

pension contributions for employees who continue to work past normal retirement age. The Flexible Working Policy was also extended to all employees, so employees nearing retirement who wish to take a phased approach can make requests to change their working hours, time or location. The website of the Employee Assistance Programme provided by Euler Hermes UK provides advice for employees approaching retirement.

Promoting and complying with the fundamental conventions of the International Labor Organization

The Allianz group code of conduct is provided to all employees of the Group. It requires unconditional compliance with the International Labor Organization's fundamental conventions, particularly through the reference to the 10 principles of the United Nations Global Compact.

1.5.2 Environmental responsibility

General environmental policy

Environmental protection is one pillar of the Group's CSR policy formalized in 2013 (to find out more about this policy, please see the introductory paragraph in section 1.5). The process of reducing the Group's environmental impact mainly involves taking action to cut energy and paper consumption, generalizing waste sorting and cutting CO₂ emissions relating to business travel.

As a service company that exclusively occupies office premises, the Group has a very limited direct environmental impact. The Company has therefore made no provisions or guarantees to cover this risk, and no compensation was paid during the year as a result of any court rulings on environmental issues.

Group environmental reporting system

The Company structured and formalized its environment reporting system in 2013. In terms of organization, the process is based on regional contributors (most often in the Operations departments) reporting qualitative and quantitative environmental information to the Group's Real Estate department in two different phases. This department is responsible for validating and compiling the information collected for publication in this Registration Document.

A reporting protocol has been drawn up and distributed to the contributors. The protocol sets out in detail the structure and processes in place at the Company to measure and report the environmental information monitored by the Group.

A note on methodology section 1.5.4 provides a more detailed description of the general organization of the reporting process, the rate of coverage of indicators and more information on the indicator definitions.

Environmental requirements for buildings

In terms of the environmental footprint, the impact of the offices occupied by the Group is a key challenge. Environmental principles (Green Building principles) are thus an integral part of the Corporate Workplace Standards, which have been in place since November 2012 and which set out the Group's real estate standards and internal processes for the selection and layout of working premises.

These principles include the guidelines to be applied:

- for the building selection phase: prefer certified buildings (LEED, BREEAM or national, HQE-type certification in France), using "physical" criteria, such as the orientation of the building, the state of the heating, ventilation and air conditioning systems, and the proximity of public transport;
- for the layout and space definition phase: focusing on premises layout criteria that aim to reduce resource consumption (water, energy), and optimize waste management. These criteria involve, for example, lighting and air conditioning zones that are controlled separately, the presence of movement sensors and waste sorting bins or automated water consumption control systems.

The application of the requirement described in the Corporate Workplace Standards is amply demonstrated by the Group's premises that have an environmental certification: the total surface area of these premises at end 2013 represented about 30% of the total surface area rented by the Group (and nearly 13% of the total occupied surface area).

One of the main principles also requires the implementation of videoconferencing systems for all regional and national head offices of the Group as mandatory solution in order to reduce business travels for meeting abroad. In 2014 it has been estimated that 62% of the Group's employees could have access to a video conference system (62%, in fact is the ratio of employees sitting in premises where a video conference system has been installed).

Raising employee awareness of environmental issues

To support the Group's environmental approach as it rolls out, a number of local/regional initiatives have been implemented to raise employee awareness of environmental subjects and their personal responsibility. Several awareness initiatives were already in place at regional and national level through a range of in-house communication media (posters, flyers, email and intranet) basically regarding waste recycle, company cars and day-to-day eco living but many others came out during year 2014. Some examples of new actions for year 2014:

- in Belgium a Green quiz has been organized in order to raise the employees knowledge and awareness about green aspects – a campaign about CO₂ reduction and identification of practical levers has been conducted with posters and diffused employees communication;
- in the Netherlands, during the celebration for the 25th anniversary of the entity, a bike has been given to all employees as a "green" gift;
- in Italy, a general program "Benessere" about Social Responsibility has been launched, with initiatives covering all the different aspects of this topic (employees well-being, social activities, green building improvements, etc.);
- in the UK, an "environmental policy" has been diffused and communicated to all employees, suppliers and sub-contractors. Main scopes of this policy are to assess and regularly re-assess the environmental effects of the organisation's activities, informing employees in environmental issues, minimise the waste production...

Pollution and waste management

The Group's activities do not generate significant air, water or ground emissions, and do not create any sound nuisance or other form of pollution.

The Group is committed to preventing and recycling the waste generated by its activity mainly through the following initiatives:

- waste sorting across most of the Group's subsidiaries for ordinary waste such as paper, cans, bottles and plastic (paper and glass/bottles are recycled in about 54% of the Group's premises). Individual bins have also been eliminated at several Group premises (Paris, Rome, Brussels and Zurich) to encourage sorting. Some countries have set up specific waste management policies: separation of printed paper into colour and black & white as in France, and incineration with energy recovery of non-recycled waste in the United Kingdom;

- management of electrical and electronic equipment, batteries, light bulbs and used ink cartridges takes place in most of the countries. This waste is entrusted to service providers, which are responsible for processing them (recycling or disposal).

The total waste produced in 2014 (coverage ratio: 69%) by Euler Hermes France, Germany, Greece, Hungary, Italy, UK and Netherlands is estimated at 517 tons, based solely on the Group's main buildings. Information about waste production is often hard to obtain in premises that are shared with other companies.

Sustainable use of resources

Water consumption

The Group's water consumption is connected to the use of premises for professional purposes: sanitary facilities, air conditioning, cooling systems for electronic equipment, cafeterias, car parks, and office cleaning. Group directives (Corporate Workplace Standards) governing premises selection recommend the presence of systems that control this consumption automatically.

The Group's water consumption reported in 2014 (coverage ratio: 77%) was 42,953 m³. Water is used in small amounts, for sanitary purposes.

Paper consumption

In 2014, reported office paper consumption (coverage ratio: 83%) amounted to 206.31 tons (increase of coverage ratio since 2013 of 12% but reduction in consumption of 11%). The Group has been interested in the subject of reducing paper consumption for several years.

The Allianz group's printing policy is applied by the Group, with the implementation of the following measures to regulate the Group's printing equipment by default: printing in black and white, two per page, on both sides, reducing ink density and automatic standby mode.

Several campaigns have taken place to raise employee awareness and reasonable use of office paper, as for example in the Netherlands where paper workflows are fully digitalized (invoices are received by email) and in the UK where for example digital licences for business newspapers have replaced the paper standard ones.

The Group is also stepping up paperless communication with clients. Since 2003, the Group has been developing EOLIS (Euler Hermes Online Information Service), a secure extranet portal designed to help its clients and commercial partners to manage their insurance contracts online. Today, EOLIS is available in 36 countries and in 17 languages and 77% of credit limit requests were made online in 2014.

Energy consumption

The Group's energy consumption relates mainly to lighting, air conditioning and heating in work premises, along with running electrical equipment. The Group's reported energy consumption for 2014 is presented in the table below.

2014 ENERGY CONSUMPTION

	2014 coverage ratio	2014 value	2013 value	Unit
Electricity consumption	85%	16,742,980	16,660,329	KWh
Gas consumption	77%	11,983,084	13,994,518	KWh
Steam consumption	62%	1,002,094	551,274	KWh
Fuel consumption	78%	39,230	6,000	L

- Reducing energy consumption is a key priority in the Group's environmental strategy. One of the main aspects of this strategy is to prefer premises that have been environmentally certified (see the Corporate Workplace Standards mentioned above).
- The Group therefore occupies premises certified with labels guaranteeing a high level of energy efficiency in France (Lyon and Paris), Singapore, Zurich and Mexico City (13% of the total surface area occupied by the Group). In Paris, the Company and the French subsidiary transferred their head offices to Tour First in la Défense in April 2012. Tour First is France's largest refurbished office building to receive HQE (High Environmental Quality) accreditation. The building offers CO₂ emissions and energy consumption that are significantly lower than in a traditional office building. In Zurich the Euler Hermes premises have moved together with all the other Allianz entities in the Allianz Campus in Wallisellen, a brand new building labelled Minergie.
- Given the nature of its business, the Group is not concerned by environmental issues arising from land use.

Climate change

The Group is aiming to reduce and challenge the emissions related to its activities linked to the operational and logistics aspects (buildings and employees related emissions).

While challenging the current consumptions and implementing guidelines and standards, the Group is in fact aiming to reduce the employee's carbon footprint.

As a service company that exclusively occupies office premises, the Group has a very limited direct environmental impact and for this reason is not directly concerned by climate change effects.

The CO₂ emissions arising from energy consumption and business travel by the Group's staff are set out in the table below. The breakdown of emissions by scope corresponds to the internationally recognized GhG Protocol.

GhG protocol scopes	Emissions factors	2014 emissions	2013	Unit
1	Direct emissions related to energy consumption (gas + fuel)	2,306	2,603	Metric tons of CO ₂ equivalent
	Direct emissions related to the business vehicle fleet	2,453	1,744	Metric tons of CO ₂ equivalent
2	Indirect emissions related to consumption of electricity and steam	3,225	2,910	Metric tons of CO ₂ equivalent
3	Indirect emissions related to business travel (plane, train, car)	7,078	2,442	Metric tons of CO ₂ equivalent

Reducing the Group's carbon footprint requires efforts to reduce energy consumption at its premises as well as the impact occurred by business travel. Efforts to reduce energy consumption are set out above.

The main initiatives in place at the Group to reduce CO₂ emissions related to business travel are:

- the subsidiaries' business travel policies encourage travel by train and the use of videoconferencing (as mentioned, 62% of the Group's employees are sitting in premises equipped with video conference system);
- some of the subsidiaries favour the use of vehicles with low CO₂ emissions per kilometer for their company car fleets. France and the UK have also set emissions thresholds for selecting company vehicles. Some fleets also include hybrid vehicles (the entire fleet in the UK and in the Netherlands, in France and Italy this principle is applied for the new company cars), Euler Hermes Italy provides an electric vehicle for its employees, in Switzerland a e-bike has been purchased and it is used by employees for customer visit in the surrounding area;

- 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