The Coface Group has made a commitment to cooperate in the field of corporate, 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 reflects its economic and corporate plan. It contributes to and accelerates the Coface Group's strategic transformations, while ensuring the development and engagement of its employees. The activity of Coface, a service-sector company, has a very limited direct impact on the environment. Nonetheless, the Coface Group is committed to environmental protection and sustainable development issues, and works on its indirect impacts, particularly with the management of its assets.

Carrying these principles even further, in 2015, Coface's general management created the role of Group corporate social responsibility (CSR) manager, which is handled by the Corporate Secretary to ensure the monitoring of actions undertaken and those to be undertaken in this field by all Coface entities worldwide. In 2020, the Coface Group is preparing to draw up a medium-term company-wide CSR plan aimed at better integrating social, environmental and societal issues into its operations and businesses.

Since last year, the provisions of Articles L.225-102-1 and R. 225-104 to R.225-105-2 of the French Commercial Code (Code de commerce) have made it possible to look at a company's corporate social responsibility through the non-financial performance report (déclaration de performance extra-financière – DPEF), which now replaces the CSR report.

Certain areas that were covered in detail in previous years under the Grenelle II Law are no longer presented under the new regulations. In fact, the Company's business has a very limited impact in terms of waste in general, as well as food waste and paper consumption. The same is true for noise pollution for third parties and biodiversity protection.

In accordance with requirements for the non-financial performance report, the Company presents its business model this year in the section entitled "Overview of Coface" (Chapter 0), as well as the main non-financial risks and challenges relating to its business (see next page).

To further strengthen and integrate its responsibility approach at the heart of operations for its activities, the Coface Group carried out its first mapping of non-financial risks in 2018. Alongside the risk maps already monitored by the Group (strategic risk, credit risk, financial risk, operational and non-compliance risk, and reinsurance risk, see Section 5.1.3 "Definition and measurement of risks"), this process has made it possible to identify the main non-financial risks throughout its value chain.

The risk mapping process has been carried out in three stages:

1. definition of the scope for non-financial risks: identification of risks and challenges with potentially significant impacts on the Group, or which the Group represents for society in general.

   This scope has been defined based on the findings from its CSR reporting for the last few years, consulting with the Risk Department. A restricted scope of risks and challenges was then defined by the Group to ensure the consistency of its mapping with its business sector, geographic locations and core challenges;
2. assessment of the risks: each risk was assessed using an approach consistent with the one deployed by the Group's Risk Department. All risks were rated based on two criteria: the inherent level of the risk occurring and the level of control over this risk;
3. prioritisation of risks: based on the assessments carried out, the Group identified and ranked 10 priority non-financial risks, which were approved by the Group's Corporate Secretary.

These risks, most of which were already identified and monitored by the Group, are presented in the following table. The Group's policies to protect itself against them, and details of the actions and results, are presented throughout this document.

Significant non-financial risks	Description of the risk and impact	Policies and actions to mitigate the risk	Universal registration document reference
Attracting and retaining talent	♦ Management of talent and employee well-being ♦ Impact on quality of service and loss of value for the business	Coface has put in place action plans to attract and retain talent, as well as training plans for all its employees. Coface is committed to various solidarity measures, maintains ongoing corporate dialogue with its employee representative bodies and has set up a series of initiatives supporting its workplace wellness policy.	Section 6.1.1
Employees' engagement	♦ Employee engagement ♦ Need to recruit skills ♦ Training to adapt employees' skills in line with the Group's changes ♦ Impact on quality of service and loss of value for the business	In 2017 and 2018, Coface measured its employees' satisfaction and engagement with a survey. This enables it to draw up action plans and work in line with a continuous improvement approach.	Section 6.1.1
Diversity and equal opportunities	♦ Diversity and equal opportunities ♦ Impact on quality of service and loss of value for the business	Coface is developing several programmes to ensure gender equality in the workplace.	Section 6.1.1
Extraordinary risks	♦ Extraordinary event (acts of terrorism or events) ♦ Impact: disruption of Coface's business	Coface has insurance coverage and business continuity plans.	Section 5.2.3
Risks relating to any failure to respect human rights	♦ Respect for human rights among our policyholders ♦ Impact on the Company's image and reputation	Since 2003, Coface has been part of the United Nations Global Compact and does not cover any companies involved in manufacturing cluster bombs and/or anti-personnel mines.	Sections 6.1.1 and 6.3.5
Risks relating to corruption	♦ Acts of corruption ♦ Impacts: disputes, penalties or withdrawal of the right to operate under licence	Coface has put in place an anti-corruption code of conduct, supported by a training and awareness programme for all employees, procedures for assessing business partners, and accounting controls.	Section 6.3.5
Risks relating to tax evasion	♦ Transfer of assets to a country where the tax burden is lower in order to avoid a tax expense ♦ Impacts: penalties against the Company	The KYC (Know Your Customer) procedure and monitoring approach are strengthened when the local entity is located in a tax haven. Coface complies with the tax laws applicable in the jurisdictions where the Group operates.	Section 6.3.5
Risks relating to data protection and cybersecurity	♦ Access to the integrity and confidentiality of data and information ♦ Impacts: unauthorised access or cyberattack leading to the disclosure of information or disruption of activities	Coface has put in place an IT charter, which is included in the internal regulations setting out all the rules comprising Coface's security system.	Section 6.3.5
Risks relating to failure to adapt the activity to environmental challenges	♦ Setting up an in-house environmental policy (water, energy, paper) ♦ Impacts on the Company's image and reputation	Coface is committed to reducing its water, energy, paper and fuel consumption.	Section 6.2
Risks relating to the failure to adapt to changes in asset management practices	♦ Socially responsible investment policy ♦ Impacts on the Company's image and reputation	Coface has set up reporting systems to measure and reduce its investment portfolio's carbon footprint.	Section 6.3.4

4,273 employees in 57 countries

Coface Trade Aid

Continuity with the global gender **equality** initiative

500 participants in Lead Together over a two-year period

39 V.I.E (international intern in a company) in 25019

98% of assets covered by **SRI**

6.1 CORPORATE INFORMATION

6.1.1 Human Resources and performance development policy

Each year, the Group Human Resources 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, particularly regarding Talent Reviews and succession plans, the compensation policy and HR support for businesses.

Introduction

Over this last year of implementing our Fit to Win strategic plan, the Human Resources teams focused on strengthening the plan's key initiatives, particularly its actions on transformation.

The cultural transformation component progressed and strengthened. For example, we finished rolling out the ambitious manager training programme, LEAD together. The original target group—Senior Managers—was mostly covered during the two years of the programme's deployment (2018–2019). In 2019, we finished rolling out the training for all Middle Managers, which means more than 500 managers have been trained as part of this programme when both groups are added together.

We will continue this training effort over the long term, with training more focused on specific managerial skills from 2020.

We continued to integrate Senior Managers from international companies with change experience. Over the course of this plan, 83 new Senior Managers will have been integrated, including more than 30 in 2019.

Our efforts in career development within the Company showed positive results in 2019. Through annual Talent Reviews we have acquired a much more detailed understanding of our key skills, our best-performing talents, their professional aspirations and their appetite for moving locations. Carrying out these reviews has helped strengthen succession plans (more than half of the Senior Manager vacancies have been filled in-house this year). Thanks to the career committees, organised either generally or by function, we have continued to expand transfers to other functions or locations. As a result, more than a quarter of Senior Managers changed their role or took an enhanced role in 2019, and international transfers have once again more than doubled this year compared to the transfer averages of previous years.

We also achieved positive results on gender balance including a gender equality index ranking among the best for financial services in France. We closed the first annual mentoring programme for female talent organised by the Executive Committee (Mentoring to Win) and are among the leading SBF 120 companies in terms of the number of women on the Executive Committee (ranked 20th). Many women's initiatives and networks were created in 2019 within the Group's international companies.

Human Resources also continued its data protection work with an ambitious programme to educate its teams around the world on the principles of protecting personal and sensitive data held by Coface, either about its clients or its own employees.

The Human Resources function will continue to professionalise and better structure its processes in 2020 by developing the first stage of its future Human Resources Information System, which it wants collaborative on so that the system can be used as a tool to help the Company be more agile.

A real asset: our diversity

The following data come from the Group's HR reporting tool, available online. 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 scorecards to be produced. This reporting includes the individual contract, activity, business and length of service data for each legal entity in the Group and information on the hierarchical links between the various positions.

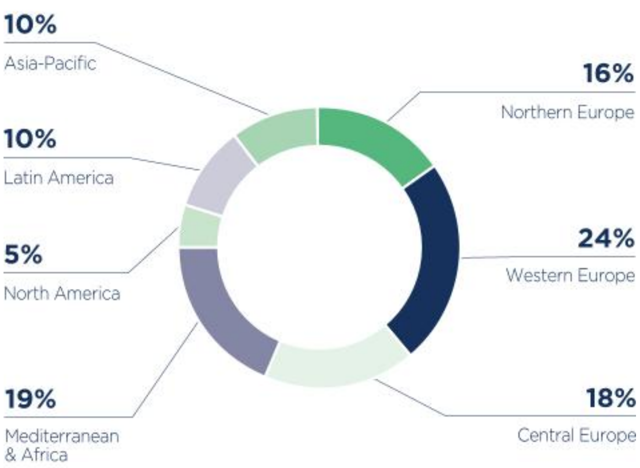
The tool also serves as a strategic planning tool for staff, as it makes it possible to manage recruitment actions and internal transfers within the context of a reference budget. The breakdown of Coface's workforce is presented below:

Strong international dimension

At December 31, 2019, the Group employed 4,273 people based in 57 countries, compared with 4,131 at December 31, 2018. The following table presents the geographic breakdown of the Group's workforce since December 31, 2017:

Workforce	2019	2018	2017
Northern Europe	678	701	713
Western Europe	1,008	987	974
Central Europe	772	687	715
Mediterranean & Africa	798	768	763
North America	193	192	125
Latin America	410	390	388
Asia-Pacific	414	406	400
TOTAL	**4,273**	**4,131**	**4,078**

▸ **Breakdown of workforce by region**



Coface experienced a 3.4% increase in its workforce in 2019. This development is due in part to the acquisition of PKZ (69 employees), the leading provider in credit insurance in Slovenia, which enjoys a strong market share. As a result, the business has become Coface PKZ. This acquisition contributes to Coface's strategy to ensure profitable growth in Central and Eastern Europe. Increased staffing in the Central Europe region is also due to insourcing certain subcontractors and a change in methodology, with civil contracts now included as part of the in-house Coface workforce (affecting 35 employees). These contracts pertain to a direct subordinate relationship with Coface, while offering flexibility to both parties.

The Mediterranean & Africa region is benefiting from the commercial development of Italy and Spain. In addition, Spain has hired contractors, who were previously external, into the sales teams. In Latin America, significant efforts were made to fill a number of positions in Mexico, including a shared services team dedicated to finance and accounting.

Due to the nature of its activities and their geographic coverage, the Coface Group is multicultural, with a strong international focus. For the financial year ended December 31, 2019, 74 nationalities were represented in the Group; this diversity is strengthened by the frequent integration of employees from other countries into the teams; currently, 260 employees work outside their country of origin, compared to 244 in 2018. This diversity guarantees that the Group reflects the diversity of the business communities and clients that it serves. For example, there are 31 different nationalities among employees based in France.

Young talents are also a priority for Coface. 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 V.I.E (international intern in a company) scheme by orienting V.I.E assignments towards key roles in the Company's development. In total, nearly 30 participants in the V.I.E scheme form this unique talent pool each year.

Activities across diverse sectors

The table below presents the breakdown of the Group's workforce by activity type since December 31, 2017:

Workforce	2019	2018	2017	Change 2019 versus 2018
Sales & Marketing	1,436	1,390	1,315	3.3%
Support	1,510	1,413	1,382	6.9%
Information, litigation, debt collection	988	1,003	1,040	(1.5%)
Risk underwriting	339	325	341	4.3%
TOTAL	**4,273**	**4,131**	**4,078**	**3.4%**

▸ **Breakdown of workforce by activity**

In 2019, 1,436 employees were assigned to sales and marketing, 1,510 to support functions, 988 to information, litigation and debt collection and 339 to risk underwriting.

Changes in the workforce for support functions reflect how the compliance, transformation office and finance functions in particular have been strengthened.

The increase in the Sales & Marketing workforce factors in the continued targeted strengthening of sales forces, with the Sales Force Effectiveness programme, as well as the integration of sales representatives who were previously external, in the US. This demonstrates Coface's desire to improve its client relationships.

Different types of employment contracts and changes in the workforce

In France, Germany, Italy, Spain, Poland and the UK, the total workforce at December 31, 2019 was 2,029 employees and broke down as follows for permanent contracts:

	2019	2018	2017
France	97.8%	97.8%	98.4%
Germany	99.3%	99.5%	99.7%
Italy	99.0%	99.5%	99.5%
Spain	100.0%	100.0%	97.8%
United Kingdom	98.0%	99.0%	
Poland	86.1%		

As we can see, Coface employs people mostly on permanent contracts.

In 2019, the Company had 296 new employees in France, Germany, Italy, Spain, Poland and the UK, with 267 departures, including 138 resignations, 56 contracts ended due to retirement and 36 dismissals. It is important to note a slight change in the methodology applied as fixed-term contracts have been recorded for arrivals and departures since 2018 and Poland now has civil contracts within its in-house workforce. The latter are therefore in the list of new employees for 2019.

Different age ranges

At December 31, 2019, the age ranges of employees in France, Germany, Italy, Spain, Poland and the UK were as follows:

Age ranges	France	Germany	Italy	Spain	United Kingdom	Poland
< 30 years	12.8%	4.2%	3.7%	11.6%	14.1%	24.1%
30 to 40 years	27.0%	20.9%	19.4%	28.1%	29.3%	49.4%
40 to 50 years	27.5%	30.3%	50.3%	42.7%	22.2%	18.1%
> 50 years	32.7%	44.6%	26.7%	17.6%	34.3%	8.4%

▸ Age ranges by country

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 a partial renewal of the teams. In 2019, Coface Germany offered this pre-retirement scheme.

It should also be noted that an agreement to support business transformation was signed in 2019 with the European Works Council as part of a project to change client services and shared services.

To facilitate collaboration, Coface France also organised an "Intergenerational Collaboration" conference at the Bois-Colombes site in September 2018, with very positive feedback from Coface's employees.

In Poland, we note that around 75% of the workforce is under 40 years old, reversing the trends that we have seen in other countries within the reporting scope.

Relatively balanced gender breakdown

The male/female balance (just over 53% women throughout the Group in 2019, and 39% female managers), 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 to roles of responsibility for its employees.

The table below shows the change in female representation, number of managers and women in management roles in countries within the reporting scope since 2017:

		2019	2018	2017
France	% women	50.4%	50.5%	50.7%
	% of managers	23.0%	23.1%	22.0%
	% women among managers	37.6%	37.4%	37.0%
Germany	% women	53.7%	53.6%	53.0%
	% of managers	15.4%	15.1%	13.9%
	% women among managers	20.0%	18.4%	17.1%
Italy	% women	50.8%	50.8%	48.7%
	% of managers	30.9%	28.6%	25.9%
	% women among managers	42.4%	44.4%	40.8%
Spain	% women	64.3%	64.7%	64.3%
	% of managers	21.6%	26.3%	28.6%
	% women among managers	30.2%	42.0%	40.4%
United Kingdom	% women	40.4%	41.0%	
	% of managers	23.2%	21.0%	
	% women among managers	26.1%	23.8%	
Poland	% women	63.3%		
	% of managers	16.5%		
	% women among managers	51.3%		

Women's representation in management positions is increasing in Germany and the United Kingdom.

The percentage of supervising managers remains very close to the 2018 figure in most countries within the reporting scope. Only Spain has seen a fall in the percentage of managers as a result of the Layers & Span project, which aims to simplify the organisation. This means the percentage of female managers fell too for the same reasons.

Coface strengthened its managerial culture in 2018, more specifically for the functional departments at the Bois-Colombes head office: the strengthening of certain functions, such as compliance, risk or the Finance Department, have proportionally increased the number of supervising managers in France.

At December 31, 2019, female representation within the governance bodies was as follows:

- Board of Directors: out of 12 directors, seven are women, *i.e.* 58%;
- Executive Committee: five women, *i.e.* one third of the members of the Executive Committee;
- Management Committee: two women, *i.e.* one quarter of the members of the Management Committee;
- Senior Manager category (top 180): 55 women out of 184 (Coface all regions and head office) and 29 out of 94 (for the scope covering the six countries in the report), *i.e.* approximately one third.

In addition to this diversity within our teams, Coface has diverse products and clients. At Coface, our employees' day-to-day work is enhanced by the diversity of the teams they work with and the clients they meet.

Coface's talent management policy aims to promote the diversity of this human capital to support the Company's capacity for innovation and its ability to position itself as a learning company that is constantly striving for more agility. It also aims to enable each individual to develop in line with their aspirations and aptitudes, capitalising on the Group's scale and its presence in more than 57 countries. A certain number of initiatives, detailed below, are contributing to these goals, from gender balance with the Women to Win programme to the international mobility policy making it possible to share skills between the Group's countries and the LEAD together programme to develop leadership, looking to build a shared managerial culture by bringing together managers from various countries for exchange sessions supported by external coaches.

On track for a cultural transformation

Since launching Fit to Win, Coface has ramped up the opportunities for employees to be visible and to contribute, through their ideas, to improving processes, tools, offices and more generally their day-to-day life within the Company.

In addition to this, the opportunities given to employees to contribute to the agility, client focus or change management objectives have enriched the day-to-day activities of many of them, further strengthened their sense of belonging, and contributed to Coface's purpose.

This has been achieved by the Lean process improvement groups deployed, the exchange workshops organised with the Fit to Win Days and hosted by employees in 2017 and 2018, as well as the My Voice working groups in 2018 and 2019.

New ways of working

In 2018, Coface carried out extensive work to improve the levels of engagement among its employees, notably setting up the My Voice Action Teams. In total, over 800 employees in more than 40 different countries actively contributed to these working groups. Approximately 550 initiatives have been launched, at every level throughout the organisation. The workplace environment and development opportunities aspects have been reworked in particular. Various initiatives, such as "Coffee with the CEO" or meetings with Country Directors, have been launched in most of Coface's countries, including France, Spain, Italy, Germany, Austria, Serbia, and Peru, as well as Russia, to build stronger links with the management team. In most of its countries, the Central Europe region has set up plenary meetings, which bring all the local employees together, or invites all the region's employees to take part in webinars with the Country Director and management team members. These monthly or quarterly meetings aim to communicate on the Company's results and strategy, while ensuring regular communication with management. These events are also opportunities to get valuable direct feedback from Coface's employees.

One of the challenges highlighted by the My Voice engagement survey was to build better understanding of each individual's role within the organisation and with the deployment of the Fit to Win strategic plan. Employees expressed a need for links between the various functions. A number of initiatives have been launched in response to this issue, including My Job Day in France, for instance, or 'meeting points' in Spain. This initiative, presenting the various professions within a given function, has also made it possible to present the department's vacancies and request applications from internal candidates, with possibilities for functional transfers. Coface Chile and Italy have organised "live my life" role plays enabling participants to understand their colleagues' day-to-day work, as well as their recurring issues and constraints, with a view to improving coordination between the teams. Flash Training sessions were also organised in France, aiming to provide employees with information or training on Coface products and the organisation's key tools and initiatives. For example, the requirement to put in place a KYC process—ensuring knowledge of our clients' identity to prevent money laundering and terrorist financing—was presented with a Flash Training approach. In the US, this same requirement was covered with Lunch and Learn conferences looking at specific topics.

The results from My Voice France also showed that employees felt a need for better knowledge of their clients' requirements. Initiatives have been set up for "double listening" to clients and arranging meetings in the field with prospects, clients or brokers.

A dedicated wall for My Voice communications has also been created in a number of countries.

This way of operating with working groups, set up widely across the Group's various countries, has not only made it possible to find concrete solutions for improvements, built with employees, but has also introduced a new way of working thanks to a more bottom-up and collaborative approach, for instance holding inter-department meetings, organising regular meetings and actively engaging employees in these improvements, and making them accountable for My Voice actions. For its part, the Group HR Department has mapped out a global action plan including work on career development, the definition of Coface's Employer Brand following work on the Company's rationale and the development of an onboarding programme for new employees, ensuring "a minimum experience" for new arrivals within Coface worldwide. Already launched in 2018, this action plan will be deployed more widely in 2020. France has launched this work on integrating new employees at country level by offering presentations of the various departments for new arrivals.

In September 2018, Coface once again measured the satisfaction and engagment of its employees using a new engagement survey prepared and conducted with AON Hewitt, called My Voice. With its rich experience and benchmark of 14 million respondents this year, this service provider was able to guide Coface in its choice of questions and protect the anonymity and confidentiality of the responses.

This year, six questions were added to the questionnaire, primarily covering senior leadership, client focus and follow-up on the results and actions from My Voice 2017. The survey contained 42 questions, including two open questions.

In 2018, My Voice was conducted in 12 different languages (four new languages compared with 2017) and once again obtained a participation rate of over 92%, demonstrating employees' strong attachment to Coface and a desire for constructive improvement.

The total engagement score shows a year-on-year increase of six points, reflecting a significant improvement within six months' action. However, the results are still generally below the AON benchmark, and Coface needs to continue building on the work carried out in order to further strengthen its implementation of a continuous improvement approach.

The My Voice 2018 results were presented by region, country and function in December 2018. In 2019, each region, country or function made arrangements to set out action plans on all the topics highlighted by the survey as requiring improvement.

Many My Voice actions have continued in the long term and new ones have emerged, such as the Démo Café or the quarterly Town Hall Meetings, bringing together all employees within a function.

In Germany, the Working Out Loud initiative was created, proposing to set up a small group of employees from different departments to talk about a personal or professional project and share their best practices. This format, which aims to create links between departments and discover new topics, has been very successful.

In France and many other countries, action plans have been drawn up and put into action by function to complement the cross-functional actions implemented in 2018.

Coface plans to repeat this survey in 2020 in order to allow time to put in place sustainable actions and then measure the impact of its action plans.

Coface continues to widely use Yammer, its company social network, to facilitate communications between departments and countries and exchange information more efficiently. For example, this tool allows departments to easily discuss the follow-up of My Voice actions.

Across the Group, Coface has sought to incorporate agility into its organisation through these new ways of working, and it hopes to see these bottom-up initiatives continue to develop in 2020.

These questionnaires are now used much more widely in certain countries or functions to find out what the employees upstream and downstream of decisions think. For example, Poland started using several questionnaires to find out how communication with employees can be improved and what their specific needs are in terms of employee benefits, training and skills development, as well as finding out whether they want to organise end-of-year celebrations, and so on. China developed a quasi-weekly survey exercise, using simple and direct questions to gauge employees' understanding and reaction to organisational decisions in real time.

The Lean Management approach, aiming to optimise processes, tools and organisational aspects and to free up resources for stronger value-added tasks with a view to increasing Coface's operational efficiency, is another vehicle for bottom-up initiatives, because employees, who are at the heart of the business, are trained to resolve problems.

When the My Voice action plans were drawn up in the various countries in 2018, employees also expressed strong needs for ramping up the number of Lean initiatives, as well as strengthening training in this area.

In this way, many countries incorporated this Lean Management dimension into their My Voice action plans in 2018, including the whole of the Mediterranean & Africa region, which organised a train-the-trainer initiative on this topic, as well as Israel and Romania, which have reviewed their work processes to improve productivity. In France, a dedicated Flash Training course was organised on these Lean initiatives within Coface. This topic came up much less often in working groups in 2019.

A pleasant environment

In 2019, Coface continued to focus on flexibility at work with the adoption of flexible working arrangements in many countries within the reporting scope and outside of Europe.

In Italy, Spain, and Poland, as well as Brazil, Hong Kong and China, flexible and remote working practices were expanded, particularly so in Italy, by providing laptops for every employee and giving them the option of smart working two days a week, *i.e.* from any location, with more flexibility. Egypt, the United Arab Emirates, Morocco and Spain also started or extended this smart working initiative, and Coface Spain took advantage of this opportunity to communicate widely with all employees about their new rights.

Germany, which opened talks with its works councils in 2018, now offers remote working to all its employees, with two fixed days per week or 24 days a year, at the employees' discretion.

Mexico and Brazil continue to have this flexible working arrangement as part of the My Voice actions, offering a shorter day on Fridays, possibilities for everyone to work remotely, and even a rest day for each employee's birthday.

It should be noted that 8% of the Group's total staff members opt for a part-time contract due to personal schedules. Furthermore, as part of its working hours agreements, the Company offers employees the opportunity to organise their work hours according to selected times. No employees in France, Germany, Italy, Spain, Poland or the UK work in shifts or at night.

Our UK entity continued with its workplace wellness initiatives, notably making available baskets of fruit for employees, ensuring a healthy and welcoming workplace environment all year round. Coface Poland launched a similar initiative this year with "Fruit Tuesday". Switzerland also started offering the same scheme.

Coface Italy is also organising COFACARE, a round of six meetings taking place between 2019 and 2020 on the topic of welfare at work. The Central Europe region is organising "Apple Days" in each of its countries, and Poland, just like Brazil, offers workshops on the theme of well-being with a guest nutritionist, for example.

Other Coface offices are also endeavouring to create pleasant working conditions; Coface offices in Spain and Portugal renewed their initiative for the ninth consecutive year to celebrate "Friendship and Affection Day" with handwritten cards distributed to friends and colleagues. This wave of positivity continued in Chile and Brazil thanks to a successful feedback campaign conducted among all employees.

Coface also encourages regular physical activity in its various countries. Coface Austria took part in an inter-company race and organised a yoga class on its office roof. Coface Dubai teams participated in the Dubai Fitness Challenge to promote sport and well-being in the city, and teams at Coface Romania went even further by signing up to a marathon. Coface Spain organised free yoga classes for employees, and Israel offers 30-minute shiatsu massage sessions for each employee once a month.

Furthermore, Coface Germany organised two days of occupational health activities in collaboration with a public health insurance organisation, and the "JobRad" company programme to promote the use of bicycles for travelling to work continued. The "Job Ticket" scheme was also launched thanks to the conclusion of an agreement with the regional transport company. These programmes allow employees to benefit from very reasonable prices. This latter initiative is very similar to the one launched by Coface Italy, which signed an agreement with a public transport company as well as setting up carpooling and shuttle services to help with its move to new premises. As part of this change, a meeting to discuss best practices for open-plan offices was also organised to make everyone's daily lives easier.

One of the My Voice groups is also working to set up collaborative spaces at the Bois-Colombes site in France. Working with the Facilities Management Department, the first room was set up in December 2018 to enable Coface employees to meet up in a more colourful, modern and inspiring space, as an alternative to conventional meeting rooms.

The Human Resources Department in France largely dealt with the topic of quality of life at work this year through multiple initiatives. Accordingly, the project to set up collaborative workspaces continues. This summer, Food Trucks allowed employees to discover culinary specialities during lunch breaks, and the outdoor terrace was furnished so that colleagues could sit and eat together.

In 2020, Coface France is planning to establish a concierge service (package collection, dry cleaning, etc.) and implement a mobility plan to complement the partnership set up in 2019 with Klaxit, a company specialising in carpooling services to make daily commutes easier.

It is now also possible for employees in Romania and Poland to find a relaxation room.

In India, Coface Bangalore relocated in February 2019, enabling them to improve employee well-being, security arrangements and collaboration between the teams by grouping the employees together in the same offices. To promote the diversity of our teams and the various cultures represented, teams celebrate many different local festivals around the world. In India, numerous festivals were celebrated, with competitions organised between teams. The Mediterranean & Africa region also celebrated a number of local festivals, such as in Dubai for instance. In Morocco, new offices were officially opened. These offices meet the requirements stated by employees during the My Voice workshops: a larger space with a nicer kitchen and terrace area, as well as more practical meeting rooms, all in a well-located building in the city.

In Central Europe, just like in Latin America and in the Mediterranean & Africa region, countries are encouraged to organise one event each quarter. For instance, "Family Day", "Children's Day", Easter, Valentine's Day and Women's Day events were all opportunities for celebrations.

New managerial culture for the entire Group

The leadership skills development programme, LEAD together, which was launched in May 2018, continued in 2019 as planned. Twelve sessions were organised in 2019, bringing together just over 210 participants around the world. In total, (nearly) 500 managers from all regions benefited from this programme, delivered in 26 sessions over two years. The target audience for this programme was made up of Senior Managers, regional- or Group-level Department managers, country heads, as well as the Middle Managers who report to them. Accordingly, 183 Senior Managers took part, as well as 314 Middle Managers. To recap, LEAD together is a ground-breaking initiative for Coface. This programme, available to all the Group's entities, aims to develop managers' abilities to take on board Coface's new requirements, help their teams find their bearings during the current transformation period, and meet the new expectations by developing their sense of initiative, their ability to communicate with impactful messages, to instil a sense of purpose for each individual's actions, to work with the various internal and external stakeholders, and to give feedback. This programme is based on the principle that each individual, employee and manager alike, has a significant impact and responsibility regarding the implementation of Coface's strategic plan, with an even stronger focus for managers considering their role in relation to the teams.

LEAD together was chosen as the name for this programme following a creativity workshop involving a dozen managers and employees. "Learn, Empower, Achieve and Develop" summarises the cycle through which managers develop their skills and those of their teams to achieve the objectives set by the Company. "Together" represents not only the Collaboration value as a key success factor for the Company, but also the desire to share experiences and learn from one another in order to further strengthen Coface's collective capabilities to drive its transformation forward.

LEAD together was devised in a few months in partnership with the executive coaching firm Turningpoint. The programme initially involves preparatory work (videos and articles to read, questionnaire to analyse their leadership profile, collection of feedback to identify their individual leadership development challenges). This is followed by a three-day on-site session, hosted by coaches from Turningpoint. Lastly, a half-day co-development session (peer coaching) is held a few weeks later, in addition to an individual coaching session for Senior Managers. The programme includes a significant contribution by representatives from Coface (HR and top management), who present the Group's ambitions and each individual's expected contributions to achieve them, as well as sharing their vision and talking about leadership. Each group of trainees is mentored by a representative from the management level above, who can directly hear questions and feedback from each individual, making it possible to identify the key issues to be escalated to the Executive Committee and addressed at the highest level within the organisation. During the Senior Manager sessions and one Middle Manager session, Xavier Durand came to talk to participants about his journey as a leader and the experiences through which he has built his career, as well as his vision of leadership and his advice for the participants. During the sessions dedicated to Middle Managers, members of the Executive Committee (usually country heads) performed this role with participants, who appreciate these ground-breaking opportunities for discussion.

The programme is being rolled out across all the countries. The Senior Manager sessions brought together participants from all of Coface's regions and businesses, in Paris, in groups of 20 to 25 people. The Middle Manager sessions were generally rolled out region by region to ensure a mix of different groups as well as limit travel costs. Participants came from different countries within the same region, and a wide range of business lines was always represented.

As in 2018, feedback from participants has been very positive, with an overall satisfaction score of around 4.5 out of 5. They particularly appreciate the very pragmatic approach, centred around the behavioural and interpersonal dimension, as well as the creation of an international network of leaders united around the same goals and ambitions. Lastly, sharing experiences between peers, with the aim of improving support for one another, is a real asset and a real force for collaboration in both the short and the longer term. During the sessions, collective development issues could be identified, to which the Group's Executive Committee pays particular attention, such as the ability to break the global strategic vision down into more specific details for an entity or team, as well as the ability to give clear and regular feedback to employees, enabling them to position themselves and maintain good levels of motivation.

In April 2019, in addition to the on-the-spot course evaluation, a questionnaire was submitted to the 2018 participants to collect more considered feedback and to assess whether the programme was still having an impact from a few months to a year later. The response was positive, with nearly 90% of respondents confirming that the programme was continuing to prove useful, with 80% believing that they had actually improved their leadership skills, particularly with regard to communication and collaboration between business lines and countries. This survey found that Senior Managers in particular tended to work on their personal development in a more targeted way, suggesting, for example, that they used a 360-degree feedback tool to compare how they perceived their skills with how their superiors or teams perceived them. These results were shared with the Group's Executive Committee, which focuses on this kind of leadership development and continues to consider this area as one of the factors to make the next strategic plan successful.

Local initiatives have already been created either to build on the achievements of participants in the LEAD together programme, or to offer managerial skills development for other groups. Some examples of these initiatives:

1. In July, the MAR region management team organised three days of team coaching in Milan to refresh what they had learned during the LEAD together programme, quantify their progress, and draw up an action plan so they could all collectively continue developing their skills in this field. This session was jointly hosted by one of the coaches supporting the LEAD together programme and by the Group HR Department.
2. Also in MAR, a copy of the programme was set up for local managers in Italy called Manage Together, which continued to collaborate with Turningpoint to ensure consistency with the objectives of the Senior and Middle Managers. Twenty managers took advantage of this three-day programme (two days + one day with a few weeks in between to put what they had learned into practice) that focused on management basics: firstly to know what their identity is as a manager, ensure they have a good relationship with their team, set relevant objectives, give feedback, learn how to listen carefully, and so on.
3. Lastly, local management training has been set up in several countries. In Poland for example, in the second quarter local supervisors took a test to assess behavioural preferences, which, by aggregating the results, helped to identify some collective development challenges. Workshops were developed around topics such as feedback, delegation, and showing gratitude to teams. They have been rolled out since October in modules lasting three to four hours for small groups. Around 15 to 20 participants took advantage of the workshops in 2019, and these will continue in 2020. This initiative is organised entirely by the local HR team. Training modules were created in Romania covering influence and impact, interpersonal communication, public speaking and presentation techniques, emotional intelligence, and time management, with 6 to 20 participants per module. In Italy, HR Departments introduced regular Lunch and Learn sessions, some of which focus on managerial topics, such as one on intergenerational management in July. Lastly, monthly Leadership Chats were created for new managers in Brazil, enabling them to get their bearings around key management topics during small group discussions led by the HR team. Theory, practical examples, specific problems encountered by managers on a daily basis, etc. – the agenda is tailored to suit the needs of the participants. Ten sessions were held in 2019 with an average of ten participants each time. This programme will continue next year as the feedback has been excellent.

Talent management and compensation policy

As with LEAD together, Coface has various cross-functional initiatives in place to develop the collective skills required to achieve the Group's ambitions, while also recognising, developing and valuing each individual based on their contribution to our collective performance and their ability to grow within our organisation. This year's focus was on two key priorities: training sales teams in line with the aim of strengthening client focus (one of the Group's core values) and the roll-out of a new group digital training tool (e-learning).

Skills development

Following on from the Commercial School, a suite of e-learning modules on the basics that all Coface sales representatives must know, which was rolled out in 2018, two initiatives have been created to develop sales teams' behavioural skills.

Firstly, the Commercial Academy, the second large-scale cross-regional training initiative at Coface after LEAD together, was custom-built in partnership with Krauthammer, an organisation renowned for designing and deploying international business training, to meet Coface's specific needs. Created as part of the Sales Force Effectiveness project, this programme aims to increase the output of sales representatives for all products and all market segments, improve their engagement and retention in teams, and attract new talent. It was co-built in close collaboration with the Commercial and HR Directors of the regions in nine main Coface countries, ensuring that it reflected real situations encountered by the teams and their specific development challenges. Combining e-learning, virtual coaching and classroom sessions, the training is run over four to six months and leads to accreditation. It is based on topics around developing a commercial strategy and selecting opportunities, prospecting, developing a sales pitch, being able to negotiate successfully, and, for Managers, mobilising the team around common goals, managing individual and collective performance, and communicating internally with decision-makers and influential intermediaries, for example. The aim is to reach the whole Commercial workforce over three years. Training is deployed locally in nine languages to enable as many people as possible to learn and in the best possible way. To date, 18 sessions have already begun in three regions, *i.e.* 200 participants from 19 countries. Satisfaction is on target with an average on-the-spot score of 4/5.

The Customer Excellence programme was another key training initiative within the Group that involved teams of account managers for major CGS (Coface Global Solutions) international accounts. The programme was developed with another highly reputable training organisation for international business, Mercuri International. It aimed to make Account Managers and Account Officers with high potential more proficient in developing an effective and profitable long-term approach to maintaining relationships with major accounts, from reviewing the roles, missions and performance management indicators specific to these teams, to drawing up client strategies and looking at the specific challenges of developing trust at each phase of the client relationship. Nine sessions were held between June and September, bringing together 90 participants from 25 countries, with two days of classroom sessions and a webinar a few weeks later. These sessions dealt with sharing participant experiences and responding to the challenges they encountered. The training was a success with an overall satisfaction rating of 87%.

Another major project in 2019 was the implementation of a new digital training platform within the Group. After a large-scale call for tenders from seven internationally renowned digital learning platform providers, Docebo was selected to be Coface's new partner, and the new platform, called CLIC (Coface Learning – Interactive Centre), was launched in early November. An extensive communication and training plan is in place to ensure it is fully understood by users. Some of CLIC's features worth bearing in mind are: managers have direct access to their teams, and can monitor in real time the training courses conducted or still to be completed by their staff; the option open to everyone, be they experts in their field or "regular" team members, to share internal or external knowledge with colleagues, thus transforming Coface into a true learning organisation; interactivity on the platform; simplified reporting for HR teams; improved user ergonomics; an app due in 2020 allowing access under all circumstances, particularly for those who are not desk-based.

Indeed, training at Coface still plays an important role with regard to the combined effect of the specific aspects of credit insurance and 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.

"Business" programmes, such as the Commercial School, are still to be found on CLIC, along with all training courses related to regulatory obligations. In this way, Coface ensures that completion of these mandatory modules is closely monitored for all users, and reminders are systematically sent to those lagging behind. Diligence is adhered to, with completion of over 90% at the end of the year on most of these modules. These training courses are systematically assigned to new Coface employees upon arrival, who then have one month to complete them. In 2019, the emphasis was placed on new training in the General Data Protection Regulation (GDPR), with a more instructive, comprehensive e-learning module, as well as face-to-face training to raise awareness among all HR teams; these then relayed this training to management so that the overarching messages reach employees and discussions take place within each team to revisit working practices and processes in order to comply with the obligations. This was accompanied by a communications and poster plan to make the subject part of everyday working life. Two other modules were created in 2019 on anti-corruption practices, for those most exposed: members of general management (from a country, a region or the Group), staff working in Commerce, Commercial Underwriting, Finance, Purchasing, staff monitoring Client Debt Collection and Indemnification, and staff in Risk and Compliance management. Lastly, client complaint management, a module intended for all employees, to ensure that they respond appropriately to all contacts with a client, whether directly linked to their role or not.

Investment in training is monitored via the number of hours of training delivered, the number of employees trained, and the budget dedicated to training. The detailed indicators are as follows:

Country	Hours of training 2019	Persons trained 2019	Budget spent *(in €)* 2019*
France	9,105	721	465,819
Germany	7,297	550	220,000
Italy	2,479	197	91,000
Spain	5,336	201	128,317
United Kingdom	2,044	111	77,765
Poland	5,395	252	41,784
TOTAL	**31,656**	**2,032**	**N/A**

** Training costs are reported based on the amounts invoiced for each country and for actual hours spent during the year, in line with local regulations or practices. Therefore, we do not consider it appropriate to give the total of the budget spent in the above table. Consolidated data for the entire reporting scope can therefore be provided once the methods for calculating this budget have been standardised.*

Training involves all employees in France, Germany, Spain, Italy, the United Kingdom and Poland, representing an average of 16 hours' training per person trained, which is roughly stable compared to 2018.

As was the case in 2018, LEAD together training costs are not included in the budgets given here by country as they are borne directly by the Group. These costs are very significant in 2019, *i.e.* in the region of €500 million.

In France, emphasis was placed on continuing to strengthen managerial culture via various initiatives: the Group's LEAD together programme, workshops on professional interviews, and on harassment, and training leading to accreditation by the ESSEC Business School. Quality of client relationships was also a key area, with the deployment of the Commercial Academy and the CGS large accounts programme. Lastly, language training, particularly English, was boosted with priority given to packages leading to accreditation.

In Germany, training hours returned to more "traditional" levels in 2019, after exceptional highs in 2018 for two reasons: the OrgaShaker corporate transformation initiative in 2018 resulted in many internal training workshops. In addition, many e-learning courses started in 2017 by the Group were only rolled out in 2018 in Germany, following approval by the Works Council in late December. The sharp rise in the budget in 2019 reflected a much larger share of outsourced training. It was also the result of a purely mechanical cost management effect for the e-learning tool, which was billed in 2019 for the previous year. Among the key training themes, emphasis was placed on the development of sales representatives, via the Commercial Academy and the CGS programme, as well as local complementary pathways and individual coaching for employees with potential.

In Italy, large-scale mandatory training programmes or those focused on certain business lines (commercial underwriting, information), rolled out in 2018, did not need to be renewed in 2019. The total number of hours of training thus decreased to some extent. Nonetheless, the training budget did rise considerably, due to significant investment in language courses and the development of a local management and leadership programme adapted from LEAD together – two key dimensions for the company. Also of note was the creation of complementary initiatives run entirely in-house (seven Lunch and Learn sessions around behavioural skills, and It's… Talent Time for employees with high potential). Lastly, a catalogue of digital on-shelf training was made available to a pilot group, to broaden training possibilities by giving employees direct control over selecting their training.

In Spain, substantial efforts were made in business line training in 2018, particularly in commercial underwriting and information, in leadership and in languages, which, though continuing in 2019, did not require the same level of intensity, since staff turnover was relatively low. Regulatory training courses were all conducted, but with a sharp drop in volume compared to 2018.

In the UK, the quality of training monitoring conducted internally was enhanced, providing a more comprehensive view in 2019 of the number of hours and the budget devoted to training. Given the high number of these training sessions, the number of hours of training completed also rose sharply, along with the budget. The main actions conducted in 2019 focused on commercial training courses launched by the Group, representing a si zeable financial investment, along with regular informal sessions over lunch to develop a more collaborative working culture between departments.

Career management

In 2019, Group-led Talent Sharing Committees were established, where the HR staff in each region exchanged information about openings within their scope, and about employees available to move outside their region of origin. The aim of these meetings is to proactively boost international mobility, particularly when openings are confidential and cannot be communicated to employees. It also helps target the best employees with potential and key expertise holders within the Group, with a view to retaining them and speeding up their development. These committees proved effective and had a direct impact on the number of international moves made in 2019. They were also launched in a number of business lines. Accordingly, the financial directors of the various regions held one such committee in March, after which five international moves were made, while two are still under discussion. These discussions also give rise to career discussions with employees identified as likely to pursue their career abroad, thus allowing Coface to create individual pathways and give them visibility within the Group. The systematic posting of vacancies on the Group's intranet was also encouraged, with new training sessions for local HR managers on how to use the tool. Lastly, career management and mobility rules were defined, aimed at HR managers, managers and employees, and shared on various occasions: business seminars, functional webinars, and dedicated workshops. For instance, a workshop was conducted with the Group's auditors, at their request, to better identify the career opportunities available to them at the end of their audit tenure. Using group exercises over one morning, this workshop helped participants to clarify their aspirations, the skills acquired within auditing, and those still to be developed in terms of the three or four types of position targeted as a priority, and to define an action plan on how to best undertake their in-house marketing.

Locally, initiatives were also launched to allow employees to more effectively manage their career paths. Implementation of the professional development discussion in a structured way in France, supported by dedicated training, helped to further the projects of a sizeable number of employees, and to develop managerial dialogue in this respect, with positive feedback from stakeholders. In Italy, one of the Lunch and Learn sessions was dedicated to storytelling and how this skill can be specifically applied to managing career paths for the employee, by developing their ability to articulate who they are, what their capabilities are and what they aspire to. Also in Italy, a comprehensive programme was set up for employees with high potential, called It's… Talent Time, aimed at offering specific training opportunities, top management exposure and time to network between departments, to help facilitate future cross-functional developments. Since July, seventeen participants have benefited from discussions with the Country Head the CFO and the CEO of the MAR region. They were given a presentation of the local strategic plan, and they took part in four personal development workshops; lastly, they gained privileged access to an e-learning platform currently being tested at MAR. The programme is set to continue until April 2020.

The Talent Review process has been deployed very widely within the organisation and structured around key areas for career management: identification of employees' potential for development, definition of professional aspirations, and identification of a pool of employees open to international transfers. This is an essential source for boosting succession plans and internal mobility.

As a result of all these initiatives and the various actions implemented to encourage international mobility, it is really moving ahead. In 2019, 29 new moves were made, compared to 17 in 2018, *i.e.* an increase of 70% in one year. This is also two and a half times the average of the last three years. This took the total number of expatriates to 61 at December 31, 2019, compared with 42 at December 31, 2018, *i.e.* a 45% rise. Another significant change is that international mobility is becoming more diverse. It covered 19 countries, 22 nationalities, and included both operational and support roles. More women are also on the move: they accounted for 45% of new moves, compared with 35% in 2018. Young people also put in a better showing: 28% of the expatriate population was under 35 in 2019, compared to 24% in 2018. The international mobility policy is proving to be a great tool in terms of individual development: 90% of new arrivals were identified as potentially able to take on broader responsibilities in the future.

In addition, Coface continues to promote the International Internship programme (V.I.E.). This win-win formula allows the Company to identify and attract young international talents and train them for 12 to 24 months, with the aim of subsequently integrating them into the business. For candidates, it is an opportunity to acquire a position of responsibility, to boost their career with international exposure and to be part of a unique intercultural experience. In 2019, 39 recent graduates, 67% of whom were women, took part in a V.I.E. mission across 15 countries.

The "Employer Brand" project continued. Following in-house discussions by way of working groups bringing together employees in various regions, a partnership was agreed with the Epoka communications agency, a specialist in employer branding, to define strategic positioning, key messages and visual identity that will help to raise awareness of Coface, attract the new talent that the Company needs to implement its strategy, and mobilise teams through focusing on the values, strengths and common aim that contribute to the Group's strength. At this stage, the project involves representatives from the HR and Communications functions, as well as the Group's Executive Committee, which is very committed to this topic. It will result in an extensive communications campaign, set to roll out as part of implementing the new strategic plan.

In parallel, local initiatives aim to enhance awareness of Coface and its appeal. In this respect, of note is the partnership with My Job Glasses in France, which allows students from 85 schools and universities to get closer to the business world, by putting them in touch with professionals with whom they can chat and learn about professions and the world of work in general. Fifty Coface ambassadors, selected from many volunteers, participated in this programme, which launched in June 2019. There were 192 contacts and 85 individual appointments made, with great image feedback: students gave scores of 4.7/5. For ambassadors, motivation lies in sharing knowledge with new generations, sharing the pleasure of working in the Coface world, and identifying those with potential for the future. In Mexico, a Trainee Programme continues to be rolled out to apprentices, allowing them to undertake two or three job rotations across departments so they can find out more about the reality of business lines, and make the best professional choices upon completing their studies. This programme is a success since the conversion rate into effective recruitment once participants graduate is 65%, with new recruits proving to be particularly successful.

Performance management

Coface has adapted its HR processes, especially its annual appraisals, to establish its values as a key success factor and to serve as a foundation for individual development initiatives.

Since 2013, an annual appraisal process has been rolled out using an online tool in 22 languages in all of the countries where the Group is active, to determine strategic priorities and share standardised criteria for employee performance assessment. As was the case in 2018, 98% of annual appraisals were conducted in 2019, illustrating strong in-house discipline and the need employees have to exchange views with their manager and discuss clear individual objectives for the coming year, based on a sharing of the major strategic priorities for each entity and function. The Performance & Development Review (PDR) online tool was further simplified and enhanced to serve both users and HR teams even better. For managers whose compensation includes a variable portion aligned with the Group policy, they now only set and assess their individual objectives in the PDR tool. Previously, they also had to make a second entry via a tool dedicated to their bonus. This tool continues to be used, but only to produce the spreadsheet for bonuses. Another new feature of the late 2019 campaign is that annual reviews are now approved by employees' functional managers where applicable, in addition to their line manager. This reflects the matrix organisation of Coface and the search for alignment, consistency and collaboration between both managers. The same will be true for the objectives to be set at the beginning of next year. All these new features were deployed using a communications kit for HR teams, managers and employees, to ensure that all parties are fully informed. Training courses launched in 2017 were updated and they continued to be rolled out systematically for all new Coface hires, individual contributors or managers. The aim is to allow each person to fully appreciate the expectations and the way information is used, particularly as a starting point for Talent Reviews and to trigger career reviews.

Some regions launched initiatives to strengthen the quality of feedback between managers and employees during the annual review. In this regard, for the entire region, LAR set up the Coffee with Boss operation ahead of the annual review campaign. Of LAR employees, 95% benefited from these sessions, during which employees were invited to share their experience of the year, what they thought they had done particularly well, and the difficulties they had faced. This meant everyone could better prepare for the annual review, and in particular it allowed the manager to take all parameters into account when making their assessment. This initiative got very good feedback from teams.

Compensation policy

In accordance with regulatory requirements applicable to the insurance sector since 2016 (Solvency II), Coface's compensation policy is reviewed each year to align it with the Group's strategic objectives and 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 talent. Each year, the Group awards free performance shares to an identified regulated population in the context of the Solvency II Directive (Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom a portion of variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. The vesting period for this scheme is set at three years;
- 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 launched a global compensation survey project with a compensation consultancy firm expert in the financial services sector. This project strengthened the Group's knowledge of market practices and ensured clear compensation management within the Group during a period of significant change. It concerned 36 countries between 2017 and 2018, thus covering nearly 90% of the Group's functions; this exercise will now be repeated every two years, and will cover 13 target countries in 2020;
- 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 Department ensures that the distribution of budgets for pay rises respects gender balance throughout all the Group's entities. In France, the Human Resources Department carried out substantive work over a three-year period aimed at achieving gender equity in terms of compensation. These efforts were reflected in Coface's excellent result when the workplace equality index, set up in France in connection with the equal pay legislation, was published. With a score of 91 out of 100 for the 2018 financial year, Coface stands as a leading French company and now far exceeds the legal obligation, set at 75 points;
- 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. It is particularly attentive to preventing any conflicts of interest and includes social and environmental issues in its deliberations.

The Coface compensation policy is managed by the Group HR Department and transmitted by the HR function to all of Coface's regions and countries.

Coface, operating responsibly within its environment

Rich social dialogue

The Group maintains ongoing 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 France, there is now a single elected body, the Social & Economic Committee (CSE), which merges all staff representative bodies (IRP), staff delegates (DP), Works Council (CE) and the Hygiene, Safety and Working Conditions Committee (CHSCT). This committee is composed of 17 permanent members and three substitutes.

In Germany, three works councils exist: the works council for the Coface Germany branch (Coface Deutschland) and Coface Rating GmbH (EIC), composed of 11 members and representing some 470 employees; the works council for Coface Finanz GmbH, composed of five members and representing approximately 95 employees; and the works council for Coface Debitorenmanagement GmbH, composed of three members and representing some 35 employees.

In addition, the Board of Directors of Compagnie française d'assurance pour le commerce extérieur includes four directors who represent employees (*i.e.* one third of the Board members) and one director representing the works council.

Poland, a new country that falls within the reporting scope this year, works in close collaboration with a group of eight staff members representing all employees.

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

Accordingly, in France, in January 2019, the Works Council met 11 times, the staff representative body met once, and the CHSCT met once in order to set up the new CSE body. Only the meetings with union delegates remain after the creation of the CSE body. During 2019, three such meetings were held.

In Germany, some 50 Works Council meetings took place this year, *i.e.* significantly more than the number of mandatory meetings.

The European Works Council (CEE) 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.

The European Works Council now has 17 permanent members representing employees in the 23 European countries. 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 driving social 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 2018, as well as a number of presentations to 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 internal regulations, thus strengthening the principles of its governance. During 2019, management signed an agreement with the European Works Council on support for employees whose jobs could be affected by a specific reorganisation. Coface then undertakes to put in place the appropriate systems, such as skills assessments, monitoring by Human Resources or the implementation of an individual development plan.

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. In 2019, management signed an agreement with trade unions on the election of employee directors. It should be noted that in Germany, discussions and negotiations on the Fit to Win plan (internal reorganisation) were conducted in close collaboration with the trade unions throughout the year.

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

In 2019, the observed absenteeism rate was 1.92% in France, 4.18% in Germany, 4.03% in Italy, 5.68% (including maternity leave, sick leave, and legal authorisations) in Spain, 0.99% in the UK, and 6.95% in Poland. In each of the countries within the reporting scope, the absenteeism rate is monitored according to local calculation methods. For example, in 2019, the method of calculation changed in Italy, since it is now calculated on the basis of hours actually worked (rather than theoretical hours worked previously). Therefore, communication of consolidated data for the whole of the reporting scope will be possible after alignment of the calculation methods for this rate.

Workplace health and safety

The Group ascribes great 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 entities.

Concerning employment in the service sector, the identified risks more specifically concern the occupational environment and business travel. 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.).

Employees are trained in first aid and emergency building evacuation drills are regularly organised in many countries within the reporting scope, such as France, Germany and Italy, as well as outside of Europe, such as India, for instance, to ensure employee safety.

Flu vaccination campaigns are also organised for Coface employees and sometimes their families, particularly in France.

Coface Dubai strengthened its initiatives in the field by implementing paid maternity irrespective of length of service, and by taking out new health insurance with more extensive cover. Egypt also improved its health insurance so as to better protect its employees. In the wake of the Paris terror attacks, a Vigipirate security plan was activated at the Bois-Colombes site, and security measures were reinforced (checkpoint at main entrance to the building). The Group has upheld its commitment to intensify security measures in each of its entities to ensure that employees are protected as much as possible against terrorist threats.

In addition, free osteopathy sessions are offered to employees on the premises at Bois-Colombes (up to two sessions per employee per year). These individual sessions include ergonomic and preventive advice on the risks of musculoskeletal disorders. In light of its success and the number of requests, additional sessions were put in place.

In France, Germany, Italy, Poland, Spain, and the UK, 22 workplace accidents leading to days off were reported in 2019 (15 in France, four in Germany, and three in the UK). 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).

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 with the cooperation of the occupational physician.

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. Since 2017, employees have taken part in this programme, with very positive feedback from participants, works councils and managers. This programme's benefits include a specifically adapted office, an orthopaedic chair or reduced working times in certain cases. In 2019, Coface Germany had 28 employees with disabilities.

In 2019, Coface in France worked in collaboration with the occupational physician and social services. A communication campaign aimed at clarifying the implications, and specifically the advantages, of the process for recognising disabled worker status under French law will be launched in 2020 so as to implement an associated action plan.

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.

Gender equality

Coface has maintained its very strong focus on equal opportunities for men and women, and seeks to create the necessary conditions to guarantee fair treatment for everyone based on their experience and skills, as well as working conditions that enable their personal and professional fulfilment. The pursuit of gender equality is a long-term commitment, to which Coface is strongly committed. Each region is required to continuously implement an annual plan designed to ensure equal opportunities.

The Women's Mentoring pilot programme, whose foundations were laid in 2018, has been successfully deployed in France since March 2019. To recap, this programme aims to allow more women to access leadership positions. In fact, though women make up 53% of the population at Coface, they account for only 39% of managers, and around 30% of senior managers, though this figure is up by two points since 2018. Ten participants were selected for this programme from different business lines with varying levels of professional experience and seniority at Coface. However, all are motivated to invest in their personal development and to continue their career at Coface. These participants are assigned a mentor, selected from the Group's Executive Committee or senior management, who is recognised for their teaching skills, openness and personal suitability, in line with the Group's values. They work to objectives that they themselves set, such as developing their managerial skills, improving their interpersonal communication, or defining a career plan, for instance. They are able to share experience with their mentors and can benefit from their advice, as well as their network. The programme generally runs from nine to twelve months. The milestone meeting after six months, over an informal lunch, highlighted high levels of satisfaction and very strong investment by all contributors, while allowing participants to share ideas and recommendations with each other. The aim is to roll out this programme in other locations.

In France, particular attention was paid to decisions on promotion, wage increases and return from maternity leave for women, and the second stage of the gender equality scheme was set up in 2019 as scheduled. Specific budgets were thus allocated to eliminating "unjustified" pay gaps between men and women in terms of responsibility and equivalent business lines. This budget accounted for 0.2% of payroll in 2018, increasing to 0.3% in 2019. Sixty women benefited from this in 2018, and 67 in 2019. This allowed Coface to obtain an excellent score in the workplace equality index that all companies with over 250 employees must publish. With a score of 91 out of 100 for 2018, Coface ranks among the leading French companies, far above the market average and the legal requirement.

At CER, a new webinar programme with the involvement of female leaders from other companies was launched to encourage women working at Coface to aim for leadership positions, sharing their experience and highlighting the specific features of leadership and the obstacles they had to overcome. The first one was held in October 2019 where Susan Snow, Senior Vice President, Operations (COO) at Redhorse Corp gave a presentation. It brought together 130 participants and received excellent feedback. A second initiative consisted of a large internal and external communication campaign known as "I Pledge". Throughout the year, twice a month, accounts from Coface staff of both genders are posted on social networks, on the intranet, and on Yammer, in which they commit to defend gender equality at work and express their conviction. It is a great source of inspiration for all, and a wonderful way to pay tribute to the human quality found at Coface.

In Hong Kong, a new Women to Win committee was set up, led by five women representing various business lines and age groups. They continued these actions launched in 2018, such as the celebration of Women's Day or Pink October to combat breast cancer, along with the launch of new initiatives, such as a round-table discussion with Carine Pichon, CFO of Coface, to talk about female leadership, key success factors for women, and to share best practice from other Coface entities. For the first time, an open day for children was held at the regional headquarters, allowing kids to discover their parents' work environment in a playful, relaxed atmosphere. Lastly, a Women to Win network was recently launched in Singapore.

In Germany, the Women to Lead programme launched in late 2018 continued, allowing participants to benefit from the support of an external coach during workshops on issues concerning women in leadership. Based on these observations, the participants decided to propose to the management of NER a leadership model for the entire region, to ensure that managers direct all their practices towards a single frame of reference and the same priorities in the context of the company's transformation project.

In Latin America, special attention has been paid to the representation of women in the region's key posts (management team expanded). Progress was stepped up in 2019. In 2017, only 24% of these posts were held by women. The figure was 29% in 2018. It is now 45%, thanks to the appointment of four women in 2019, following internal promotion (Commercial, Sales for large international accounts, Subscription/Information/Indemnification & Collection, and Marketing departments). An equal pay programme was also set up in Peru and Ecuador.

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 carried out a capital increase operation reserved for employees in June 2014. Nearly 50% of eligible employees participated in this offer and became shareholders, either directly or through 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, as well as its energy and paper consumption. The development of these action plans is intended to mitigate potential (i) risks linked to the activity not adapting to environmental challenges and (ii) consequences in terms of climate change for the services produced by the Group.

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 2019, the Coface teams moved to more modern premises, better aligned with the new environmental regulations, in Italy (Milan), Malaysia, Australia and Shanghai in particular.

In 2019, as in previous years, 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.

In France, environmental aspects were a determining factor for Coface in choosing the building that has housed its head office in Bois-Colombes since 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 energy" (bâtiment basse consommation – 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.

6.2.2 Sustainable use of resources

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 2019, water consumption represented 34,847 m^3. It is up slightly this year, linked in particular to the extended reporting scope. Water consumption totalled 31,368 m^3 in 2018, versus 27,081 m^3 in 2017 for the entire reporting scope, due to efficient control of the water distribution network and maintenance.

6.2.3 Climate change

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

Energy consumption

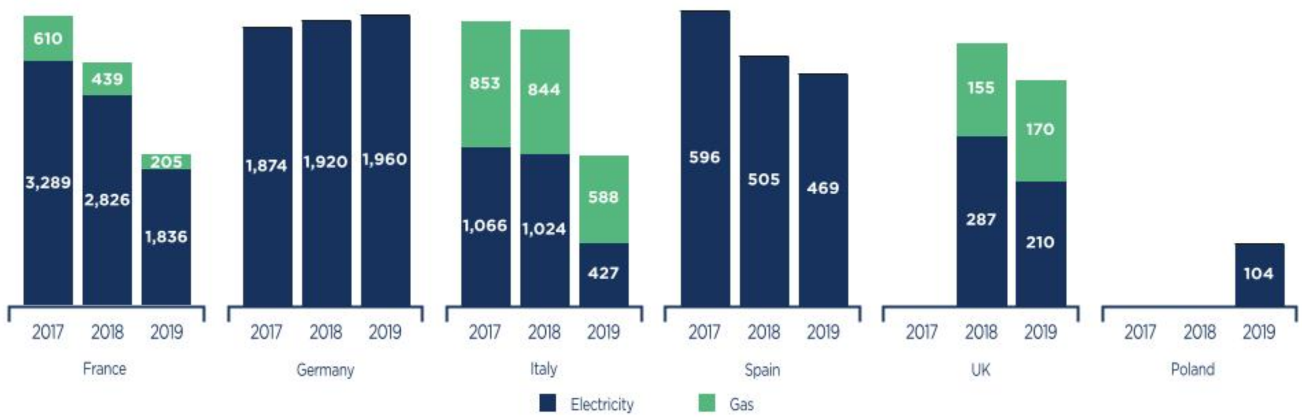
The Group's energy consumption concerns lighting, air conditioning and heating of the premises.

The Group implements actions to reduce energy consumption, which translate into 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 2017 for the reporting scope

	2019 reporting scope France, Germany, Italy, Spain, UK and Poland		2018 reporting scope France, Germany, Italy, Spain and UK		2017 reporting scope France, Germany, Italy, Spain	
	Consumption	Equiv. CO_2	Consumption	Equiv. CO_2	Consumption	Equiv. CO_2
Electricity	5,007 MWh	573 tCO_2e	6,562 MWh	719 tCO_2e	6,825 MWh	632 tCO_2e
Gas	963 MWh	214 tCO_2e	1,503 MWh	355 tCO_2e	1,463 MWh	316 tCO_2e
Surface area	34,776 m^2		73,159 m^2		72,026 m^2	

	2019		2018		2017	
(Consumption MWh)	Electricity	Gas	Electricity	Gas	Electricity	Gas
France	1,836	205	2,826	439	3,289	610
Germany	1,960	N/A	1,920	N/A	1,874	N/A
Italy	427	588	1,024	844	1,066	853
Spain	469	N/A	505	N/A	596	N/A
United Kingdom	210	170	287	155		
Poland	104	N/A				



The share of renewable energy at the Bois-Colombes building in France, where Coface's head office is located, represents approximately 14% of its total consumption. Furthermore, the roof of this head office 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. In place since 2015, these sensors made it possible to save six to seven months of gas consumption per year, depending on the years, from 2017 to 2019. Since September 1, 2018, the surface area of the head office in France has been reduced by nearly 40%, reducing its energy consumption levels.

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.

The reduction of surface areas in some countries, such as France, Italy and the United Kingdom, resulted in lower electricity and gas consumption in 2019.

Travel policy

The travel policy for Coface France employees was adapted and rolled out for the Group in 2018.

As part of this update, special attention was paid to environmental issues. In order to fully involve employees in this approach, the Group travel policy highlights a number of best practices aimed at raising employee awareness with regard to business travel:

- opting for telephone calls or videoconferences;
- opting for train travel for short trips;
- proposing carpooling solutions between co-workers and/or taxi sharing;
- limit printing by carrying out all procedures online (boarding pass, insurance card, etc.).

Type of travel	**CO_2 metric tonnes equiv. for the 2019 reporting scope France, Germany, Italy, Spain, UK and Poland**	**CO_2 metric tonnes equiv. for the 2018 scope France, Germany, Italy, Spain and the UK**	**CO_2 metric tonnes equiv. for the 2017 scope France, Germany, Italy and Spain**
Aeroplane	675	675	673.6
Train	27	18	14.5

	2019		**2018**		**2017**	
(CO_2 metric tonnes equiv)	**Train**	**Aeroplane**	**Train**	**Aeroplane**	**Train**	**Aeroplane**
France	3	394	3	410	3	416
Germany	0	37	0	26		50
Italy	2	119	2	138	3	176
Spain	11	68	12	75	9	31
United Kingdom	0	20	0	26		
Poland	10	37				

In 2019, there was a decrease in greenhouse gas consumption related to air travel for almost all countries included in the reporting scope, with the exception of Germany. However, the figure remains the same due to the inclusion of Poland within the reporting scope in 2019.

The distances travelled by plane decreased by 16% this year as fewer trips were taken in view of the Group Travel Policy, with a stabilisation of the corresponding CO_2 emissions.

Regarding the rise in greenhouse gas emissions related to train travel in 2019, this is due to an increase in the number of kilometres travelled by train, particularly following the inclusion of Poland within the reporting scope, and the Polish 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 upgrades its vehicles and selects them based on a number of criteria, including CO_2 emissions per kilometre travelled. The average for the vehicle fleet in France was 104.2 g/km in 2019 compared with 102.87 g/km in 2018. As a result, greenhouse gas emissions increased by 1.68% over three years between 2017 and 2019. New executive-grade vehicles have been added to the fleet with high emissions levels due to their engine options.

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 2017

Fuel: *Diesel and four-star premium fuel*	**2019 reporting scope France, Germany, Italy, Spain, UK and Poland**	**2018 reporting scope France, Germany, Italy, Spain and UK**	**2017 reporting scope France, Germany, Italy and Spain**
Litres	716,527	622,592	696,043
CO_2 metric tonnes equiv. CO_2	1,847	1,561	1,778.5

(Fuel (Diesel and four-star premium fuel) in litres)	**2019**	**2018**	**2017**
France	166,930	162,246	171,927
Germany	322,688	328,776	402,687
Italy	96,243	103,344	99,701
Spain	20,407	18,906	21,728
United Kingdom	9,983	9,320	
Poland	100,277		

We recorded an increase in litres consumed and greenhouse gas emissions for vehicles this year due to the inclusion of Poland within the reporting scope.

To date, Coface's contribution to reducing greenhouse gas emissions is reflected in a limitation of CO_2 emissions through the vehicle policy, in limiting travel through the travel policy, and in its responsible investment policy, which notably includes, as described below, taking regular measurements of greenhouse gas emissions from its financial investment portfolio.

In 2020, the Group will establish a car policy in order to harmonise practices and reduce the carbon impact of its vehicle fleet. This Group-level standardisation will allow better management of the practices in each country.

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, as presented in Section 1.3.1 "Description of the credit insurance business". 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.

Forging of links with the local social and economic fabric

With teams located in 57 countries for maximum proximity to the economic and social fabric, the Group favours the hiring of local employees, who are trained in the credit insurance businesses and have detailed knowledge of the business environment. It thus contributes to strengthening its expertise, while developing local players in the countries.

In addition to hiring employees and developing partnerships with universities and business schools (see Section 6.1.1), Coface takes part in local inter-company initiatives to support certain social causes and proposes or supports student initiatives, for example.

6.3.2 Partnerships and corporate philanthropy

Coface Trade Aid

In 2018, a Group-wide charter was created for all Coface entities. This charter is intended to define a framework for the actions taken under the Coface Trade Aid umbrella worldwide to ensure their consistency with Coface's values and mission to help businesses to develop safely and sustainably. To ensure that these actions are relevant and truly benefit the charities in terms of financial donations, it was decided this year that the number of charities supported would be limited to one per country.

Coface Trade Aid's mission is to provide local support for charity projects, to work for sustainable economic development around the world, particularly through helping people return to work or remain in employment, assisting in setting up businesses, and supporting innovation, microcredit and professional training.

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

Initially launched 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, microfinancing or the facilitation of economic exchange. 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 held annually, with the participation of most countries, and now constitutes a common, positive approach across all entities.

Under the framework of Coface Trade Aid, solidarity initiatives are organised in the various countries where Coface is present. Examples include:

- in Australia, Coface has sponsored the fundraising dinner organised in May 2019 by Yalari, a not-for-profit organisation that offers secondary education scholarships at leading Australian boarding schools for indigenous children from regional, rural and remote communities. A team of Coface volunteers helped Yalari organise an auction and a raffle and participated in the sale of tombola tickets. The collection raised 185,000 Australian dollars for the scholarships, of which 2,500 Australian dollars were fully financed by Coface;
- in India, Coface provided financial support to ALFAA (Assisted Living for Autistic Adults) by giving employees the opportunity to make a voluntary contribution from their October 2019 salary. Coface made a matching contribution to this organisation for a total of 81,000 Indian rupees.

  In November 2019, more than 100 employees from the Bangalore office attended an event held at a state-run school in the suburbs of Bangalore. Coface provided tables and chairs for the government's Nali-Kali (Joyful Learning) programme as well as sports equipment. Coface employees spent time with schoolchildren discussing the importance of values such as respect, sharing and kindness through games, stories, paintings and puzzles. It was an educational experience for both the children and the Coface employees;
- in Germany, €10,000 were collected in support of two projects: Eliya, an organisation enabling children in Sri Lanka to receive proper education while providing jobs to the local communities in Tangalle, and an Indonesian association called Batu Bambu Kids Foundation. These two projects provide children with a safe environment in which to live and receive an education, while creating jobs for local people. The Indonesian project also supports the construction of a plastic recycling centre, which creates jobs while tackling the problem of plastic pollution in the environment;
- in Romania, Coface volunteered its services to organise the SME Business Day in partnership with CFA Society Romania. CFA Society Romania is a major local professional organisation that brings together investment professionals from banking, asset management, insurance, capital investment, pension funds and other areas of the investment sector. The event was held in November 2019 in Bucharest in the presence of more than 120 guests, and brought together representatives of local SMEs around a discussion on the challenges and opportunities faced by small and medium-sized companies today. Stakeholders from local banks and business associations joined the Coface team to discuss varied topics including solutions for the development of Romanian SMEs, tax policies and challenges for small and

medium-sized enterprises, and sustainable investment;

- in Hungary, Coface supports the Future Leaders Talent Program of the Business Council for Sustainable Development (BCSDH). This programme seeks to help talented professionals and future business executives understand the complexity of sustainable business development and enable them to integrate sustainable development into their future decision-making processes. The BCSDH's mission is to promote sustainable development among its members and other players in the Hungarian economy, thereby generating new and innovative thinking to improve their competitiveness, which should ultimately contribute to the sustainable development of the economy, quality of life and the preservation of the environment and natural resources;
- in Austria, Coface made a donation to ICEP, an independent Austrian development organisation whose objective is to return disadvantaged people to employment. ICEP advises partner organisations in developing countries and companies on integrating poor communities into economic cycles and runs projects around the world. Coface has selected two initiatives that it wishes to support:
  - training entrepreneurs by enabling small business owners in Nicaragua and Kenya to take an accounting course so that they have an overview of and can monitor the financial position of their companies, and
  - microcredit for women to help female entrepreneurs in El Salvador and Cameroon develop their businesses and generate higher income for their families;
- Coface China supports the Angel Salon service project, which seeks to help autistic children find their way to communicate with the outside world. In 2018, the centre set up A Coffee, a one- to two-year training course in a self-managed (non-profit) cafe for older children with autism to help them communicate and better integrate into society. In December 2019, some employees from Coface China went to the cafe managed by the organisation, to volunteer support to autistic teenagers in their daily tasks. Coface China also made a donation to support the organisation with the continuation of its project;
- Coface Japan organised French courses for beginners focusing on secondary school students with the Katariba association in September 2019. The students learned the French alphabet and the specific features of French pronunciation;
- in Singapore, volunteers from Coface spent half a day at the MINDS (Movement for the Intellectually Disabled of Singapore) training centre hosting an arts and crafts programme to stimulate the creativity of people with intellectual disabilities;
- in Thailand, Coface has engaged with the OTOP centre, which supports people wishing to launch their own business and thereby stimulate the local economy. In addition to a financial contribution to support its operation, Coface visited the OTOP centre and assisted students in making furniture; the proceeds from selling items will provide the centre with financial support;
- in Brazil, Coface has set up a programme called Jovem Aprendiz. This programme aims to develop the professional skills of young people lacking experience. It takes the form of an employment contract with a reduced workload. These 'young apprentices' join a job rotation programme covering each department in order to learn the various business lines of the company. They also participate in an education programme (at an educational institution designated by the government) allowing them to supplement their daily experience with the learning of theoretical concepts;
- in South Africa, Coface made a donation to the Thandulwazi Maths and Science Academy for International Men's Day. The Thandulwazi Maths and Science Academy is a pioneering initiative of St Stithians College, providing opportunities for educational development to students and teachers in state-run schools in the greater Johannesburg area;
- in France, Coface continues to support ADIE, the association for the right to economic initiative, which helps people outside the labour market and the banking system to create their own companies and therefore their own employment through microcredit. In 2019, €25,000 were collected for this association through sporting events and a Christmas market.

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, since 2016, the Company has issued a Group policy aimed at identifying "material or critical" activities and defining the fundamental principles for resorting to outsourcing, the terms of any contract drafted for such outsourcing and the control procedures related to the outsourced activities and functions.

This policy, approved by the Company's Board of Directors in 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 risks, or jeopardise the conditions under which it obtained its approval.

In 2019, the Company amended its outsourcing policy, which now covers "standard" functions and important and/or critical functions and activities.

Standard contracts must incorporate a number of conventional contractual clauses (purpose, duration, financial conditions, service provider's liability, force majeure, non-performance, termination, etc.). Their conclusion is subject to the implementation of Know Your Supplier due diligence and their submission to a call for tenders.

Coface and all its subsidiaries have therefore pledged to select service providers who meet the high-quality service standards and have the qualifications and skills necessary to efficiently handle the outsourced service, while avoiding any conflict of interest and guaranteeing data confidentiality. In accordance with the applicable regulations, with regard to important or critical activities, they must notify the French Prudential Supervision and Resolution Authority (ACPR) of their intention to outsource services falling within the scope of the procedure, in accordance with the applicable regulations, no later than six weeks before the effective date of the contract. 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.

To date, the main material or critical activities outsourced by the Group concern the Company's financial investment management activity and, in a few limited countries, the risk underwriting activity.

In the context of its relations with suppliers more generally, Coface has established a regularly reviewed purchasing procedure that sets out the general conditions for the purchase of supplies and services and specifies the rules to be followed in terms of supplier consultation and selection (including the conditions for issuing calls for tenders). Since 2017, Coface has also been signatory to the Charte Relations Fournisseurs Responsables (responsible supplier relationship charter) led by two French agencies, the Médiateur des entreprises (business ombudsman) and the Conseil national des achats (purchasing association). 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. In accordance with the French "Sapin II" Law of December 10, 2016 concerning transparency, anti-corruption and the modernisation of economic life, Coface has set up an assessment of suppliers looking at the corruption risk.

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, in 2016 the Group defined its responsible investment policy and the goals pursued consistent with its role as credit insurer and the protection of its reputation. In accordance with the transparency goals set by this regulation, the Group provides qualitative and quantitative information on the implementation of this policy.

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").

Dealing as it does with 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.

As an institutional investor, Coface seeks to adopt long-term measures through its investment policy to take account of the underlying risks linked to ESG factors and to measure over time the concrete effects of a more comprehensive integration of these factors into 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 producing reporting elements and analysing potential impacts on the management of its investments. Thus, in partnership with Amundi, in 2016 Coface set up a mechanism to address the regulatory requirements and to measure the carbon footprint of its portfolios. Accordingly, calculating and disclosing information on Coface's carbon exposure is the foundation of its commitment in this area.

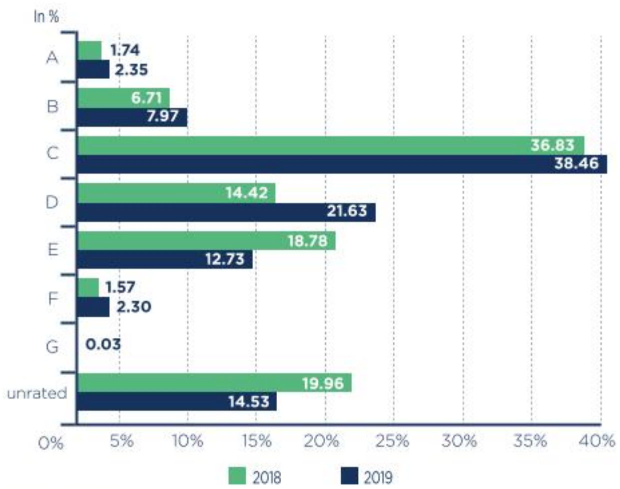
The three pillars of Coface's Socially Responsible Investor strategy are as follows:

1. ESG factors: Incorporating sensitivity to these factors within asset management while maintaining a primary goal of risk and reputation management.

   Since 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.

   At December 31, 2019, the overall ESG rating for the investment portfolio was C-, unchanged from the end of 2018. Since December 2018, Coface has decided not to invest directly in any securities from issuers with a G rating or issuers with more than 30% of their turnover linked to coal mining, in line with Amundi's policy. Any positions already in the portfolio have been reviewed in detail and taken out where applicable.

ESG rating of the investment portfolio



Source Amundi.

N.B. : The portfolio monitored by Amundi represents 98% 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 based 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:

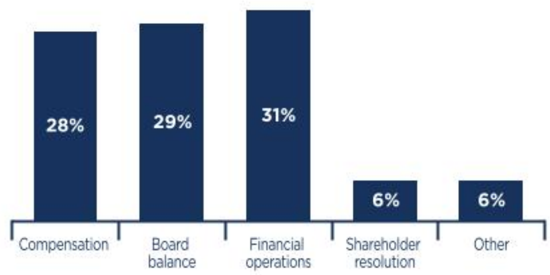
   - overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and major opposition topics);
   - the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (with a breakdown per company 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 2019 are presented below, by topic:

Opposition votes on share positions held directly



According to Amundi, truthful, comprehensive and transparent financial information constitutes an essential right of shareholders and a prerequisite for exercising 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 in 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 (TCO_2/€m)**

Source Amundi.

► **Carbon emissions per million euros invested at December 31, 2019**

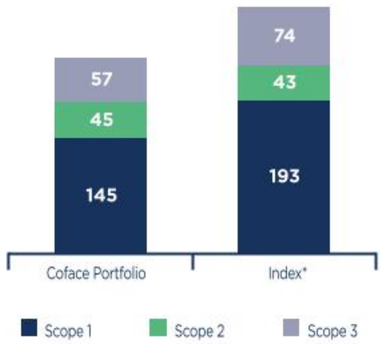
Source Amundi.
**Index:*
85% ML EURO BROAD + 10% MSCI EMU + 5% THE BOFA ML GLOBAL HY.

This indicator measures emissions from the portfolio in metric tonnes of CO_2 equivalent per million euros invested. It is an indicator of emissions resulting from investment in the portfolio. It is down for the year, primarily for emissions from Scope 1. 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 at December 31, 2019**



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

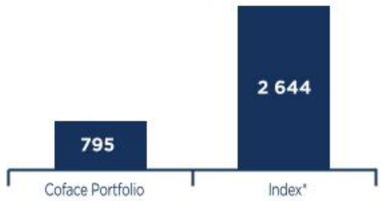
This indicator measures average emissions in metric tonnes of CO_2 equivalent per unit of revenue generated by the companies (in millions of euros). It is an indicator of the carbon intensity of the value chain of companies in the portfolio. It increased by 18% over the year. Carbon emissions per million euros of revenue were also lower than those of the benchmark index.

N.B. : The portfolio monitored by Amundi represents 98% of Coface's total portfolio. Of the monitored portfolio, 42.8% is rated. This 42.8% represents 86.8% of rateable outstanding amounts.

Carbon reserves per million euros invested at December 31, 2019 compared with December 31, 2018

Source Amundi.

Carbon reserves per million euros invested at December 31, 2019



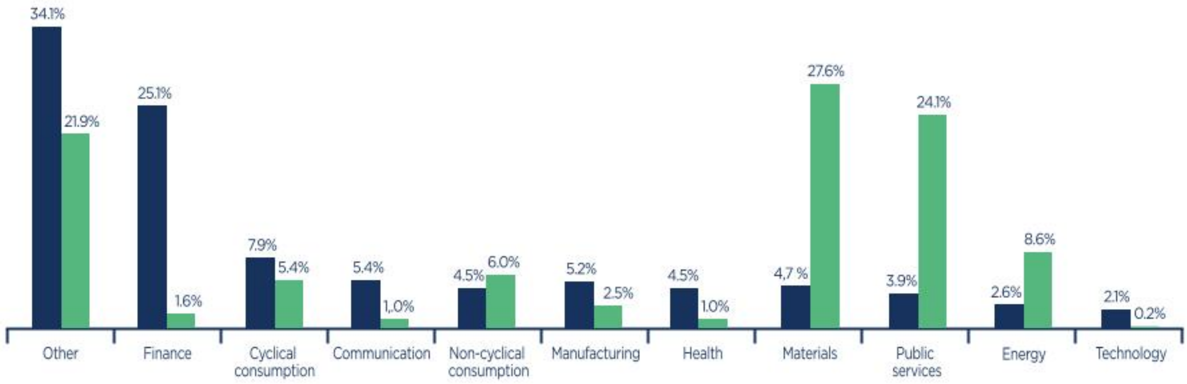
Source Amundi.
**Index:*
85% ML EURO BROAD + 10% MSCI EMU + 5% THE BOFA ML GLOBAL HY.

These graphs measure carbon reserves from the portfolio in metric tonnes of CO_2 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 98% of Coface's total portfolio. Of the monitored portfolio, 1.3% is rated. This 1.3% represents 2.63% of rateable outstanding amounts.

b) Sectoral and geographical contributions to carbon emissions

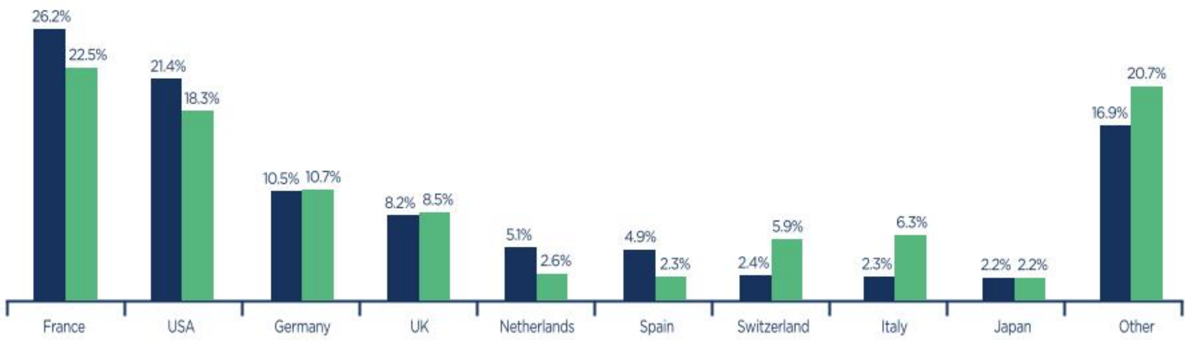
Sectoral contributions at December 31, 2019



Source Amundi.
Notable weighting CO_2 footprint

The biggest contributors as at the end of 2019 were public utilities, materials and energy. The smallest contributors were finance, communications and health.

Geographical contributions at December 31, 2019



Source Amundi.
Notable weighting CO_2 footprint

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 metric tonnes of CO_2 equivalent, including the six greenhouse gases defined in the Kyoto protocol whose emissions are converted into global warming potential (GWP) in CO_2 equivalent.

6.3.5 Fair practices and respect for human rights

The importance of compliance in general is crucial for the management team and is highlighted during each conference or presentation for employees. More specifically, during each top-200 annual conference, the CEO always mentions the importance of integrity and ethics in his speech. In addition, employees' ethical commitments are one of the essential aspects monitored by the executive leadership team through the annual satisfaction survey covering all the Group's employees.

As part of managing non-compliance risks, Coface's code of conduct, created for all Group employees to use, was revised in 2018 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. 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.

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 financial crime, every year the Group strengthens the tools and roll-out of procedures to best control all risks linked to financial crime. These measures concern all the Group's entities, employees and clients.

The Coface Group has adopted a zero tolerance policy for corruption in all its forms. This policy has been provided to all of the Group's employees, particularly through the Anti-Corruption Code and the code of conduct, which are both prefaced by the CEO. These two documents have been translated into the Group's main languages (specifically French, English, German, Spanish, Italian and Portuguese). They have been made available to all employees and can also be accessed in electronic format on the Group's intranet site.

Since 2017, Coface has 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 has worked to establish an Anti-Corruption Code comprising three sections: a summary of the general guidelines, specific guidelines and practical advice. The general guidelines set out the Coface Group's zero tolerance policy for corruption. They provide definitions of corruption, unfair advantages and the beneficiary concept, as well as the legal framework for corruption. The specific features of corruption involving public agents are also explained. The section on specific rules presents the guidelines for sensitive issues in terms of corruption: gifts and invitations, facilitation payments, political contributions, lobbying, charities and sponsorship.

This Anti-Corruption Code is being supported by:

- the roll-out of a programme to train and raise awareness among all Group employees. E-learning courses on the Anti-Corruption Code and the code of conduct have been set up for all employees. Each course has been made available in the main languages to ensure better understanding by employees. In 2019, on-site training sessions were conducted for all regional management committees. Finally, specific e-learning courses were rolled out for staff deemed to be most exposed;
- a mapping of corruption risks, drawn up for each Coface Group entity and per function within each entity. The mapping was updated in 2019 via 30 workshops involving 118 employees from several entities (France, Germany, the United States, Italy, Poland, Brazil, China, Russia and Turkey) to cover the different activities of Coface, the various distribution channels (direct, via brokers, via agents, reinsurance with third-party insurance companies), entity sizes and market types (mature (Europe/USA), emerging (Asia, South America, Middle East));
- a global framework for assessing third parties. For suppliers and intermediaries, a control system for third parties was set up in 2018. This is based on a third parties evaluation procedure, which notably describes the scope and controls to be applied with third parties, as well as the governance model; Third parties undergo strict identification and evaluation procedures and suppliers considered medium- or high-risk are subject to review and approval by the Compliance Department;
- an ethical whistleblowing system. Coface has put in place an internal whistleblowing system, as described in the Anti-Corruption Code and the code of conduct. The internal whistleblowing system was presented in a dedicated and detailed procedure in January 2018, notably based on the following core principles: the people concerned must be able to choose between several channels for reporting and communicating; employees who report incidents in good faith must be protected and their identity must, in principle, remain confidential; alongside this, first-level accounting control procedures were deployed within the Group in 2018, and the 2019 audit plan includes controls by internal audit to check the anti-corruption arrangements;
- accounting controls and second-level controls implemented during the 2019 financial year in order to strengthen the entire system.

With regard to 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 each year, 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 for sales and debt collection processes.

The procedures are implemented by the international network of correspondents in charge of compliance within the Group.

Procedures relating to identification, identity verification and customer knowledge are reviewed annually, and customers identified as high-risk are subject to an annual review.

An e-learning training programme on combating money laundering and the financing of terrorism is being rolled out for all employees. Each course is provided in the main languages to ensure a greater level of understanding by the employees.

Communication and awareness-raising initiatives are also carried out with employees on a regular basis so that they are able to detect warning signs regarding money laundering. 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.

With regard to adherence to international and local sanctions, Coface has implemented an automated filtering tool for all Group entities in order to further strengthen both controls for establishing relationships with new clients and controls on existing clients. Apart from sanctions, the tool also makes it possible to identify negative information on clients (such as involvement in crimes or offences such as corruption or fraud) and strengthens Coface's management of any reputation risk relating to its clients.

Coface's business-to-business activity does not require specific measures regarding consumer health and safety.

Coface consolidated its fraud prevention processes in 2019 as follows:

- strengthening governance with the appointment of a Group Anti-Fraud Officer and the creation of a dedicated fraud committee;
- implementing fraud risk mapping, carried out in 2019 on the risks of fraud related to Coface's insurance business, which will be extended in 2020 to cyber-/IT-related fraud risks and the risks of accounting and financial fraud;
- updating the fraud prevention procedural documents (fraud prevention policy, fraud risk mapping methodology, fraud case analysis procedure, fraud response plan, reporting procedure);
- training initiatives for employees in the sales, information, award and claims departments;
- bolstering management of the fraud correspondent network management, present in each country where Coface is located.

Coface pays great attention to the security of its IT systems and the confidentiality of data concerning policyholders and their clients. An IT charter incorporated into the internal regulations 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 General Data Protection Regulation (GDPR), Coface has adapted its information systems and processes with a view to complying with the stricter requirements in terms of personal data protection, including the:

- appointment of a Data Protection Officer (DPO);
- formalisation of data processing registers;
- inclusion of GDPR clauses in contracts with its clients and suppliers;
- communication of the "Privacy Notice" to Coface clients;
- choice of the CNIL, the French data protection agency, as the lead authority for cross-border processing within the European Union.

In March 2019, Coface also submitted for CNIL approval the Binding Corporate Rules (BCR), as defined in Article 47 of the GDPR, with a view to setting a global framework for transfers of data outside the European Union.

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.

Coface complies with the tax laws applicable in the jurisdictions where the Group is located. The Group's tax policy is defined by the Group Tax Department. It is applied at regional level through six regional tax correspondents. Meetings between them are organised on a regular basis. Each quarter, the regional correspondents send the Group Tax Department a monitoring report on current tax controls and related provisions.

Coface also complies with the standards established by the OECD to combat the erosion of tax bases and the transfer of profits through the implementation of a centralised transfer pricing policy and the filing of a declaration per country (Country-By-Country Reporting, CBCR).

Lastly, Coface's Know Your Customer procedure includes strengthened vigilance measures when transactions involve one or more entities located in non-cooperative States and territories for tax purposes, as defined by Article 238-0 A of the French Tax Code (Code des impôts)[1], or in a country that could create a reputation risk for Coface (even if this country is not specifically included in the list of non-cooperative States and territories under the jurisdiction of the Coface entity that issued the policy).

(1) At January 1, 2010, non-cooperative States and territories are defined as those whose position regarding the transparency and exchange of information for tax purposes has been reviewed by the Organisation for Economic Cooperation and Development and which, to date, have not signed an administrative assistance agreement with France allowing the exchange of any information required for the application of the parties' tax laws, or have not signed such an agreement with at least 12 jurisdictions.

6.4 CSR INITIATIVES PLANNED BY COFACE

The Company has made a commitment to raising 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 2019 on the economic situation in emerging countries ("Country and sector risks barometer" published each quarter) and the renewable energy sector ("The global automotive industry and enhanced regulations: a very steep path ahead", "An unsure future for natural gas:How risks could derail the current boom").

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 has continued 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 conveyed by the Company's values and missions.

In 2018, discussions took 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 on non-financial reporting into French law.

The Company will create a medium-term plan over the course of 2020 to adapt its targets in accordance with the expectations of its stakeholders. In this regard, it will work on CSR governance, driving equal pay across the Group, incorporating climate and energy transition factors within its business lines, and improving the ESG rating of its asset portfolios.

6.5 REPORTING FRAMEWORKS AND METHODOLOGY

The non-financial performance report has been drawn up to meet the requirements of Articles L.225-102-1 and R.225-104 to R.225-105-2 of the French Commercial Code.

General organisation of the report

Coface strengthens its non-financial reporting guidelines every year in order to ensure a unique and consistent framework across the reporting scope.

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 HR Departments of the entities in the reporting scope and by the person in charge of Personnel Reporting and were coordinated by the Group Human Resources 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 2019, corresponding to calendar year 2019.

Comparable data, on a like-for-like basis, is sometimes presented for previous years for 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 its reporting as representative as possible with regard to the Group's workforce and revenue. It has been decided that the most significant subsidiaries, covering an estimated 70% of turnover in 2021, will be included in the scope for the next two financial years. 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%
2018	France, Germany, Italy, Spain and UK	The UK includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface UK Holdings Ltd and a service entity, Coface UK Services Ltd.	43%	56%
2019	France, Germany, Italy, Spain, UK and Poland	Poland includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, two service entities, Coface Poland Insurance Services and Coface Poland CMS, as well as a factoring company, Coface Poland Factoring.	47.48%	58.6%

** Although the reporting scope was significantly extended in 2017, its representativeness as regards the workforce decreased due to a reduction in the workforce in France. This decrease was due largely to 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, Spanish, UK and Poland scope in 2019. 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 at December 31, 2019 on permanent or fixed-term contracts (including expatriates and people who have temporarily left the Company), excluding people who have permanently left the Company, interns, trainees, V.I.E (international intern in a company) participants, temporary staff, consultants and subcontractors.
- Cases of long-term sick leave (over three months) are now classed as "employees who have temporarily left the Company".
- Employee arrivals include all employees recruited on permanent and fixed-term contracts since 2019.
- Contract renewals are not recorded as new arrivals. However, any person who was not part of the recorded workforce (consultant, intern, etc.) and is awarded a fixed-term or permanent contract must be recorded as a new arrival.
- The number of departures includes all the reasons for departures for people on permanent and fixed-term contracts: resignation, dismissal, termination by mutual agreement, end of probation period initiated by the employee and/or employer, retirement or death, until December 31 of the year (inclusive). Cases when fixed-term contracts have ended are not included in the list of departures.
- The indicator for the "percentage of female managers" takes into account the percentage of female managers in the workforce at December 31, 2019, *i.e.* the number of women in management positions among the workforce (numerator) over the total number of employees in manager positions (denominator).
- The following employees must be recorded as managers:
  - General management;
  - Middle management and managers.
- Workplace accidents and data on disabilities are reported in accordance with local regulations.
- Training for France, Germany, Italy, Spain, the UK and Poland includes internal training, external training and e-learning, referring to initiatives to develop employees' skills and including an educational objective and a supporting document to record the training period. The figures show the number of trainees benefiting from training in 2019, including employees who took part in a training course before leaving the Company. An employee who has taken part in several training courses is counted only once.

- This year, coaching support that complies with the definition of training given above will be included in the number of hours of training and the number of people trained.
- Concerning the number of hours of training, in the absence of information from the trainer (internal or external) on the exact number of hours of training provided, the reported length of one day of training is equal to seven hours. E-learning language programmes are included in the training reporting.
- The indicator counts the number of hours of training provided for employees. For group courses, the number of participants needs to be multiplied by the number of hours of training (e.g. 15 people trained with a 7-hour course = 15*7 = 105 hours of training).
- Long training programmes spread over two calendar years must be prorated based on the hours carried out. The hours carried out in year N-1 must be recorded in the reports for N-1, with the hours carried out in year N recorded in the reports for N.
- The number of training hours reported corresponds to the hours delivered (and not the hours planned), traceable based on an attendance sheet. E-learning programmes must only be recorded when their level of progress is 100%.
- The reported length of an e-learning module is the theoretical length indicated in the training programme, except for e-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).

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 A Coruña;
  - the UK scope, with four sites: London, Watford, Birmingham and Manchester;
  - The Poland scope, with five sites: Warsaw, Kraków, Gdynia, Katowice and Poznań.
- The energy consumption scope includes the buildings open for the full year and not those opened or closed during the year.
- As Spain and Germany do not use gas, they are not included in the calculation of gas consumption.
- Poland and the Coface regional departments in France were excluded from the calculation of gas consumption, as they were unable to obtain the information relating to this indicator for certain sites.
- The greenhouse gas emissions have been calculated:
  - for energy consumption, based on CO_2 emission conversion factors reported by local suppliers – primarily for electricity – or the CO_2 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_2 emission conversion factors reported by suppliers and/or based on the CO_2 emission conversion factors available in the ADEME Base carbone® database.
- The emission factors relating to fuel consumption have been standardised at Group level and are as follows:
  - petrol: 2.28 kgCO_2e/litre (ADEME); and
  - diesel: 2.51 kgCO_2e/litre (ADEME).
- Water consumption corresponds to the consumption of the Bois-Colombes head office (France), the offices in Mainz (Germany), Milan (Italy) and Madrid (Spain), the United Kingdom and Poland; data for 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.
- Part of the distance travelled by train in the UK is not reported because some of the staff do not use the dedicated travel agent's services.
- Reported fuel consumption corresponds to the consumption of company vehicle fleets or is derived from business travel expense reports.

As the Company's activity has a limited impact on the areas listed below, they have not been, or are no longer, covered:

- paper consumption;
- tackling food waste;
- combating food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food; and
- circular economy.