the performance review and career development discussions will continue to be finalised by the end of February. This is to enable managers to deploy their priorities to their teams at every level of the organisation, and to enable the use of coherent indicators to define the target level to be achieved. In this context, the formal mid-year review has been removed in the online tool.

The results concerning performance and desired mobility served as a basis for the Group's talent reviews, aimed at preparing succession arrangements for key positions, identifying employees' career potential, and building development plans adapted for their potential. In 2017, a new, more user-friendly format was introduced to conduct this review for around 100 managers and senior managers.

The focus was placed on the collective validation of potential by the management teams and on the definition of individual development plans. The aim is to make managers responsible for their teams' development and to prepare for succession effectively, to ensure continuity the day it needs to be implemented. The aim is also to encourage the retention of key resources by demonstrating the Company's solid commitment to their career development and management. These reviews will be deployed throughout the entire Group as of 2018.

## Compensation policy: controlling risks, managing performance and supporting the strategy

In accordance with regulatory requirements applicable to the insurance sector since 2016 (Solvency II), Coface's compensation policy is reviewed each year in line with the Group's strategic objectives to ensure effective risk management within the Company.

This policy is set out in detail in Section 2.3.1 "Compensation Policy" and aims:

- ◆ to attract, motivate and retain the best talents. Since 2016, the Group has extended the allocation of free performance shares to a regulated target population in the context of the Solvency II Directive (key functions and employees with significant influence on the Company's risk profile) for whom a portion of the variable compensation must be deferred, and to certain key employees as part of the retention policy. The vesting period for this scheme is set at three years;
- ◆ to encourage individual and collective performance and seek to be competitive on the market while respecting the Group's financial balance. In 2017, the Group Human Resources Department decided to coordinate a global compensation survey project with a compensation consultancy firm expert in the financial services sector. The aim of this project was to reinforce the Group's knowledge of market practices and ensure clear compensation management within the Group during a period of significant change;
- ◆ to comply with the regulations in force and guarantee internal fairness and professional equality, particularly between men and women. As part of its annual compensation review, the compensation team ensures that the distribution of increased budgets respects gender balance throughout all the Group's entities; and lastly



- ◆ to be consistent with the Group's objectives and support its development strategy in the long term. The bonus policy is therefore reviewed and validated each year by the Management Committee with regard to the Group's priorities. Since 2016, the objectives of each function have been defined with regard to the Fit to Win strategic plan.

The Coface compensation policy is managed by the Group HR Department and transmitted by the HR function in Coface regions and countries.

## Employee commitment survey: a listening and commitment tool

In 2017, Coface deemed it important to measure the satisfaction and commitment of its employees, particularly based on a new engagement survey prepared and conducted in collaboration with AON Hewitt called My Voice. With its rich experience and benchmark of 11 million respondents, this service provider was able to guide Coface in its choice of questions and protect the anonymity and confidentiality of the responses.

This survey, consisting of 36 questions, two of which are open, addresses a range of subjects, such as company culture, management, career opportunities, collaboration, etc.

My Voice was conducted in eight different languages and obtained a 92% participation rate, demonstrating employees' strong attachment to Coface and a desire for constructive improvement.

The results were presented by Region, country and function in December 2017. Working groups composed of employee volunteers will be organised in early 2018 to define action plans at every level within the organisation, on all the themes highlighted by the survey as requiring improvement.

Coface plans to repeat this survey every 12 to 18 months in order to measure the impact of its action plans and further reinforce its on-going improvement approach.

## Mobility and international development

Since January 1, 2016, the Group HR Department has set up a new international mobility policy applicable to all Group employees. This policy aims to control legal, corporate and tax risks, optimise costs, and clarify the rules in order to guarantee equal treatment in all its entities worldwide.

In 2017, Coface introduced a mandatory medical check-up into its international mobility management process. These medical check-ups are managed externally by the Henner company to guarantee the confidentiality of employee medical data.

Coface also relies on the VIE programme (voluntary international experience) to diversify and energize its teams. This French State aid enables young Europeans, both men and women under the age of 28, to undertake a professional assignment abroad on behalf of a French company for a period of six to 24 months.

The VIE programme has been a useful springboard for many interns and apprentices within the Group, and also for young graduates from outside the Group, to launch their international career with Coface. It enables Coface to manage its age pyramid by increasing its pool of young international talents already in possession of critical skills regarding the core business and a solid network within the Group.

In 2017, Coface took on 39 volunteers in 15 countries. Nineteen new assignments are planned for 2018.

Coface regularly communicates *via* Connect, the weekly newsletter, or One, the Group's quarterly magazine, about its international mobility and VIE programme, in order to inform employees of possible career development opportunities within the Group.

## Corporate dialogue: defending the corporate plan

### / Bodies representing employees

The Group maintains on-going corporate dialogue with its European and national employee representative bodies. The implementation of this dialogue provides management and employee representatives with a forum for working towards the Group's success and sustainable development.

In each country within the reporting scope, there are employee-representation bodies.

In France, there are three such bodies, which are elected: the works council, made up of nine permanent members, the staff delegates, comprising 11 permanent members and five substitute members, and the Hygiene, Safety and Working Conditions Committee (CHSCT), made up of nine members.

In Germany, three works councils exist: the works council for the Coface Germany branch and *Coface Rating GmbH (EIC)*, composed of 11 members and representing around 500 employees; the works council for *Coface Finanz GmbH*, composed of five members and representing around 110 employees; and the works council for *Coface Debitorenmanagement GmbH*, composed of three members and representing around 45 employees.

In addition, within the Board of Directors of *Compagnie française d'assurance pour le commerce extérieur*, there are four directors representing the employees and one director representing the works council.

In addition, for all the countries in the reporting scope, there exist trade union delegates or representative trade union organisations that take part in corporate dialogue within the Company.

These different bodies meet regularly to discuss corporate matters such as compensation, working hours, management of leave and the employees' mutual fund.

Hence, in France during 2017, 12 meetings of the works council, 11 meetings of the staff delegates, 6 CHSCT meetings and 10 meetings with union delegates took place. The works council and CHSCT meetings also dealt with subjects linked to the functioning of the Company (consultation on the economic situation, on the strategic orientations and their corporate consequences, renovation of premises, reorganisation of departments, evolution of staff, and professional training).

In Germany, 65 works council meetings took place this year, *i.e.* double the number of mandatory meetings.

The European Works Council meets at least once per year to set out the activity and future strategic guidelines for the Group. Throughout the year, there are also discussions between management and the European Works Council restricted committee regarding projects pending and the development of the organisation.

This year, new elections for members of the committee were held, and one amendment to the European Works Council agreement was signed pursuant to the obligations requiring a renewal every four years. All seats on the European Works Council are now filled, with 17 permanent members representing employees in the 23 European countries.

In 2017, members of the European Works Council were given external training on the legal context and operational tools of European works councils. Support for preparation of the Central European Council meeting is also scheduled for June 2018.

The Group believes that corporate dialogue is an important driver for mobilising employee engagement. In an effort to create conditions for its sustainable development, it is working to reconcile the Company's performance with a process of corporate progress. Progress on the Fit to Win strategy and My Voice, an engagement questionnaire for employees, was the subject of specific presentations at the plenary meeting of the European Works Council in 2017, as well as a number of presentations before the local works councils.

## Collective bargaining and company level agreements

The Group conducts regular discussions with the European Works Council and in 2013 signed an agreement regarding the rights to information and consultation of the body, creating a restricted committee within it. On May 19, 2015, the restricted committee approved its by-laws, thus strengthening the principles of its governance.

In France, the companies in the Group's scope of consolidation primarily fall under the National Collective Agreement for Insurance Companies. As regards company-level agreements, in accordance with each party's prerogatives, the employee-representative bodies are integrated into the processes of transforming organisations or establishing new processes, always striving to seek out agreements. Thus, in 2017 management signed a framework agreement with the trade unions on paid leave, the "time savings account" (*compte épargne temps*) for days of paid leave, and the daily rate of compensation (*forfait jours*). This measure will be extended in 2018 with the introduction of teleworking, the negotiations for which are in the process of completion.

It should be noted that in Germany, discussions and negotiations on the Fit to Win plan (internal reorganisation and voluntary departures) have been conducted in close collaboration with the trade unions throughout the year.

## Day-to-day health and safety

The Group ascribes significant importance to employee health and safety. There are medical monitoring mechanisms in compliance with local regulations, and healthcare coverage is offered to employees in all the entities.

Concerning employment in the service sector, the identified risks more specifically concern occupational environment and professional transportation. To that end, certain entities have

now taken initiatives to prevent these risks, notably as concerns their employees (training for driving on slippery roads, nutrition days, medical, dental and eye check-ups, etc.).

In 2015, our entity based in the United Kingdom launched a series of initiatives to support its new workplace well-being policy. In 2017, employees were able to sign up for a fitness programme and attend yoga classes. For a healthy working environment, fruit baskets are provided for all employees. Coface Spain also organises an annual campaign including information sessions on nutrition and healthy lifestyle habits. Working groups on healthcare and sport are also organised as part of this.

Other Coface offices are also endeavouring to create pleasant working conditions; Coface offices in Spain and Portugal, for example, renewed their initiative from the previous year to celebrate "Friendship and affection day" with handwritten cards distributed to friends and colleagues.

It should be noted that the Coface offices in Austria, Lithuania, Poland, Hungary and Romania opted for more modern premises when moving sites in 2017. Coface Austria in particular chose to organise its working areas to encourage discussion and collaboration, by means of numerous meeting rooms.

Germany also organised Pilates and meditation classes and a Health Day to promote employee well-being at work. Health Day, which was held for the 4<sup>th</sup> year running, was organised in cooperation with Barmer GEK, one of the largest insurance companies in the field of health.

In addition to the national health insurance system, Coface Italy offers a complementary health insurance package to all its employees. As part of this, employees can benefit from an annual medical check-up and a full health assessment. Coface Spain also offers all employees a health assessment each year.

In France, Germany and Italy, employees are trained in first-aid, and emergency building evacuation drills are organised to ensure employee safety.

In the wake of the Paris terror attacks, a *Vigipirate* security plan was activated at the Bois-Colombes site and security measures were reinforced (check-point at main entrance to the building). The Group has undertaken to intensify security measures in each of its entities to ensure that employees are protected as much as possible against terrorist threats.

Twelve workplace accidents leading to days off were reported in France, Germany, Italy and Spain in 2017 (six in France and six in Germany). No occupational illnesses were reported in France.

In conjunction with the occupational physician, the Hygiene, Safety and Working Conditions Committee (CHSCT) and the commission for the prevention of psychosocial risks, a set of indicators is monitored to spot trends, learn lessons and implement actions. Hence, when renovating the premises of the head office, specific arrangements were made in the building to reduce noise generated by working areas (partitioning off of social areas, installation of plants and the addition of partitions between office areas). No agreement has been signed with the trade unions or employee representatives in Italy, Germany and Spain with regard to health and safety at work.

Coface's management maintains regular dialogue with employee representative bodies regarding matters in connection with working conditions and safety. In this respect, during meetings with the CHSCT, the single document on risk prevention for employee health and safety was updated in 2017 with the cooperation of the occupational physician.



## Equal treatment and access to employment: anti-discrimination measures

### / Disability

The Group is centred on the consulting, analysis and client relations businesses, and is thus able to welcome employees with disabilities. The Group ensures that employees with disabilities are integrated into all its businesses and countries and applies existing local provisions.

The lines of action in France, Germany and Italy are presented and discussed with the employee representation bodies on a regular basis. Furthermore, Coface Germany has a specific representation body for employees with disabilities. Throughout 2016, Coface Germany conducted negotiations on the arrangement of a professional reintegration programme. This negotiation led to an agreement in 2017. A first person has taken part in this programme, with very positive feedback from the participant, works councils and managers.

Coface France is currently working in collaboration with the occupational physician and social services on communication to clarify the implications and in particular the interests of the recognition process for the employee with disability status under French law.

In order to enhance the working conditions of employees with disabilities, Coface France intends to offer all employees the possibility of teleworking.

Lastly, the practices of Coface Italy reflect the legal framework, which requires that a minimum number of jobs should be reserved for people with disabilities in the total workforce of an entity.

### / Employment of older employees

Historically, France and Germany have had an age pyramid with a large proportion of the workforce over the age of 50 and a limited staff turnover rate, reflecting both team loyalty and the Company's willingness to recognise and retain the expertise of its employees. However, Coface France decided in 2017 to support employees nearing retirement age by offering them a pre-retirement scheme enabling them to bring forward their departure by a maximum of up to two years prior to their full retirement date. As part of this, Coface undertook significant support and transition work to ensure that skills are transferred as smoothly as possible, in an extension of the provisions under the generation contract adopted in 2013. These departures resulted in the partial renewal of the teams.

As of December 31, 2017, the age ranges of employees in France, Germany, Italy and Spain were as follows:

Age ranges	Percentage of staff in Spain	Percentage of staff in Italy	Percentage of staff in France	Percentage of staff in Germany
< 30 years	7.1%	4.8%	14.5%	3.2%
30 to 40 years	31.3%	27.0%	22.9%	26.0%
40 to 50 years	46.2%	47.6%	30.7%	32.4%
> 50 years	15.4%	20.6%	31.9%	38.3%

In order to define suitable and innovative actions (transmission of knowledge, receiving and mentoring young people, career development of older employees, etc.), in December 2013 France signed an agreement relating to the generation contract (scheme implemented by the French State to encourage the protection of employment for older employees, the sustainable integration of young people and the transmission of skills within the Company).

### / Respect for the fundamental conventions of the International Labour Organization

Since 2003, the Group has been a signatory of the United Nations Global Compact, which commits it to respecting the fundamental conventions of the ILO. Coface therefore ensures compliance with freedom of association and the right of collective bargaining, the elimination of professional and employment discrimination, elimination of forced or mandatory labour, and the effective abolition of child labour.

## 6.1.2 AGREEMENT PROVIDING FOR EMPLOYEE SHARE OWNERSHIP IN THE CAPITAL OF THE COMPANY

As part of its stock market listing, the Company proceeded with a share purchase offer in June 2014 reserved for employees. Nearly 50% of eligible employees participated in this offer and

became shareholders, either directly or through the intermediary of the *Coface Actionnariat FCPE* mutual fund.

## 6.2 / ENVIRONMENTAL INFORMATION

As a service company, Coface's CSR policy consists primarily in making conscious real estate choices that help to lower its environmental footprint by reducing its greenhouse gas emissions, and its energy and paper consumption. Accordingly, it seeks to promote selective waste sorting and recycling, especially of obsolete IT equipment components, and to encourage its

employees to adopt behaviour compliant with the commitments it has made in this field. Lastly, Coface measures the carbon footprint of its investment portfolio in the context of the implementation of its responsible investment policy, in order to participate in international environmental protection efforts linked to climate change and the energy transition.

### 6.2.1 GENERAL ENVIRONMENTAL POLICY

The Company is fully committed to protecting the environment. Its approach to reducing its environmental footprint has significantly influenced its real estate choices, particularly in the choice of its head office, and the efforts rolled out to reduce its greenhouse gas emissions, consumption of energy and paper, along with other initiatives established in France and abroad which encourage waste sorting and recycling, particularly for parts of obsolete IT equipment.

In Lithuania, Austria, Poland, Hungary and Romania, the Coface teams moved into more modern premises in 2017, more in line with the new environmental regulations.

In 2015, the Company set up a medium-term CSR plan which was the outcome of a think tank launched at the end of 2014 involving all of the Company's regions, the main aspects of which are presented in Section 6.4 below. The objectives of this plan were partially achieved in 2016 and 2017.

In 2017, there was no environmental litigation and no indemnity was paid in application of a legal decision rendered in that subject area. The Group has therefore not established any guarantee or provisions to cover that risk.

#### Actions to raise employee awareness

In order to fully include employees in this process, various actions were undertaken to raise employee awareness. Therefore, each year the Group business review features a section devoted to raising Coface employee awareness about environmental challenges, and the best practices booklet distributed to all employees upon their arrival at the Bois-Colombes premises emphasises in particular the importance of daily actions for sustainable development, and in particular of reducing paper consumption and sorting waste.

Other actions to raise employee awareness were developed at numerous local offices of the Company worldwide. One example was the campaign at Coface Romania to encourage its employees to reduce energy consumption in five areas of their day-to-day life (at work, leisure, travelling, at home and shopping) through a best eco-friendly behaviour manual filled with ideas on saving energy. More broadly, the message

of corporate environmental responsibility, and thus of each employee's responsibility, is disseminated by our teams worldwide, with countries such as Brazil being particularly active and innovative (use of products labelled as recyclable (pens, paper and cardboard), corporate gifts produced by companies committed to sustainable development, etc.).

A document on the legal obligations in CSR issues and the actions implemented inside the Group was presented to the European Works Council meeting in 2016. This was an opportunity to make the European employee representative body aware of CSR issues.

#### Environmental features of the Group's buildings

In France, environmental aspects were a determining factor for Coface in choosing the building that has housed its head office in Bois-Colombes since June 17, 2013. This building, which can host approximately 1,200 employees, is certified NF MQE (high environmental quality for construction) and BREEAM (BRE environmental assessment method). It thus incorporates current best practices in terms of the immediate environmental impact, construction materials and processes, and production of waste. This building has furthermore been certified "low consumption" (BBC); its standard energy consumption is thus limited. The building preserves natural resources, thanks to limited water needs for green areas due to rooftop water recovery, solar panels situated on the roof and low-consumption exterior lighting.

In Germany, the main office located in Mainz is certified "Ökoprofit" for its sparing use of energy resources.

In compliance with European Regulations, Coface commissioned energy audits in France, Germany, Italy and Spain at the end of December 2015 and in 2016 for its respective buildings and vehicle fleets. The purpose of the audits was to study the energy use and greenhouse gas emissions for each building and vehicle fleet and draft recommendations for renovations to rationalise or reduce energy use. In France, the main energy saving measures recommended in the report were implemented in 2016.

## 6.2.2 WASTE MANAGEMENT AND THE FIGHT AGAINST FOOD WASTAGE

The Company's business does not cause significant pollution. It has a very insignificant direct impact on the air, water and soil, and does not cause any significant noise pollution.

In Bois-Colombes, a local waste sorting policy, with dedicated waste containers for glass, paper and ordinary industrial waste (OIW), was established. A note was distributed to employees to raise awareness.

Several entities of the Company participate in programmes to recycle obsolete or out-of-use materials, and employees are called upon in some of them to participate by contributing materials to be recycled. This is how Coface US began participating in a programme to recycle obsolete computers. Since 2014, approximately 900kg of hardware has thus been sent off each year to be recycled. In 2017, 1,150kg of hardware was recycled.

Since 2013, Coface Romania has taken part in a national scheme with the association Recolamp called the Green Corner, which brings together 11,600 companies with the aim of collecting spent electronic equipment, batteries, fluorescent lights and light bulbs for recycling.

Several years ago, Coface Romania also launched a forest protection initiative through a partnership with the Sistec Confidential association. As a result of this initiative, both confidential and non-confidential papers are stored and recycled, rather than thrown out. This initiative has saved several dozen trees over three years running.

Coface Austria established a certain number of measures to decrease the use of plastic (water is served in glass bottles, installation of a purified-water cooler, to prevent employees from purchasing plastic bottles).

To ensure the sorting and recovery of organic waste from food products on the Bois-Colombes and Mainz sites, the Company naturally sought the assistance of its mass catering service providers, Sodexo (in France) and Aramark (in Germany). Sodexo and Aramark are fully committed to promoting corporate social responsibility. For Sodexo, the well-being and health of people, diversity and inclusion, as well as the environment are central to its business lines and concerns. In this respect, Sodexo intends to fully participate in helping to achieve the 17 sustainable development goals (SDGs) set by the United Nations in September 2015.

Reducing food waste is one of the three goals considered by Sodexo as a priority, along with the fight against hunger and gender equality, as part of its Better Tomorrow 2025 strategy. In this context, Sodexo took part in the creation of the International Food Waste Coalition, an organisation bringing together companies and institutions seeking to take action against food waste. Sodexo is also a member of the Food Waste Task Force working group and the Green Public Procurement Task Force working group in Europe. Sodexo also set up a global programme called WasteWatch, demonstrating that it is possible to reduce food waste by 45% in just a few months thanks to the use of a centralised reporting tool able to measure and analyse waste both in the kitchen and on the consumer's plate, whether as a result of excessive quantities produced, damage, failure to use food before its use-by date or individual behaviour. Action plans are then set up to reduce this waste and thus reduce carbon emissions. In Spain and Italy, the Coface offices do not include company restaurants.

Since the Company's business does not release waste or any other pollution into the soil, no specific action was taken in that area.

## 6.2.3 CONSIDERATION OF NOISE DISTURBANCES

Coface's business does not cause noise pollution to third parties. Moving the head office to premises with an open floor plan led the Company to adopt a certain number of measures to preserve the peace and quiet, in the interests of its employees and clients.

The premises include numerous conference rooms or "bubbles" intended for professional discussions between employees, in order to limit noise in the common spaces at all times.

Best practices for life on an open floor plan are disseminated among employees, emphasising the various means which help limit noise disturbances: setting phones to go directly to messaging, adjustment or elimination of ring tones, favouring visual notifications, setting mobile phones to vibrate, and use of work bubbles.

## 6.2.4 SUSTAINABLE USE OF RESOURCES AND THE CIRCULAR ECONOMY

### Water consumption

The Group only consumes water in the operation of its service-sector premises: air-conditioning, cooling of electronic equipment, cafeteria, maintenance, sanitary facilities and watering of green areas.

In 2017, water consumption totalled 27,081 m<sup>3</sup> versus 28,587 m<sup>3</sup> in 2016 and 44,334 m<sup>3</sup> in 2015 for the entire reporting scope, thanks to the efficient control of the water distribution network and of maintenance.

## Paper consumption

Coface is committed to reducing its paper consumption. It has established a printing policy for its entire reporting scope which includes the following measures: setting printers to print on both sides of the paper by default, elimination of individual printers where possible, encouraging staff to print only essential documents and to favour “economical” printing layouts. Across the reporting scope, the Group also encourages the purchase of environmentally friendly paper, certified PEFC or carrying an FSC label.

Campaigns were undertaken in several countries to reduce paper consumption. In France, an audit was performed on all printers in 2016 to analyse the total costs and uses of these machines and determine areas for optimisation according to the functional needs of Coface employees. The significant reduction in consumption for several years now and the precise mapping of the total number of machines have revealed, by comparison to usage rates per machine, the need to reduce the number of printers by nearly 40% leading consequently to a substantial reduction in the costs linked to the operation of these machines for the Company.

In the same vein, in 2016, the Group Legal Department chose to opt for partially paperless legal information by cancelling most of its “paper” subscriptions to legal magazines and updates to specialised publications. To address its commitments to promote the circular economy, a large portion of its paper-based document library, now replaced by an online document library, will be recycled or, where appropriate, offered to organisations that have shown an interest.

The Group has likewise engaged for several years in a policy to make its exchanges with its policyholders paperless, and strives to continually improve its clients’ digital experience. A number of web services, such as Dashboard, CofaMove and CofaServe, have been developed in recent years. In 2017, Coface launched two major digital initiatives:

- ◆ the “digital entry portal” for clients, which facilitates exchanges and communication between them and Coface; this gives clients a unique and direct access to all Coface web interfaces and access to a library of documentation on products and tools,

tutorials and FAQs; it also provides clients with economic information, products and tools tailored and adapted to their business;

- ◆ a new version of CofaNet, CofaNet Essentials, a web interface enabling clients to manage their credit insurance contracts; this secure tool enables clients to manage their contracts online, and thanks to its CofaMove app, policyholders can submit requests for approval or consult their client portfolio on their smartphones.

The move to paperless exchanges between Coface and its multinational clients also includes the use of the Dashboard, an exclusively online tool that offers policyholders centralised monitoring of data for all their trade receivables.

Coface’s total paper consumption in France has, therefore, been reduced significantly in recent years thanks to the move to paperless exchanges with policyholders and also thanks to better monitoring of printing and the use of thinner paper. The drop has been particularly significant since 2012, when it stood at 54 tons. The temporary increase in paper consumption in France between 2014 and 2015 is explained by the fact that in 2015, as part of efforts to keep a tighter control on costs, Coface performed numerous copying tasks in-house, when such tasks were previously outsourced. Consumption fell back to a low level in 2016 at 36 tons. In 2017, the drop to 17.5 tons can be explained in part by the departure from Coface of employees working in the State Guarantees Department, whose rules for archiving files in paper format formed part of their internal procedures.

Likewise in Germany, total paper consumption has fallen every year since 2012, when it stood at 48 tons, to reach 24.8 tons in 2016, representing an overall reduction of around 50% in five years. In 2017 consumption fell again by 50%.

Italy and Spain consume little paper thanks to a strict implementation of the printing procedure described in the first paragraph of this section.

Across the reporting scope, paper consumption in 2017 therefore amounted to 36.9 tons.

Paper consumption	France		Germany		Italy		Spain		Total (reporting scope)	
	(in tons)	Change N/N-1 (as a %)	(in tons)	Change N/N-1 (as a %)	(in tons)	Change N/N-1 (as a %)	(in tons)	Change N/N-1 (as a %)	(in tons)	Change N/N-1 (as a %)
2012	54		48		-	-	-	-	102	
2013	39	(28)%	45	(6)%	-	-	-	-	84	(18)%
2014	38	(3)%	31	(31)%	-	-	-	-	69	(18)%
2015	42	11%	28	(10)%	-	-	-	-	70	(1)%
2016	36	(16.6)%	24.8*	(12.9)%	5	-	-	-	65.8	(6.4)%
2017	17.5	(51)%	11.9	(46.6)%	5	0%	2.5	-	36.9	(43.9)%

\* In 2017, paper consumption was corrected in Germany for the 2016 financial year. Consumption in 2016 totalled 22.3 tons, and not 24.8 tons.

## Energy consumption

The Group's energy consumption concerns lighting, air-conditioning and heating of the premises.

The Group implements actions to reduce energy consumption, which translates to the environmental choices made in terms of

real estate (see the features of the building housing the head office and the main office in Germany), which have allowed energy consumption to be significantly decreased.

## Reported energy consumption since 2014 for the reporting scope

	2017 Reporting scope		France, Germany and Italy 2016		France and Germany 2015		France 2014	
	Consumption	CO <sub>2</sub> equiv.	Consumption	CO <sub>2</sub> equiv.	Consumption	CO <sub>2</sub> equiv.	Consumption	CO <sub>2</sub> equiv.
Electricity	6,825 Mwh	632 CO <sub>2</sub> T eq.	6,360 Mwh	521 CO <sub>2</sub> T eq.	5,802 Mwh	71 CO <sub>2</sub> T eq.	3,779 Mwh	78 CO <sub>2</sub> T eq.
Gas	1,463 Mwh	316 CO <sub>2</sub> T eq.	1,371 Mwh	297 CO <sub>2</sub> T eq.	692 Mwh	130 CO <sub>2</sub> T eq.	575 Mwh	116 CO <sub>2</sub> T eq.
Surface area	72,026 m <sup>2</sup>		67,823 m <sup>2</sup>		63,431 m <sup>2</sup>		30,900 m <sup>2</sup>	

The increase in greenhouse gas emissions in 2016 compared to 2015 can be explained by the inclusion of Italy in the reporting scope. This is because the energy mix in Italy relies quite heavily on fossil fuels, unlike the French energy mix.

The percentage of renewable energy used by Coface in France since 2015 corresponds to 13.6% of its total consumption. Furthermore, the roof of its Bois-Colombes head office in France is covered by some 100 square metres of solar panels, which reduce its gas consumption by reheating the water

supplied to sanitary facilities and to the restaurant. The panels, which have been operating since 2015, led to a 50% reduction in energy consumption over the April to October 2015 period compared to the same period in 2014, and a total reduction in gas consumption over the same period for 2016 and 2017.

In Germany, electricity consumption does not generate any greenhouse gas emissions since Coface Germany has opted for an energy contract fully based on renewable energy sources with an offset system.

## 6.2.5 CLIMATE CHANGE

The Group has taken various initiatives to reduce its environmental footprint, in particular with regard to greenhouse gas emissions, thanks to the policies presented below and to its new socially responsible investment policy – SRI (see Section 6.3.4).

### Travel policy

Since 2014, the travel policy for Coface France employees, adapted for the entire Group in 2017, stipulates that:

- ♦ only train travel is authorised over certain distances, beyond which it may be preferable to travel by plane;

- ♦ generally speaking, travel is limited and replaced by telephone or videoconferencing, where available and relevant given the situation. All of the main Coface sites worldwide are equipped with the appropriate means. At the head office, a remote attendance room and several videoconference rooms were installed to allow effective, simultaneous discussions to take place between the Group's seven regions.

Other local initiatives can be highlighted: for example in Colombia, employees are recommended to use public transport, which has led to a reduction in the number of parking spaces.

Type of travel	CO <sub>2</sub> tons equivalent for the reporting scope 2017	CO <sub>2</sub> tons equivalent for France, Germany and Italy in 2016*	CO <sub>2</sub> tons equivalent for France and Germany in 2015	CO <sub>2</sub> tons equivalent for France in 2014
Aeroplane	673.6	533	373	268
Train	14.5	4.35	3.05	3.48

\* The data was corrected with regard to the 2016 Registration Document: 533 CO<sub>2</sub> T eq. (air travel) and 4.35 CO<sub>2</sub> T eq. (train).

In Germany, travel by train does not generate any greenhouse gases owing to the fact that Coface Germany agrees to pay a surcharge when purchasing train tickets from its travel agent. The surcharge offsets the consumption generated by the journey (offset system).

In 2017, the increase in greenhouse gas consumption with regard to travel by aeroplane resulted not only from the addition of Spain to the reporting scope in 2017, but also to the increase in the number of kilometres travelled by each country within the scope. This increase can be explained in particular by the implementation of the Fit to Win strategic plan, under which the Group's reorganisation constituted a major area of work and required a number of trips by the new directors and managers appointed in order to meet local teams, in addition to the presentation of the new Group policies in the Group's various regions.

As regards the increase in the consumption of greenhouse gases in connection with train travel in 2017, this increase is not due to any specific increase in the number of kilometres travelled by

train by the countries within the reporting scope, but rather to the inclusion of Spain in the reporting scope and to the Spanish energy mix, which is heavily reliant on fossil fuels.

### Vehicle policy

Within the reporting scope, countries adopt initiatives to reduce fuel consumption, such as Coface in France, which regularly renews its vehicles and selects them based on a number of criteria, including CO<sub>2</sub> emissions per kilometre travelled. The average for the vehicle fleet in France stood at 101 g/km in 2017, compared to 105 g/km in 2016, and greenhouse gas emissions decreased by 26.5% over three years between 2014 and 2017.

In Germany, the fuel consumption reduction policy is governed by specific clauses specified in the contract drawn up with the vehicle leasing agency, providing for maximum fuel consumption thresholds per vehicle.

## Table of consumption since 2014

Nature of fuel	2017 Reporting scope		2016 Reporting scope		2015 Reporting scope		France 2014	
	Litres	CO <sub>2</sub> tons equiv.	Litres	CO <sub>2</sub> tons equiv.	Litres	CO <sub>2</sub> tons equiv.	Litres	CO <sub>2</sub> tons equiv.
Diesel	691,343	1,766.9	707,869*	1,682	691,119	1,741	230,913	635
4-star premium fuel	4,700	11.6	3,746	9.7	2,519	6.0	2,969	7.0
<b>TOTAL</b>	<b>-</b>	<b>1,778.5</b>	<b>-</b>	<b>1,691*</b>	<b>-</b>	<b>1,747</b>	<b>-</b>	<b>642</b>

\* Note on methodology: in 2017, the data reported for Diesel consumption in Germany for 2016 has been corrected. The correction of the German data (704.6 CO<sub>2</sub> tons equiv reported in 2016 instead of 1,058.67 CO<sub>2</sub> tons equiv) has led to correction of the end result, which should have been equal to 2,036 CO<sub>2</sub> tons equiv., instead of 1,961.

Other initiatives were implemented to reach this goal. In Austria, non-polluting printers use paper that is neutral with regard to carbon dioxide emissions.

To date, Coface's contribution to reducing greenhouse gas emissions has resulted in a limitation of CO<sub>2</sub> emissions through

the vehicle policy, to limiting travel through the travel policy, and to its new responsible investment policy implemented in 2016, which notably includes, as described below, taking regular measurements of greenhouse gas emissions from its financial investment portfolio.

### 6.2.6 PROTECTING BIODIVERSITY

The building that houses the Group's head office contributes to preserving biodiversity, to the extent that it has been established on a garden composed of plants from five continents. This garden, like the building itself, is respectful of the environment. Its plants promote the development of ecosystems, and birdhouses facilitate the return of birds.

In addition, the Group's activities have no impact on biodiversity.



## 6.3 / SOCIETAL INFORMATION

### 6.3.1 REGIONAL, ECONOMIC AND SOCIAL IMPACT

#### Support for client development

The very nature of credit insurance contributes to the development of economic trade by offering companies secure commercial transactions. Coface, as a leading market player, strives to offer its clients products that are best suited to their needs, in support of their development. It has made innovation a strategic cornerstone of its development, as illustrated by the marketing since 2014 of the EasyLiner offering targeted at SMEs in France and abroad, and accessible for online subscription. It has also established a system throughout the Group allowing potential claims to be best identified and processed.

#### Forging of links with the local social and economic fabric

With teams located in 63 countries for maximum proximity to the economic and social fabric, the Group favours the hiring of

local employees, trained in the credit insurance businesses, and who have detailed knowledge of the business environment. It thus contributes to strengthening its expertise, while developing local players in the countries.

Apart from hiring employees and the development of partnerships with universities and business schools (see Section 6.3.2.), Coface takes part in local inter-company initiatives to support certain social causes and also proposes or supports student initiatives.

As in 2016, Coface participated in 2017 in an inter-company initiative alongside the city of Bois-Colombes, where its head office is situated, to promote support for T  L  THON, a charity created to finance research projects on neuromuscular genetic diseases. This event allowed numerous employees from the Coface head office and from other companies based in the area to meet around shared values of social cohesion and solidarity; all the funds collected were donated, as they are every year, to the T  L  THON association.

### 6.3.2 PARTNERSHIPS AND CORPORATE PHILANTHROPY

#### Academic relations: promoting careers at Coface

The Group develops "academic relationships" with a selection of universities. The dialogue with universities and higher education institutions takes various forms, such as courses taught by some of the Group's employees, the use of apprenticeship contracts and the setting up of partnerships.

In France, a specific partnership exists between Coface and the *  cole sup  rieure du commerce ext  rieur* business school (ESCE). For several years now, a seat on the strategic orientation council of this business school has been assigned to Coface.

In partnership with the Universit   Paris-Dauphine (Master 218) and ESCE, Coface takes in final year students as interns each year. The interns can thus apply their education in a concrete way and prepare themselves to take on a job within the Company, if the opportunity exists.

In France, furthermore, the aim of the new training and academic relations manager is to create partnership links between Coface and the leading French higher education establishments (the *grandes   coles*) such as ENSAE and EDHEC, etc. In particular, Coface France has taken part in a learning forum involving more than 50 partner companies and attracting over 14,000 visitors. One of the first partnerships set up in 2017 was with EBS (European Business School Paris), where Coface helps students on topics such as Curriculum Vitae and interview simulations.

The links established with ESCE and Paris-Dauphine have likewise led several employees of the Company to teach about topics related to insurance in the context of the curricula. Lastly, these two institutions are beneficiaries of our apprenticeship tax

payments. In the United States, an internship programme has been implemented to assist US students in getting to know the Company and to promote visibility of the Coface brand. Close connections are established with student associations, meetings are organised on campus, and internship offers are posted online on the dedicated university sites. More than 350 students have applied. Since 2008, over thirty students have taken part in this programme in the United States.

Coface Germany also takes part in a mentoring programme for students in applied sciences, in partnership with the University of Mainz.

In Romania, the partnership with the Bucharest University of Economic Studies (ASE) means that Coface takes in interns from this institution but also enables certain employees to run working groups during student seminars to raise students' awareness of financial analysis in the corporate context, from a business and practical point of view. In South Africa, Coface has been affiliated with the Institute of Credit Management (ICM) since 2016. It has, in particular, been invited to present the credit insurance sector to ICM and Credit Blende Training (CBT) students. Through this initiative, Coface played an integral part in an initiative to train the future heads of the South African credit insurance industry.

Lastly, by way of an example from previous years, in 2015 Coface participated in a workshop at the Duoc-UC university in Chile to present the basics of credit insurance to the students. In 2015, Coface also organised, with the French university Paris-Dauphine, a seminar in Hong Kong for a group of students enrolled on the insurance and risk management course, to introduce them to the specific features of the market in that region. Lastly, in Italy, three conferences were given in 2016 in

the universities of Sienna, LUISS in Rome and Carlo-Cattaneo-LIUCC in Castellanza, to introduce students, through different case studies, to the role of credit insurance in ensuring reliable commercial trade.

## Coface Trade Aid

In 2004, Coface created a non-profit association, Coface Trade Aid, the aim of which is to promote solidarity actions consistent with Coface's values. They are proposed by employees, whether they are individual initiatives or cooperative actions carried out with charities. These targeted actions aim to facilitate economic exchange, in particular between developed countries and emerging countries, and include initiatives aimed at education or integration into the employment world. They should make it possible to assist populations that, due to their economic or social position, are prevented from participating in these exchanges under normal conditions.

Coface Trade Aid targets specific, identified micro-projects, aiming to track them and be involved from start to finish. The projects, which are proposed by employees, are selected for their utility, effectiveness and ambition. Financial transparency, dynamism and the involvement of associations are likewise important criteria for selection.

Initially begun in France, Coface Trade Aid has been gradually extended to all countries of the Group, with the same aim of supporting local initiatives based on education, the learning of a profession, micro-financing or the facilitation of economic exchanges. In 2013, for the first time, Coface organised the Coface Trade Aid Week, during which each Coface country was asked to mobilise its teams for the benefit of charities. This operation has since been renewed annually as a single day, with the participation of most countries, and now constitutes a common, positive approach in all entities.

Among the solidarity initiatives organised in 2017 is the participation of a number of Coface offices in sporting events with a charitable goal:

- ◆ in Hong Kong, Coface took part in the 24<sup>th</sup> Green Power Hike, a race organised by the Green Power association founded in 1988 to support environmental education in pre-schools, primary schools and secondary schools;
- ◆ in Mumbai, Coface took part in the Dream Walk Marathon organised by Standard Chartered Mumbai Marathon, the largest charity in India in terms of donations collected;
- ◆ since 2010, Coface UK has taken part every year in the London 10k race in partnership with the charity Changing Lives, which helps homeless people and those suffering from severe addictions;

- ◆ in Slovakia, Coface took part in the 12<sup>th</sup> Bratislava Half Marathon, which raises money for children in need;
- ◆ in Lithuania, Coface employees and members of their families took part in the race organised by Unicef to support children suffering from malnutrition in Mozambique;
- ◆ in France, Coface once again supported the TÉLÉTHON association through an inter-company race.

Other Coface offices throughout the world organise fund-raising for children's charities:

- ◆ in Austria, employees raised funds for the Debra-Austria association, which works to help children suffering from genetic skin diseases;
- ◆ in Germany, Coface doubled the donations made by employees as part of fund-raising to support a project to extend a primary school in Malawi;
- ◆ likewise, in Romania, a quarter of employees volunteered to take part in the construction of an after-school facility for children as part of the Habitat for Humanity Challenge project, and in Poland, employees raised funds to replace the bedding in a children's home;
- ◆ in Ecuador, Coface funded the construction of a sustainable and autonomous facility to house 60 children and enabling the cultivation of organic food as part of a nutritional programme specifically prepared for them by the Fondation Ecuasol.

Coface employees fund and monitor these actions, for which the Group matches donations. The amount of donations collected in France and paid to the associations was €44,000 in 2014, and €46,000 in 2015, more than half of which was paid by the Company. In 2016, although France's contribution to Coface Trade Aid, in the amount of €32,165, was less than in previous years, the participation of Coface employees in France in charitable initiatives did not fall, since - in addition to Coface Trade Aid - employees also contributed to other solidarity projects such as the inter-company support project for the Téléthon. While continuing to mobilise employees, 2017 was a transitional year for Coface Trade Aid. By creating a global charter to refocus Coface's charity work and that of its employees on the corporate values and missions at Group level, Coface Trade Aid intends to increase its partnership with local associations helping businesses and entrepreneurs to develop safely and sustainably.

All regions now participate in this project through various initiatives, involving staff. The number of countries participating in at least one project in this framework rose from 45 in 2012 to 54 in 2014 and has remained relatively stable since.

## 6.3.3 SUBCONTRACTING AND SUPPLIERS

The outsourcing of important or critical activities is strictly governed by the regulations applicable to insurance companies since the entry into force of the Solvency II Regulation. In this respect, in 2016, the Company issued a Group policy aimed at identifying "material or critical" activities and defining the fundamental principles for using subcontractors, the terms of any contract drafted for such outsourcing and the control procedures related to the outsourced activities and functions.

This policy, which was approved by the Company's Board of Directors at its meeting in the 4<sup>th</sup> quarter of 2016 and reviewed annually ever since, considers the following as constituting material or critical activities, pursuant to the applicable regulations: (i) the following four key functions (see also Section 5.1.2 "Organisation"): the risk management function, the compliance verification function, the internal audit function and the actuarial function; as well as (ii) the other functions comprising the core credit

insurance business, the interruption of which is likely to have a significant impact on the Company's business or its ability to effectively manage the risks, or jeopardise the conditions under which it obtained its license.

Coface and all its subsidiaries have therefore pledged, where certain material or critical activities are outsourced, to select service providers who meet the high-quality service standards and have the qualifications and skills necessary to efficiently handle the outsourced service, by avoiding any conflict of interest and guaranteeing data confidentiality. They also agreed to inform the French Insurance Regulator (the ACPR) of their intention to outsource services that fall within the scope of the procedure, pursuant to the applicable regulations. Any outsourcing contract to be signed with a service provider should include certain mandatory clauses imposed by Coface and be approved by the Company's Board of Directors prior to signature. Multi-level checks described in the procedure are in place within the Group to ensure compliance with these requirements.

To date, the main material or critical activities outsourced by the Group concern the Company's financial investment management activity and risk underwriting activity in countries where Coface has no licence and acts through a locally accredited insurance company participating meaningfully in decision-making regarding the supply of insurance services. Key functions are not outsourced.

While outsourcing was frequently used in the field of IT, concerning a little under 2/3 of the workforce, the Fit to Win strategic plan defined in 2016 sought to limit the outsourcing of certain IT functions, such as Group-wide IT development functions; the purpose of limiting the use of outsourcing is to gradually insource these activities within a special Coface entity, in order to ensure the secure control of IT systems as well as the perpetuation of skills within the Group.

### 6.3.4 SOCIALLY RESPONSIBLE INVESTMENT (SRI)

In addition to the investment policy within the Group and in connection with Article 173 of the Law of August 17, 2015 on Energy Transition for Green Growth applicable to Coface, the Group defined in 2016 its responsible investment policy and the goals pursued in coherence with its role as a credit insurer and the protection of its reputational risk. In particular, in accordance with the transparency objectives set out in this text, the Group published on its website, on June 30, 2017, a presentation of its responsible investment policy, its investment portfolio and the carbon rating thereof, as established by AMUNDI according to the criteria and indicators defined below.

Being a Socially Responsible Investor, according to Coface, means both including oversight and analysis measures in its investment policy in order to fulfil its obligations towards its policyholders, and integrating into its investment decisions, where appropriate, factors related to respect for the social, environmental and governance quality goals of the companies in which it invests (hereafter the "ESG factors").

Evolving as it does in an international environment where SRI practices and standards diverge, the Group strives to pay particular attention to the dialogue it conducts with issuers. It also aims to foster a dynamic analysis of investment opportunities, without seeking an approach solely focused on a strictly positive selection or the systematic exclusion of certain assets.

With respect to activities that are neither material nor critical as defined by the French Insurance Code (*Code des assurances*), the fields where cooperation with third parties is used concern Coface's commercial activity in particular. Coface acts through a worldwide network of agents and partners who share the same goal of developing credit insurance solutions to facilitate domestic and export B to B trade on numerous markets by relying on its expertise and on its unique risk database. Selected for their competence and reliability, its agents and partners are required to follow Coface's commercial practices regarding product distribution; as such, distribution must comply with the rules laid down by the Group and must be carried out under the latter's control in accordance with its internal rules and procedures.

In the context of its relationships with suppliers in general, Coface established in 2015 an internal policy of best practices in the field of procurement, and standardised its general terms for procuring supplies and services. These mostly include the best practices specified in its procurement policy and attached to contracts signed with suppliers. Conditions for issuing calls for tenders were also standardised in 2015 and include applicant assessment criteria based on the values upheld by corporate social responsibility. As a continuation of this policy, in June 2017 Coface signed the *Charte Relations Fournisseurs Responsables* (responsible supplier relationship charter) of the Médiateur des Entreprises and the Conseil National des Achats, two French associations. This charter consists of 10 commitments for a responsible purchasing policy towards suppliers. It enables Coface to apply, in concrete terms, its willingness to foster fair and transparent relationships with its suppliers.

As an institutional investor, Coface seeks to adopt long-term measures through its investment policy for better recognition of the underlying risks linked to ESG factors and to measure over time the concrete effects of a denser integration of these factors in its portfolio management.

The SRI strategy is thus based on three pillars, with each one being the subject of a dedicated quarterly or annual report. The Group has entrusted AMUNDI, its dedicated global manager, with the production of reporting elements and the analysis of potential impacts on the management of its investments. Thus, in partnership with AMUNDI, Coface set up in 2016 a mechanism to address the regulatory requirements and to measure the carbon footprint of its portfolios with a view to reducing the latter. Accordingly, calculating and disclosing information on Coface's carbon exposure is the foundation of its commitment in this area.

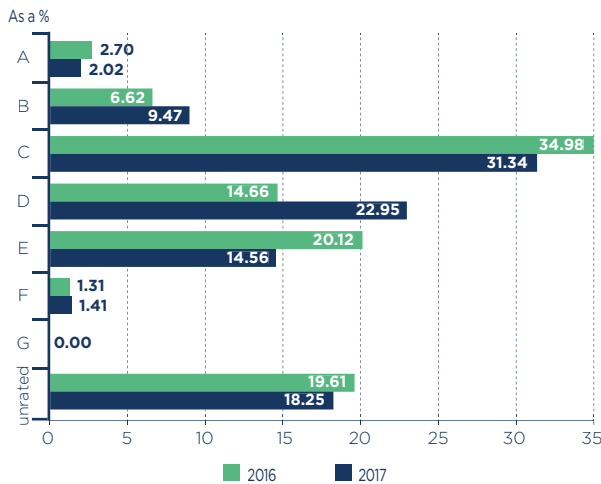
The three pillars of Coface's Socially Responsible Investor strategy are as follows:

1/ ESG factors: Integrate sensitivity to these factors in its asset management, while maintaining a primary logic of risk and reputation management.

Since the 1<sup>st</sup> quarter of 2017, AMUNDI has produced a quarterly report on the average ESG rating of the Coface portfolio (A to G rating) and a breakdown of assets by ESG rating.

As of December 31, 2017, the overall ESG rating of the investment portfolio was C-, stable compared to the end of 2016.

**ESG rating of the investment portfolio**



Source Amundi.

N.B.: The portfolio monitored by AMUNDI represents 97.5% of Coface's total portfolio.

2/ Voting rights and Commitment: Taking part in voting at the Shareholders' Meetings of companies held in the portfolio through the delegated managers and encouraging dialogue with their management on best practices by relying on the practices implemented on these topics through the managers selected by Coface.

AMUNDI provides an annual report on Voting Rights, containing the following information:

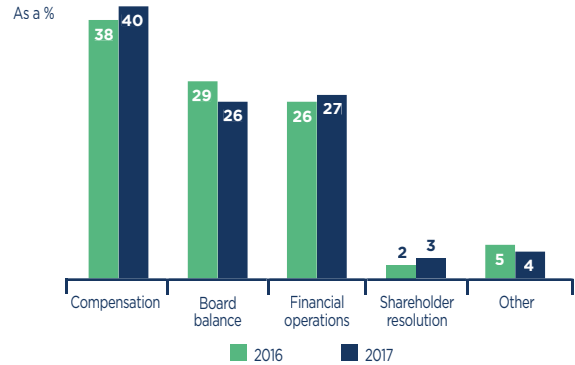
- overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and major opposition topics);
- the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (with a breakdown per company concerned, per country and per opposition topic).

Prior to these votes and where necessary, Coface can initiate discussions with AMUNDI's specialised teams to gather analyses on proposed resolutions and discuss the associated vote recommendations.

AMUNDI transmits its voting policy annually to the Group, to include the best corporate governance, social responsibility and environmental practices.

The percentage of opposition votes exercised by AMUNDI on behalf of Coface at Shareholders' Meetings held in 2017 are presented below, by topic:

**Opposition votes on share positions held directly**



Source Amundi.

According to AMUNDI, truthful, comprehensive and transparent financial information constitutes an essential right of shareholders and a prerequisite for exercising of voting rights in a considered manner. Hence, opposition votes mainly come from the following considerations:

- with regard to the compensation policy: AMUNDI considers that aligning senior managers' interests with those of the shareholders is a vital factor in corporate governance. The Company's compensation policy must contribute to this balance;
- with regard to balanced membership of the Board: AMUNDI considers that the Board is a strategic body and that its decisions determine the future of the Company and the responsibility of its members. Thus, according to AMUNDI, its actions must be governed by transparency, responsibility, efficiency and availability;
- with regard to financial transactions: AMUNDI considers that minority shareholders must be wary of excessive dilution of the capital.

3/ Measuring the carbon footprint: Protecting the Group against carbon risk and participating in international environmental protection and energy and ecological transition endeavours. AMUNDI provides a quarterly carbon report including:

- a) A presentation of carbon emissions (per million euros invested and per million euros in revenue) and carbon reserves (per million euros invested).

All data is presented in absolute and relative terms with regard to a benchmark index determined according to the strategic allocation of the platform.

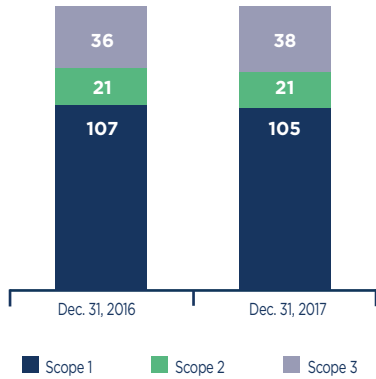
The carbon reserves per million euros invested constitute an indicator of potential emissions, resulting from the combustion of fossil fuels, caused by investment in the portfolio.

This presentation is drawn up for three different levels of scope:

- Scope 1: All direct emissions from sources owned or controlled by the Company;
- Scope 2: All indirect emissions resulting from the purchase or production of electricity, steam or heat;
- Scope 3: All other indirect emissions upstream and downstream of the value chain. Only emissions upstream and *via* first tier suppliers are presented in the report.

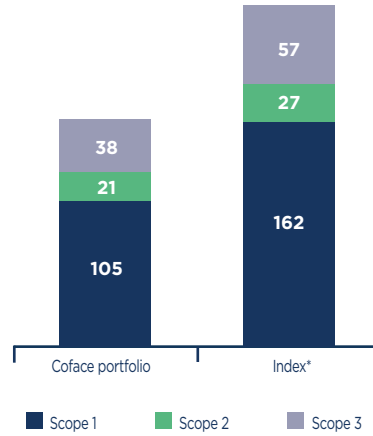


**Carbon emissions per million euros invested  
(T CO<sub>2</sub>/€m)**



Source Amundi.

**Carbon emissions per million euros invested  
as of December 31, 2017**

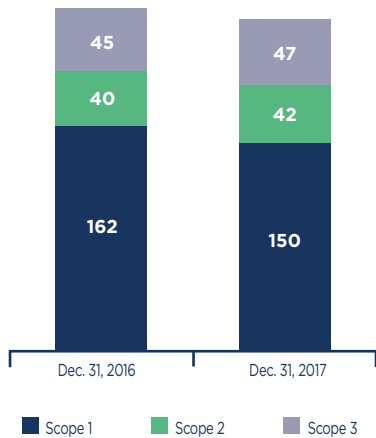


Source Amundi.

\* Index:  
85% ML EURO BROAD+ 10% MSCI EMU + 5% THE BOFA ML GLOBAL.

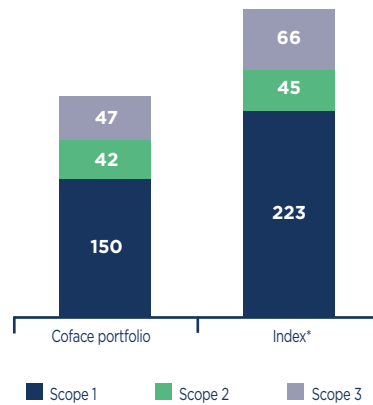
This indicator measures the emissions from the portfolio in tons of CO<sub>2</sub> equivalent per million euros invested. It is an indicator of the emissions resulting from investment in the portfolio. It remained stable throughout the year. Carbon emissions per million euros invested were less than those of the benchmark index.

**Carbon emissions per million euros of revenue**



Source Amundi.

**Carbon emissions per million euros of revenue  
as of December 31, 2017**

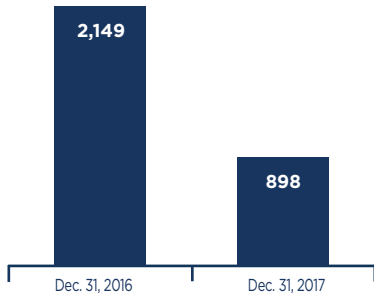


Source Amundi.

\* Index:  
85% ML EURO BROAD+ 10% MSCI EMU + 5% THE BOFA ML GLOBAL.

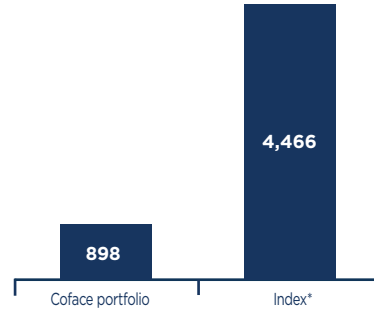
This indicator measures the average emissions in tons of CO<sub>2</sub> equivalent per unit of revenue generated by the companies (in millions of euros). It is an indicator of the carbon intensity of the value chain of companies in the portfolio. It fell by 3% over the year. Carbon emissions per million euros of revenue were less than those of the benchmark index.

**Carbon reserves per million euros invested**



Source Amundi.

**Carbon reserves per million euros invested**



Source Amundi.

\* Index:

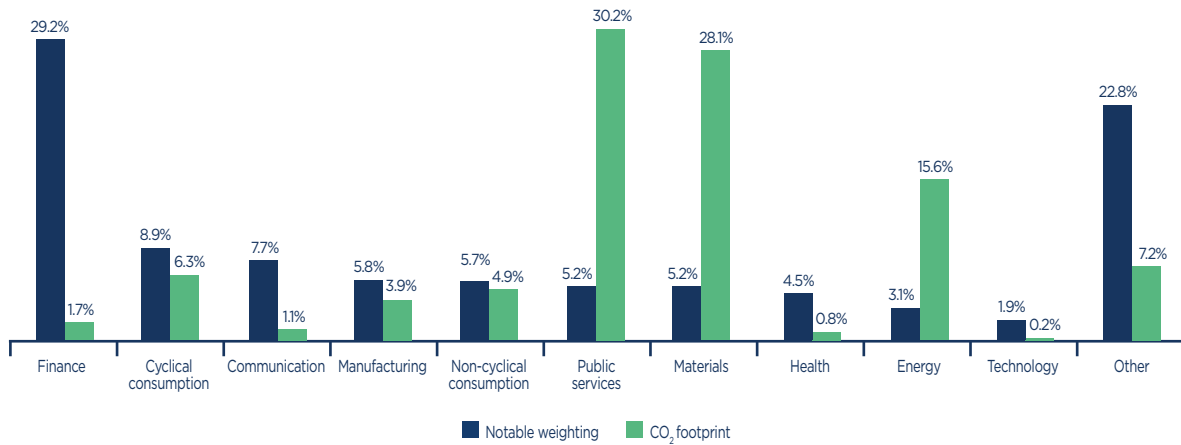
85% ML EURO BROAD+ 10% MSCI EMU + 5% THE BOFA ML GLOBAL.

These graphs measure the carbon reserves from the portfolio in tons of CO<sub>2</sub> equivalent per million euros invested. They represent an indicator of potential emissions, resulting from the combustion of fossil fuels, caused by investment in this portfolio.

*N.B.: The portfolio monitored by AMUNDI represents 97.5% of Coface's total portfolio. 33.3% of the monitored portfolio is rated. This 33.3% represents 83.5% of rateable outstanding amounts.*

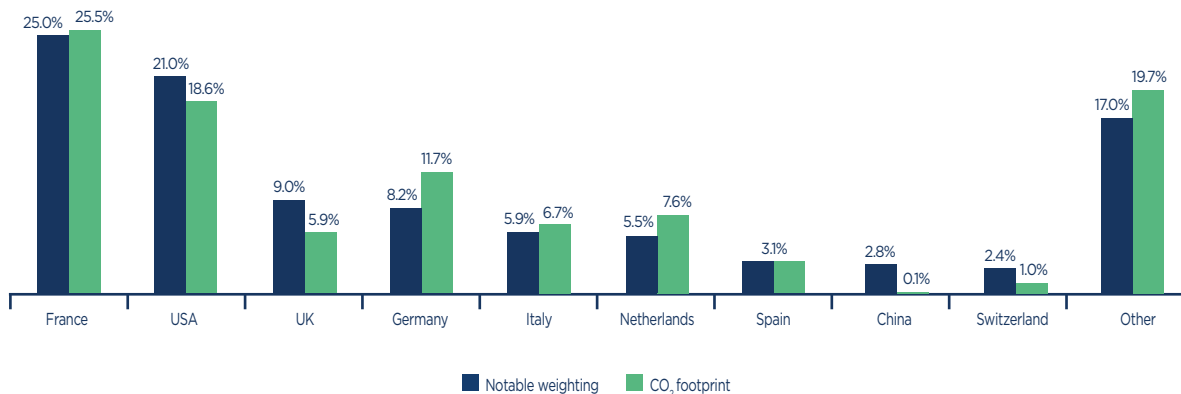
b) Sectorial and geographical contributions to the carbon emissions

**Sectorial contributions as of December 31, 2017**



The biggest contributors as of the end of 2017 were public services, materials and energy. The smallest contributors were finance, communications, health and technology.

**Geographical contributions as of December 31, 2017**



The countries with the greatest exposure in the Group were France and the United States.

*N.B.: The data on carbon emissions provided correspond to the annual emissions of companies in the portfolio and are expressed in tons of CO<sub>2</sub> equivalent, including the six greenhouse gases defined in the Kyoto protocol whose emissions are converted into global warming potential (GWP) in CO<sub>2</sub> equivalent.*



## 6.3.5 FAIR PRACTICES AND RESPECT FOR HUMAN RIGHTS

As part of managing conflicts of interest, Coface's code of conduct, which was created for use by all Group employees, was revised in 2017 to reinforce for all employees the promotion of the values of integrity necessary for the proper conduct of their professional activities. This code notably emphasises the importance of treating clients fairly by avoiding conflicts of interest and not using information in an employee's possession against the interests of a client, a potential client and co-contracting third parties.

The code of conduct also draws employees' attention to the importance of avoiding any pressure that may come with expensive gifts, which should be reported to the compliance director.

With regard to lobbying, Coface does not directly or habitually carry out any activity in this field and has no employee whose appointed duty or mission involves lobbying public or political entities. Nevertheless, any action undertaken in this respect should naturally be carried out in the context of the ethical rules laid down by Coface in the aforesaid code of conduct, which includes a number of anti-corruption rules.

Within the context of combating money laundering and corruption, every year the Group strengthens the tools and roll-out of procedures to best control all risks linked to financial security. These measures concern all entities, employees and clients of the Group. In 2017, Coface focused on implementing the provisions set out in the "Sapin II" law on transparency, anti-corruption and modernisation of the economy. In particular, the Compliance Department worked on setting up an anti-corruption code of conduct, including:

- ◆ roll-out of a programme to train and raise awareness among all Group employees;
- ◆ mapping of the risks of corruption;
- ◆ assessment procedures for business partners;
- ◆ an ethical whistleblowing system; and
- ◆ accounting control procedures.

E-learning training courses are regularly created by the compliance and ethics teams and rolled out within the Group. In 2017, an e-learning training programme was prepared in nine languages for employees with the aim of training them in detecting risks and attempted fraud, and acquiring the right reflexes when in doubt. This training was delivered to 90% of the Group's employees.

As part of the implementation in 2017 of a revised KYC (Know Your Customer) evaluation grid, a communication campaign was carried out targeting sales staff on warning signs regarding money laundering, concerning the Company (address, activity, change in turnover given the client sector and number of employees), the transaction (complexity, unusual behaviour by the client), the Company representatives (negative information, individual politically exposed) or problems in obtaining the mandatory documentation.

As concerns combating financial delinquency, the procedures that are regularly updated and locally transposed notably consist of a general procedure relating to the risk of money-laundering and a KYC procedure. These procedures, revised in 2017, are accompanied by several application sheets (sheet relating to the functioning of declarations of suspicion, sheet relating to the review of atypical transactions, procedure relating to transfers of cash flows in case of an embargo, or within the context of anti-terrorism). In addition, specific anti-money laundering procedures have been established, notably as concerns sales and debt collection processes, as well as in terms of the archiving of files.

The procedures are implemented by the international network of correspondents in charge of compliance within the Group. To this end, they have at their disposal a secure intranet and a tool for identifying, classifying and monitoring the client portfolio across all entities. In 2015, this intranet was enhanced with a feature allowing the control and update of client portfolios with respect to KYC procedures.

In its business lines, the systematic implementation of the diligence procedures described above allow Coface to avoid operations that are deemed suspect. Moreover, restrictions are applied in the area of arms trade guarantees, prohibiting coverage for companies active in the manufacturing of cluster bombs and/or anti-personnel mines.

In order to complete its measures regarding international and local sanctions, in 2017 Coface commenced the implementation of an automated filtering tool for all Group entities. This tool will be used both during entry checks on new clients and to monitor the portfolio of existing clients. Apart from sanctions, the tool will also make it possible to identify negative information on clients (such as involvement in crimes or offences such as corruption or fraud) and strengthen Coface's management of any reputation risk in connection with certain clients.

Coface's B to B activity does not require specific measures regarding the health and safety of consumers.

Coface pays great attention to the security of its IT systems and the confidentiality of data concerning policyholders and their clients. An IT charter integrated in the by-laws contains all the rules comprising Coface's security system, of which all employees are reminded annually in order to prevent any breach or threat to the data and systems (viruses, cyberattacks, information leaks, identity theft, hacking, phishing, whaling, etc.). Attention to information system and data security is also demonstrated through the Group's choice of suppliers, the conditions in which it stores data on policyholders and their clients, its implementation of and compliance with the regulation and industry data protection standards (active and passive protection measures such as firewalls, and business continuity plans - see also Section 1.8 "Information systems and processes"), and through the addition of specific contract clauses during both the pre-contractual and contractual phases.

As part of its implementation of EU Regulation No. 2016/679, the so-called General Data Protection Regulation (GDPR), in 2017 Coface launched an audit to identify any modifications required to its information systems and processes with a view to complying with the stricter requirements in terms of personal data protection.

As a member of the United Nations Global Compact, Coface follows the principles stated therein relating to the protection of human rights:

- ◆ to promote and respect protection of international human rights law in its sphere of influence; and
- ◆ to ensure that it is never complicit in human rights violations.

## 6.4 / CSR INITIATIVES ENVISAGED IN THE MEDIUM TERM BY COFACE

Thanks to a discussion launched in the last quarter of 2014, which involved the participation of all its regions of business, the Company developed throughout 2015 a medium-term CSR plan examined by the Board of Directors in December 2015. This plan includes the follow-up of initiatives already existing at Group level and the launch of a certain number of new initiatives. These initiatives concern corporate governance, clients and prospects in all its geographic regions of business, the Group's employees, its environmental footprint and its societal environment.

In this respect, a decision was made to strengthen Coface's CSR reporting by setting up a dedicated CSR page on the Coface website, which was completed in 2016 and improved in 2017 by the addition of new content.

The Company has made a commitment to raise the awareness of its policyholders and prospects about relevant environmental, social and governance issues through segment-specific economic studies on its website, some of which refer to CSR issues. As it does every year, Coface's Economic Research Department published several studies in 2017 on the economic situation in emerging countries ("the bond market, the new "spare tyre"

for companies in emerging economies") and on the organic agriculture sector ("France: will the organic sector be forced to abandon its principles?").

The Company will pursue and step up its social initiatives with a particular focus on defining a diversity policy that includes, in particular, the employment of people with disabilities.

Environmental reporting is extended each year to new countries to improve the monitoring of the Group's carbon footprint and identify the investments required for better energy consumption.

Lastly, Coface Trade Aid will continue to benefit the Company's societal environment with its charity actions for economically underprivileged populations, with a determination to refocus its actions on local economic development as vehicled by the Company's values and missions.

In 2018, discussions will take place on the integration of CSR into Coface's business model, in order to meet the new requirements resulting from the transposition of EU Directive 2014/95/EU into French law.

## 6.5 / REPORTING STANDARDS AND METHODS

The corporate, environmental and societal report was established to meet the obligations of Article 225 of the Grenelle II law of July 10, 2010 and its application decree No. 2012-557.

### General organisation of the reporting

The information presented in this document was produced internally on the basis of information provided by the heads of each area concerned. The corporate information and indicators were supplied by the Human Resources Departments of the entities in the reporting scope and by the person in charge of Personnel Reporting, and was coordinated by the Group human resources (HR) Department. The environmental information comes from the departments in charge of facilities management in the reporting scope. The societal information was supplied by the Compliance Department, and information on the socially responsible investment policy was supplied by the Group Investment, Financing and Treasury Department. These last three categories of information were coordinated by the Group Legal Department.

### Reporting period

Unless stated otherwise, all figures refer to financial year 2017, corresponding to calendar year 2017. Comparable data, on a like-for-like basis, is sometimes presented for previous years for the purposes of comparison.

### Reporting scope

The information presented in this Document was produced for the first time for financial year 2014, and the figures contained therein concerned the French scope, with an illustration of the policies, processes, tools, initiatives and actions at Group level.

Since 2014, the Group has extended its reporting scope during each new reporting year, as presented in the table below. The Group plans to continue this extension to make the reporting as representative as possible with regard to the Group's workforce and revenue.

Workforce figures are always reported for the Group scope.

Financial Year	Reporting scope	Information regarding the scope added	Scope representativeness with regard to the Group's workforce	Scope representativeness with regard to the Group's revenue
2014	France	The French scope concerns (i) COFACE SA and (ii) its subsidiary, Compagnie française d'assurance pour le commerce extérieur (iii) excluding its second subsidiary, Coface Re, which is not registered in France and has a total workforce of 11 employees based in Switzerland.	24%	20%
2015	France and Germany	The German scope concerns the three German companies Coface Finanz GmbH, Coface Rating GmbH and Coface Debitorenmanagement GmbH, as well as the German branch of Compagnie française d'assurance pour le commerce extérieur.	40%	36%
2016	France, Germany and Italy	Italy includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur and a service company devoted to debt collection operations, Coface Italia SRL.	43%	43%
2017	France, Germany, Italy and Spain	Spain includes the insurance branch and a service entity, Coface Servicios España.	42%	53%

Although the reporting scope was significantly extended in 2017, its workforce representativeness decreased due to a reduction in the workforce in France. This decrease is explained notably by

the transfer of the State guarantees management business to Bpifrance Assurance Export on January 1, 2017, which resulted in 249 departures.

## Methodological details on the information communicated

### / Corporate

- ◆ The corporate indicators, excluding the Group's workforce, concern the French, German, Italian and Spanish scope in 2017. However, as mentioned above, the description of policies, processes and HR tools are defined at Group level.
- ◆ All figures concerning the workforce, seniority, age and diversity were obtained from Group HRD Reporting, an online internal tool.
- ◆ The workforce figures provided relate to employees as at December 31, 2017 on permanent or fixed-term contracts, excluding interns, work-study placements, temporary workers, consultants and sub-contractors.
- ◆ Employees leaving the Group are accounted during the financial year, whatever the reason for leaving, with respect to people on permanent contracts: resignation, dismissal, termination by mutual agreement, end of probation period, retirement or death.
- ◆ Workplace accidents and data on disabilities are reported in accordance with local regulations.
- ◆ Training in France, Germany, Italy and Spain includes in-house and external training with a programme. The figures show the number of interns benefiting from training in 2017. In the absence of information from the trainer (internal or external) on the exact number of hours of training delivered, the reported length of one day of training is equal to seven hours. E-learning language programmes are included in the training reporting.
- ◆ The reported length of an e-learning module is the theoretic length indicated in the training programme, except for learning courses accessible for an unlimited amount of time during a given period, which depend on the time invested by the learner and for which the effective length is reported (for example, the length of a foreign language e-learning course, accessible for an unlimited amount of time for three months, may vary from one user to the next).
- ◆ The number of training hours reported corresponds to hours delivered, traceable based on an attendance sheet. For 6% of training hours, however, attendance sheets are not available. In this case, the scheduled number of hours invoiced are reported.

### / Environmental

- ◆ The indicator figures are for:
  - France, and include the Coface head office and regional departments in France;
  - Germany, composed of eleven sites, the main office being located in Mainz, and the others in Hamburg, Berlin, Hanover, Nuremberg, Düsseldorf, Bielefeld, Frankfurt, Cologne, Karlsruhe, Stuttgart and Munich;
  - Italy, composed of two sites, the main office being located in Milan and the other in Rome;
  - Spain, composed of eight offices, the main office being located in Madrid. The other offices are located in San Sebastián, Alicante, Valencia, Seville, Pamplona, Barcelona and Corunna.

The energy consumption scope includes the buildings open for the full year and not those opened or closed during the year.

- ◆ The greenhouse gas emissions have been calculated:
  - for energy consumption, based on CO<sub>2</sub> emission conversion factors reported by local suppliers – primarily for electricity – or the CO<sub>2</sub> emission conversion factors available in the French agency for sustainable development (ADEME) Base carbone® database, with regard to fuel consumption;
  - for transport, based on the CO<sub>2</sub> emission conversion factors reported by suppliers in Germany and Spain; in France and Italy, based on the CO<sub>2</sub> emission conversion factors available in the ADEME Base carbone® database.
- ◆ Paper consumption includes the paper bought for the printers and the internal reprography service (mainly paper certified PEFC, FSC and FSCMX). It does not include external communication actions or envelopes or other paper types.

Water consumption corresponds to the consumption of the Bois-Colombes head office (France), the offices in Mainz (Germany), Milan (Italy) and Madrid (Spain), as these four sites are the main buildings in the reporting scope; data on the other buildings are included in rental charges and are therefore not available. If the data for December are not available, the data are reported year on year from November N-1 to November N.