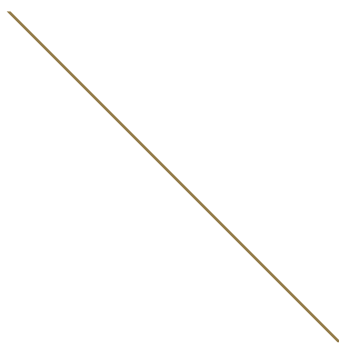
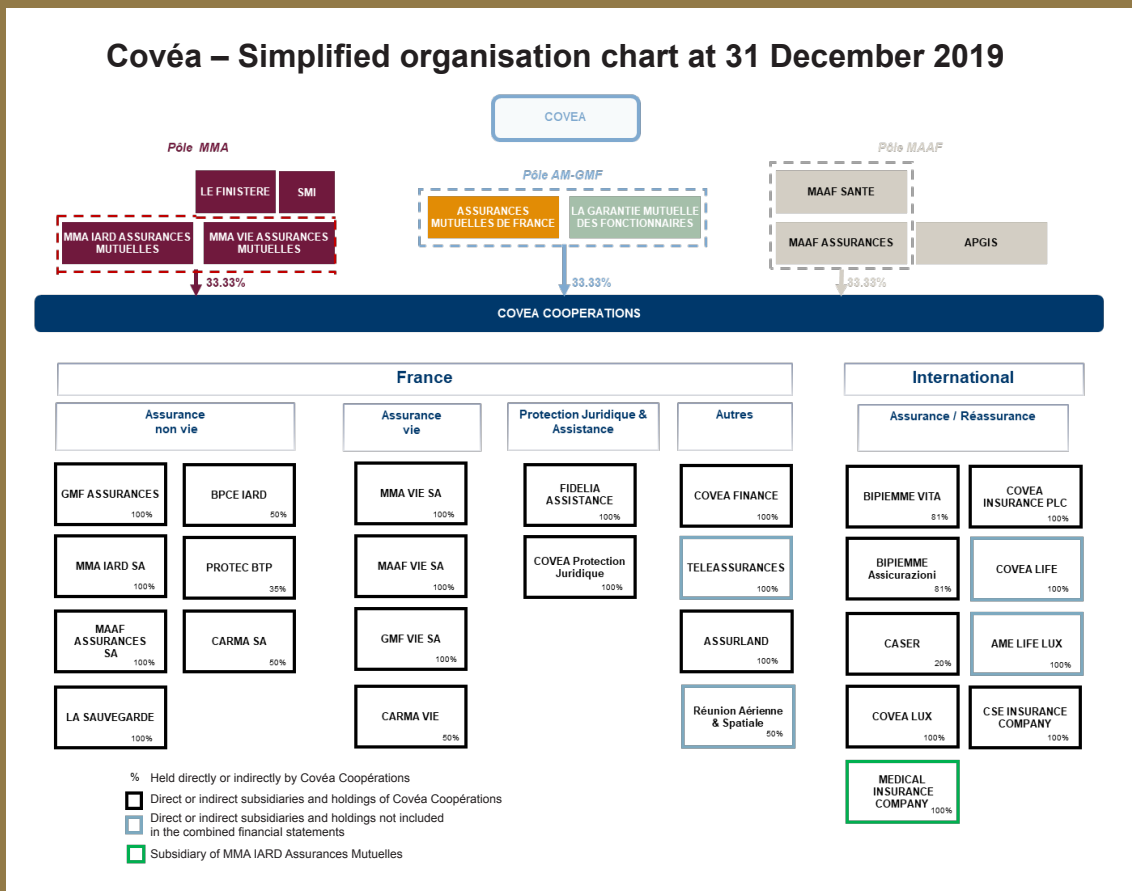


# 2019 vigilance plan



**Covéa establishes a Group-level vigilance plan** for its insurance activities (property and liability insurance, health, personal protection and savings schemes) together with its reinsurance and investment activities in France and abroad. The plan is circulated by Covéa Coopérations.

The companies controlled by Covéa that are covered by the plan are listed in the organisational chart.



Within the Covéa Group, MMA IARD SA, a subsidiary with more than 5,000 employees whose registered office is located in France, falls within the scope of the duty of vigilance law.



# Scope and methodology

— The Covéa Group covers the following environmental and social risks in its vigilance plan.

	Definition
Climate change	Factors that contribute to climate change, in particular greenhouse gas emissions: energy consumption, non-use or insufficient use of renewable energies and sustainable modes of transport, support for fossil fuels, etc.
Environmental pollution and pressure on resources	Damage to the health of ecosystems (air, water and soil pollution, etc.) and their regeneration capacities (overexploitation of resources, irreversible damage to environments, etc.).
Nuisance	Condoning or generating a nuisance, be it in the form of noise pollution, visual pollution or odours.
Respect for human rights	Violations of human rights: the right to work under fair and favourable conditions, respect for freedom of association and collective bargaining, prohibition of child labour or forced or compulsory labour, freedom of expression and opinion, etc.
Illegal labour and non-compliance with the legal minimum wage	Condoning or putting in place any form of illegal work, whether it is undeclared work, illegal subcontracting, illegal supply of workers, employment of a foreign worker who does not possess a work permit, illegal multiple job-holding or benefits fraud, as well as failure to pay the legal minimum wage applicable in the countries in which the company operates.
Personal health and safety	Damage to the health (physical and psychological, including stress and quality of life at work) and safety of individuals, whether employees, customers, local residents or any other stakeholder
Discrimination	Discrimination against employees, customers or any other stakeholder, based on gender, disability, age, sexual orientation, family situation, social background or national culture, etc.
Impact of failure to process a claim adequately or in a timely manner or of insufficient knowledge	The risks incurred by stakeholders if a claim is not processed adequately or in a timely manner (e.g. economic consequences for VSEs or tradespeople), or due to a lack of education and transparency regarding the terms and conditions of cover.
Protection of personal data	Refers to the impacts related to the protection of personal data and respect for the privacy of stakeholders, in particular customers (discrimination, reputational or financial damage, identity theft, etc.)

Work relating to the duty of vigilance is carried out in rounds. Intermediate stages are planned in accordance with the schedule set out below.

The CSR department and various other departments involved (Risk Department, Compliance Department, Legal Department, Purchasing Department, Real Estate Department) establish a mapping of social and environmental risks, based on the internal risk map, with the addition of risks associated with the activities of subcontractors and suppliers, and risks generated by Covéa at the level of other stakeholders.

The schedule for this work is as follows:

- 2018 and 2019 scope of work: Covéa's insurance and reinsurance activities and those of its subsidiaries located in France, excluding APGIS.
- 2020: completion of work on the France scope, plus foreign subsidiaries and APGIS.

The methodology adopted entails identifying the processes and activities exposed, based on the processes manual, then identifying, analysing, measuring, managing and monitoring all the risks to which the Group is exposed and implementing continuous proactive reporting.

This database is used to identify the social and environmental risks created by our activities and to assess the effectiveness of the risk management mechanisms implemented.

The same applies to risks associated with the activities of subcontractors and suppliers, and risks generated by Covéa at the level of other stakeholders.

The mechanisms used to manage these risks are assessed based on the approach implemented by permanent internal control.

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# Mechanisms and bodies

— The vigilance systems in place are based on a two-tier structure. On the one hand, they leverage the group's existing mechanisms, and on the other, they rely on dedicated tools specifically implemented for this purpose.

## EXISTING MECHANISMS AND BODIES

### GOVERNANCE AND MONITORING

Covéa's CSR committee monitors the overall system incorporating the various vigilance tools. Covéa ensures the effective monitoring of the mechanisms in place to manage the environmental and social risks identified, in particular through the group's policies, processes, governance rules, charters and codes of good practice, as well as through a network of professionals in the areas of risk management and compliance control.

The governance of Covéa's risk management mechanism forms part of the group's overall control framework.

### COMPLAINTS PROCEDURE

Covéa's complaints handling procedure includes an internal escalation mechanism and the use of sectoral mediation (insurance mediation). The Compliance department, on behalf of Covéa, manages the brands' contribution to the protection of customers and prospects, plus any alerts within this scope, through a Complaints Committee. Complaints volumes, together with the associated themes, findings and corrective measures, are set out in the annual Customer Protection questionnaire distributed by the ACPR.

This system was designed first and foremost to deal with complaints relating to the performance of insurance contracts. However, over time it has come to be used more widely to deal with grievances over issues not directly related to the contract. The policyholder or their representative (association, lawyer) can use the system to challenge the insurer in relation to its investment policy in certain sectors (arms, coal, etc.), its environmental policy (establishment of a paperless relationship), or its policy on respect for the individual, whether this concerns the risk of discrimination or the protection of vulnerable people.

For all these reasons, the complaints handling procedure has become an important and intuitive channel for the identification of risk, thus contributing to the objectives pursued by the Vigilance Plan.

The Complaints Committee convened on 9 September 2019. No dysfunction relating to the risk themes covered by the duty of vigilance was brought to its attention in 2019.

### THE NATIONAL CONTACT POINT

The National Contact Point (NCP) is a three-part structure comprising trade unions, companies and the administration. It reinforces the effectiveness of the OECD Guidelines by conducting promotional activities and responding to requests for information. It also plays a role in resolving problems arising from the implementation of these Guidelines, in particular by examining issues referred to it as "specific circumstances".

Its activity is coordinated by the Directorate General of the Treasury. In each of the countries adhering to the OECD Guidelines for Multinational Enterprises, a National Contact Point is responsible for promoting these principles, disseminating them and responding to non-compliance cases referred to them.

The National Contact Point is therefore a logical recipient of reports involving breaches of the OECD Guidelines, which cover similar territory to that targeted by the duty of vigilance law (see the referral procedure appended to this document). This is why Covéa has chosen to include this system in its vigilance plan.

## SPECIFIC MECHANISMS

### INCLUSION OF A CLAUSE IN CONTRACTS WITH SUPPLIERS

The purchasing policy of the Covéa Group and its subsidiaries was reviewed in 2018 to include a specific paragraph on responsible purchasing.

The Group takes its responsibilities seriously and seeks to have a positive impact through its purchasing.

In particular, whenever possible and relevant, this results in:

- The involvement in calls for tender for services of at least one business specialising in the employment of disabled persons.
- The incorporation of social inclusion clauses in contracts.
- Inviting tenders from companies located within 100 km of the point of delivery for the product/service, provided that their offering can meet the relevant specifications, and being a sustainable economic partner in the local region.
- Inviting tenders from SMEs in order to support the fabric of the economy, provided that they can meet the relevant specifications.

The policy and actions taken by suppliers and service providers to fulfil their own corporate social responsibility are taken into account in the assessments performed by Covéa's Purchasing and CSR Department staff.

Covéa's Purchasing policy thus forms part of its active commitment to respect human rights and fundamental freedoms as well as health, safety and the environment. Monitoring indicators will be available in 2020 to monitor the implementation of this policy.

In 2019, a «duty of vigilance» clause was included in framework contracts: Covéa requires that its service providers do everything they can to prevent violations of human rights and fundamental freedoms or the health and safety of individuals and any environmental damage that may result from the activity they carry out on the company's behalf.

As it does with its own subsidiaries, Covéa must regularly assess its suppliers and subcontractors, taking into account existing risks. Assessments are formalised in the form of questionnaires and controls tailored to the risks identified, as well as obligations specific to the insurance sector (Solvency 2 Directive).

### EXPLANATORY BROCHURE

Covéa takes care to inform all internal and external stakeholders of the legal requirements relating to the duty of vigilance in an accessible, clear and transparent manner.

To this end, an explanatory brochure was published on the group's website in 2019. It enables stakeholders to gain a sound understanding of these concepts so that every individual can exercise their own vigilance and ensure that they act accordingly.

### ASSESSMENT OF SUPPLIERS AND INTERMEDIARIES

In addition to the existing tools for evaluating and controlling our suppliers and insurance transaction intermediaries (brokers), a tool to qualify these third parties and assist with the related contractual decision-making will be incorporated in the existing tools in 2020.

This tool, developed in collaboration with Covéa's various support business lines (Compliance, Purchasing, Internal Control, etc.), uses decision trees to define a system to assess over time the regulatory compliance of suppliers and brokers in long-term business relationships with the company.

## WHISTLEBLOWING AND REPORTING MECHANISM

The Covéa Group, (excluding Covéa Finance, which has its own whistleblowing mechanism linked to specific regulatory requirements) has implemented a whistleblowing procedure in compliance with the Sapin 2 law of 9 December 2016. It incorporates the legal framework applicable to whistleblowers as well as the anti-corruption whistleblowing mechanism.

This system is based on:

- A whistleblowing procedure that describes the overall system and guarantees that the whistleblower's identity remains strictly confidential and that whistleblowers are protected against any discrimination or disciplinary measure for having raised an alert in compliance with the Sapin 2 law in a professional context.
- An outsourced platform for collecting and processing alerts (WhistleB) that allows any employee to securely report any conduct or situation that breaches the regulations or goes against Covéa's anti-corruption code of conduct.
- A dedicated organisational structure:
  - A whistleblowing contact person, the Head of Compliance, responsible for collecting and processing alerts in accordance with the applicable regulations.
  - An Ethics Committee, chaired by the Head of Compliance and made up of representatives of the Internal Audit, Permanent Internal Control, Legal and Human Resources functions, responsible for analysing alerts, managing investigations and deciding how to proceed.

In 2019, work was done to extend the existing whistleblowing system to include alerts raised in connection with the existence or materialisation of the risks covered by the French duty of vigilance law of 27 March 2017 (serious violations of human rights, fundamental freedoms, the health and safety of individuals and the environment).

Covéa's whistleblowing procedure was updated to include third parties (natural persons and legal entities) in the duty of vigilance framework, in connection with the activities of the group, its subcontractors and suppliers (e.g. subcontractors, subcontractor employees, trade unions, associations, non-governmental organisations, etc.).

At the same time, the composition of the ethics committee was expanded to include the CSR department.

These changes to the whistleblowing system were presented to Covéa's Central Economic and Social Committee in November 2019.

This work will be completed in 2020 and the reporting platform will be accessible to third parties.

# Risk mitigation action and report on measures implemented

— In order to mitigate or eliminate risk, Covéa has established policies covering a number of issues and has put measures in place.

## ENVIRONMENTAL RISK

The insurance business has a limited direct impact on the environment. Its impact mainly stems from internal operations, the property asset management business and the investment policy.

### LIMITING THE ENVIRONMENTAL FOOTPRINT OF OUR BUSINESS

Covéa Immobilier's sustainable development charter describes the policy, objectives and actions implemented to reduce the environmental impact of managing the group's business premises.

These actions are assessed mainly by measuring greenhouse gas emissions. The main sources of emissions relate to the ownership and use of buildings and equipment required to carry out our business and to trips taken by employees to travel to work or perform their duties.

#### **Action taken during the year and results:**

In 2019, Covéa Immobilier's Operations Department implemented a number of measures in accordance with the group's sustainable development policy:

- Awareness-raising measures: raising awareness among Operations Department managers, presenting the sustainable development action plan to the Management Committee, organising a morning dedicated to the ecological transition in the real estate sector.
- The Saran site's certification to the ISO 50 001 standard was renewed.
- The Wacken site in Strasbourg maintained its BREEAM in-use certification.
- Technical management of buildings across all sites.
- Analysis of energy and analogue consumption, management of alerts in the event of overconsumption.
  - **15.02 KgeqCO<sub>2</sub>/m** of greenhouse gas emissions from operating real estate, i.e. a reduction of 1.8% versus 2018.
  - **17%** of total assets have been labelled/certified as under construction and 16% as in operation.

### LIMITING OUR ENVIRONMENTAL FOOTPRINT WHEN DESIGNING OFFERINGS AND SETTLING CLAIMS

Covéa seeks to reduce the environmental impact of its activity when designing offerings, implementing claim settlement techniques and performing support missions. Covéa pays particular attention to the quality of its service providers involved in motor insurance claims in terms of environmental, economic, traceability, diversification and certification criteria.



**Action taken during the year and results:**

- Monitoring certifications obtained for the clean management of pollutants by partners involved in motor insurance claims.
- Promoting repairs rather than replacements, as well as the reuse of certain parts when repairing vehicles, via CESVI France.
- Providing body repair platforms as close as possible to vehicles damaged by hail.
- Facilitating self-management by the policyholder: in the event of a minor car accident, the policyholder takes standard photos of the damage done and sends them to the approved repairer for assessment.
- Partnerships with the main paint manufacturers for the use of solvent-free paint.
- Creation of a network of experts specialising in sustainable construction and renovation for home insurance claims.

**LIMITING OUR ENVIRONMENTAL FOOTPRINT THROUGH OUR INVESTMENTS****Integrating ESG criteria into the investment strategy****Action taken during the year and results:**

In 2019, Covéa Finance, Covéa's portfolio management company, exercised its voting rights for **44% of the shares held** (outstanding), based on an in-depth analysis of the resolutions by ESG analysts, in accordance with the principles defined in its voting policy (published on Covéa Finance's website).

In 2019, Covéa Finance voted at **66 general meetings**.

Covéa Finance held **58 meetings** with issuers to discuss the company's ESG practices.

**Making responsible real estate investments****Action taken during the year and results:**

Pursuant to the sustainable development charter, in 2019 Covéa Immobilier performed the following actions on behalf of Covéa and its subsidiaries:

- Instrumentation of energy management (collective heating for multi-tenant tertiary and residential buildings) putting in place action plans with a ROI < 5 years.
  - 100% of new tenant guides distributed among a significant number of new tenants.
  - 5 sites accredited with BREEAM and the French HQE environmental certification.
  - Regulatory energy audits on 12 buildings.
  - Biodiversity audits on 9 buildings.
- **10%** of total assets have been labelled/certified as under construction and **21%** in operation.
- **10.14 KgeqCO2/m2** of energy-related greenhouse gas emissions from investment property, a 3.4% decrease compared to 2018.

## RISK OF DISCRIMINATION

Covéa attaches great importance to combating discrimination and puts specific measures in place for its employees and third parties to prevent the risk of discrimination and promote diversity.

### **Action taken during the year and results:**

#### **Preventing and combating discrimination**

Launch in March 2019 of a “diversity to make a difference” e-learning course to raise awareness among all employees about diversity issues and the prevention of discrimination.

→ **50%** of employees took awareness-building training.

#### **Employment and inclusion of people with disabilities**

The Covéa Group signed an agreement to promote the employment of people with disabilities on 19 December 2017, covering the period 2018-2020.

→ **41** employees or interns with disabilities welcomed on board in 2019.

→ More than **100 managers** trained.

→ **1957 employees** targeted by an awareness-raising campaign supported by our network of highly committed employees.

#### **Gender equality:**

Covéa continues to implement its gender equality in the workplace agreement, seeking to meet the objectives set in five areas: professional advancement, external recruitment, professional training, work/life balance and actual remuneration.

→ **50 female employees** have taken the «Women’s Career and Projects» module intended to support women with their career plans.

→ **13 events** organised by the Cov & elles network to promote women’s careers and develop diversity across our business lines.

→ Proportion of female managers: **53.3%** (managers and senior managers).

#### **Engagement with external stakeholders: partnerships and sponsorships to promote diversity and equal opportunities.**

**Nos Quartiers ont des Talents :** As a partner of the association Nos Quartiers ont des Talents (Our Neighbourhoods Have Talent) since 2015, Covéa is committed to equal opportunities. More than 70 employees put their professional experience and networks to work to help young graduates from disadvantaged neighbourhoods or backgrounds to enter the workforce.

→ In 2019, **30 young people** were supported by a Covéa employee, 9 of whom were hired following the sponsorship, and 2 speed coaching workshops were arranged.

**The Foundation Agir Contre l’Exclusion (FACE, Le Mans metropolitan area):** As part of its commitment to FACE, a national network of companies committed to implementing local initiatives to combat exclusion in all its forms, Covéa signed the “La Sarthe, une chance. Les Entreprises s’engagent” charter. This initiative supports the economic, social and cultural development of neighbourhoods and the wider area. Over several months, 9 of Covéa’s sponsors have supported people looking for work.

→ In 2019, 8 visits were arranged to priority secondary schools to focus on interpersonal skills in business. 2 young people from year 10 were shown around the company as part of their internship.

**The MAAF and MMA foundations for people with disabilities:** For many years, the Foundations MAAF Initiatives & Handicap and MMA Solidarité have supported and funded innovative projects to improve the daily lives of people with disabilities.

→ The MAAF Foundation, together with FIRAH (International Federation for Applied Disability Research) and the French Red Cross, has relaunched a call for applied research projects on the theme of «Disability and Poverty».

→ From July 2018 to June 2019, the MMA Foundation contributed to the implementation of 61 new projects.

## RISK TO THE HEALTH AND SAFETY OF INDIVIDUALS

### Action taken during the year and results:

In 2019, Covéa implemented teleworking following the signing of the teleworking agreement on 21 November 2018. With a view to ensuring organisational and technical security, teleworking is to be gradually rolled out in three consecutive rounds between 2019 and 2021. Particular attention has been paid to arrangements in the homes of people with disabilities.

**2,300 employees** have begun to experience working from home.

→ **77%** of teleworkers believe that teleworking has a positive impact on their work/life balance.  
*November 2019 survey of teleworking employees and their managers - response rate of nearly 60%.*

Work on absenteeism was initiated in 2019, when the initial measures were rolled out, including employee feedback interviews.

The objectives are to:

- Take the necessary measures to ensure the safety of employees and protect their physical and mental health.
- Prevent occupational risks, provide information and training.
- Organise and propose suitable resources.
- Keep people in employment.

Priority risks have been identified in the Single Document and an annual prevention programme has been put in place.

Measures have been implemented following on from those put in place in 2018 to address the various risks involved: traffic/road-related issues, working at a screen, psychosocial risks, anti-social behaviour, prevention plans in collaboration with external companies.

Specific measures have also been taken to address fire/electrical-related risk.

→ **31 group employees** received initial workplace first-aider training and 518 took refresher courses in occupational health and safety.

## **RISK RELATED TO THE PROTECTION OF PERSONAL DATA**

Covéa is committed to preventing the risks associated with the protection of personal data and is actively involved in discussions with the French Data Protection Authority (CNIL) on the implementation of the General Data Protection Regulation (GDPR) within the profession. Covéa has set up an in-house organisational structure incorporating all Group functions concerned to ensure that the European regulation is enforced.

### **Action taken during the year and results:**

- Subcontracting agreements with our service providers and intermediaries have been updated to ensure that they are GDPR-compliant.
- The procedures for exercising policyholders' rights have been adapted.
- A "Mission GDPR" e-learning module has been provided to train all employees on personal data protection issues.

→ **89%** of Covéa employees have completed the "Mission GDPR" training module.



**MUTUAL GROUP INSURANCE COMPANY**

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