

- the Group directives encourage subsidiaries to choose working premises that can be accessed by public transport;
- finally, in the US and Canada the Green Vehicle Rewards Program offers financial incentives to employees who invest in fuel-efficient cars, in order to reduce the environmental impact of the journey between home and work.

To go further in terms of environmental responsibility, some subsidiaries purchase electricity from renewable sources, as in Germany (100% of electricity used is hydraulic in origin) and the UK (wind power).

### 1.5.3 Responsibility towards society

#### Territorial, economic and social impact of activities

The Group seeks to promote economic development in the areas in which it operates by providing business customers with the insurance they need to grow their businesses.

The Group takes steps to ensure that local employees are promoted to positions of responsibility. The number of expatriate positions is intentionally restricted. Training programs are also available to help staff enhance their skills and maintain their long-term employability within the Group. In France, for example, the Form'Avenir program offers employees with limited educational qualifications two days of training per month over a two-year period, with monitoring by a tutor from within the Company. Since the launch of this program, 86 employees have been trained and 19 are on a training course.

In the United Kingdom, initiatives such as the "My Finance Coach" program aim to promote the insurance profession and financial expertise in general, among children and students. Partnerships with schools have also been set up in various countries, including Germany, where the Group has been collaborating for several years with the Hamburg School of Business Administration.

The Group also has a large number of staff on apprenticeship contracts and long-term work placements.

#### Dialogue with civil society, partnerships and corporate sponsorship

At Group level, the Company provides employees and business units with a CSR policy (see introduction section 1.5 above). The choice of actions, budget and initiative of dialogue with various stakeholders including charities are driven directly by the business units.

#### Biodiversity

The Group's activities do not have any material direct impact on biodiversity. At the Company's level, efforts are made to promote biodiversity by favouring the purchase of paper from sustainably managed forests (for more details, see the "Sub-contractors and suppliers" section below).

#### Financial support for charities

Several charities received financial donations from the Group's various subsidiaries in 2014. In line with the Group's CSR policy, the majority of these donations were made to charities working in the area of health and well-being.

The Group's entities in Germany, Italy and the Netherlands, for example, made financial contributions to several associations focused on child welfare. Donations or funding of clothing, food and footwear for children were also made in Canada, the Gulf states (GCC: Gulf Cooperation Council), Italy, the Netherlands, Poland, Sweden, Turkey, the United Kingdom and the United States.

#### Encouraging employees to get involved

In 2014, several operations again adopted systems for matching employees' charitable donations. In the UK, around 16 charities in health protection received funding in this way. In the US, the Group matched staff donations to the Johns Hopkins pediatric medical center (this initiative has taken place every year for over 10 years) and the Maryland food bank.

Several dozen employees in France, Italy, the Netherlands and the UK also took part in sporting events to collect funds for food aid and medical aid organizations.

Other initiatives enabled the staff to get involved directly with charitable projects. These included the "Habitat for Humanity" program in the US, where approximately 13 employees helped build homes for disadvantaged families. Poland continued its existing commitment by local employees to support initiatives related to children in need. This year, four different orphanages across the country received contributions to finance winter holiday trips for children and tickets to the cinema or theatre. Financial support was also provided to a local sports club for

children. For the second year in France, a concierge service coordinated by an organization helping disabled workers into employment was provided to employees at the Euler Hermes Group's offices in Paris.

Initiatives to preserve the environment included offering a hybrid car model with lower carbon emissions among company vehicle options (France), organizing "clean days" to recycle archived paper documents (Belgium), and donating used computers to charitable organizations or for professional recycling (GCC).

## Sub-contractors and suppliers

The Group Procurement Standards are implemented in each subsidiary of the Group to develop best practices on the complete sourcing life cycle across the Group. They integrate in the value chain that the principles of code of conduct for business ethics, environment and compliance are the basis for everyday business.

The Group's use of sub-contractors mainly relates to IT services. Euler Hermes Tech is in charge of the Group's information technology systems. Euler Hermes Tech has no employees and relies entirely either on employees seconded by other Group subsidiaries or external consultants working as sub-contractors.

Contracts with suppliers include clauses that commit the suppliers to uphold any employment laws or environmental legislation in force in the countries in which they operate as well as to apply very strict principles on the prevention of corruption, supporting the Group's overall anti-corruption policy.

In recent years, these basic aspects of the responsible procurement policy have been supplemented by the adoption of special procedures for certain types of purchases:

- the Group's standards include environmental principles for selecting the office premises occupied by the Group, with the main focus on buildings with environmental certification (LEED and HQE in France, etc.). The UK and German subsidiaries also supply themselves with electricity generated from renewable energy;
- some countries have established specific directives to reduce the carbon footprint of corporate vehicle fleets, mainly through the purchase of hybrid vehicles;

- the French entity has adopted the green letter tariff for its mail correspondence;
- since the Group operates in a service industry, paper is one of its largest categories of consumables. The production of paper creates significant environmental problems (such as CO<sub>2</sub> emissions and damage to biodiversity) and so increasing numbers of subsidiaries are mainly buying recycled or FSC-certified paper.

## Fair commercial practices and respecting human rights

Through its main shareholder, Allianz, the Group adheres to a code of conduct in respect of business ethics. This code incorporates the principles laid down in the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. These values are implemented within the Group.

Specific restrictions are also applied within the Group in relation to arms trading. The following activities are therefore prohibited:

- conducting insurance or investment activities that contribute to the manufacture of biological or chemical weapons, anti-personnel mines, bombs or other fragmentation charges;
- taking part in transactions for the purpose of exporting arms to "high tension" countries (a list of these countries is provided by Allianz), except for export credit activity.

In addition, specific rules for commercial underwriting, which include risk assessment and a special hierarchical approval process, have also been established for activities regarded as sensitive in terms of impact on the environment, human health, animal welfare or human rights.

The Group's compliance policy is overseen by a dedicated team. This team's main areas of work and projects are presented on page 73 of this Registration Document.

Lastly, with regard to its activities based on credit insurance for businesses, the Group is not involved in specific actions to promote consumer health and safety.

## 1.5.4 Note on methodology

### Social reporting

#### General organization

The Group bases its annual social reporting process on a protocol that is regularly updated and shared with the Allianz group.

The indicators collected by the information systems are grouped into the following categories: workforce, age, length of service, full-time equivalents, qualifications, turnover and health. The indicator definitions are standardized at Group level and distributed to the human resources departments of the various regions in which the Group is present.

The reporting process is overseen by a special team at Group level, in charge of controlling and consolidating all the data collected.

#### Scope and level of coverage

The scope of the social reporting process encompasses all the legal companies fully consolidated by the Group Financial Division for the fiscal year in question.

The level of coverage of the social indicators presented in the CSR section is 100%.

#### Further information on the indicators

- The active workforce is used as a reference to calculate the breakdown of personnel by age, gender, average age and average length of service.
- Recruitments take all employees into account who receive a new contract of employment with the reporting unit during reporting period. The amount of leavers indicates all the cases where the employment relationship was terminated and the contract of employment ended. Expatriation is neither considered recruitment at the receiving unit nor a departure at the sending unit.
- The rate of absenteeism shown only takes account of employee absence due to illness (excluding periods of long-term illness). Other reasons for absenteeism such as parental leave or sabbatical leave are not considered.
- The reporting unit used for training is one day. One day of training comprises at least five hours of training. A training session of between three and five hours counts as a half-day training, and training sessions of less than three hours are not taken into account. In France, the hours of training reported correspond to training that can be classified as continuing professional development.

### Environmental reporting

#### General organization

The Group's reporting process was structured during 2013, mainly reflecting the creation and distribution of a reporting protocol within the Group. It sets out within a single document the key reporting principles, consolidation rules, instructions for input and validation, and all the necessary technical information (e.g. a precise definition of indicators, information sources to use, rules for estimates and conversion factors).

Information is collected by means of an Excel data sheet for the six regions in which the Group is present. The regional contributors (most often in the Operations departments) report qualitative and quantitative environmental information falling within their range of responsibility to the Group's Real Estate department twice a year (qualitative indicators collected in October and quantitative indicators collected in December/January). This department is responsible for verifying and compiling the information collected for publication in the Registration Document.

The selected indicators are used to measure the Group's progresses in terms of environmental responsibility and challenge for new activities and improvements. The reporting tool used is compliant with the GRI (Global Reporting Initiative) guidelines.

The reporting period under review runs from January 1 to December 31, 2014.

#### Scope and level of coverage

The scope of the environmental reporting process includes all the buildings occupied during the year by the Group's personnel worldwide (premises rented or owned by the Group). The list of sites used by the Group is updated twice a year by the Group Real Estate department, which also registers the surface area occupied by these sites and the number of people working on them (data collected through the Human Resources Controlling function).

For the 2014 reporting season, the quantitative data were collected from sites in all the different Group regions around the world.

The levels of coverage by surface area of the various environmental indicators are shown below. They represent the surface area of sites for which data are reported as a proportion of the total surface area of the sites occupied by the Group. Rates of consumption of gas and fuel for cooling or heating via the urban networks are shown as a ratio of the surface area of the sites concerned by this type of consumption. If this information is not known (e.g. information on whether a site consumes gas for heating is not provided), the site is regarded as concerned by the indicator by default. The level of coverage shown for these indicators is therefore a minimum.

Indicators	2014 Level of coverage/m <sup>2</sup>	2014 Level of coverage/m <sup>2</sup> per Region*	2013 Level of coverage/m <sup>2</sup>
Electricity consumption	85%	Americas (37%); APAC (32%); DACH (88%); France (98%); MMEA (87%); NE (90%)	76%
Gas consumption	77%	Americas (n/a); APAC (n/a); DACH (95%); France (1%); MMEA (99%); NE (68%)	70%
Urban heating consumption	62%	Americas (n/a); APAC (n/a); DACH (0%); France (0%); MMEA (85%); NE (85%)	33%
Fuel consumption	78%	Americas (n/a); APAC (n/a); DACH (0%); France (0%); MMEA (100%); NE (n/a)	60%
Water consumption	77%	Americas (37%); APAC (0%); DACH (88%); France (81%); MMEA (85%); NE (54%)	64%
Paper consumption	83%	Americas (0%); APAC (32%); DACH (88%); France (100%); MMEA (99%); NE (91%)	71%
Business travel	89%	Americas (0%); APAC (32%); DACH (99%); France (100%); MMEA (99%); NE (91%)	78%
Waste generation	69%	Americas (0%); APAC (0%); DACH (88%); France (76%); MMEA (72%); NE (30%)	39%

\* EH Regions: Americas, APAC (Asia-Pacific), DACH (Germany, Austria and Switzerland), France, MMEA (Mediterranean countries, Middle-East, Africa), NE (Northern Europe). "n/a" means that the indicator is not applicable.

## Further information on the indicators

### CO<sub>2</sub> emissions

CO<sub>2</sub> emissions were calculated using the following information sources:

Emissions factors	Information sources
Gas and fuel combustion, urban heating Business travel by car, train and airplane Travel by company car	Bilan Carbone Tool, version V7.1.06 (ADEME)
Power generation in the various countries in which the Group is present	IEA (International Energy Agency) – Excel table CO <sub>2</sub> , Highlights 2012

The CO<sub>2</sub> emissions shown in the reports correspond to the combustion phase of the various types of energy. Upstream emissions, which relate to the extraction, refining and transmission of the energy consumed, are not taken into account, and neither are online losses on power or heating networks.

The emissions factor related to the power consumption of the buildings of Euler Hermes Germany in Hamburg is zero, as these sites exclusively use power produced from renewable energy sources (hydraulic power).

## 1.5.5 Report by one of the Statutory Auditors, appointed as Independent Third Party, on the consolidated labour, environmental and social information presented in the management report

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

### Year ended December 31, 2014

To the Shareholders,

In our capacity as Independent Third Party of Euler Hermes Group, accredited by the COFRAC registered under number 3-1049<sup>(1)</sup> and member of KPMG International network like one of your Statutory Auditors, we hereby present to you our report on the consolidated labour, environmental and social information (hereinafter the "CSR Information") for the year ended December 31, 2014, presented in the management report. This report has been prepared in accordance with Article L. 225-102-1 of the French Commercial Code.

### Responsibility of the Company

The Board is responsible for preparing the Company's management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code and with the guidelines used by the Company (hereinafter the "Guidelines"), summarized in the management report and available on request from the Company's head office.

### Independence and quality control

Our independence is defined by regulations, the French code of ethics governing the audit profession and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable law and regulations.

### Responsibility of the Independent Third Party

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

- attest that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (Opinion on the fair presentation of the CSR Information).

Our work was performed by a team of four people between November 2014 and February 2015 and took around three weeks. We were assisted by our specialists in Corporate Social Responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated May 13, 2013 determining the manner in which the independent third party should carry out his work, and with International Standard ISAE 3000<sup>(2)</sup> concerning our opinion on the fair presentation of CSR Information.

## 1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the social and environmental impact of its activities and its responsibility towards society and, where applicable, any initiatives or programmes it has implemented as a result.

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

For any consolidated information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

(1) Details available on [www.cofrac.fr](http://www.cofrac.fr).

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

We verified that the CSR Information covers the consolidation scope, i.e. the Company, its subsidiaries as defined by Article L. 233-1 and the entities it controls as defined by Article L. 233-3 of the French Commercial Code, within the limitations set out in the methodological information presented in the “Note on methodology” paragraph of the management report.

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

## 2. Reasoned opinion on the fairness of the CSR Information

### Nature and scope of the work

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

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the Company, the social and environmental impact of its activities, its sustainable development strategy and best practice.

With regard to the CSR Information that we considered to be the most important<sup>(1)</sup>:

- at parent entity level we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected<sup>(2)</sup> on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 25% of headcount, between 24% and 95% of quantitative environmental information.

For the other consolidated CSR information, we assessed its consistency based on our understanding of the Company.

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

We believe that the sampling methods and sample sizes used, based on our professional judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

### Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Appointed Independent Third-Party Auditor

*French original signed by:*

Paris La Défense, 20 March 2015

**KPMG SA**

Anne Garans

*Partner*

*Climate Change & Sustainability Services*

Xavier Dupuy

*Partner*

(1) *Labour quantitative information: Active headcount as at December 31, 2014 broken down by age, gender and type of contract; Number of external recruitments; Number of redundancies; Active workforce working part-time; Absenteeism rate for sickness; Total number of days of training; Labour qualitative information: Occupational health and safety conditions; Equal opportunity.*

*Environmental quantitative information: Electricity consumption; Gas consumption; Fuel consumption; Paper consumption; Environmental qualitative information: Consumption of raw materials and measures implemented to improve efficiency in their use.*

(2) *Social qualitative information: Actions of partnership and sponsorship.*  
*Labour information: Euler Hermes Deutschland AG (Germany), Euler Hermes AG (Germany).*  
*Environmental information: Euler Hermes Hamburg building 1 and 2 (Germany).*