

1.5 Corporate responsibility

In accordance with Article L. 225-102-1 of the French Commercial Code, this section sets out information relating to initiatives and strategies adopted by the Company to take account of the social and environmental consequences of its activities and meet its social commitment to sustainable development.

Euler Hermes wants to be acknowledged as a responsible employer and partner, and has for several years been implementing sustainable development initiatives. While retaining its own identity, Euler Hermes receives support through its membership of the Allianz group, which is

internationally renowned for its commitment to sustainable development. Allianz is the leading insurance company in the Dow Jones Sustainability Index, and one of the top 10 companies in the Carbon Disclosure Project rankings. The Company's corporate responsibility policy is realized through various local initiatives and by broader quantitative targets. These include having 30% of the Group's executive positions occupied by women in 2015, and reducing Euler Hermes Germany's CO₂ emissions by 35% between 2006 and 2015.

1.5.1 Social responsibility

Employment

Workforce size and changes

The Group had a total of 6,277 employees as of December 31, 2012, among which 95% hold a permanent contract. The workforce has increased by 2% since 2011 and the share of employees with permanent contract is stable.

The workforce detailed below covers employees that have an employment contract with the subsidiary at the closing date, i.e. December 31, 2012. For proportionately consolidated companies, the data corresponds to the Group's share as applied in the consolidated financial statements. The headcount of companies accounted for by the equity method is not taken into account.

	December 31, 2012	December 31, 2011
Germany and Switzerland	1,912	1,959
France	939	950
Northern Europe	1,329	1,342
Mediterranean Countries & Africa	581	570
America	478	549
Asia Pacific	218	192
Captive of reinsurance	11	9
Service Group	809	594
GROUP	6,277	6,165

The Group active headcount was of 5,983 employees as of December 31, 2012. Active headcount is used to calculate age distribution of employees, average age and average length of services.

■ BREAKDOWN OF WORKFORCE BY AGE AT DECEMBER 31, 2012

Age	Employees
< 25 years	237
25 - 34 years	1,696
35 - 44 years	1,800
45 - 54 years	1,608
> 55 years	642

The average age of employees was 41 and their average length of service was 11 years.

■ **BREAKDOWN OF WORKFORCE, RECRUITMENTS AND DEPARTURES⁽¹⁾ BY GENDER**

Data as of December 31, 2012

	Total	Female	Male
Contracted headcount	6,277	3,198	3,079
Total external recruitments	940	472	468
Total external leavers	(779)	(395)	(384)

Women make up 51% of the Group's workforce and 50% of the total external recruitments in 2012. 48 trainees were also employed by the Group in 2012. In 2012, no collective redundancies took place within the Group. The 88 local redundancies in 2012 were of an individual nature.

Compensation

Group payroll expenses for 2012 amounted to €389.125 million, excluding social security charges. The Group's social security charges for 2012 totaled €116.554 million.

Compensation policies are determined for each individual country, based on the principles of internal fairness and external competitiveness as defined by Euler Hermes. Each company regularly assesses how its compensation compares with market levels, based on data provided by specialist consultancies. Through these market analyses, the Group defines overall compensation policies appropriate to Euler Hermes' operational regions and business sector.

In 2012, the average increase in fixed compensation within the Group was 2.9%. On average, variable compensation makes up 13.7% of the total compensation of Euler Hermes staff worldwide.

Information relating to the compensation and other benefits paid to Euler Hermes' corporate officers (members of the Management Board and Supervisory Board) are provided in sub-section 2.2 of this Registration Document.

Work organization

In each country where Euler Hermes operates, the organization and duration of working time strictly adhere to local regulations and local agreements.

The proportion of the workforce working part-time is 12%.

In France, agreements on the reorganization and reduction of working time, part-time work and annual leave were signed on May 27, 2003. A time-saving plan was also established.

Regarding absenteeism issues, around 41,000 sick leave days were registered in 2012. The absenteeism rate for sickness is 3%.

Employee relations

Euler Hermes is committed to holding regular, constructive dialogue with staff representatives. Several collective agreements were made in 2012: 13 in Germany (including 4 supplementary agreements), 10 in Italy, 3 in France (including 2 supplementary agreements) and 3 in Belgium.

The most common themes covered by these agreements are the system for calculating compensation and bonuses, work schedules and skills management.

A European works council also exists at the Allianz group level, and it can enter into agreements on cross-company matters. These agreements may then be implemented within the European countries in which Euler Hermes operates, after the prior validation of local works councils.

In addition to this formal framework for consultation and collective bargaining, Euler Hermes also has direct contacts with its staff, giving them regular opportunities to voice their opinions and expectations. Since 2010, Euler Hermes has carried out a wide-ranging opinion survey among its employees, like those used by all Allianz group companies. 83% of Euler Hermes staff took part in the survey in 2012, up from 77% in 2010. The 2012 results show a 67% staff commitment rate, higher than the figures for 2010 and 2011.

Health and safety

The prevention of stress at work is one of the priorities of Euler Hermes' health and safety policy. An agreement with staff representatives in May 2011, through the Allianz group European works council, led to an extensive program to identify the main factors that cause stress for employees, followed by efforts to draw up improvement plans. The proposed prevention measures will be assessed regularly to check their effectiveness.

Many other initiatives have been adopted in Euler Hermes' various countries, aimed at preventing traffic accidents, preventing dependency (on drugs, tobacco etc.), making workstations more ergonomic, promoting sporting activities, improving nutrition and improving employees' work-life balance.

In 2012, the lost-time accident frequency rate in France and Germany was 5.87 (number of accidents per million hours worked) and the lost-time accident severity rate was 0.16 (number of days lost per thousand hours worked).

(1) Recruitments and departures do not take into account internal movements inside Allianz group.

1

Presentation of the Group Corporate responsibility

Training

Euler Hermes has built its reputation and position as a global leader on its professionalism and experience acquired over more than a century. It is essential to recruit the best talent and integrate it into a strong corporate culture to ensure consistency at the Group level and the same quality of service throughout the world. Training is a means of developing employees' competencies.

Many training courses available in the various Euler Hermes entities across the globe are now shared in the "Euler Hermes Academy". The Euler Hermes Academy provides innovative training programs to build and enhance employees' skills and capabilities at 3 levels:

- customized functional trainings in the areas of risk underwriting, claims, sales, policy administration and customer service are heavily geared towards developing the professional expertise of our staff;
- leadership trainings aim to provide managers with a common set of tools to increase the performance of their teams through effective management skills;
- change management courses are designed to support the major transformation initiatives that Euler Hermes, like every global company, is facing on a daily basis.

Since April 2012, the Academy has received 1,240 applications for 13 different classroom-based programs, 692 users have signed up to e-learning modules, and 875 courses have been completed. The main training efforts were aimed at managers and sales forces in 15 locations worldwide.

In 2012 a budget of €4.91 million was allocated to training (i.e. 1.26% of total payroll expense).

Overall, 21,745 days⁽¹⁾ of training were provided within the Group and 73% of staff participated in at least one training session in 2012.

Professional development and mobility

Euler Hermes has developed a fair, transparent and standardized methodology for assessing talent across regions and functions. The Group Management Board and regional and local CEOs are directly involved in ongoing talent reviews, in which they identify successors and other key talents, assess various future career options for high-performing and high-potential employees and formulate individualized development plans. Managers work with each of their employees on development plans taking into account business needs and the employee's individual interests and mobility choices.

With almost 6,200 employees in over 50 countries, mobility is a reality within the Group. Mobility provides employees with new insights and exposure to other talented people and inspires innovation through best practices sharing.

Euler Hermes looks for talented people in various areas, including risk underwriting, sales, controlling, human resources, organization, actuarial, marketing and IT. All positions open to international internal candidates are posted in every country where Euler Hermes operates, to maximize the opportunities available to employees throughout the Group.

The Human Resources department has defined career paths where international exposure is required. Also being part of the Allianz group gives greater possibilities for employees to take part in international assignments.

Euler Hermes' worldwide presence and "learning organization" culture provide interesting and creative job opportunities across borders and functions.

Equal treatment

Combating discrimination in all its forms is one of the key priorities of Euler Hermes' human resources policy. This commitment is one of the themes of the Allianz group's code of conduct. It also forms part of Euler Hermes' anti-discrimination and anti-harassment policy adopted in 2011, which is distributed to all staff and sets out the fully confidential procedure for reporting any instance of discrimination within the Company.

The aim is to ensure that the process of recruiting and promoting staff is based solely on the skills of employees. The policy involves a number of initiatives in the Group's various countries, including gender equality, employing and integrating disabled people and keeping older people in work.

Gender equality

At December 31, 2012, 28% of managerial positions and 23% of executive positions were occupied by women at Euler Hermes. The proportion of female managers has been rising for several years. This trend has been supported by initiatives to encourage women to take up managerial roles and integrate them more easily into these roles. In Germany, Euler Hermes launched the "women's network" program in 2011. This network enables women at all levels of the Company's hierarchy to communicate and help each other. The program makes it easier to organize events – such as dinners and conferences – in which women can discuss issues and get feedback from other women in executive roles. It also supports training efforts (how to develop personal network, how to market oneself...) and involves a system in which female employees can be mentored by female executives at Euler Hermes. These kinds of initiatives are being adopted more widely within the Group and will be stepped up in the next few years, in order to attain the target of having women occupy at least 30% of executive positions by 2015.

(1) A day of training comprises at least 5 hours of training.

Employing and integrating disabled people

The Group has adopted various initiatives in its main countries to increase the proportion of disabled people in its workforce.

Euler Hermes Italy signed an initial agreement with the Italian authorities in 2011, which led to the recruitment of five disabled people. It is now committed to recruiting another five disabled people between 2013 and 2016. In France, a disability action plan has been introduced for the 2011-13 period. As part of this plan, an internal survey has been carried out on the representation of disabilities, and staff awareness-raising initiatives have been proposed, such as watching a play about integrating a disabled person. Managers have received training in how to welcome and manage disabled staff, and support is being provided to help people gain administrative recognition of their disabled status. Several workstations have been adjusted in collaboration with the occupational health team. Similar initiatives are also underway in Germany, including adjustments to work schedules and quantitative targets for recruiting disabled employees and interns.

Keeping older people in work

The employment of older people is an increasingly important topic in industrialized countries where populations are ageing. It is also an important part of anti-discrimination policies. Euler Hermes is aware of these issues, and is implementing specific initiatives to support older workers.

For example, a collective agreement was reached in France for 2010-12 to increase the average age at which employees stop working. The main aspects of this agreement are as follows:

- meetings for all employees aged 45 and over, in which they can discuss their future career;
- opportunities to develop skills and qualifications through greater access to training;
- new arrangements for the latter part of a person's career, offering employees aged 58 and over the possibility of working part-time while continuing to make full pension contributions;
- methods for passing on skills and mentoring younger workers.

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

The Allianz group code of conduct is provided to all Euler Hermes employees. It requires unconditional compliance with the ILO'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

As a service company that exclusively occupies office premises, the Euler Hermes group has a very limited direct environmental impact. Euler Hermes 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. However, reducing the Group's environmental footprint remains a fully-fledged part of the Group's corporate responsibility policy. It involves initiatives to reduce consumption of energy, water and paper, widespread use of waste sorting and reductions in CO₂ emissions arising from business travel.

The largest subsidiaries report environmental indicators to the Group, and these indicators are then checked and consolidated centrally. A protocol is being developed to standardize reporting practices and distribute them to all Euler Hermes entities. Environmental indicators are monitored centrally by General Resource departments in each country, which also ensure that building facilities are brought into line with new standards. Most of the environmental indicators set out below correspond to Euler Hermes' main operational sites in Germany, France, Italy and the UK. Subsidiaries in these countries account for 62% of the Group's workforce.

To support the implementation of the Group's environmental policy, staff awareness-raising initiatives are adopted. These include promoting environmentally-friendly actions through various internal communication media (posters, internal magazines, flyers, intranet, etc.).

Pollution and waste management

Euler Hermes' activities do not generate significant air, water or ground pollution, and are not responsible for any particular nuisance to local residents.

Many subsidiaries have introduced selective sorting for waste paper, light bulbs and end-of-life electrical and electronic equipment. The total waste produced annually by Euler Hermes Germany, Italy and UK is estimated at 303 metric 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.

The proportion of waste that is re-used and recycled is 66% in Italy, 75% in Germany and 100% in the UK.

1

Presentation of the Group Corporate responsibility

Sustainable use of resources

Water consumption at Euler Hermes' main sites in Germany, France⁽¹⁾ and Italy totaled 54,341 m³ in 2012. Water is used in small amounts, for sanitary purposes.

In 2012, office paper consumed by Euler Hermes Germany, France, Italy and UK amounted to 72 metric tons. Euler Hermes has been seeking to reduce its paper consumption for a number of years. In 2003, Euler Hermes launched EOLIS (Euler Hermes OnLine Information Service), a secure extranet helping its clients and partners to manage their credit insurance policies online. Today, EOLIS is available in 31 countries and in 17 languages and 97% of credit limit requests are made online. The Group

is stepping up paperless communication with clients. In 2011, the French subsidiary launched an electronic safe for its clients and brokers. This paperless filing tool allows users to receive and keep in electronic format all documents related to credit insurance policies that used to be sent by mail, while retaining their probative value. The Group has also adopted a number of staff awareness-raising campaigns, to promote sensible use of paper in the office by using paperless technologies, setting printers to print on both sides of a sheet of paper, reducing the weight of paper, etc.

The Group's energy consumption relates mainly to lighting, air conditioning and heating in work premises, along with running electrical equipment. Energy consumption in Euler Hermes' four main countries is presented in the table below.

ENERGY CONSUMPTION 2012 (GERMANY, FRANCE⁽¹⁾, ITALY, UNITED KINGDOM)

	2012	Unit
Electricity consumption	14,316	MWh
Gas consumption	16,677	MWh
Steam consumption	108	MWh

Reducing energy consumption is a key priority of the Group's environmental strategy. One of the main aspects of this strategy is to prefer premises that have been certified as showing a high level of energy efficiency. In France, the Lyon office moved into new HQE-certified premises in 2010, and the Group and its French subsidiary relocated their headquarters to the 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 a reduction of 65% in CO₂ emissions and energy consumption compared to a traditional office building.

Other entities have set targets for reducing their energy consumption. Euler Hermes Germany is committed to reducing energy consumption by 10% between 2011 and 2015.

Given the nature of its business, Euler Hermes is not concerned by environmental issues arising from land use.

Climate change

Emissions⁽²⁾ of CO₂ arising from energy consumption and business travel by Euler Hermes staff in Germany, Italy, France and the UK 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	2012 emissions	Unit
	Direct emissions related to energy consumption (gas)	3,002	Metric tons of CO ₂ equivalent
1	Direct emissions related to the business vehicle fleet	1,131	Metric tons of CO ₂ equivalent
2	Indirect emissions related to consumption of electricity and steam	4,924	Metric tons of CO ₂ equivalent
3	Indirect emissions related to business travel (plane, train, car)	2,068	Metric tons of CO ₂ equivalent

(1) Due to the relocation of Euler Hermes France and Group departments to a new head office in 2012, French water consumption figures are partly based on estimates.

(2) Emissions factors are taken from the carbon database compiled by ADEME (French environment agency) and from the travel agencies used by subsidiaries in relation to business travel by plane, train and rental car.

Reducing the Group's carbon footprint requires efforts to reduce energy consumption and to change its business travel policy. Efforts to reduce energy consumption are set out above. Initiatives regarding business travel include encouraging staff to travel by train, use videoconferencing and use vehicles that show low CO₂ emissions per kilometer traveled. Group directives also encourage subsidiaries to choose work premises that can be accessed by public transport.

Some subsidiaries have also set ambitious targets for reducing CO₂ emissions, including Euler Hermes Germany, which is committed to cutting emissions by 35% between 2006 and 2015.

Euler Hermes offsets greenhouse gas emissions generated by its websites. The energy consumed by servers and connections to Euler

Hermes websites is offset by a fee paid to European projects aimed at financing the development of renewable energy sources. This initiative was taken in partnership with "CO₂ Neutral Website," a Danish organization, and the European Union.

Biodiversity

Euler Hermes' activities do not have any material direct impact on biodiversity. At the Group level, efforts are made to promote biodiversity through a preference for paper from sustainably managed forests bearing the FSC label. For more details, see the "Sub-contractors and suppliers" paragraph below).

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.

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

Financial support for charities

Several charities received financial support from Euler Hermes' various subsidiaries in 2012. In particular, the Group supported charities focusing on health, combating poverty, protecting children, culture and education.

For example, Euler Hermes entities in China, Germany, Italy, Poland and the United Arab Emirates supported charities that help sick children, orphans and families wanting to adopt children. Euler Hermes gave financial support to charities fighting poverty and social exclusion in Denmark, Portugal, Romania and Spain. Euler Hermes Hungary supports

an institution that trains talented young musicians. Euler Hermes subsidiaries in Italy, Switzerland and the United Arab Emirates made donations in response to urgent appeals by the Red Crescent. and Red Cross.

Encouraging employees to get involved

Several Euler Hermes subsidiaries adopted systems for matching employees' charitable donations in 2012. In the UK, the Group supported 27 charities in this way. In the USA, Euler Hermes matched staff donations to the Johns Hopkins pediatric medical centre, an initiative that has taken place each year for over 10 years.

In France and the Netherlands, staff had the opportunity to take part in a vote to select the charities that their company would support financially. Three charities were selected in the Netherlands and four in France. Employees in these two countries also ran many kilometers to raise money for charities fighting hunger and supporting cancer research.

Other initiatives enabled Euler Hermes staff to get involved directly with charitable projects. These included "Habitat 4 Humanity" in the USA, where approximately 20 employees helped build homes for disadvantaged families. In addition, a Euler Hermes employee in Hamburg supported the German Paralympic Committee in London by volunteering as a press officer.

Since 2010 Euler Hermes has taken part in the Social Operational Excellence initiative (SOPEX) developed by the Allianz group. This volunteer-based program aims to teach social enterprises about working and organizational methods based on the OPEX (operational excellence) methodology, helping them to work effectively and secure their long-term future. Six new Euler Hermes employees took part in this initiative in 2012.

1

Presentation of the Group Corporate responsibility

Promoting careers in the insurance industry

Since 2011, Euler Hermes France has been involved in a three-year partnership with the IESEG business school. The Company welcomes young graduates, interns and apprentices from IESEG and helps students develop their career plans through seminars, case studies, forums, etc.

In the UK, several employees are taking part in the “Discover risk” program, which aims to promote insurance-related occupations among young adults.

Sub-contractors and suppliers

The Group’s use of sub-contractors mainly relates to IT or organization 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.

Euler Hermes’ responsible purchasing policy is realized through Group-level guidelines and local initiatives aiming to promote the use of environmentally and socially responsible products and services.

The Allianz group Code of Conduct explicitly states that environmental and social criteria must be taken into account in purchasing operations. Contracts with suppliers also include an ethical clause, supporting the Group’s overall anti-corruption policy. In recent years, these basic aspects of the responsible purchasing policy have been supplemented by the adoption of special procedures for certain types of purchases. Group environment and labor standards state that premises rented or bought by Euler Hermes must be located in buildings that have environmental accreditation (e.g. LEED, HQE in France, etc.). Subsidiaries in the UK and

Germany mainly buy electricity made from renewable sources, and subsidiaries in many countries have adopted specific directives to reduce the carbon footprint of their vehicle fleets. To achieve this, Euler Hermes UK has bought around 10 hybrid vehicles, and the average emission rate of its fleet is 124g of CO₂ per kilometer.

Since the Group operates in a service industry, paper is one of its largest categories of consumables. The production of paper creates significant environmental issues – such as CO₂ emissions and damage to biodiversity – and so increasing numbers of Euler Hermes subsidiaries are mainly buying recycled or FSC-certified paper. Almost 100% of the office paper used in France is FSC-certified, 100% of the office paper consumed by Euler Hermes Germany is recycled and FSC-certified.

Euler Hermes Germany uses a questionnaire to assess its suppliers’ environmental policies. It also takes environmental criteria into account when buying office supplies – including the absence of PVC and certain hazardous substances, recyclability, useful life and ease of repair – and when buying printers, which must have Blue Angel and Energy Star accreditation.

Fair commercial practices

Via 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.

Euler Hermes’s business ethics policy is overseen by a dedicated team. This team’s main areas of work and projects are presented on pages 54-55 of this Registration Document.