MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF CNP ASSURANCES FOR THE YEAR ENDED 31 DECEMBER 2015

EXTRAITS

Contents

1. Significant events of the year

1.1. First half

Renewed partnership between BPCE Group and CNP Assurances

Following their press releases dated 4 November 2014, BPCE Group and CNP Assurances announced that they had signed definitive agreements relating to the implementation of a renewed partnership as of 1 January 2016.

This renewed partnership, which is for an initial period of seven years, opens a new chapter in the relationship between BPCE Group and CNP Assurances. As of 1 January 2016, Natixis Assurances will underwrite all savings and pensions policies (life and endowment insurance) distributed by the Caisses d'Epargne networks. In parallel, the renewed partnership will include implementation of an exclusive group term creditor insurance partnership with Natixis Assurances covering the entire BPCE Group network as well as specific partnerships in individual and group death/disability and health insurance (see the national inter-professional agreement on employee benefit plans – *Accord National Interprofessionnel*). It will also include the introduction of a mechanism to align the interests of both partners concerning the contracts purchased by Caisses d'Epargne clients up until 31 December 2015 that will continue to be managed by CNP Assurances, as well as a 10%-quota share reinsurance treaty with Natixis Assurances.

Completion of the sale of the Group's interest in CNP BVP to Barclays Bank

The sale of CNP Assurances' 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) announced on 22 December 2014 was completed on 21 April 2015 following clearance from the regulatory authorities, for an amount of €457 million including a special dividend.

The transaction led to a capital gain of €248.5 million before tax (€231.8 million after tax), which was booked in first-half 2015.

Recognition for CNP Assurances' life insurance policies

At the 38th "Best Life Insurance Policies" awards organised by Le Revenu investor weekly, a total of 70 policies were singled out for the "performance, technical properties, regular yields and clarity". CNP Assurances was once again a winner in the best SICAV and mutual funds categories.

This year, the Group was awarded the *Grand Prix de l'Innovation* for its Cachemire Patrimoine contract introduced in 2014 and distributed by the La Banque Postale network. This life insurance policy for high net worth clients (the minimum investment is €150,000, or €75,000 if the entire portfolio is managed under a discretionary management agreement) has competitive management fees that decrease as the amount invested rises. The policy offers a wide range of investment options, with numerous SICAV funds from the best management companies and, above all, 21 trackers (including some under unrestricted management) that replicate the performance of stock market indices without the high fees. Discretionary management is also offered, with the option to invest directly in several hundred equities.

CNP Assurances was also a winner in the "Aggressive traditional contracts with a unit-linked formula offering a choice of more than 50 funds" category, picking up the *Trophée d'Or* for the Nuances Privilège contract which has been distributed by the Caisses d'Epargne network since 2005. These awards recognise CNP Assurances as the insurance company offering the best overall performance over three years.

1.2. Second half

Partnership framework contract between AG2R La Mondiale and CNP Assurances on the creation of a market leader in retirement savings

In December, AG2R La Mondiale and CNP Assurances signed a partnership framework contract in the field of retirement savings.

The partnership will take the form of a 40% investment by CNP Assurances in Arial Assurance, a subsidiary of AG2R La Mondiale dedicated to company retirement savings plans. The corporate governance of this joint venture, renamed Arial CNP Assurances, will be balanced between both groups. Bringing together the expertise, resources, and business of AG2R La Mondiale and CNP Assurances[1] in the field, the objective for the new company is to become the leading company retirement savings plan provider and to use resources more efficiently through economies of scale and pooling of investments.

Subject *inter alia* to permits and authorisations being obtained from the competent authorities, Arial CNP Assurances should be operational in the first quarter of 2016. The joint venture is expected to represent close to €12 billion in supplementary pension commitments.

AG2R La Mondiale is currently number two[2] in the private pensions market, and counts 60% of companies listed on the CAC 40 among its clients. The Group is also the premier pensions operator for AGIRC-ARRCO, serving one in four companies in the private sector.

CNP Assurances, as the number-one provider of personal insurance with the third-largest share[2] of the private pensions market in France, covers the retirement savings needs of 9 million French people[3], working with 4,600 businesses, 20,000 local authorities, associations, and many mutual insurers and employee benefits institutions.

Distribution partnership between CNP Assurances and La Banque Postale

In December, CNP Assurances and La Banque Postale announced the signature of a preliminary memorandum of understanding for the renewal of their partnership as of 2016 for a further period of 10 years.

The renewed partnership would cover the following aspects:

- in life insurance:

  - renewal of the partnership for a period of 10 years as of 1 January 2016, with the scope widened to include BPE, La Banque Postale's wealth management subsidiary that has been wholly-owned since 2013.

- in personal risk/protection insurance:

  - implementation with La Banque Postale of a 10-year direct partnership in term creditor insurance for mortgage loans, with CNP Assurances substituted for La Banque Postale Prévoyance for this segment
  - CNP Assurances' transfer to La Banque Postale of its shareholding in La Banque Postale Prévoyance which will retain the individual protection activities among other things.

The renewal of the partnership is fully in keeping with the strategies of CNP Assurances and La Banque Postale.

---

[1] Excluding the Préfon Retraite supplementary pension scheme for civil servants that will continue to be managed by CNP Assurances.

[2] Source: Argus de l'assurance 2014

[3] 2014 consolidated data for France

Signature of the final agreements is expected to take place during the first quarter of 2016, and the current agreements will remain in force until then.

€750 million subordinated notes issue

On 1 December, CNP Assurances completed a €750 million issue of subordinated notes with a final maturity date of 10 June 2047 and a first-call date of 10 June 2027. The proceeds will be used to redeem earlier bond issues that are coming up to maturity.

The issue, which allowed the Group to benefit from the currently favourable interest rates, was placed with more than 175 European institutional investors. The order book totalled around €2.2 billion, confirming investors' interest and confidence in the CNP Assurances signature.

The notes are structured to qualify as Tier 2 capital under Solvency II and Standard & Poor's standards. This is CNP Assurances' first subordinated notes issue not benefiting from the transitional measures (grand-fathering) introduced by the Solvency II Directive.

The notes will pay a 4.5% fixed rate of interest over the first eleven and a half years and will then be converted to a floating rate with a 100-basis points step-up. They are rated BBB+ by Standard & Poor's, based on the rating methodology applied to subordinated debt.

Settlement took place on 10 December.

Announcement of key measures to promote energy and ecological transition

Since signing the Montreal Carbon Pledge in May 2015, CNP Assurances has been committed to publishing the carbon footprint of its directly held equities portfolio for COP 21. It has met this commitment by announcing, on the occasion of the Novethic Annual Event, a carbon footprint related to direct holdings of listed shares estimated at 0.470 teq CO_2/thousand euros invested at 31 December 2014.

As a responsible and long-term investor, CNP Assurances wants to go further and has set a target to reduce the carbon footprint of its directly held equities portfolio by 20% by 2020. To achieve this it is taking a proactive approach, which includes establishing a dialogue with the companies in the portfolio on their strategy for reducing greenhouse gas emissions.

Over the first 10 months of 2015, the reduction in the carbon footprint of the equities portfolio was estimated at 5%. This was a satisfactory result and an incentive to continue the work with the companies concerned. However, this indicator is incomplete because it does not give sufficient recognition to the companies' positive actions to promote energy transition. CNP Assurances supports the development of Carbone 4's methodology for measuring companies' carbon impact and taking into account avoided emissions. Its Carbon Impact Analytics methodology provides a measurement of avoided emissions and a forward-looking indicator of the contribution of companies to the transition.

In 2015, CNP Assurances sold almost €300 million worth of bonds issued by coalmining and coal-based energy producing companies. At the end of the year it no longer had any direct holding in listed shares and debt securities of companies whose revenue is more than 25%-derived from thermal coal.

In future, the Group will no longer invest directly in listed shares and debt securities of companies whose revenue is more than 15%-derived from thermal coal.

Buoyed by its progress in 2015, the Group has raised its target and is committed to doubling the volume of its green investments (infrastructure, private equity and green bonds) from €800 million currently to €1.6 billion by the end of 2017. Furthermore, it has just announced with the Meridiam asset management company that it has initiated the launch of an infrastructure fund to finance the energy and ecological transition (Meridiam Transition), and has invested in Tera Neva green bonds issued by the European Investment Bank and structured by BNP Paribas.

Lastly, CNP Assurances, which has just signed the Office Building Energy Efficiency Charter, will reduce energy use by the properties in its portfolio by more than 20% by 2020, compared with the reference year of

2006, as a continuation of the actions initiated during the Grenelle Environment Forum in 2007. It has already launched a €150 million programme of work and estimates that it is half way to meeting its target.

Launch of the Lyfe digital health services platform

Lyfe is designed to support its users at every stage of their life, offering services in the areas of prevention, coaching, access to healthcare and assistance for carers.

While the internet cannot replace a visit to the doctor, it can help to respond to a growing need for health information. In recent years, a large number of eHealth tools have emerged, including information websites and mobile health apps, under the keen eye of users seeking the most relevant information, whether they are choosing a specialist, seeking information on a particular pathology or looking for a healthcare facility.

CNP Assurances has responded by launching Lyfe, its first eHealth prototype. Developed using Responsive Web design (RWD) to guarantee an optimal viewing and interaction experience across a wide range of devices (computers, smartphones, tablets) Lyfe offers five high value-added services:

- The possibility to obtain, at short notice (under three days), an appointment for a medical consultation or imaging (particularly scanners) in a CNP Assurances partner health centre

- The possibility to undergo a full medical check-up over the course of half a day. The check-up includes specialised consultations (cardiology, ENT, respiratory medicine, etc.) and medical examinations specific to the patient

- The possibility, in the event of a loved one's loss of independence, to obtain an assessment of the needs that must be met in order to allow them to continue to live at home safely

- 24/7 remote medical advice

- Personalised support and coaching on the prevention of health risks.

Designed for health insurance and employee benefits scheme members, Lyfe proposes an innovative set of services to be offered with health insurance and death/disability insurance products, and also adds to the assistance services offering

Lyfe will continue to be enhanced, with the addition of new services each quarter.

1.3. Subsequent events

Negotiations with BTC Pactual in Brazil

On 13 January, CNP Assurances confirmed that it had entered into exclusive negotiations with BTG Pactual in Brazil, with a view to acquiring 51% of its subsidiaries Pan Seguros and Pan Corretora.

$500 million private placement

On 15 January, CNP Assurances placed a $500 million subordinated note with a major institutional investor. The note was issued in response to a specific request from the investor. The proceeds will support business growth and strengthen the Group's balance sheet. This success once again demonstrates the quality of CNP Assurances' signature.

The fixed-for-life issue will pay a 6% coupon in dollars which, after being swapped for euros, is in line with the interest rate of the last notes issued by CNP Assurances in December 2015. The final maturity is 33 years, with a first call after 13 years.

The note is structured to qualify as Tier 2 capital under Solvency II standards. According to Standard & Poor's methodology, the private placement is rated BBB+ and qualifies as intermediate equity content capital.

2. Market and Business Review

2.1. Economic and financial environment

A year shaped by discontinuous market phases

The markets rallied at the beginning of the year, following the ECB's January announcement that it was launching a bond-buying programme. Bond prices fell sharply, with 10-year benchmarks hitting unprecedented lows in mid-April (with the Bund at 0.07% and the OAT at 0.35%). The spectacular drop in interest rates encouraged investors to look for alternative yield sources, in either the credit markets (where spreads narrowed sharply) or the stock markets (where European indices gained a massive 20% in the first quarter). Boosted by the euro's weakness and falling energy prices, eurozone growth accelerated to 0.5% during the quarter. In the United States on the other hand economic growth slowed due to the harsh weather conditions.

The rally reversed in mid-April as oil prices started to recover and inflation picked up. This prompted many hedge fund managers to abruptly reverse their bond positions, leading to a rapid increase in prices (with the 10-year OAT rate rising by 100 bps between mid-April and mid-June) followed by a downward adjustment. Political indecision about how best to deal with the Greek debt crisis fuelled volatility and triggered a wave of profit-taking on European equities which in turn led to a 12% fall in prices between May and early July. Agreement on the third Greek bailout package, confirmation of the European recovery (with growth of 0.4% in the second quarter) and, above all, renewed vitality in the United States (with annualised growth at 3.9% in the second quarter) helped to drive a market rebound of nearly 10% in the second half of July.

However, recovery was short-lived. The turbulence observed at the beginning of the summer on the Chinese stock markets inevitably spread to emerging markets and worsened following the Chinese government's decision to devalue the yuan by 4%. This decision, made in the wake of disappointing macro-economic data, revived fears of a currency war. It also echoed the Federal Reserve's concerns about the robustness of global economic growth. These fears deepened as commodity prices started to fall during the summer, triggering a second bout of risk aversion that was both intense and lasting. The European markets' gains since the start of the year were wiped out in the space of six weeks, from mid-August to the end of September, and some indices (Dax, Ibex) fell into negative territory. The correction affected all of the world's markets – the Nikkei lost 20% and the SP500 10% while emerging market stocks were down 12% – and all asset classes, as illustrated by the wider credit spreads and the steep falls in commodity prices and emerging market currencies. The crisis came to a head in September, with the Fed's decision to yet again put off raising US interest rates and the publication of disappointing job creation figures in early October.

Paradoxically, this was followed by a pause in the accumulation of bad news and fears about global economic growth. The central banks returned centre stage in October to announce new measures, including interest rate cuts in China, a possible extension of the ECB's quantitative easing programme in Europe and a reversal of the Fed's position in the United States. In addition, many investors probably felt that the markets had been too pessimistic and decided to return to the stock and credit markets. These transactions reversed nearly all of the summer's losses in the space of a month, returning the developed countries' stock markets to positive territory and enabling emerging market stocks to make up part of the ground lost in the previous months. All was well until commodity prices experienced another bout of extreme weakness – with oil falling to less than $40 per barrel – triggering another correction at the end of the year.

An increasingly unsynchronised macro-economic environment

All told, as in 2013 and 2014 the developed markets continued to outperform the emerging markets which were adversely affected by several factors, including the strong dollar (in expectation of an increase in interest rates), the slowdown in the Chinese economy as local industries struggled to deal with the problem of overcapacity, bursting of the commodity price bubble (oil, copper iron) and excessive private sector debt (primarily among companies).

The emerging market crisis severely affected several emblematic economies, such as Brazil, Russia, South Africa and Turkey, reinforcing the impression that the economic cycle was coming to an end.

By contrast, developing economies, led by Europe, were buoyed by a recovery in domestic demand which grew by 3.5% over the year, and/or an upturn in exports. This improvement paved the way for a return to growth, which reached 1.5% in the eurozone. The 2011-2012 sovereign debt crisis left certain scars, including increases in both government debt and unemployment rates. However, external balances are improving, budget deficits are narrowing and unemployment is falling (to 10.7% in the eurozone versus 12.1% in mid-2013).

Similarly, in the United States, despite the negative effect of the strong dollar on exports and on the profits of multinational companies, economic growth was sustained by resilient consumer spending, which rose 3.5% over the year, and a recovery in the housing market. Lastly, corporate capital spending held up despite drastic cutbacks by companies operating in the energy sector.

Generally disappointing financial performances in a year of high volatility

These regional disparities, including among OECD countries, led to mixed financial performances and, above all, to different rates of progress through the monetary and credit cycles. The Fed tightened its monetary policy by introducing a 25-bps interest rate hike at the same time as the ECB was stepping up its QE programme, causing the dollar to strengthen against all currencies including the euro (10% gain to €1.09) and sterling (5% gain).

The prospect of higher US interest rates and a stronger dollar triggered a 1.5% decline in US stock prices after a five years of steady growth. Spreads widened across all segments of the credit market, despite the absence of any real change in long-term rates (the 10-year benchmark ended the year at 2.27%), and annual credit market yields entered negative territory, at -1% for investment grade bonds and -5% for junk bonds.

Conversely, the European and Japanese stock markets benefited from the boost to corporate profits provided by the strong dollar as well as from the QE programmes which help to drive up trading volumes, with the Eurostoxx 50 and the Nikkei gaining 4% and 8% respectively. However, the increase in the Eurostoxx 50 masked widely varying performances, with gains of 12.5% for the Italian index, 8.5% for France's CAC 40 and 9.6% for Germany's DAX contrasting with a 4.8% fall in the UK's FTSE index. Regarding interest rates, the decline in European short-term rates (mainly 2-5 year rates which became negative) overshadowed the stability of 10-year rates (despite high volatility), a slight upturn in long-term rates and a widening of credit spreads that wiped out the coupon-related gains (via US market contagion).

Lastly, 2015 will go down as a black year for emerging market assets, with a 15% decline in fixed income prices, a 14% decrease in exchange rates against the dollar, a 17% drop in stock prices and falls in the prices of such assets as commodities (with the general commodity price index down 26%, and the energy and industrial metals price indices losing 42% and 27% respectively).

All told, the global stock and bond markets ended the year considerably below the highs achieved at the end of the first quarter.

In this uncertain environment, France's life insurance market grew by around 4%, reflecting savers' perception that these contracts offered higher yields than other investment products.

2.2. 2015 business review

Consolidated premium income for the year came to €31.6 billion, an increase of 2.5% as reported and 3.4% like-for-like.

Premium income in **France** amounted to €24.8 billion in 2015, an increase of 1.1%. Growth was led by the 21.4% increase in unit-linked sales, which accounted for 15.6% of total savings/pensions premiums versus 13.1% in 2014.

Life and pensions net new money (French GAAP) in France was a positive €2.2 billion, reflecting a €2 billion net inflow to unit-linked savings/pensions contracts and a €0.2 billion net inflow to traditional savings/pension products.

In personal risk/protection insurance (personal risk, health and term creditor insurance), new business value was up by 32%, thanks to higher term creditor insurance volumes and improved loss ratios for group health and death/disability insurance.

In **Latin America**, growth momentum was maintained across all business segments in a difficult economic environment, with premium income rising by 12.3% as reported and 32.0% like-for-like.

In the **Europe excluding France** region, premium income rose by 4.6% to €3.6 billion. With the business model undergoing rapid change, the year saw a further improvement in the product mix led by 34.8% growth in unit-linked sales and a 149.1% rise in personal risk/protection premiums reflecting the contribution of newly acquired CNP Santander Insurance. In all, unit-linked contracts and personal risk/protection business accounted for over 70% of premium income generated in the region in 2015, versus 48% the previous year.

	Premium income by country (IFRS)			
(in € millions)	**2015**	**2014**	% change	% change like-for-like[1]
France	**24,776.7**	**24,503.2**	**+1.1**	**+1.1**
Brazil	3,161.1	2,828.7	+11.8	+32.6
Argentina	65.0	45.0	+44.4	+37.5
Italy[2]	2,729.4	2,922.8	-6.6	-6.6
Portugal[3]	36.7	90.9	-59.6	-59.6
Spain[4]	182.0	265.3	-31.4	-31.4
Cyprus	137.0	137.1	-0.1	-0.1
Ireland[5]	493.1	0.9	n.m.	+0.0
Other	3.8	7.9	-51.4	-51.4
Sub-total International	**6,808.1**	**6,298.6**	**+8.1**	**+9.6**
TOTAL	**31,584.8**	**30,801.8**	**+2.5**	**+2.9**

(1) Average exchange rates for Brazil:

At 31 December 2015: €1 = BRL 3.70

At 31 December 2014: €1 = BRL 3.12

(2) CNP Italia branch, CNP UniCredit Vita, CNP BVP Italia and CNP Europe Life business written under the EU freedom of services directive

(3) CNP BVP Portugal

(4) CNP España branch, CNP Partners[6], CNP BVP Spain

(5) CNP Santander Insurance

(6) New name for CNP Vida

	Premium income by segment (IFRS)			
(in € millions)	**2015**	**2014**	% change	% change like-for-like [(1)]
Savings	21,493.0	21,459.5	+0.2	+0.2
Pensions	3,358.7	2,906.9	+15.5	+26.8
Personal Risk	2,056.3	2,103.7	-2.3	+2.7
Term Creditor Insurance	3,806.7	3,390.2	+12.3	-0.7
Health Insurance	531.8	593.7	-10.4	-8.1
Property & Casualty	338.2	347.8	-2.8	+12.6
TOTAL	**31,584.8**	**30,801.8**	**+2.5**	**+2.9**

(1) Average exchange rates for Brazil:

At 31 December 2015: €1 = BRL 3.70

At 31 December 2014: €1 = BRL 3.12

3. 2015 financial review

3.1. Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005-R-01) concerning the presentation of the IFRS financial statements of insurance enterprises, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance enterprises (see notes to the consolidated financial statements).

Review of results

Key earnings figures are as follows:

	Geographic area			Own-funds portfolios	Total 2015	Total 2014 pro forma[1]	*Change (%)*	*Like-for-like change (%)* [2]
In € millions	France	Latin America	Europe excluding France					
New money	24,829	3,500	3,662		31,992	31,519	1.5%	2.7%
Average technical reserves					316,939	307,408	3.1%	3.3%
Premium income	**24,777**	**3,226**	**3,582**	-	**31,585**	**30,802**	**2.5%**	**3.4%**
Net insurance revenue	1,386	921	207		2,514	2,503	0.4%	7.5%
Revenue from own-funds portfolios				774	774	775	-0.2%	4.6%
Administrative costs					(862)	(837)	3.0%	4.2%
EBIT					**2,426**	**2,442**	**-0.6%**	**7.7%**
Finance costs					(192)	(178)	8.1%	8.1%
Share of profit of associates					3	3	0.1%	18.8%
Income tax expense					(811)	(824)	-1.5%	7.6%
Non-controlling interests					(303)	(323)	-6.0%	14.5%
Attributable recurring profit					**1,124**	**1,121**	**0.2%**	**5.9%**
Fair value adjustments and net gains (losses)					319	160	99.6%	n/a
Non-recurring items					(312)	(201)	55.1%	n/a
Attributable profit for the year					**1,130**	**1,080**	**4.7%**	**10.7%**

(1) Pro forma 2014 data adjusted for the reclassification of Brazilian social integration and contribution taxes (PIS/COFINS) from administrative expenses to net insurance revenue in 2015 (€59 million).

(2) The basis for like-for-like comparisons includes three months of BVP's profits in 2014. Changes in scope of consolidation in 2015 correspond to the consolidation from 1 January 2015 of Odonto Empressas, Digitale in Brazil and Santander Insurance in the Europe excluding France region.

EBIT and attributable recurring profit before capital gains are two key performance indicators used by the Group. They have the advantage of being unaffected by realised capital gains on equities and investment property attributable to shareholders or by fluctuations in the financial markets.

EBIT comprises:

- net insurance revenue, which corresponds to the margin on insurance contracts before administrative costs
- income from own funds portfolios, corresponding mainly to assets financed by equity
- administrative expenses.

The two key business indicators are:

- **premium income**, which totalled €31.6 billion in 2015 (see section 2.2)
- **average technical reserves**, excluding the deferred participation reserve, which rose by 3.1% over the year. This growth reflected changes in premium income, the amount set aside for policyholder dividends, claim and benefit payments and contract withdrawals.

Net insurance revenue rose by a modest 0.4% as reported and 7.5% like-for-like, to €2,514 million in 2015. The 4.6% growth in France offset declines of 4.1% in Latin America as reported (although like-for-like performance was an increase of 12.6%) and 5.2% in Europe excluding France as reported (versus a 1.5% increase like-for-like).

Net insurance revenue France

Net insurance revenue generated in France increased by €62 million to €1,386 million. The various business segments contributed to the increase to varying extents.

Savings and Pensions net insurance revenue rose by €55 million, in line with the growth in technical reserves.

Personal Risk/Protection net insurance revenue improved by €7 million, reflecting higher underwriting margins and the contribution of positive runoffs.

Net insurance revenue Latin America

The contribution from net insurance revenue in Latin America contracted by 4.1% to €921 million due to unfavourable exchange rates. On a like-for-like basis, it increased by 12.6%, reflecting gains of 16.8% for Personal Risk/Protection business and 3.7% for Savings business, which comfortably offset the 8.7% decline for Pensions business.

Net insurance revenue Europe excluding France

Excluding the effects of the disposal of the Group's stake in CNP BVP and the acquisition of CNP Santander Insurance, net insurance revenue generated in the Europe excluding France region rose by 1.5%. The first-time consolidation of CNP Santander Insurance boosted the relative contribution of the Personal Risk/Protection business.

The €774 million in revenue from **own funds portfolios** was down by just 0.2% on 2014 as reported, while the like-for-like change was an increase of 4.6%.

In France, revenues from own funds portfolios contracted by a modest 0.8%. This was because revenues from the bond portfolio declined despite an increase in the portfolio which partly offset the effect of lower interest rates.

In Latin America, the increase was 3.5% as reported and 21.7% like-for-like, reflecting the rise in Brazil's Selic rate and the portfolios' solid performance in Argentina.

In the Europe excluding France region, the decline in revenue from own funds portfolios was primarily due to amortisation of intangible assets recognised on first-time consolidation of CNP Santander Insurance.

Administrative expenses

Administrative expenses were 3% higher than in 2014 (4.2% higher on a like-for-like basis).

In France, administrative expenses rose 2% to €597 million. Support function costs declined over the year but administrative expenses for term creditor insurance business rose due to the high level of underwriting activity and to the costs incurred to develop and support new partners.

In Latin America, administrative expenses amounted to €163 million, an increase of 6.7% as reported or 12.1% like-for-like. In Brazil, costs rose 11.1%, in line with the country's inflation rate of 10.7%. Expenditure for the creation of Digitale totalled €10 million at 2015 exchange rates.

In the Europe excluding France region, administrative expenses increased 3.1% as reported and 4.9% like-for-like, due mainly to the development of CNP Partners.

EBIT

EBIT contracted by 0.6% as reported. However, excluding changes in consolidation scope and exchange rates, the like-for-like change was an increase of 7.7%.

Finance costs

Higher finance costs reflected the full-year impact of the previous year's €500 million subordinated notes issue and, to a lesser extent, the €750 million issue carried out in December 2015.

Income tax expense

The effective tax rate was stable, at 36.3% in 2015 versus 36.4% in 2014.

Net gains and losses on equities and property and non-recurring items

The main capital gain was on the sale of the Group's interest in CNP BVP, for €232 million.

Non-recurring items

Non-recurring items in 2015 corresponded primarily to additions to technical reserves recorded to comply with new minimum reserve requirements, for €309 million (€498 million before tax). In 2014, this caption included additions to technical reserves recorded to comply with new minimum reserve requirements for €161 million (€260 million before tax) and the €40 million fine imposed by France's banking and insurance supervisor (ACPR) in relation to the Group's processing of unclaimed policies.

Profit attributable to owners of the parent

Attributable net profit amounted to €1,130 million, an increase of 4.7% compared with 2014. On a like-for-like basis, the increase was 10.7%.
The contribution of France was €828 million, up 9.3% on 2014.
Attributable profit from the Latin American businesses contracted by 4.5% as reported (versus a like-for-like increase of 14.3%) to €266 million, representing around one-quarter of the consolidated total. At €36 million, attributable profit from the Europe excluding France region represented just over 3% of the total.

Consolidated balance sheet at 31 December 2015

Total assets amounted to €393.7 billion at 31 December 2015 versus €395.4 billion at 31 December 2014, representing a 0.4% decrease.

Insurance and financial liabilities totalled €349.8 billion, a 1.6% increase compared with 31 December 2014.

Excluding the change in the deferred participation reserve, the increase was 2.6% versus a 3.2% rise in average insurance and financial liabilities over the year.

Equity attributable to equity holders of the parent rose by €433 million over 31 December 2014, to €17,113 million. The increase reflected the inclusion of profit for the year (€1,130 million positive impact), payment of the 2014 dividend (€529 million negative impact), fair value adjustments recognised directly in equity (€202 million positive impact), interest on deeply-subordinated notes (€75 million negative impact) and exchange differences on translating foreign operations (€281 million negative impact).

Equity includes €2,635 million in deeply-subordinated notes, in line with the classification recommended in the IFRIC interpretation published in November 2006.

Solvency capital

Solvency capital estimated on the basis of French GAAP equity in accordance with the guidelines issued by France's banking and insurance supervisor (*Autorité de contrôle prudentiel*), represented 118% of Solvency I required capital at 31 December 2015 and 2014. The coverage rate is calculated after dividends and excluding unrealised gains and losses, taking into account subordinated notes and after deducting intangible assets. Including unrealised gains and losses, the coverage rate was 381% versus 403% in 2014.

Asset portfolio and financial management

Insurance investments grew 1% year-on-year to €370.9 billion at 31 December 2015. Changes in exchange rates had a negative impact of €3 billion.

Available-for-sale financial assets at 31 December 2015 represented 77.6% of total insurance investments and financial assets at fair value through profit (trading securities) represented 18.7%, while held-to-maturity investments and other assets (mainly investment property, loans and derivative instruments) accounted for 3.7%.

3.2. Financial statements of the Company (French GAAP)

Premium Income

The Company's premium income for the year reflected the impact of the merger with CNP IAM.

(in € millions)	**2015**	**2014**	**2015/2014**	**2013**
Individual insurance premiums	19,354	19,030	1.7%	15,712
Group insurance premiums	4,990	2,959	68.6%	3,274
TOTAL	**24,344**	**21,989**	**10.7%**	**18,985**

Individual insurance products
Growth in premium income was driven by sales of unit-linked products.

Group insurance products

Except for the pensions business, which recorded exceptional premium payments in 2014 that created a high basis of comparison, group insurance premiums rose sharply following the merger with IAM.

(in € millions)	2015	2014	2015/2014	2013
Death	1,966	1,905	91.4%	1,921
Pensions	953	1,034	-7.8%	1,333
Bodily injury insurance	2,071	20	x 20	20
TOTAL	**4,990**	**2,959**	**68.6%**	**3,274**

Profit for the year

CNP Assurances' net profit rose by 79% to €1,274.8 million in 2015, from €714.1 million in 2014. The increase was primarily due to recognition of the CNP IAM merger surplus.

Equity

Equity at 31 December 2015 amounted to €9,911.8 million versus €9,093.9 million at the previous year-end. The year-on-year change primarily reflected payment of the 2014 dividend (€528.4 million negative impact), inclusion of 2014 profit (€1,274.8 million positive impact) and changes in the capitalisation reserve (€88.2 million positive impact).

Supplier payment terms

Suppliers are paid within 45 days of the month end, in accordance with the law. Shorter payment terms may be agreed depending on the circumstances.

3.3. Review of subsidiaries

Caixa Seguradora

The Caixa Seguradora group's contribution to consolidated premium income (excluding Consórcios business) totalled €3.2 billion, up 12% as reported and 32% like-for-like. The increase reflected dynamic pensions business (up 48% like-for-like, led by marketing campaigns) and personal risk business (with increases of 17% like-for-like for risk insurance and 17% like-for-like for term creditor insurance despite a slowdown in the fourth quarter due to the economic situation in Brazil).

Over the year, Caixa Seguradora outperformed the Brazilian market, delivering 27.2% growth in new money versus 9.8% for the market. This translated into a 0.8-point increase in market share to 5.4%.

Caixa Seguradora's contribution to consolidated profit was adversely affected by the 18.7% negative currency effect. In 2015, the average real/euro exchange rate fell to 3.70 from 3.12 in 2014.

Net insurance revenue generated by the Caixa Seguradora group (including dental insurance business) contracted by 5% as reported but increased 12% like-for-like, led by 48.1% growth in personal risk, property & casualty and health insurance business. Revenues from own funds portfolios were severely affected by the unfavourable currency effect and rose by just 0.8% as reported. Excluding the currency effect, they increased by 19.6%, reflecting the portfolios' improved profitability. Administrative expenses rose by 4.7% in euros, an increase that was limited by the favourable currency effect. The like-for-like increase was 11.1%. EBIT contracted by 6% to €838 million.

The sub-group's contribution to attributable profit amounted to €259 million, down 5.5% year-on-year as reported but up 7.7% at constant exchange rates.

CNP UniCredit Vita

CNP UniCredit Vita's premium income amounted to €2.6 billion, a decrease of 5% compared with 2014 in an Italian market up 5% over the first eleven months of 2015. The steep 45% drop in premiums from traditional savings contracts was partly offset by the strong 43% growth in unit-linked sales. The company's market share contracted by 0.2 points to 1.9% at end-November.

Net insurance revenue generated by CNP UniCredit Vita was down by 2.6%, due mainly to the additions to technical reserves for term creditor insurance business recorded to comply with the new regulatory requirements applicable in 2016. Administrative expenses were up by just 0.6% at €32 million. EBIT came in at €64 million, down 8.6% on 2014 due to the high basis of comparison of revenues from own-funds portfolios which declined by €4.2 million year-on-year.

The company's contribution to attributable profit under IFRS increased by 15% to €31 million, helped by favourable tax adjustments made at the start of the year.

CNP Santander Insurance

The new CNP Santander Insurance subsidiary generated premium income of €492 million in 2015.

Net insurance revenue, in the amount of €35 million, was derived primarily from business written in Germany (48% of net insurance revenue), Spain (33%) and Poland (12%). Administrative expenses totalled €11.8 million. EBIT before amortisation of acquired in-force business and distribution agreements amounted to €26 million. EBIT after amortisation of these intangibles was a loss of €1 million.

The company's contribution to attributable profit under IFRS, after amortisation of acquired in-force business and distribution agreements, was a negative €0.5 million.

CNP CIH

CNP CIH's premium income contracted by 1.9% to €140 million, in an unfavourable economic environment. Property and casualty and personal risk premiums were down on the previous year, a decline that was partly offset by good performance in the health insurance segment.

Net insurance revenue declined to €37 million. Revenues from own-funds portfolios were down by €1.7 million, reflecting lower interest income. Administrative expenses were 2.6% higher, due in particular to legal costs incurred in connection with the Bank of Cyprus litigation. In all, EBIT before amortisation of acquired in-force business fell 30% to €16 million.

The company's contribution to attributable profit under IFRS, after amortisation of acquired in-force business, was a positive €6.3 million.

4. Growth outlook

The Group is pursuing a strategy focused on improving the product mix by developing the personal risk/protection and unit-linked savings businesses in all geographic regions. The coming year will also see the first tangible results of the Group's digital initiatives with, for example, the launch of a digital company in Brazil.

5. Risk factors

Introduction: Macro-economic environment

Last year's economic and financial environment is described in section 1.4.

The risks described below are inherent in the economic, competitive and regulatory environment in which the Group operates.

Their impact cannot always be reliably measured, due to the many contingencies and uncertainties. Risk management processes, procedures and controls have nonetheless been set up to track and manage the risks on an ongoing basis. These processes, procedures and controls are discussed in the "Report of the Chairman of the Board of Directors of CNP Assurances" and in section 7 – Governance structure of this Registration Document.

Although the Group's main risk exposures are set out in this section, the list is by no means exhaustive and other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future.

The Group may also be exposed to emerging risks, corresponding to new or continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or considered of minor importance may have a material adverse effect on the Group in the future.

Specific processes exist to identify and analyse emerging risks. These include keeping abreast of relevant scientific publications, market trends, regulatory developments, case law, etc. and performing annual reviews to identify those risks that should be incorporated into the routine risk management process.

This section presents the Group's risk exposures by type of risk, level of materiality and potential impact on consolidated results and assets.

In addition to the sections covering the overall Group risk management system and internal control procedures in the "Report of the Chairman of the Board of Directors of CNP Assurances" and section 7 – Governance structure, the following are discussed below:

- **underwriting risk factors linked to the insurance business:** insurance risk on savings contracts, pension and personal risk products, concentration of insurance risk, reinsurance risk and liability adequacy risk due to changes in assumptions
- **risk factors linked to the financial markets:** asset/liability mismatch risk, interest rate risk, credit risk, sovereign debt risk, country risk, liquidity risk, equity risk, real estate risk, infrastructure risk, private equity risk, currency risk and hedging adequacy risk
- **risk factors linked to operations:** operational risks, business continuity risk, compliance risk, litigation risk, money-laundering and fraud risk, information systems risk, employee-related risk and environmental risk
- **other risk factors:** tax risk, ratings risk, partner risk, regulatory and antitrust risk, modelling risk.

This presentation should be read jointly with the tables illustrating and quantifying these risks that are included in the consolidated financial statements and have been audited by the Statutory Auditors.

5.1. Underwriting risk factors linked to the insurance business

The Group offers a full range of insurance products both inside and outside France.

The main individual insurance products are savings products, term life insurance, endowment policies with death cover and deferred annuity contracts with or without contingency insurance. The Group also markets products that combine a traditional savings component and one or several unit-linked components.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, employee benefits plans and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguradora) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property & casualty and liability insurance. Commitments under property & casualty and liability insurance are marginal in relation to those arising from the life and protection insurance written by the Group.

CNP Assurances is exposed to the risks inherent in marketing and pricing new products. These risks are managed through specific processes and by dedicated committees.

Insurer risks differ depending on the type of policy:

Savings contracts give rise to financial commitments
Savings contracts fall into two broad categories:

- traditional savings contracts where the insurer may commit to paying a guaranteed minimum yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4 to the consolidated financial statements – Risk of guaranteed yields on insurance and financial liabilities)

  Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of competitors' products, policyholder behaviour (e.g., a need to raise cash), customer confidence, and tax considerations. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both earnings and solvency (see section 5.2 – Interest rate risk)

- unit-linked products where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products. Unit-linked products are subjected to an internal analysis and selection process before being marketed.

Pension products give rise to mainly financial and underwriting risks
Risks associated with annuity-based pension portfolios concern:

- the benefit payment period

- the interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management strategies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or the risk that yields on plan assets will fall significantly short of the valuation rate of interest used in the pricing model.

Personal risk policies give rise to mainly underwriting risks

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

Deteriorating loss ratios for temporary disability cover provided under term creditor insurance and employee benefit plans, together with longer observed life expectancies of insureds requiring long-term care have led to a major rethink of the pricing strategy for these products.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although this is attenuated by the use of medical questionnaires, deferred periods and other measures.

The Group's business may be affected by the occurrence of natural or human catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, a wave of global climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 and Ebola viruses, or fallout from global warming, aside from the immediate damage that such events would cause, could also significantly impact the results of certain personal insurance businesses.

The Group is exposed to concentration risk

The Group has potential exposure to concentration risk which could arise from:

- one or a number of Group entities underwriting the same risk
- one or a number of Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and approval procedure and the insurance book management process which includes managing the related reinsurance cover (see Note 24.5 to the consolidated financial statements – Concentration of insurance risk).

The Group has set up a reinsurance programme to limit risk exposure

The reinsurance programme is an important part of managing both the insurance business and the related risk. It has the following features and objectives:

- the reinsurance policy is implemented throughout the Group, covering business written by the Company and by its subsidiaries
- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability
- risks on large-scale new death/disability business are shared.

Other reinsurance treaties have been set up for strategic and commercial reasons.

Applications have been developed to monitor reinsured portfolios and these are presented in Note 10.5 to the consolidated financial statements – Credit risk on reinsured business. The Group's exposure to its main reinsurers is also analysed to ensure that cumulative exposure remains within defined limits. Even if all relevant exposure limits are complied with, certain reinsurers may be unable to honour their financial obligations and this could adversely affect the Group's consolidated earnings.

The availability, amount and cost of reinsurance also hinges on numerous factors and these may vary considerably over time. An increase in the cost of reinsurance may affect Group earnings either directly via the reinsured business or because a reduction in the reinsurance rate increases the risk of losses.

A change in assumptions may result in inadequate technical reserves or adversely affect earnings or solvency

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates
- taking into account any increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally
- regularly assessing risks via:
  - prospective monitoring of yield commitments
  - detailed analyses and statistical studies of personal risk and group death/disability contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

The main categories of technical reserves are disclosed in Note 24.3 to the consolidated financial statements – Valuation of insurance liabilities.

Statistical and actuarial approaches are used to:

- develop new products
- determine technical reserves, their adequacy (via liability adequacy tests), deferred participation reserves and assets and the latter's recoverability
- measure certain indicators such as new business value or embedded value (see Embedded Value report)
- measure the value of in-force business and cash flow projections used for goodwill impairment testing
- determine potential shock scenarios in order to assess the Group's risk exposure.

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.)
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different. In particular, changes in technical assumptions or in the financial markets may affect reserving rates, underwriting costs, embedded value and new business value, and negatively impact the Group's consolidated earnings and solvency (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks).

5.2. Risk factors linked to the financial markets

The Group must always maintain a match between asset and liability maturities and yields

The Group has established management information systems to optimise its asset allocation strategies and to measure asset/liability mismatch risk. Asset/liability management (ALM) strategies match the structures of asset portfolios to policyholder commitments while seeking to maximise investment yields for a given level of risk.

ALM techniques use deterministic and stochastic modelling of (i) financial market behaviour to measure assets and (ii) changes in insurance commitments under various different scenarios to measure liabilities.

This allows asset maturities to be matched to the profiles of the Group's different liabilities. However, as with all modelling techniques, there are inherent risks. If the assumptions are proved by actual events to be materially wrong or if a situation arises that is not covered by any of the models, the Group may be forced to sell off assets at a loss or it may not hold sufficiently high yielding assets to fulfil its yield commitments to policyholders.

The Group is exposed to the risk of a fall in interest rates

The impact of a possible fall in interest rates on the Group's ability to fulfil its commitments to policyholders is analysed at regular intervals.

During a period of falling interest rates, yields on reinvested premiums decline, leading to a gradual erosion of portfolio yields (see Note 22.3 to the consolidated financial statements – Interest rate risk on financial assets).

A prolonged fall in interest rates makes planned premium loadings more difficult to apply and exposes the insurer to a risk of lower margins on traditional life insurance products.

In more extreme scenarios, despite the relatively low weighting of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to eat into its own-funds portfolio to pay the guaranteed amount.

Pension products – especially group pensions – as well as certain personal risk and group death/disability contracts are particularly exposed to the risk of a fall in interest rates.

This is confirmed by asset/liability simulations based on falling interest rates. However, the negative impact is attenuated by certain measures implemented in recent years such as restricting yield guarantees and applying dynamic investment strategies.

In 2015, very low interest rates across all of Europe increased the Group's exposure to this risk.

A sharp rise in interest rates increases policy surrender risk

In the event of a sharp increase in interest rates, yields on the Group's investment portfolios may lag behind the market, generating a mismatch between the yields paid on Group's products and those available on other financial products.

The life insurance business may then have to contend with an increase in policy surrenders as policyholders seek higher yields elsewhere.

A spike in the surrender rate could force the Group to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the yield being paid to the Group's policyholders and those available on the market, thus pushing the surrender rate even higher (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks).

The risk associated with an increase in interest rates is closely monitored and this is a key focus of the Group's asset/liability management strategy.

Liabilities:

- traditional savings products with a unit-linked formula include contractual clauses limiting or banning transfers between portfolios in the event of an unfavourable change in market conditions
- the duration and level of yield guarantees is limited, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets:

- investment strategies include investing in floating rate and index-linked bonds
- investment strategies include investing in bonds with diversified maturities
- part of the portfolio is invested in money market funds
- part of the fixed rate portfolio is hedged against the risk of a sharp rise in interest rates, using caps (see Note 9.6 to the consolidated financial statements – Derivative instruments).

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the yield on the hedged assets in a period of rising interest rates.

The hedging programme is extended each year to keep pace with growth in assets under management.

As a long-term investor, CNP Assurances is exposed to credit risk (or counterparty risk) on its investments

See Note 9.8 to the consolidated financial statements – Credit risk.

The credit risk (or counterparty risk) on a bond is the risk of issuer default which depends on the issuer's financial bill of health as reflected in its credit rating (ranging from AAA to D). The credit spread is the risk premium – in other words, the difference between the yield on a bond and that on a risk-free government bond with the same characteristics.

Credit spreads vary according to investor perceptions of the counterparty risk represented by the issuer.

Historically, spreads on corporate bonds tend to narrow in periods of growth and widen during a recession when the number of issuer defaults generally increases.

The Group would be exposed to losses in the event of one or a number of issuer defaults.

But even without an actual default, during certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy corporate failure projections that negatively affect the value of the investment portfolio.

Changes in credit spread therefore have a direct impact on the fair value of bonds held in the portfolio and consequently on the level of unrealised gains or losses.

The Group manages this risk by applying a series of exposure limits, diversifying the portfolio and tracking investments constantly.

Counterparty risk also extends to derivative instruments (such as interest rate swaps – i.e., caps and floors – and swaptions), reinsurance and repos. Margin calls and overcollateralization arrangements are used to reduce counterparty risk through an exchange of collateral.

See the tables in the following notes to the consolidated financial statements: Note 9.3 – Repurchase agreements, Note 9.4 – Lent securities, and Note 9.6 – Derivative instruments.

A significant portion of the Group's investment portfolio is invested in government bonds and exposed to sovereign risk

See Note 9.9 to the consolidated financial statements – Classification of investments by type of asset and by geographic region.

Sovereign risk is the risk that a sovereign issuer defaults and that bondholders are unable to recover part or all of their investment.

Due to the nature of the assets in the portfolio, the Group has significant exposure to this type of risk.

During periods of increased government borrowing, there may be growing concern about the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, the Group may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

Following the difficulties encountered by private issuers in 2008 and 2009, the period 2011 to 2013 was characterised by increased sovereign risk. The Greek debt crisis led to heightened uncertainty over the ability of sovereign issuers to service their debt. Despite the creation of a European financial stability mechanism, these uncertainties spread to other European states, including Italy, Spain and Portugal.

Having invested heavily in French and other European government bonds, the Group is naturally sensitive to any widening of spreads. A rise in interest rates coupled with a large number of policy surrenders could result in bonds having to be sold at a loss, and this in turn could have an adverse effect on equity. Since 2011, exposure to sovereign debt issued by "peripheral" eurozone governments has been closely monitored and the Group has also paid very close attention to the sovereign debt of two of its host countries, Spain and Italy. It has stepped up its oversight of developments in these countries, and increased its monitoring of their sovereign debt.

Outside the eurozone, the Group's investments may be subjected to country risk due to restrictions on asset transfers

The Group has developed a significant international presence and may be confronted with various different country risks culminating in an inability to repatriate the capital it has invested abroad. This risk mainly concerns the Group's investment in its South American subsidiaries.

In the event of a sharp rise in the policy surrender rate, the Group would be exposed to significantly higher liquidity risk

See Note 23.1 to the consolidated financial statements – Liquidity risk.

Liquidity measures a debtor's ability to pay its debts and honour its obligations as and when they fall due. For CNP Assurances, liquidity risk is the risk that it will be unable to pay policyholders in the event of a sharp rise in surrender rates.

Liquidity risk varies inversely with policyholder confidence; in the event of a loss of confidence, the Group could find that it has insufficient liquid assets to deal with a wave of surrenders. A lack of confidence in the Group could also mean that it is no longer able to find any takers on the market for its subordinated notes.

In practice, liquidity risk may arise if net new money becomes sharply negative, forcing the Group to sell off investments to make policyholder payments. In order to deal with such an eventuality, the Group maintains liquidity reserves and holds portfolios of liquid investments. Although these are for large amounts, they could still prove to be insufficient under extreme conditions.

The Group's subordinated notes issues are not subject to any covenants.

CNP Assurances is exposed to the risk of a fall in the value and dividend yield of its equity portfolio

See Note 20 to the consolidated financial statements – Investment income.

Equity risk measures the sensitivity of the equity portfolio to changes in stock market prices. By extension, the definition of equities also includes investments in private equity and equity funds. Volatility measures the extent of equity price changes and is used to quantify the yield and price risk. High volatility means high potential gains but also a higher risk of losses.

In the case of a prolonged fall in value, impairment provisions may have to be set aside for unrealised losses on certain securities, with an adverse effect on earnings.

For example, the Group may hold shares in a heavily leveraged company whose value is underpinned by forecasts of future profitable growth. If the company fails to meet its growth target or has difficulty making debt repayments, the share price may take a big hit.

Moreover, while the Group may not be directly affected by a fall in the value of unit-linked portfolios, there is still a risk that its margins will suffer.

See Note 23.3 to the consolidated financial statements – Reconciliation of unit-linked assets and liabilities.

Although stock markets in and outside Europe have remained generally volatile and may be subject to major fluctuations (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks), the Eurostoxx 50 index of European stocks nevertheless gained in value over 2015.

CNP Assurances has invested in real estate, infrastructure and private equity funds and is exposed to the risk of a fall in the value or yields of these asset classes

Real estate risk measures the sensitivity of property portfolio values to changes in real estate market prices and concerns all property regardless of use, i.e., owner-occupied and rental or investment property.

The rental income from a property portfolio is exposed to market risk (e.g., excess of supply over demand, vacancy rates and their impact on rental value) as well as to the risk of tenant default and declines in rent adjustment indices.

The value of real estate owned directly or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy consumption, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance.

See Note 8 to the consolidated financial statements – Investment and owner-occupied property.

Private equity is the term used to designate investments by financial investors in unlisted companies. This is a much more complex activity than buying shares in listed companies.

Most investments of this type are made through venture-capital and innovation funds and, to a lesser degree, venture capital companies in France.

There are two types of risk inherent in private equity: the yield risk and the risk associated with the lack of a liquid market for these investments which require a medium-term perspective.

A decline in the value of such investments (equities, real estate, infrastructure, venture capital or private equity) may have an adverse effect on consolidated earnings due to the provisions that must be set aside under the French Insurance Code.

CNP Assurances is exposed to currency risk

See Note 9.10 to the consolidated financial statements – Foreign currency transactions.

CNP Assurances presents its consolidated financial statements in euros. Most of the Group's currency risk is centred around the Brazilian subsidiary, Caixa Seguros Holding, which keeps its accounts in local currency. Caixa Seguros Holding's contribution to the Group's performance – in terms of both premium income and earnings – is already substantial and continuing to grow, meaning that fluctuations in the Brazilian real have a material impact on both consolidated net profit and cash flows. The Group has purchased currency hedges to manage this risk; however these are based on analyses and forecasts and could prove inadequate or ineffective.

In 2015, the increased volatility of the Brazilian real led to an increase in the Group's exposure to currency risk.

With the exception of Caixa Seguros Holding, the bulk of asset portfolios are invested in the securities of eurozone issuers. As a result, the portfolios' exposure to currency risk is very limited.

The Report of the Chairman of the Board of Directors of CNP Assurances analyses the Group's currency risk exposure.

CNP Assurances has issued deeply-subordinated notes denominated in US dollars and in sterling. The currency risk on two of these issues is hedged and the third issue match-funds investments denominated in the same currency.

See the tables in the following notes to the consolidated financial statements: Note 11.1 – Subordinated debt and Note 9.7 – Derivative instruments qualifying for hedge accounting

The hedging programmes set up by CNP Assurances may prove inadequate or incomplete

See the following notes to the consolidated financial statements: Note 9.6 – Derivative instruments, and Note 9.7 – Derivative instruments qualifying for hedge accounting.

The Group tracks all types of financial market risk very closely and manages the exposure of both its assets and its liabilities through various hedging programmes.

However, these programmes may prove incomplete, ineffective or only partially effective in protecting the Group against increased exposure under extreme conditions or against losses that it wanted to attenuate, all of which could negatively affect the Group's business, earnings and financial position.

Even the most comprehensive and sophisticated hedging strategies cannot remove all risks of losses. Moreover, the Group may incur losses if one of the various hedging instruments or strategies it uses proves to be ineffective.

Any unexpected market developments may lessen the effectiveness of hedging strategies and recognition of gains and losses arising on the ineffective portion of certain hedges may subject the Group's reported results to greater volatility.

5.3. Risk factors linked to operations

Operational risk is defined as "the risk of loss resulting from inadequate or failed processes, people and systems or from external events". This definition includes legal and compliance risks.

Risk management systems are designed to enhance operating managers' risk management capabilities and to be clearly identifiable to facilitate the crucial work of monitoring. Procedures are structured around the risk profile of the parent company and each of the subsidiaries. The operational risk management system backs up the Group's internal control system – which could prove fallible – by addressing risks by category instead of focusing on individual risks identified by process. The system also includes a risk mapping process.

Certain activities outsourced to partners or outside contractors may give rise to a risk of non-compliance with insurance regulations or to quality-related risks

Subcontracting risk – as defined under Solvency II – has been highlighted as a significant risk within the Group's business model. Activities may be outsourced to partners (certain management operations, notably asset management) as well as to outside contractors (policy administration, information system management).

The main subcontracting risks, i.e., quality and compliance of the outsourced activities, regulatory compliance including the ban on price bargaining, dependence, loss of internal know-how and conflicts of interest, are reviewed on a regular basis. An internal subcontracting policy is helping to gradually increase employee understanding, monitoring and control of the related risks.

CNP Assurances' products and services may expose the Group to compliance risk

A number of changes have been made recently to the regulatory framework governing insurance activities. These mainly concern the national inter-professional agreement on employee benefit plans, but they also address customer protection issues, with the introduction of many new regulations on such topics as complaint processing, funeral product marketing and advertising materials.

Monitoring of these changes highlights the compliance risks facing the Group due to its diversified business base.

Under the CNP Assurances business model, presentations of life insurance operations are generally prepared by the partner networks although these operations are the responsibility of the insurer. The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal.

There are also numerous regulatory and contractual obligations throughout the life of a policy.

In the interests of customer service quality, over the past few years the Group has obtained quality certifications from recognised professional standards bodies (ISO 9001 for key management or marketing processes, CMMI or ITIL for IT processes). Regulatory texts and the recommendations published by France's banking and insurance supervisor (*Autorité de contrôle prudentiel et de resolution* – ACPR) are incorporated into the Group's internal procedures which also describe the controls to be performed by the employees concerned by each process. Particular attention is paid to compliance risks at the time of new product launches.

The number of lawsuits brought by French policyholders has remained stable over the past three years and the use of mediation has become much more popular, especially as all correspondence with policyholders now clearly explains how to use the mediation service. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group but a provision is set aside for the estimated financial risk when appropriate.

The number of lawsuits brought by French policyholders has remained stable over the past three years and the use of mediation has become much more popular, especially as all correspondence with policyholders now clearly explains how to use the mediation service. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group but a provision is set aside for the estimated financial risk when appropriate.

As a financial intermediary, the Group is exposed to the risk of money-laundering and fraud

Combating money-laundering and the financing of terrorism is a constant concern for the Group which is exposed to these risks due to the nature of its businesses.

The business model, in which vast numbers of transactions are conducted by partners on the Group's behalf, has shaped the related controls. The tasks entrusted by the Group to intermediaries are described in the distribution agreements between CNP Assurances and its partners.

When policyholder relations are handled by partners, they also play a key role in data gathering and know-your-customer procedures. Nearly all transactions go through customer bank accounts referenced in the networks of the partners who perform background checks on cash flows.

Taking on board the observations of France's banking and insurance supervisor (ACPR) and participating in industry studies helps the Group to adapt its processes where necessary and in particular to prepare for the Fourth EU Directive which will require stricter prevention mechanisms.

The Group is also exposed to a risk of fraud. In addition to leveraging the processes and expertise already deployed to combat money-laundering, action has been taken to beef up controls performed by partners and the Group's own in-house administration units, as well as processes for analysing data on financial flows and contracts. Any suspicion of fraud detected by the administration units – either inside or outside the Group – or any ethically questionable practices or abuse of people in a vulnerable position by sales personnel are subject to an in-depth investigation by a specialised unit within the Group. The investigation is followed by a detailed report and recommendations where necessary.

Group entities have set up insurance programmes and contingency plans to mitigate operational risks

The Group has designed a series of measures to ensure that all potential risks are efficiently managed, reduce the probability that they will occur and limit their impact. These include two cross-functional measures: the insurance programme and the contingency plan.

As part of the risk assessment process, property and casualty insurance has been taken out to protect assets and cover liability risks. The programme includes both Group-wide policies and subsidiary-level policies.

Insured amounts and deductibles are determined according to the type of business, the size and the claims experience of the main Group entities.

A contingency plan has been drawn up describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and to continue to offer customers and partners an adequate level of service. It is updated regularly and tested in real conditions to take into account the Company's changing needs and check that the earmarked human and technical resources are adequate.

As a major insurance player, any security incident exposes CNP Assurances' IT system and data to risk

The Group's sales and marketing and underwriting operations are all organised around information systems. These systems are of critical importance and they must be able to adapt to a rapidly changing environment.

Granting access to the systems to partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data.

Although the Group has invested considerable resources in ensuring that IT systems and processes are secure and fluid and that data integrity is protected, systems could still be hit by technical problems that have an adverse impact on operations.

The Group could be exposed to employee-related or environmental risk

The Group’s reputation could be adversely affected by poor human resources management. This could concern the handling of psychosocial risks or a failure to promote gender equality, for example. The Group’s image could also be tarnished by poor management of its forestry assets or property portfolios and the related environmental risk.

5.4. Other risk factors

Changes in tax legislation may have a material impact on the Group’s situation

Tax risk covers all taxes and levies payable by the Group or collected on behalf of the government.

It concerns the application – sometimes retrospectively – and interpretation of changes to tax rules and the risk of failure to comply with the Group’s tax obligations.

Poor management of tax risks can result in claims for additional taxes or penalties.

When new insurance products are being developed, particularly in life insurance, many factors are taken into account, including the product's tax treatment under current tax rules. Any changes in tax rules, particularly the removal of tax relief or the application of higher rates of taxation or new rules, could have an adverse effect on current and future premium income, technical reserves, net profit, cash, the Group’s cash position and financial position and possibly even its share price.

If CNP Assurances' credit rating were to be downgraded, this could lead to an increase in borrowing costs

One of the key criteria used by investors to estimate risk is a potential investee’s rating, particularly in increasingly globalised financial markets where it is becoming harder to obtain reliable information and to manage all aspects of risk.

Consequently, any ratings downgrade could drive up the Group's borrowing costs and this in turn could have an adverse effect on its future earnings.

CNP Assurances' rating and that of its subsidiaries are reviewed by Standard & Poor's at regular intervals. The Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 to the consolidated financial statements – Subordinated debt.

Risks related to the Group’s strategic partnerships

To consolidate its presence in certain markets, the Group makes strategic investments, directly or through subsidiaries, in the form of partnerships.

These strategic partnerships are a means for the Group to share its economic and financial risk. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership and operating arrangements both reduce the Group’s investment risk and act as an incentive for the effective participation and involvement of the partner.

As part of its external growth strategy, whenever the Group identifies a potential acquisition, it commissions an in-depth audit of the target’s financial position. Moreover, each stage of the operation is framed by governance processes that analyse the potential fit of the acquiree, thus enabling the relevant decision-making body to establish the conditions and parameters for finalising the operation.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect the Group’s financial position. See Note 7.1 to the consolidated financial statements – Intangible assets by category.

A partnership may have to be reviewed in the event of changes either to the project itself or to the local political and economic situation or the partner’s own financial situation, or because of a disagreement between partners.

In order to manage all of these risks, the investment (or long-term partnership) is integrated into the Group’s financial reporting system. Its performance is monitored, any necessary adjustments are made and corrective action taken, jointly with the distribution partner if appropriate.

The Group plays close attention to anticipating the expiry of any long-term partnerships as the ending of the strategic relationship may affect its earnings, financial position or business model.

To limit these risks, the Group ensures that the necessary anticipatory action is taken in good time.

For example, in February 2015, after discussions had taken place over several quarters, the Board of Directors approved the final terms of the agreement covering deployment of the renewed partnership between CNP Assurances and the BPCE Group for a period of seven years commencing 1 January 2016.

In December 2015, after many months of discussions, CNP Assurances and La Banque Postale announced the signature of a preliminary memorandum of understanding for the renewal of their partnership as of 2016 for a further period of 10 years.

In December 2015, a partnership framework agreement was signed with AG2R La Mondiale in the area of retirement savings.

Risks related to the Group's host countries

The Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

In 2015, Caixa Seguradora's host country, Brazil, plunged into recession and experienced a major political crisis. The Group has kept a close watch over the situation. To date, the main consequences have been a high rate of inflation and depreciation of the real against the euro (see discussion of currency risk in section 5.2 – Risk factors linked to the financial markets). Caixa Seguradora's business continued to grow in 2015, despite the turbulent conditions.

Risks related to new regulations

The introduction of new regulations either inside or outside Europe could prove both complex and costly for the Group. Many different departments may be concerned by the change, information systems may have to be adapted and significant costs may have to be incurred for staff training to ensure compliance with the new regulatory framework.

In 2015, the introduction of new regulations governing protection insurance (notably, the "Hamon Act", the "Marini Amendment" and the health insurance act in France and new regulations in Italy) is likely to affect loss ratios for the classes of business concerned. The new regulations have been analysed to enable the Group to adapt to the new regulatory framework.

In 2016, the Solvency II directive will come into effect, creating a more sophisticated regulatory framework for the Group's businesses. Many new procedures and reporting systems have had to be developed, which will give rise to new operational risks for the Group. In addition, due to its highly complex nature, Solvency II has created a compliance risk arising from possible differences of interpretation of certain provisions between CNP Assurances and the banking and insurance supervisor. With the integration of Solvency II processes into the internal control system and completion of numerous exercises to test the new processes, the Group has deployed the necessary resources to attenuate these new risks.

CNP Assurances' highly competitive market is a source of constant risks for both its business and earnings

CNP Assurances does business in a fiercely competitive market comprising diverse types of players (insurance companies, mutual insurers, employee benefits institutions, and commercial and investment banks, etc.) subject to different regulations and using many different distribution channels to market alternative products, some of which may be cheaper than the Group's offering.

This competitive pressure may force the Group to cut prices for certain products and services, which could put a strain on margins and negatively affect its earnings and financial position.

Any harm done to the Group's image or reputation could have an adverse impact on future earnings.

6. Corporate social responsibility: labour, social and environmental information

NOUS SOUTENONS
LE PACTE MONDIAL

6.1. Corporate social responsibility at CNP Assurances

6.1.1. The story of our CSR commitment

2003: the fundamental first step, pledging to uphold the Global Compact

CNP Assurances has always upheld human rights and citizens' rights, in line with the Universal Declaration of Human Rights, and more specifically has always complied with the labour standards of the International Labour Organization and the national labour laws of each host country.

In pledging to uphold the Global Compact in 2003, we reaffirmed our commitment to respecting these fundamental principles, and also to combating corruption and protecting the environment. CNP Argentina, the Caixa Seguradora group and CNP UniCredit Vita have also pledged to uphold the Global Compact.

2009: helping to promote the adoption of these principles throughout the insurance sector

We played an active role in launching the Association Française de l'Assurance's sustainable development charter in 2009 and have pledged to pursue its core aims of reducing social vulnerability, combating climate change, supporting economic development and promoting socially responsible investment.

2011: deepening our commitment to acting as a responsible insurer and a responsible investor

In 2011, we pledged to uphold the United Nations' Principles for Responsible Investment (PRI), ushering in a new phase in our commitment as a responsible investor. In 2015, Caixa Seguradora signed the Principles for Sustainable Insurance (PSI).

2015: commitments in favour of the energy and environmental transition

A signatory of the Montreal Carbon Pledge in May 2015, CNP Assurances published the carbon footprint of the financial portfolio of listed equities held directly in December 2015. It also made a public commitment to reduce its footprint by 20% by 2020. Ambitious commitments were also made in respect of its real estate portfolio and its "coal" assets.

Coordinated deployment in subsidiaries and shared programmes with partners

Consistent with the Group's business model, our main subsidiaries have one or several local partners, generally banks that distribute their products. These subsidiaries develop CSR policies in line with Group principles. There is regular dialogue between CNP Assurances and its subsidiaries and they share the same performance indicators.

6.1.2. Components of the CSR approach

Being a responsible insurer means acting as a financial intermediary offering benefits to policyholders looking for security as well as an economy exposed to risks. We protect policyholders by minimising their exposure to the risks of everyday life. Our excellent risk assessment skills and long-term investment strategy ensure that we are able to fulfil our commitments. Beyond these commitments, which are the bedrock of the insurance offer, we innovate by offering real social value-added.

CNP Assurances' CSR approach is organised around four strong commitments that inspire all our actions.

Offer protection for everyone:

- promote access to insurance

- design socially responsible products and services
- better satisfy policyholders.

Contribute to a sustainable economy:

- be a responsible investor
- be a responsible purchaser.

Be an attractive employer:

- develop skills in line with the Group's strategy
- provide a working environment that fosters well-being and performance
- roll out a robust policy on gender equality in the workplace.

Foster a sustainable society and environment:

- optimise the environmental footprint of the Group's internal workings
- reduce the carbon and environmental impact of products
- manage the local impact.

6.1.2.1. Stakeholder dialogue

We maintain regular dialogue with the main stakeholders and conduct periodic stakeholder satisfaction surveys.

In 2015, CNP Assurances launched "La Fabrique d'Assurance", which brings together insurers and experts in different fields as part of reflections on trends on social issues and their impact in the field of insurance.

Regular client satisfaction surveys are conducted among policyholders and our distribution partners in France and worldwide. These surveys enhance the Company's client service organisation. In addition, CNP Assurances and its main subsidiaries conduct qualitative and quantitative studies to anticipate the needs resulting from social and demographic change (see 6.2.3 – Better satisfy policyholders).

CNP Assurances also engages in constructive dialogue with companies in which it is a shareholder whenever a problem is revealed in the course of the quarterly SRI screening process via our asset managers or directly during the lead-up to shareholders' meetings. CNP Assurances plays an active role in the work of the French Insurance Association (*Association française de l'assurance* – AFA) on CSR issues. We are also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders (NGOs and unions). In 2014, CNP Assurances joined the Institutional Circle of Novethic, a French media and research centre specialising in responsible investment.

The cnp.fr website, accessible to all, had nearly 400,000 visitors in 2015, nearly a quarter of which in the section devoted to individuals.

In addition to institutional labour relations and monitoring the employee satisfaction survey, diagnostic reviews of psychosocial risks performed in 2013 and 2015 helped improve our understanding of how employees perceive their work environment. Following the Company's reorganisation around business units, a survey was conducted in two phases to determine employees' reactions to the change. The results were discussed by the Occupational Health, Safety and Working Conditions Committee.

The international subsidiaries also participate in local professional bodies. The Caixa Seguradora group carries out an annual CSR assessment in conjunction with Ethos, a research institute.

6.1.2.2. The CSR management bodies

CNP Assurances has a Sustainable Development department, which reports directly to the Chief Executive Officer and relies on support departments. It also reports to the Board of Directors and the Chairman on its activities and its objectives.

CNP UniCredit Vita established a CSR department in 2015. Since 2013, sustainable development indicators established by the Green Group have been included in the Management Committee's quarterly report.

In 2013, the Caixa Seguradora group established the Caixa Seguradora Institute, in addition to its Sustainable Development Committee, thereby reinforcing its social, environmental and cultural programmes.

Since the end of 2014, the CSR actions undertaken by CNP Argentina have been part of broader strategic objectives. The company launched its "Multiplicar" CSR programme and created a Sustainability Committee in July 2015.

6.1.3. A measure of CSR performance

6.1.3.1. CNP Assurances' objectives

Results at the end of 2015: key objectives achieved

- "Create value for all CNP Assurances stakeholders as a responsible insurer and investor":
  - Finance the energy transition: publication of the carbon footprint of the financial portfolio of listed equities held directly; Exclusion and sale of shares in companies whose business is closely related to thermal coal. Development of "green investments": €800 million at 31 December 2015;
  - Measure the environmental footprint of the digitisation of borrower products from subscription to the electronic signature.
- Assess suppliers from the CSR angle: an assessment covering 45% of the amount of purchases was performed in 2015.
- Continue to reduce CO_2 emissions per FTE for internal operations: not achieved in 2015 due to a change in methodology.

Additional 2016 objectives focused on the priority low-carbon strategy

Extend the measurement of the carbon footprint to corporate bonds, and publish it by the end of 2016.

Begin the 20% reduction of the carbon footprint of the portfolio of listed equities held directly by 2020.

Double green investments to €1.6 billion between 2015 and 2017.

Reduce energy consumption in real estate assets by 20% between 2006 and 2020.

6.1.3.2 2015 CSR rating for CNP Assurances shares

The quality of CNP Assurances' corporate social responsibility policy has been recognised by SRI rating agencies. We obtained particularly high scores for our performance in the areas of human resources management and community outreach.

Ratings summary (unsolicited ratings)

Rating agency	CSR rating	Comments	Methodology
Sustainalytics	83/100 (August 2014)	5/94 global insurance sector	**http://www.sustainalytics.com/**
Oekom	Prime C+ (October 2015)		**http://www.oekom-research.com/index_fr.php?content=corporate-rating**
Vigéo	54/100 (2014) 2015 in progress	7/37 insurance sector	**www.vigeo.com**
CDP	92 D (July 2015)		

SRI indices that include CNP Assurances

CNP Assurances' shares are included in several European SRI indices. In particular, its presence in the Ethibel Sustainability Index Excellence Europe, the Euronext Vigeo – Eurozone 120 and Europe 120 indexes and the MSCI Global Sustainability Indexes has been confirmed.

In 2015, the share joined the FTSE4Good Index.

Recognition of Caixa Seguradora in the fields of CSR and innovation

In 2015, weekly magazine *IstéoDinheiro* gave Caixa Seguradora second ranking among Brazilian insurance companies on criteria spanning sustainable development, corporate governance, human resource management, and social and environmental responsibility, as well as innovation and quality.

6.2 For protection for all

CNP Assurances aims to offer all policyholders guarantees that match their daily lives, needs and budgets as closely as possible. This is an ambitious goal because of the very wide-ranging situations in our various markets.

Adapting to different situations is our way of helping to combat financial exclusion. In some cases, that means going beyond simply settling an insurance claim to offer policyholders innovative services to help them overcome difficulties.

- Priority No. 1: promote access to insurance
- Priority No. 2: design socially responsible products and services
- Priority No. 3: better satisfy policyholders

Insurassistance concept created – an offering combining assistance services and standard		The Active Emploi product is leading prize winner for its job placement support		Digital innovation in the service of customers: online products, tools, feedback
2002	2008	2010	2013	2015
	First Insurance Kit launched for microentrepreneurs		Caixa Seguros becomes the leader in micro-insurance in Brazil	

6.2.1 Priority No. 1: promote access to insurance

6.2.1.1 Products for all

In France, an offer aligned with the needs of people with low incomes

In agreement with our distribution partners, we deliberately offer products with low minimum premiums or investment amounts, despite the extra administrative costs. The €30 tranche represented 20% of new money invested in life insurance contracts in 2015, and 46% of regular deposits.

La Banque Postale Prévoyance has offered long-term dependent care insurance with simplified subscription formalities since the beginning of 2015. This cover, combined with public assistance, helps vulnerable policyholders stay in their homes.

In 2010, CNP Assurances strengthened its ties with social economy stakeholders by becoming the insurer for loans granted by Procilia, a partner to the French government's *Action Logement* low-income housing loan scheme. This cooperation with social economy stakeholders such as Action Logement, local welfare committees (*comités sociaux*) and micro-finance institutions operating according to the pawnbroker principle (*crédits municipaux*) was pursued in 2014, with the launch of a term creditor insurance offer with Crédit Municipal de Marseille.

As the leader in the group life insurance segment, CNP Assurances enables companies, non-profits, local authorities and hospitals to offer all their employees the same insurance cover at the same price, by pooling risks and covering different generations under the same policy.

CNP Assurances is a founding member of the *Entrepreneurs de la Cité* foundation, which aims to help micro-entrepreneurs obtain insurance. It is also one of the co-insurers for the foundation's Basic Insurance Kit, offering death/disability and health cover. A total of 218 new Basic Insurance Kit contracts were sold in 2015. In view of the slow take-up of this offer, CNP Assurances launched *La Fabrique d'Assurance* in 2015. It brings together insurers and experts in different fields as part of reflections on trends on social issues and their impact in the field of insurance. The first workshop focused on micro-insurance, identifying needs, and examining obstacles and levers for development.

In Brazil, innovative micro-insurance products

In Brazil, the Caixa Seguradora group was the first insurer to enter the Brazilian micro-insurance market, with the *Amparo* contract launched in 2011. More than 200,000 *Amparo* contracts have been sold to date. In 2015 Caixa Seguradora launched a micro-credit insurance product, *Familia Tranquila*, covering 66,800 micro-entrepreneurs at 31 December 2015.

6.2.1.2 Risk selection adapted to each policyholder's health profile

CNP Assurances draws on its exceptionally deep understanding of risks, acquired over its many years' experience in personal insurance, to regularly update and refine its risk selection policy. A key aim of this policy, which takes into account the state of health of individual policyholders, is to accept and pool invalidity and disability cover to as great an extent as possible. In addition, since 2012, the conditions of eligibility for the premium cap applicable to low income borrowers have been relaxed.

Our creditor insurance rejection rate has been less than 0.2% for the past seven years.

CNP Assurances, covering aggravated health risks

We are resolutely committed to ensuring that individuals representing an aggravated risk have access to credit and insurance in line with the provisions of the Aeras Convention, Disability cover is being offered on the terms laid down in the convention to customers denied incapacity or disability cover under standard policies. In addition to these regulatory obligations, we offer disability cover to civil servants and self-employed workers.

CNP Assurances is also involved in the revision of Aeras Convention on the right to oblivion. As such, when taking out creditor insurance, former cancer patients are covered in accordance with the general conditions of the contract, without being imposed a higher rate or being excluded, five years after the end of the treatment protocol for cancers diagnosed in people aged under 15, and fifteen years after the end of the treatment protocol for other cancers. Moreover, in common with all insurers, CNP Assurances is working on a reference grid allowing an alignment with the normal rate for people having been affected by certain diseases, including cancer.

6.2.1.3 Access to information

Information and product transparency

In 2015, CNP Assurances drew up a standard creditor insurance information leaflet. In accordance with regulations, this customised leaflet, provided to prospects before the contract is signed, sets out the guarantees offered in a clear and legible manner so as to improve the future policyholder's understanding and to facilitate comparison with policies offered by other companies.

The level of transparency in respect of the contractual information provided to policyholders is subject to specific validation by the Compliance department. Since 2015, the inclusion of a legible and balanced presentation of the benefits and risks has been a further requirement. Moreover, a specific survey was conducted in 2015 on the degree of clarity of the letters sent to beneficiaries of death insurance policies.

CNP Partners was selected in 2015 in the category of Best B2C campaign for its communication around the customised *Tu Vida* life insurance solution designed for women in Spain, where family solidarity rests heavily on their shoulders. The winning website allows users to test the product's various options in a quirky, modern and colourful way.

CNP Argentina has been awarded a prize for its promotion of the social role played by life insurance in protecting families.

Access to communication

Insuring all our futures also means offering a website that is accessible to everyone. After audit, the cnp.fr website was declared compliant with the RGAA framework in the proportion of 95%: compliance with colour contrasts, keyboard accessibility, alternative texts to images, infobubbles, page titles, prioritisation of information, etc.

6.2.2 Priority No. 2: design socially responsible products and services

CNP Assurances is continuing to update its offer to adapt to the latest changes in society by enhancing existing offers and developing targeted prevention services.

6.2.2.1 An offer aligned with the needs of people

Anticipating policyholder needs

In addition to studies carried out with the distribution partners, the Group entities perform research to anticipate new needs arising from emerging social and demographic trends. For CNP Assurances, these studies focused in large part in 2015 on how the heads of micro-enterprises perceive their activity and their environment, as well as on their expectations in respect of online service.

Since 2007, La Banque Postale Prévoyance has worked with TNS Sofres to conduct a “long-term care survey” to assess the needs of people who are starting to require long-term care. With its scientific and financial support for an “old-age dependency” research chair starting in 2016, its tasks are to model demand and supply of care and services related to the loss of autonomy.

Innovative guarantees are available covering the problems of loss of autonomy, job loss and ageing. In France, for example, we offer an unemployment insurance product with a reduced premium or with advisory services to help the policyholder find a new job. *Protection Active Emploi* provides financial support for 6 or 24 months, plus personalised assistance such as career reviews, training and logistical support.

The Effinance term creditor insurance contract for home-buyers, co-insured with La Banque Postale Prévoyance, won an award in 2013 "for its broad acceptance criteria, useful guarantees, small number of exclusions and affordability”.

Assistance in finding a new job, including distribution of CVs and online career advice, is offered to Caixa Seguradora policyholders who lose their jobs. Policyholders in the late stages of a critical illness can claim benefits without reducing the capital built up under their policy, as well as free medication in the event of hospitalisation or emergency care.

Trophées de l’Assuré 2015, Gold award winner: LBP Prévoyance for its *Assurance Autonomie* product

The panel rewarded the performance of the dependency insurance offer, which provides innovative benefits:

1) Home care, with visits from post office employees to promote social cohesion and to alert paramedics if necessary;

2) An intergenerational approach including the possibility of taking out cover with a third party as beneficiary;

3) Consideration of the decline in purchasing power in retirement, with a 20% reduction in the premium after the age of 65 (optional) and in the event of dependency, with couples exempted from payment.

6.2.2.2 Promoting good health

A structure dedicated to prevention: Filassistance International

Making life-long support for insureds its mission, in 2003 CNP Assurances pioneered the integration of targeted assistance and prevention services in life insurance and long-term care insurance contracts, in particular through its Filassistance International subsidiary.

Filassistance offers insurance against the loss of autonomy and against cardiovascular risks. It provides listening and support services for carers and people with long-term illnesses – specifically women with cancer – both medically and socially. In 2015, Filassistance implemented solutions designed to prevent absenteeism among the 12,000 employees of a large company. Solutions include the provision of assistance in the event of unexpected unavailability of childcare so as to allow employees to get to work. Moreover, its *Aide aux Aidants* (Assistance to Caregivers) offer was included on SIACI’s “My Prevention” website, which has received numerous awards for innovation.

E-health prototype

To meet growing demand for interactive and instant information on health and prevention, CNP Assurances launched “Lyfe”, a pilot website for its customers and partners, in late November 2015. In addition to the provision of 24/7 healthcare advice and personalised support by videoconference, the platform offers the possibility of obtaining a medical appointment, a check-up or other appropriate medical examinations with very little waiting time.

Prevention campaigns

CNP CIH conducts prevention campaigns targeting obesity and stress in its collective contracts in Cyprus. CNP Assurances deploys workplace programmes to promote the health and well-being of local government employees.

Prevention for all

In 2015, CNP Assurances launched cespetiteschoses.fr, a digital platform offering information, awareness raising and support on the theme of "living well late in life". It was designed to raise awareness, in a fun and interactive manner, of the impact countless small everyday gestures, seemingly innocuous, have on our lives.

6.2.2.3 Service quality aids

Shared applications: The workstations used by distribution partners of the Group's entities enhance the quality and efficiency of policyholder services, while incorporating the duty to provide advice. New shared and convergent quality initiatives have been developed with CNP Assurances' partners to improve the quality of service for insurance advisors and policyholders.

A unique platform for processing health questionnaires: the use of the CNPNet platform with bank partners over the last six years enabled 78% of health questionnaires to be processed electronically in 2015. Since 2013, policyholders have been able to complete the questionnaire at home, making life easier for customers who don't have time to visit their bank branch, who need their personal medical file to fill out the form, or who are joint borrowers, etc.

The deployment of new technologies makes life easier for policyholders. For example, a website for reporting term creditor insurance claims set up in 2012 allows policyholders to submit scanned claim documents electronically and to track the claim's status, including by text message.

Stealing a lead on the competition, CNP Assurances has since January 2014 offered a full-online term creditor insurance purchasing process for home-buyers who obtain finance from Boursorama Banque, with a legally valid electronic signature system. As well as reducing the time required to complete the process, the system also offers a secure storage solution for insurance applications and the related documents.

Recognised as a pioneer of full-online service in creditor insurance, CNP Assurances was selected in 2015 by ING Direct, France's leading online bank, in conjunction with its launch of an online mortgage.

The Caixa Seguradora group has responded to customer calls for an extension of its online services to include the purchase of insurance, with specialists available via a forum to assist customers during the process.

CNP UniCredit Vita's website gives policyholders direct access to their insurance accounts, as well as to downloadable information and claim forms.

A business continuity plan has been set up to prepare for the risk of downtime following an incident. Tests are performed each year, using different scenarios, to ensure that in all the various departments, normal business operations could be quickly and efficiently restored.

6.2.3 Priority No. 3: better satisfy policyholders

6.2.3.1 Doubling up satisfaction monitoring

Group entities periodically carry out surveys among both policyholders and distribution partners so as to obtain a comprehensive picture of customer satisfaction.

In 2015, CNP Assurances carried out three quantitative satisfaction surveys on the management processes applied on individual contracts. The Group also conducted for the first time three face-to-face surveys aimed at grasping the level of understanding of correspondence.

Whether they are carried out as part of a quality certification process, pursuant to a service level agreement or for other purposes, these surveys help to improve customer responsiveness and to provide feedback to our distribution partners. The satisfaction rate of the beneficiaries of individual contracts was 85% in 2015.

CNP Assurances has recently acquired online survey software, which among other benefits will allow it to send questionnaires to Amétis advisors every week in 2016, with a view to improving the contract production process.

CNP Assurances carries out an annual satisfaction survey of local authorities and institutions holding health, death and disability insurance contracts. Satisfaction scores are stable at between 7 and 8/10 depending on the local authority.

Satisfaction surveys are conducted annually by CNP Argentina and La Banque Postale Prévoyance, and as often as monthly in Brazil. CNP Partners has for several years held monthly meetings with distribution partners in order to gauge their view of service quality. The customer satisfaction score averaged 4.2/5 in 2015.

6.2.3.2 Following up policyholder requests

CNP Assurances regularly reviews a sample of letters sent to customers in response to requests for information or complaints in order to assess the quality of such letters. Fifteen checkpoints on their substance and form are used to identify any anomalies. The results are presented in reports that are given to the departments that issued the letters to help to them constantly improve their service quality.

Processing complaints more quickly

In 2013, CNP Assurances undertook to replying within two months of a complaint being filed. Processing times have been reduced thanks to a major reorganisation carried out in coordination with our distribution partners. Tools have been implemented to fine-tune follow-up, to improve the analysis of complaints and to identify ways to enhance service quality.

In addition, a standard definition of the term "complaint" has been adopted throughout CNP Assurances. Under the new definition, a complaint is any expression of discontent by a customer as regards the perceived quality of a product or service, whether justified or not. Complaints received by CNP Assurances mainly concern the purchase and claim management processes.

With 10,800 complaints lodged in personal insurance in the first half of 2015, the number of complaints remains marginal, involving less than 0.1% of policyholders. Nonetheless, each one is analysed in order to understand how we can improve our service quality using the tools referred to above. In creditor insurance, CNP Assurances' positions were maintained in 69% of cases in 2015.

In accordance with the marketplace decision, mediation involving CNP Assurances has been provided by the French Federation of Insurance Companies (*Fédération française des sociétés d'assurances* – FFSA) since 2015.

Unclaimed settlements at CNP Assurances

The French law of 17 December 2007 introduced a requirement for life insurers to proactively identify any unreported deaths, and to trace and pay beneficiaries. The law also gave insurers the legal and practical means of being informed when policyholders die.

Internal resources have been gradually strengthened in view of the complexity of operations. In 2015, over 300 FTEs were dedicated to the treatment of death contracts, regardless of the date on which the death occurred. In 2015, CNP Assurances was able to find 59,700 beneficiaries of unclaimed policies, representing a total amount paid of more than €180 million.

In view of the efforts made by our teams on a daily basis and the resources deployed since 2008, we believe that the fine levied in 2014 by the Sanctions Committee of the French Prudential supervision and resolution authority (*Autorité de contrôle prudentiel et de résolution* – ACPR) was harsh. It should be noted that CNP Assurances does not profit from unclaimed amounts: income from the investment of such amounts is not recognised as company income; rather, it is added to the amounts due to all policyholders, as is the case for all life insurance policies.

In addition to the commitment made to the Sanctions Committee to process the 99,618 contracts not settled prior to 2007, the company had also processed 44,246 such contracts dating from 2008 to 2010 by the end of 2015.

Disputes

There were 1,431 disputes in progress at CNP Assurances at the end of 2015. Sixty-nine percent of cases were won in the first instance in 2015, 81% on appeal and 81% on submission to the highest court of appeal.

6.2.4 Other initiatives

6.2.4.1 Protecting policyholders

Protecting policyholders' personal data

Personal insurance is based on knowledge of sensitive personal data. At CNP Assurances, protecting the confidentiality of policyholder data is central to our administrative processes and the obligations laid down in our Code of Conduct. Customers' medical and personal information is protected by procedures that comply with local regulations in each host country, and a dedicated system has been set up to keep abreast of regulatory changes. A privacy-by-design approach is being mainstreamed when designing new products.

Requests for access to the personal information of policyholders are facilitated by an application available on the cnp.fr website.

CNP Assurances has a Data Protection Officer tasked with ensuring the protection of the personal data of its prospects, customers and employees. He is systematically consulted before any application involving personal data is launched. The Data Protection Officer takes part in industry discussions, leads an in-house network and circulates procedures, notably through a dedicated intranet. Controls are performed to ensure that the procedures are applied and the Data Protection Officer prepares an annual report.

In addition, policyholders must give their consent to the use of their email address for communications managed in a dedicated information system. The company has undertaken, through the signing of the French Union of Advertisers' Charter on Responsible Communication, to "respect customers' private data when used for marketing and commercial purposes".

IT security

CNP Assurances established a structured approach to securing its computer system more than 10 years ago. It relies on a security framework aligned with the best practices laid down in the ISO27001 standard and the associated guidelines. Each new IT project is subject to an analysis of the information security risks, which is reviewed and validated by a dedicated committee before the new service goes into production.

In 2015, in view of the surge in cybercrime at a time when it is impossible to disregard the need for digitisation, CNP Assurances initiated a major change in its security approach by strengthening the governance of the process, by adjoining detection and incident treatment systems to existing defence capacities and making users the key actors in the process.

Implementation in subsidiaries

The European subsidiaries comply with the European Data Protection Directive (95/46/EC) as transposed into national law. Some, such as CNP CIH, have included its provisions in their Code of Conduct. Employees at CNP Europe Life received special training in data protection in 2015. At MFPrévoyance, where medical confidentiality is a particular concern, employees must sign a formal pledge to uphold their obligation to maintain professional secrecy. Medical confidentiality training courses are regularly given to MFPrévoyance employees by the medical officer.

The data security policy at Caixa Seguradora is also regularly updated, and all information is categorised by level of confidentiality to ensure appropriate treatment. Regular intruder tests are conducted to assess the efficacy of the security measures.

CNP Argentina has drawn up a good practice guide on data privacy, notably including its legal aspects, in the aim of entrenching a culture of personal data protection as a component of service quality.

CNP UniCredit Vita updates its security policy governing the protection of customer data on an annual basis. In 2015, the compliance department commissioned internal and external checks.

Product and service compliance

All of the Group's entities verify that contractual, marketing and advertising documents are compliant at every stage of the development of new products. Dedicated teams, working closely with legal experts, ensure that insurance products are compliant, and that changes within the legal framework are taken into account.

CNP Assurances and several subsidiaries have obtained ISO 9001 certification of their main business processes. The certification scope is expanded each year (at the end of 2014, operational monitoring moved up to level 2 while ensuring that previously acquired certifications are renewed). At Caixa Seguradora, the quality management system is subject to regular audits.

Measures in support of policyholder health

The CNP Assurances Group's core business does not have a direct effect on customers' health. Nevertheless, the subsidiary Filassistance International has developed a series of preventive measures to assist individuals in everyday health and safety issues, in the form of appraisals on "preventing loss of independence" and "preventing memory loss", as well as ergonomic assistance, information services and psychological support (see 6.2.2.2 for a discussion of all health prevention services).

6.2.4.2 Encouraging policyholder commitment to sustainable development

SRI offering

In personal insurance, the only "green" products are SRI funds in savings products. They are offered in each of the flagship unit-linked products available in the individual insurance offerings from CNP Assurances, such as:

- LBPAM Responsable (**http://www.labanquepostale-am.fr/isr/notre_offre_isr.html**)
- Ecureuil Bénéfice (**https://www.caisse-epargne.fr/ecureuil-benefices-resp.aspx**)
- CNP développement durable (**http://www.fongepar.fr/DOCS/na_400001.pdf**).

SRI funds were once again promoted by CNP Assurances' two major partners in 2015. At 31 December 2015, nearly 112,000 life insurance policies included an SRI fund. SRI assets totalled €543 million at that date, an increase of more than 6% compared with 2014.

Environmental, social and governance criteria are increasingly integrated into the management of the assets underlying all our traditional savings products and own funds portfolios. A brochure on "CNP Assurances' CSR Commitment" was sent to several thousand policyholders and included in the main materials used to present CNP Assurances' offers to its partners.

In its wealth management offering developed in 2015, CNP Assurances offers unit-linked products comprising directly held securities. Eligible securities offered to policyholders are selected by taking into account exclusion rules on environmental (coal), social (Global Compact) and governance (sensitive countries) issues applicable to financial assets (see 6.3.1 – Be a responsible investor).

Solutions to raise policyholders' awareness

- The Caixa Seguradora group describes the social and environmental challenges facing it and its results on its website. For several years, it has provided its policyholders with information on responsible consumption. In 2015, it extended the process to the social networks.

- Every year, CNP Assurances' pledge to uphold the United Nations Global Compact and its responsible investing strategy are highlighted in more than 19 million letters sent to policyholders (postal mail, email or position papers available online). Since 2011, the message is communicated to all holders of endowment policies (other than unit-linked contracts), including on the annual policyholder statements.

- In 2014 for SRI Week, we organised an awareness campaign for investors with our partner La Banque Postale. We proposed a special offer for any investment in products from the SRI range. Our network of 300 travelling advisors also got involved in explaining the Group's investment approach and its SRI offer.

6.3 For a sustainable economy

Our Group's primary financial responsibility is to secure the commitments made to policyholders. The second is to guarantee a steady, optimised performance year after year.

In line with the belief that including socially responsible investment criteria in the investment selection process optimizes the yield-to-risk ratio over the long term, ESG screens have been applied to the majority of CNP Assurances' assets and those of its French subsidiaries over the last few years.

This commitment also extends to suppliers. An audit and improvement programme has been launched by CNP Assurances to steadily enhance its suppliers' CSR performance.

- Priority No. 1: be a responsible investor

- Priority No. 2: be a responsible purchaser

6.3.1 Priority No. 1: be a responsible investor

CNP ASSURANCES' RESPONSIBLE INVESTOR STORY

Exclusion of offshore financial centres

Best-in-class strategy adopted for the entire equity portfolio		Pledge to uphold PRI		Reviews launched of energy-efficiency upgrades in property assets	
2006	2008	2011	2012	2014	2015
	Cluster-bomb and anti-personnel mine manufacturers excluded from portfolio		ESG filter applied to entire bond portfolio		Low carbon strategy (carbon footprint, carbon policy, energy efficiency, green investments)

6.3.1.1 In France, a strategy combining ESG and Carbon watches defined by CNP Assurances and implemented by asset managers

CNP Assurances is an insurance group. As such, it manages the assets of its policyholders and its own assets, but does not manage assets for third parties, and delegates asset management activities. For CNP Assurances, the responsible investor approach is defined and managed internally by drawing on the SRI expertise of asset management companies Natixis AM and LBPAM. CNP Assurances' strategy is applied to all of its assets and those of its French subsidiaries. The commitment to socially responsible investing was strengthened in 2011 when we pledged to uphold the Principles for Responsible Investment (PRI).

In line with our responsible investing strategy, ESG screens are gradually being applied to all asset classes across the entire portfolio, marked in 2015 by the integration of a low-carbon strategy. At 31 December 2015, the ESG filter covered 81% of the financial assets held by CNP Assurances and its French subsidiaries (see section 6.2.4.2 for a discussion of SRI mutual funds purchased by policyholders).

Listed equities

The approach is based on best-in-class management. The establishment of a quarterly watch process has facilitated dialogue on securities at risk and the prevailing challenges with SRI analysts at Natixis AM since 2006 and LBPAM since 2009. Whenever a problem of non-compliance with ESG criteria is detected, constructive dialogue is engaged with the company concerned, either through our asset managers or during the lead-up to the shareholders' meeting. When dialogue fails to produce results, other measures can be taken, potentially including a suspension of purchases of the company's securities or even their sale or exclusion.

CNP Assurances' responsible investor approach for listed equity funds supports the goal of energy and environmental transition, particularly with the development since 2014 by the SRI experts in our asset management companies of a carbon risk and opportunity approach.

Since 2008, CNP Assurances has chosen to exclude equities issued by arms manufacturers whose products include land mines or cluster bombs. Since 2015, it has additionally excluded all extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal.

Carbon footprint of the financial portfolio

In line with its commitment under the Montreal Carbon Pledge in May 2015, CNP Assurances publishes and measures the carbon footprint of its financial portfolio. The measure initially concerns that of the portfolio of listed equities held directly.

At 31 December 2015, the footprint is estimated at 0.44 t.eq.CO_2/thousand euros invested. CNP Assurances has set a goal of reducing the end-2014 level by 20% by 2020, notably through dialogue with the companies whose shares it holds. This is an estimate of Scope 1 and 2 greenhouse gas emissions by portfolio companies without adjustment for duplications, based on the portfolio's asset value.

Further to this indicator, which does not necessarily value initiatives taken to further the energy transition, CNP Assurances supports methodological developments on measurements of companies' carbon impact and their impact in respect of the environmental and energy transition, including those related to avoided emissions.

Bonds

- Government bonds and equivalents: ESG screening excludes sensitive countries rated as "not free" and "partly free" by Freedom House, and countries rated as "corrupt" by Transparency International, as well as tax havens.
- Corporate bonds: issuers are given quarterly ESG ratings, and can be excluded from the portfolio or have their weighting limited on the basis of their compliance with the principles of the Global Compact. Since 2008, CNP Assurances has chosen to exclude bonds issued by arms manufacturers whose products include land mines or cluster bombs. Since 2015, it has additionally excluded all extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal.

Disinvestment in the coal sector

In 2015, CNP Assurances sold nearly €300 million in corporate bonds issued by companies that extract coal and produce coal-based energy. At the end of 2015, it no longer had any direct holdings of listed equities or bonds issued by companies that derive more than 25% of their revenue from thermal coal.

Mutual fund units

The exclusion of companies that speculate on agricultural commodities is combined, in constructing dedicated mutual funds, with the exclusion of companies that manufacture cluster bombs and anti-personnel mines. Since 2015, exclusion has been extended to the securities of companies that fail to comply with the principles of the Global Compact and the issue of coal as described in the approach taken on bonds (see above).

Surveys (the last, involving 64 companies, was conducted in late 2015) ensure that all the funds held by the Group, including open-ended funds, exclude producers of cluster bombs and land mines.

The issue of sensitive countries is also monitored: investigation on the treatment of tax havens and embargoes in 2015, inclusion in the due diligence questionnaire and exclusion in new dedicated mutual funds.

Furthermore, CNP Assurances has purchased SRI mutual funds in the amount of €2.1 billion, or 5% of assets of all mutual funds held at 31 December 2015. For details of policyholder investments in SRI funds, see section 6.2.4.2.

6.3.1.2 A responsible shareholder

Systematic exercise of voting rights: since 2005, CNP Assurances has followed a policy of shareholder activism by systematically voting at the shareholders' meetings of the listed companies in its portfolio. In 2015, CNP Assurances voted at the shareholders' meetings of companies representing 99.9% of the portfolio of French equities and around 20 European issuers. In all, we attended 102 meetings and analysed 1,892 resolutions, voting against 21.30% of the resolutions put to the vote. When we had issues with proposed resolutions, we endeavoured to talk to the companies concerned ahead of the meetings.

Voting principles are laid down by senior management. The core objective is to protect the rights of minority shareholders who are investing to support the investee's long-term growth. Shaped in part by investor concerns, these principles are pragmatically applied to all companies in the portfolio, taking into account each one's characteristics, industry and regulatory environment.

6.3.1.3 Sustainably managing property assets

With €10.2 billion in property assets in France based on net book values, CNP Assurances is an important player in this market. Management of its property assets is entrusted to specialised companies on the basis of strict specifications that address the need to preserve the environment and ensure the safety of the properties' users. These include the Sustainable Property Management Charter adopted with Icade in 2008, and the establishment in 2014 of a "green works charter" to factor in the impact of all co-owned property management agreements on the environment, and on the health and safety of users.

Property assets: improved energy performance
CNP Assurances' maintenance and renovation programmes for the property assets in the portfolio support the constant aim to make the properties more energy efficient. Renovation projects are carried out to the highest environmental standards (18% of property assets under direct management are certified to HQE, THPE, BBC or Bream Very Good standards).

Since 2009, an environmental audit has been systematically carried out on all newly acquired properties. In 2015, as part of its low-carbon strategy, CNP Assurances signed the Energy Efficiency Charter for Commercial Buildings, thereby illustrating its desire to become more involved in the green building sector.

A general audit to determine an energy performance target
To meet recent requirements introduced by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 112 of CNP Assurances' fully owned property assets have already been assessed for energy efficiency. Action plan scenarios adapted to each building were defined in order to reduce CO_2 emissions and energy use.

CNP Assurances has already rolled out a €150 million work programme within this framework. Ultimately, this work will reduce the energy consumption of the entire property portfolio by 20% by 2020, in comparison with 2006.

6.3.1.4 Infrastructure and unlisted equities, the right vehicles for futures challenges

Social information has been used to manage private equity and infrastructure investments since 2010.
ESG ratings are awarded based on the due diligence process carried out ahead of any new private equity investment. A total of 15 private equity funds were rated in 2015. In addition, CNP Assurances has invested in several SRI funds, in a total amount of nearly €135 million at 31 December 2015 – for example, financing small businesses that have trouble raising capital due to social barriers, and supporting SMEs facing financial hardship.

CSR reporting is also used for new infrastructure investments. In 2015, 52% of our infrastructure funds took part in this reporting or voluntarily provided us with their own CSR reporting.

Investments in funds supporting the energy and environmental transition
At 31 December 2015, CNP Assurances had €45 million invested in private equity funds in the clean energy, clean industry and clean tech sectors. Investments in renewable energy infrastructure and water and waste treatment represented total assets of €187 million at 31 December 2015. An additional €471 million is invested directly in bonds related to specific environmental projects, or green bonds.

Thanks to progress in its low-carbon strategy in 2015, CNP Assurances achieved its initial goal and has now committed to bringing its investments in the energy and environmental transition to €1.6 million by the end of 2017, a tripling of its assets between 2014 and 2017.

At the end of 2015, with management company Meridiam, CNP Assurances launched the "Meridiam Transition" infrastructure fund to finance innovative development projects in the energy transition, as well as in local services such as heating systems or energy from recovered waste, electricity and gas networks, and innovative renewable energy. A total of €100 million had been committed at 31 December 2015.

Support for SMEs
Operating in the private equity business since 1992, CNP Assurances is one of the world's top 50 institutional investors (number two in France) in private equity funds (2015 EPI ranking). Be they innovative start-ups or SMEs with an established presence in their market, operating in the high-tech sector or established industrial segments, these companies play a strategic role in strengthening France's economic fabric, creating jobs and attracting foreign investment. We have continued our strategy of investing to support the real economy, both directly through co-financing deals and indirectly through specialised funds.

CNP Assurances supports businesses in difficulty through specific funds, with €128 million committed in 2015.

MFPrévoyance also invested €7 million in funds supporting mid-tier companies and employment in renewable energy projects.

6.3.1.5 Forests: an environmental opportunity

Integrating environmental issues in woodland management processes
CNP Assurances is France's largest private owner of woodland, with 54,351 hectares at 31 December 2015. Société Forestière, a 50%-owned subsidiary, applies sustainable management techniques that help to prevent fires, promote biodiversity and anticipate the effects of climate change. In 2003, in addition to ISO 9001 certification, all of CNP Assurances' woodland assets were certified by the Pan European Forest Council (PEFC), which guarantees that the timber comes from sustainably managed forests.

Carbon sinks in France and Brazil
In 2015, the growth of CNP Assurances' trees helped sequester 539,020 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 290,584 tonnes of carbon dioxide was added to the sequestered total in 2015.

Since 2007, the Caixa Seguradora group has been offsetting its carbon emissions by financing NGO *Iniciativa Verde*'s tree-planting programmes in the Atlantic forest (6,600 trees at 31 December 2015), thus earning the subsidiary CarbonFree certification. The management of these forests in accordance with biodiversity principles also provides an income for disadvantaged local communities and an opportunity for them to acquire new skills. Operations organised with CNP Assurances have added 5,704 trees to these plantations.

Anticipating climate change
In 2001, in compliance with France's Forestry Act, CNP Assurances approved a sustainable management charter defining the commitments of Société Forestière, the company in charge of managing its woodland. These commitments include the woodland sustainably, protecting biodiversity and proactively planning for the impact of climate change.

The climate change issue is a key factor in managing our forests. In order to ensure the long-term health and value of the woodland, the management company selects transitional tree species adapted to current and future climates and pays increasing attention to the soil moisture reserves in areas where new trees are being planted.

Protecting biodiversity
Société Forestière continued its actions in favour of biodiversity in 2015. It reinforced the monitoring of the bird population in the Gaudinière forest in partnership with the association *Perche Nature*. Société Forestière also prepared a management plan for the “special protection area” of the European Natura 2000 network in the Paradis forest (Eure et Loir). It has undertaken to preserve birds of European significance on this site, by avoiding forestry work during their reproduction period for instance. The management plan was approved by the forestry administration in November 2015. It provides a guarantee of sustainable forest stewardship. Woodland management also prevents soil erosion and ensures water filtration and purification.

The Caixa Seguradora group’s reforestation operations promote biodiversity, protect water resources and participate in soil conservation.

6.3.1.6 Deploying ESG screening in international subsidiaries
The Caixa Seguradora group excludes certain industries from its equity and government and corporate bond portfolios. At CNP Argentina, when choosing among investments with equivalent risk and yield profiles, priority is given to those with the best social and/or environmental profile. In 2015, 22% of its assets were dedicated to supporting projects in the real economy or with demanding ESG criteria. In 2015, CNP UniCredit Vita introduced exclusion rules defined by CNP Assurances covering sensitive securities and countries on its bond portfolio, representing 47% of financial assets.

6.3.2 Priority No. 2: be a responsible purchaser
The Group’s larger entities, CNP Assurances and the Caixa Seguradora group, were the first to integrate CSR principles into their sourcing policy.

6.3.2.1 CNP Assurances – Deploying a commitment on an everyday basis
CNP Assurances’ CSR principles are also put into practice by the purchasing department, with all buyers aware of these issues and most of them trained in CSR compliance. The Group’s Ethical Purchasing Charter and the Code of Ethics govern buying practices.

The main calls for tenders and consultations include a CSR component that proposals must address in order to be considered.

Having pledged to uphold the United Nations Global Compact, CNP Assurances systematically promotes its commitment to human rights among subcontractors and suppliers. Agreements include contractual clauses to protect workers. CSR assessment of key suppliers is performed by EcoVadis (see 6.3.2.3).

Nearly all of CNP Assurances’ suppliers of goods and intellectual or other services are based in France. The use of subcontractors is mostly limited to intellectual services as well as printing, mailing, enveloping, archiving, bulk data entry, call centre and maintenance services.

6.3.2.2 The Caixa Seguradora group – CSR clauses in all contracts
Since 2008, the Caixa Seguradora group has included CSR clauses in its supplier contracts based on the Global Compact principles (ILO, the fight against organised crime and drug trafficking, the environment, combating fraud and money laundering). Contracts signed before 2008 have been amended to include these provisions. Suppliers and subcontractors working for the Caixa Seguradora group pledge to comply with regulations and act responsibly towards the environment. Non-compliance is grounds for termination of the contract or other appropriate legal responses.

6.3.2.3 A platform for supplier ESG audits

CNP Assurances has signed a partnership agreement with EcoVadis to pool supplier environmental, social and ethical performance tracking processes. The information is compiled through a collaborative platform that covers 150 business sectors and 95 countries.

Following the audit, suppliers receive detailed feedback on their CSR practices, including a rating in four categories (environment, social, ethics, responsible purchasing) and a list of their strengths and areas for improvement.

Supplier assessments are requested for major tenders and approvals. The EcoVadis rating is one of the criteria in the score attributed to offers. At the same time, an annual rating campaign is conducted among CNP Assurances' 200 largest suppliers. At 31 December 2015, 153 suppliers representing 45.4% of total purchases had been assessed.

The "CNP Assurances' Social Commitment" leaflet has also been included in tender documents since last July.

6.3.3 Other initiatives

6.3.3.1 Combating money laundering, terrorism and fraud

A shared requirement

As a financial intermediary, we are deeply involved in the fight against money laundering, the funding of terrorism and fraud. Our business model, in which a lot of transactions are performed by intermediaries, has shaped the related controls. The tasks entrusted by the Group to intermediaries are set out in the distribution agreements between CNP and its partners.

Dedicated teams

Supported by 20 employees, a specific unit is dedicated to these controls at CNP Assurances, and any employee can check the Group-wide anti-money laundering procedures on the intranet. Similar arrangements are in place in all subsidiaries, in compliance with local constraints and the principles adopted by the Group.

Specific training

Training programmes are carried out regularly in subsidiaries with support from the corporate Risk Management department. Newcomers and employees who have changed jobs are systematically trained at CNP Assurances (115 employees in 2015), as well as at CNP UniCredit Vita and CNP TI. Moreover, an e-learning module developed in partnership with the French Federation of Insurance Companies and several major insurers, taken in 2014 by CNP Assurances employees in accordance with their exposure profile, was rolled out in 2015 to partners offering high-end products.

6.3.3.2 Ethics and anti-corruption measures

All subsidiaries provide ethical guidelines through their standard operating procedures, charters or codes.

Codes for all entities

Procedures are in place to guarantee the traceability of all fund transfers, to prevent corruption.

Updated and expanded in 2010, the CNP Assurances Code of Conduct sets out standard operating procedures. It is posted on the intranet and features in the Employee Orientation Guide for new hires. All employees were reminded of the rules governing corporate gifts and benefits, which are listed in the Code of Conduct, as well as in that of the Cypriot subsidiary. All other entities in the Group also have guidelines, specifications and regulations. The launch of Caixa Seguradora's new Code of Ethics at the end of 2015 was an opportunity for employees to make a commitment by actually signing the document.

Some more exposed professions have specific codes.

- The CNP Assurances Code of Conduct includes rules on conflicts of interests and gifts, and an ethical purchasing guide provides practical guidance on applying the 2006 purchasing code of ethics in key situations encountered by the Company's buyers.
- Similarly, a specific code of ethics spells out standards for sales representatives of the Amétis network, while the Compliance unit verifies that they comply with the regulations applicable to insurance sales.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries, such as CNP Argentina, specifically prohibit them in their code of ethics.

In Italy, a specialised committee of internal and external legal experts is tasked with monitoring the implementation of the organisational model for the fight against corruption and illegal behaviour, approved annually by the Board of Directors.

Targeted training
In France, training based on the Code of Conduct was dispensed two years ago to all managers with supervisory roles, who then trained their staff with the help of a video and a booklet.

The relevant employees of CNP CIH and the network receive annual training on developments in know-your-customer and acceptance procedures.

A clear set of procedures governing the management of financial assets
This ethical vigilance also applies to CNP Assurances' asset management, particularly for government bonds where the country's position in the Transparency International index is one of three exclusionary criteria.

At CNP Assurances, the fight against corruption extends to purchasing, and purchasing contracts include a standard CSR clause requiring suppliers to commit to combating corruption, including on the part of their own suppliers and sub-contractors.

6.3.3.3 Corporate income tax

The CNP Assurances Group is primarily made up of insurance companies, companies that provide services to individuals, as well as a number of financial investment vehicles.

Corporate income tax payments

2015 *(in € millions)*	**France**	**Latin America**	**Europe excluding France**	**Total**
Corporate income tax in millions of euros	(370)	(315)	(23)	(708)

The Group's insurance companies in France paid more than €1 billion in taxes on behalf of policyholders.

Exclusion of sensitive countries:
CNP Assurances formalised its policy of excluding offshore financial centres at the end of 2014. Consistent with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of prohibited countries covering all of its activities, extending the exclusion beyond the list of countries prohibited as part of the fight against money laundering, terrorist financing and non-cooperation in tax matters to include countries identified as tax havens based on the Tax Justice Network indices, as well as those posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International.
All operations in these countries are excluded, and any purchases are prohibited across all asset segments.

A compliance review of the assets in these countries has been performed, and the results were presented to the Board of Directors in early 2015, bearing in mind that the volumes involved were limited by virtue of the fact that most of the principles have actually been in place for a long time. The divestment of the remaining assets is planned by 2017.

6.4 For an attractive enterprise

By promoting each employee's professional development, CNP Assurances develops the skills that will make the Group successful today and tomorrow. The Group's active professional equality policy is used to train young people, notably through combined work-study programmes, to help people with disabilities to enter the workforce and to promote gender equality in the workplace.

- Priority No. 1: develop skills in line with the Group's strategy
- Priority No. 2: provide a working environment that fosters well-being and performance
- Priority No. 3: roll out a robust policy on gender equality in the workplace

6.4.1 Priority No. 1: develop skills in line with the Group's strategy

6.4.1.1 Human resources planning – prudent employee management

Number of Group employees

The CNP Assurances Group had a total of 4,740 employees at 31 December 2015, representing an increase of 1% compared with 2014.

Headcount of entities	Country	**2015**	2014	2013
CNP Assurances	France	3,006	3,009	3,095
Caixa Seguradora group	Brazil	863	799	813
CNP UniCredit Vita	Italy	163	163	158
CNP Cyprus Insurance Holdings	Cyprus/Greece	285	283	290
CNP Partners	Spain, Italy, France	176	164	152
MFPrévoyance	France	76	76	75
La Banque Postale Prévoyance	France	54	63	62
CNP Santander Insurance*	Ireland, Italy	44	-	-
CNP Assurances Compañia de Seguros	Argentina	65	69	79
CNP Europe Life	Ireland	8	10	14
CONSOLIDATED TOTAL – GROUP		**4,740**	**4,705**	**4,809**

** CNP Santander is the new subsidiary acquired in 2014 with Banco Santander*

CNP Assurances manages its workforce carefully, relying on the forward management of jobs and skills approach it initiated in 2013/2014 and expanded in 2015. CNP Assurances' permanent workforce changed little in 2015 (-0.1%), allowing the Group to continue to grow in line with its strategy.

The stabilisation of resulted from contrasting trends:

- a persistently large number of retirements, albeit one that is slowing in view of the age structure and changes in regulations relating to pensions
- constant vigilance in replacing people who leave the company, depending on changes within the company, in a constrained economic environment
- external recruitment targeting new or specific technical skills related to digital, skills-based or managerial developments
- an active policy of internal mobility, with most vacant positions filled by internal candidates.

Characteristics of headcount

	2015	2014	Year-on-year change	Level of coverage
Percentage of employees with permanent employment contracts	96%	96%	0%	100%
Percentage of women	60%	60%	0%	100%
Average age of permanent employees	43.4 years	43.2 years	s.o.	100%

Virtually all of the Group's employees (98%) are covered by local insurance industry collective bargaining agreements. Exceptions are consistent with local rules governing the sector: 8 employees in Ireland and 21 in Argentina.

Age pyramid	2015	2014
65 and over	0.4%	0.85%
60-64	4.9%	4.35%
55-59	10.7%	10.13%
50-54	11.3%	10.86%
45-49	16.4%	13.96%
40-44	18.8%	17.79%
35-39	15.3%	17.18%
30-34	11.9%	13.03%
25-29	7.1%	8.74%
20-24	2.9%	3.62%
Under 20	0.3%	0.13%

CNP Assurances' workforce includes 131 civil servants seconded from Caisse des Dépôts, 58% of whom have management status. The average length of service within the Group is 13 years, and is stable compared with 2014.

A targeted hiring policy for CNP Assurances

CNP Assurances has for several years had a policy focused on internal mobility. Its twofold objective is to combine the need to manage the workforce in a more constrained environment that requires more careful management of internal career paths and to capitalise on in-house knowledge and expertise. The policy is part of the forward management of jobs and skills approach initiated in 2013/2014 and expanded in 2015. It results in the vast majority of vacancies being filled with skills available internally and external recruitment being focused on skills not already present within the Group.

As such, internal mobility is boosted by helping employees to develop and implement their career plans, particularly those who wish to pursue a degree (see section 6.4.1.2 on training) or those who wish to move to or train for a new position. In 2015, 72% of permanent positions were filled by internal candidates, providing scope for targeted external hiring to strengthen the core skills needed to implement the Group's strategy, to fill new positions or open up new areas of development (high-end digital skills), or to secure our processes and comply with tougher regulatory requirements.

In 2015, most of the positions open to external candidates were for skilled professional work: finance/actuarial analysis/risk management, as well as commercial positions.

With a view to ensuring growth in digital technologies, CNP Assurances increased its visibility as an employer brand on social networks in 2015. It is now present on LinkedIn, Twitter and Viadeo.

	2015	2014	Year-on-year change	Level of coverage
Number of new hires	535	388	+38%	100%
Percentage of new hires with permanent employment contracts	67%	62%	8%	100%

Departures from the Group

	2015	2014	Year-on-year change	Level of coverage
Total departures	**462**	**473**	**-2.3%**	**100%**
• including dismissals	88	71	24%	100%
• including terminations by mutual agreement	21	13	61%	100%
• including resignations	125	159	-21%	100%
• including retirements	64	75	-15%	100%
• including departures at the end of fixed-term contracts	154	145	6%	100%
Turnover rate	**6.4%**	**6.7%**	**-4.5%**	**100%**

Turnover within the Group's entities reflects varying situations: it is low at CNP Assurances (3.7%), and much higher at La Banque Postale Prévoyance (26%) and MFPrévoyance (11%). Caixa Seguradora maintained a turnover rate of 13% in 2015. CNP CIH reported a turnover rate of 3.16% in 2015, down 60% compared with 2014, despite the economic climate. Nearly one departure of a fixed employee out of every two at CNP Assurances was a retirement, which is consistent with the age structure.

Mergers/acquisitions/disposals/restructuring

Internationally, two developments impacted the Group's scope of consolidation in 2015, with in Ireland the consolidation of CNP Santander, the new subsidiary resulting from the partnership between CNP Assurances and Banco Santander, and in Spain the sale of the subsidiary CNP BVP to Barclays. None of the Group's entities carried out a restructuring plan last year.

A forward management of jobs and skills approach built over time for the benefit of the various stakeholders

Since 2013/2014, CNP Assurances has implemented a forward management of jobs and skills approach involving all stakeholders.

Alongside the stated policy of opening vacant positions to internal candidates, professional development was further boosted by the programme of personalised support for employees in drawing up and implementing a career plan. Thus, in 2015, more than 373 employees were able to benefit from internal mobility and 125 were promoted.

Every year, managers are asked to conduct a performance review with each member of their team. Across the Group, 96% of employees had a performance review in 2015. CNP Assurances revisited its annual appraisal interview in 2015. Now paperless, it has taken the name of “annual performance review” so as to consolidate this special opportunity for dialogue between manager and employee. It allows participants to summarise the events of the past year, to highlight strengths and areas for improvement, to channel expectations and to set objectives for the coming year.

6.4.1.2 Training – A strong and sustained commitment

	2015	2014	Year-on-year change	Level of coverage
Number of training hours	103,346	95,019	+8.7%	100%
Percentage of employees who received training	88%	87%	+1%	100%

At CNP Assurances, the number of training hours fell slightly in 2015, edging down by 1.2% compared with 2014, primarily due to the deferral of annual performance reviews during 2015.

A wide range of training courses

The development of its employees’ skills is central to CNP Assurances’ priorities, as a means of capitalising on its image and expertise, and to facilitate internal mobility. This is evidenced by training budgets, which average approximately 5% of the payroll. In 2015, more than 93% of employees attended a training course, and 67 employees were able to work towards a diploma, with a view to achieving their professional goals. Over the last three years, more than 7% of permanent employees were able to graduate after individual training, at all levels of the company and in all areas.

At CNP Assurances training provided in 2015 includes:

- managerial, notably to accompany the implementation of the new annual performance review;
- support for the implementation of strategic development, support for the commercial business lines and the associated customer relationship workshops, and training for new CRM tools, or product training, and particular support this year for management profiles through technical insurance training;
- personal skills training for employees through the range of cross-cutting courses;

  Lastly, the 2015 incentive scheme including awareness raising for all employees about digital culture.

CNP Assurances also factored the reform of vocational training into its processes in 2015. The most noteworthy steps were the revision of the procedure for access to degree courses in connection with the individual training account, the inclusion of the professional review and the focus on professional development.

Elsewhere in the Group, more people received training in virtually all entities in 2015. The main training area is insurance techniques and Solvency II, followed by computer/office systems, sales and marketing, personal development, management skills and languages. In addition, during the last three years, targeted training initiatives have been organised to expand the risk management skills base. Individual training needs and requests are generally discussed during the annual performance reviews. Group training needs are analysed when the annual training plans are drawn up.

In 2015, the Caixa Seguradora group developed training programmes in behavioural studies, in organisational culture and in an online course system. Encouraged by senior management, CNP Partners this year devoted more money to training, allowing 93% of employees to benefit. In 2015, CNP UniCredit Vita continued to provide training. Its diversity training, initially mandatory for all members of middle and senior management, was made compulsory for all staff. The company also tested training on smartworking and telework.

6.4.1.3 Use of outside contractors – limited and supervised outsourcing

CNP Assurances makes limited use of outside contractors for non-core business activities. There are 46 security staff, 73 cleaning staff (including regional offices), 23 maintenance workers and 8 receptionists, i.e., a total of 157 people, compared with 149 in 2014. IT operations have been transferred to an intercompany partnership established in 2012 (CNP TI), which employs 365 people.

The use of temporary staff grew significantly in volume in 2015 due to new guidelines for temporary reinforcements.

There is significant use of outside contractors at the Caixa Seguradora group and CNP Partners, which outsource their IT operations (276 contractors). Like CNP Assurances, both entities ensure that the employees concerned are accorded the full protection of applicable labour legislation (see section 6.3.2 – Be a responsible purchaser).

6.4.2 Priority No. 2: provide a working environment that fosters well-being and performance

The Group's human resources policy focuses consistently on developing conditions that foster employee well-being at work and promoting personal enrichment and group performance. It relies on a deep understanding of stress factors and the deployment of personalised support measures for struggling employees, and employee/employer relations combining a variety of channels.

6.4.2.1 Employee/employer relations combining a variety of channels

Employee representation and protection

Social dialogue is a priority throughout the CNP Assurances Group. There is at least one employee representative in all subsidiaries except CNP Europe Life, which has only 8 employees, and the new subsidiary CNP Santander, acquired in 2014, which has 44 employees. The Caixa Seguradora group does not have a staff delegate. However, in accordance with the rules set out in the union of insurance workers' agreement, a representative of employees and the union president participate in meetings between employee and management representatives. Ninety-eight percent of the Group's employees are covered by an insurance industry collective bargaining agreement (except for employees and managers in Ireland and some employees in Argentina in accordance with the law). A total of 192 meetings between employees and management were held at the Group's various entities in 2015.

Working with employee representative bodies at CNP Assurances

In keeping with CNP Assurances' tradition and past agreements on union rights, the Human Resources department maintains regular, high-quality dialogue with the various employee representative bodies (national and European Works Councils, employee representatives and Occupational Health, Safety and Working Conditions Committee) and with union representatives, giving due consideration to the roles of everyone involved and going beyond compliance with regulatory requirements.

Agreements to improve employment conditions

CNP Assurances has agreements covering the main areas: classification and remuneration through the labour adjustment agreement, working hours (ARTT agreement), gender equality, employees with disabilities, union resources, psychosocial risks, PERCO voluntary pension plan, discretionary profit-sharing, statutory profit-sharing, etc. There is also the action plan for the intergenerational contract designed to put in place initiatives to help young people and seniors enter and stay in the workforce and develop their skills. In 2015, CNP Assurances signed an agreement within the scope of the mandatory annual negotiation, an agreement to pay additional discretionary profit-sharing, an amendment to the discretionary profit-sharing agreement, and an agreement extending the agreement on gender equality until the end of 2016.

2015-2018 agreement on the employment of people with disabilities: the six successive agreements already signed since 1995 have shaped corporate policy and helped change views about employing people with disabilities, implement practical measures and develop partnerships with specialised organisations. In this seventh agreement, the signatories reaffirm their commitment to promoting measures to help people with disabilities to enter and remain in the workforce. This shared political commitment is one of the human resources policies developed by CNP Assurances in keeping with the Group's ethical, moral and civic values.

Note that two agreements were signed in 2015 at La Banque Postale Prévoyance: mandatory annual negotiation and profit-sharing. At MFPrévoyance, a collective agreement on the introduction of compulsory health insurance, a collective agreement on wages and a collective agreement on the PERCO voluntary pension plan were signed. A statutory profit-sharing agreement for employees was signed at the Caixa Seguradora group in 2015.

Spending on social and cultural activities for Group employees represented 1.6% of the payroll in 2015.

The European dimension

The European Works Committee had one regular meeting in 2015 to present the report on the Group’s activities, projects and results.

CNP Assurances’ focus on managerial communication

Since 2015, the principles of action, initiative, creativity, customer focus and trust have guided the behaviour of managers and their teams.

In addition to the HR intranet, which centralises information from the Group on its various human resources activities, managerial communication is crucial for fostering relations with employees. Over the last three years, CNP Assurances has rolled out a number of initiatives to promote the role of managers and help them to communicate with their teams. As such, various management circles have been identified and communication processes established. They include conference calls with the CEO, special seminars and employee discussion programmes.

By way of illustration, in 2015, the seminar for 250 senior managers enabled them to work on CNP Assurances’ digital ambition.

6.4.2.2 Prevention of psychosocial risks and promotion of support systems at CNP Assurances

As a service company, CNP Assurances has paid particular attention to preventing stress and psychosocial risks over the last 10 years. Through its various managerial training and other more specific initiatives (in-house social mediation, outside counselling available to all employees, independent occupational health service, etc.), it has created an environment that helps limit the occurrence of situations of risk.

It remains attentive to trends in business conduct, both in terms of information systems and in terms of expected behaviour – as regards digitisation for instance – in a changing work environment. The April 2012 agreement with trade unions on this subject provides a practical and shared framework, through the mechanisms it describes, for the identification, prevention and management of psychosocial risks.

The first psychosocial risk audit provided for in the agreement was carried out in the second quarter of 2013, to analyse employees’ perceptions of working conditions and their experiences. It resulted in an action plan that ran over the term of the agreement. A second audit to measure the effects of the actions undertaken was performed at the end of 2015.

An anonymous group discussion platform set out under the 2012 agreement has been in place since 2013. Managers answer the questions raised in plenary sessions and the questions and answers are then posted on the platform. Each year, 50 meetings are held within this framework.

In-house mediation: The in-house mediation service aims to prevent and deal with allegations of harassment and discrimination, stress and everyday conflicts. In 2015, it received approximately 40 referrals, most of which concerned requests for advice and support.

A dedicated commission: A commission set up under the 2012 agreement with trade union representatives on psychosocial risks (notably to handle situations involving groups of employees) meets quarterly in each of the Paris, Angers and Arcueil facilities. All employees also have access to a 24/7 hotline all year round (Filassistance), if they need to talk to someone.

6.4.2.3 Multiple initiatives in each subsidiary

The CEOs of the foreign subsidiaries all receive stress management training. The Caixa Seguradora group has also developed broad well-being at work programmes, and organises a “health in the workplace” week every year. It also has an internal committee tasked with preventing accidents, identifying risks and implementing preventive actions.

MFPrévoyance’s Occupational Health, Safety and Working Conditions Committee started paying particular attention to psychosocial risks in 2012, and a special training course has been included in the management training programme. CNP Argentina's Code of Ethics provides for the implementation of accident and occupational illness prevention programmes. CNP CIH has a team dedicated to regularly communicating on workplace health and safety risks, and has supported the Ministry of Labour’s “health and safety week” for several years. CNP UniCredit Vita introduced stress management for middle managers in 2014. Lastly, a mutual insurer is responsible for occupational risk prevention measures for CNP Partners employees.

6.4.2.4 Organisation of working hours

Annual number of hours

At consolidated Group level, annual working hours range from 1,575 to 1,980, depending on local legislation. At CNP Assurances and MFPrévoyance, full-time corresponds to 1,575 hours per year (ARTT agreement of November 2001).

	2015	2014	Year-on-year change	Level of coverage
Percentage of employees working part time	14%	14%	0%	100%
Number of overtime hours	30,534	23,918	28%	100%
Percentage of overtime hours	0.38%	0.29%	31%	100%

The subsidiaries in Italy and Brazil are the main contributors to overtime, with a significant increase in Brazil and at CNP Assurances.

Development of part-time work and flexitime

Apart from one employee at CNP Partners, all employees who work part-time within the Group’s entities choose to do so. At Group level, part-time employees represent 14% of the workforce. For CNP Assurances, 21% of the employees worked part-time in 2015, with almost all of them choosing to work 80% or more of the total working time. Part-time employees are entitled to all of the same benefits as full-time employees.

In addition, 64% of the workforce at CNP Assurances have personalised working hours to help them achieve a better work-life balance and organise their working hours in accordance with their professional obligations.

6.4.2.5 Compensation

Average gross salary by country	**2015**	2014	Year-on-year change	Average annual increase by country
France	€57,698	€55,936	3.1%	0.4%
Brazil	BRL 66,029	BRL 64,337	2.6%	7.4%
Italy	€55,008	€53,778	2.3%	0%
Cyprus/Greece	€37,133	€36,052	3%	0%
Spain	€49,099	€48,668	0.9%	2.24%
Ireland (excluding Santander)	€66,933	€57,532	16.2%	n.c.
Argentina	ARS 382,680	ARS 292,122	31%	31.5%

For the consolidated CNP Assurances Group, the average pay rise was 2.15% across the board, with variations among countries due to inflation, particularly in Argentina.

At CNP Assurances, €7,161,671 was paid out under the discretionary profit-sharing plan in 2015, €17,151,466 was paid out under the statutory profit-sharing plan, and €505,586 was paid in profit-related bonuses to seconded civil servants. All CNP Assurances, MFPrévoyance and La Banque Postale Prévoyance employees are covered by supplementary health and death/disability insurance, a separate long-term care insurance policy and a life insurance/pension plan with matching employer contributions. They are also eligible to participate in a "time savings account" and invest in a PERCO voluntary pension plan.

In 2015, the Group's compensation policy was revisited in the context of Solvency II, notably to make it compatible with the "Fit and Proper" standards.

An individual report on these issues was distributed to each employee of CNP Assurances for the first time in 2015. This approach reflects, through customised information, the company's determination to make its compensation and benefits policy comprehensible, as part of its commitment to its employees.

6.4.2.6 Health and safety

Absenteeism

The Group absenteeism rate rose very slightly in 2015.

	2015	2014	Year-on-year change	Level of coverage
Absenteeism rate	6.35%	6.28%	+1.1%	100%
Absenteeism rate excluding maternity leave	5.39%	5.15%	+4.7%	100%

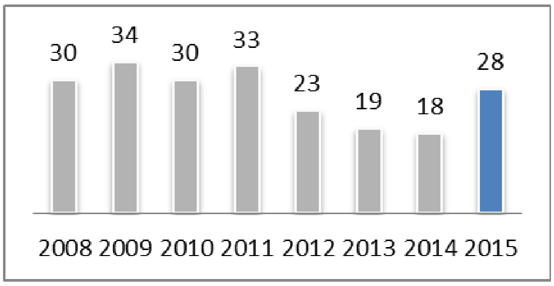
Health and safety

No work-related illness were reported in the Group. There were no deaths resulting from a workplace accident or work-related illnesses in 2015.

	2015	2014	Year-on-year change	Level of coverage

Number of workplace accidents	28	18	+55%	100%
Work-related illnesses	0	1	-100%	100%

Number of occupational accidents within the Group



Almost all workplace accidents took place at CNP Assurances, and only half of them resulted in time lost, a level comparable with 2014. The CNAM-measured lost-time incident frequency rate for 2014 was 0.3% for Paris (down significantly compared with 2014), with a severity rate of 0.14%. The rate for 2015 will not be published by the CNAM until later in 2016.

CNP Assurances is committed to ensuring the health and safety of its employees. Numerous health improvement programmes have been established by Group entities: CNP Assurances has an Occupational Health department on each of its three main sites, and offers employees additional preventative care from specialist doctors. A social worker is also available during office hours. The company’s training programme includes road safety training modules for travelling insurance advisors. Prevention programmes are organised on a regular basis, and include flu vaccination campaigns.

Similar initiatives are organised by Caixa Seguradora, including consultations with an on-site nutritionist, assessments of the programme to prevent workplace risks, and on-site medical check-ups. CNP CIH has teams in both Cyprus and Greece responsible for informing employees about health and safety risks. CNP UniCredit Vita relies on an important Italian law that lays down a strict health and safety framework in the workplace.

Workplace health and safety agreements

In all, 98% of the Group’s employees are covered by collective agreements dealing with the main health and safety issues.

The Occupational Health, Safety and Working Conditions Committee acts on behalf of all CNP Assurances’ employees as well as outside service providers working on its premises. It meets once a month. Every year, a programme is drawn up to prevent risks and improve working conditions. A member of the Occupational Health, Safety and Working Conditions Committee is now the point person on psychosocial risks and meets with the in-house mediation team at least once a quarter. Another member is in charge of a prevention plan for outside service providers.

In addition to supplementary health insurance, CNP Assurances employees are covered by death/disability insurance with an optional long-term care formula. Collective agreements with MFPrévoyance's Occupational Health, Safety and Working Conditions Committee also include supplementary health and death/disability insurance. CNP Partners and LBPrévoyance also have an Occupational Health, Safety and Working Conditions Committee, which met eight times in 2015.

6.4.3 Priority No. 3: roll out a robust policy on gender equality in the workplace

The gender equality story

First diversity commitment		Intergenerational contract action plan		Extension of the gender equality agreement
1995	2009	2013	2014	2015
	Seal of Diversity obtained		Seventh agreement on the integration of people with disabilities	

6.4.3.1 A strong Group-wide policy

CNP Assurances is dedicated to integrating young people and people with disabilities into the workplace, supporting people with disabilities and promoting professional equality. We also constantly strive to prevent all forms of discrimination.

CNP Assurances received the Seal of Diversity in 2009 for its clear diversity and anti-discrimination policy, and has managed to keep the distinction since then. The status study conducted in 2015, prior to the audit for the renewal of the Seal of Diversityl, revealed an overall performance rate, in respect of the practices of CNP Assurances compared with the requirements set under the label specifications, that was close to exemplary (64%).

This policy is based in particular on three company agreements on gender equality, disabilities and union resources, as well as an action plan on the intergenerational contract initiative.

The results of this policy are illustrated not only by the Seal of Diversity but also by several indicators:

- In 2015, CNP Assurances ranked eighth in the annual list of French companies with the highest proportion of women executives (number one in the insurance sector) published by the Ministry of Social Affairs, Health and Women's Rights, which highlights the most advanced companies in terms of gender equality.

- On disability, employees with disabilities represented 6.4% of CNP Assurances' workforce at 31 December 2015, an increase of more than 1 percentage point compared with 2014. In late 2014, it signed its seventh internal agreement on this subject with three union organisations for 2015-2018, testimony to its enduring commitment.
- In accordance with the agreement, employee representatives who devote more than half of their working time to these duties receive a salary increase each year at least equal to the average of the individual pay rises of all the employees in their professional category.

<u>A continuous improvement initiative</u>: every year an internal Diversity Steering Committee, put in place in 2010 at CNP Assurances, reviews the actions undertaken in each area of the business to ensure that consistent policies are applied throughout the organisation. Career management and performance review processes uphold the principle of non-discrimination. Conferences in Arcueil and Angers helped managers understand and become aware of stereotypes and how to combat them. Over 300 managers received training, particularly on equal opportunity in hiring. Various mechanisms have been put in place to ensure that application of the diversity policy is regularly monitored and an annual diversity report is presented to employee representatives.

<u>A commitment applied across the Group</u>: The commitment to fighting discrimination is shared across the Group, and features in the Caixa Seguradora group's Code of Ethics and Conduct, and in CNP Argentina's Code of Ethics. CNP CIH's Code of Service addresses the issues of discrimination, privacy, freedom of religion, and respect for each employee. A collective agreement on this subject was also signed by

MFPrévoyance in 2011. A working group to promote diversity at UniCredit Vita once again implemented numerous initiatives, including dedicated training, in 2015.

6.4.3.2 Promoting gender equality in the work place

	2015	2014	Year-on-year change	Level of coverage
Proportion of female management-grade staff	50%	50%	0%	99%
Proportion of female senior executives	33%	33%	0%	99%
Average male/female income ratio by category	105%	109%	-4%	99%

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion. The second agreement on gender equality, signed by all trade unions in 2011, sets measurable goals in terms of gender parity, promotions, training and work-life balance. Particular attention is paid to women returning to work from maternity leave. A new agreement extending it until the end of 2016 was signed in 2015.

At 31 December 2015, 39% of Board members were women (seven directors). The proportion of women on the Board of Directors and the Executive Committee has increased steadily in recent years, exceeding 38% at the end of 2014. To advance the cause of women in the workplace, CNP Assurances belongs to several women's networks: Financi'Elles, a network for female management-grade employees in banking, finance and insurance, and Alter Egales, the network for female management-grade employees within the Caisse des Dépôts Group. Continuing the actions taken in the previous year, the company pursued its active membership of both networks in 2015.

6.4.3.3 The employment and integration of employees with disabilities

Number of employees with disabilities

	2015	2014	Year-on-year change	Level of coverage
Number of employees with disabilities	140	130	+8%	99%

CNP Assurances this year celebrated the 20th anniversary of the mission handicap. During these years, it has implemented a proactive policy to help people with disabilities enter the workforce. A seventh agreement was signed in 2014, committing to company to helping people with disabilities enter and stay in the workforce over a period of four years from 2015 to 2018. Including the 124 disabled employees on permanent contracts (up 10% compared with 2014) and the employees of the 170 sheltered workshops used by the company, the proportion of disabled employees was 6.4% of the workforce at 31 December 2015.

Disabled access audits have been conducted at all CNP of Assurances's facilities, in conjunction with the Occupational Health, Safety and Working Conditions Committee. An accessibility audit carried out in 2011 at the two main Paris sites found that thy were respectively 77% and 73% accessible to the disabled. In 2014, before CNP Assurances employees moved into a new building in Paris, an accessibility audit was carried out and the recommendations from the audit were implemented.

The Caixa Seguradora group frequently uses organisations that promote employment of people with disabilities to circulate job offers. It develops awareness initiatives to help teams welcome these employees. At CNP UniCredit Vita, employees with disabilities represented 6.13% of the workforce in 2015.

6.4.3.4 Fighting age discrimination

Hiring young people

CNP Assurances makes every effort to help young people to find employment. In 2015, permanent employees aged under 25 accounted for 3.4% of the workforce. An action plan to implement the French government's inter-generational contract initiative was drawn up in 2013, describing CNP Assurances' commitment to helping young people find lasting employment under a permanent contract. In 2015, 12 people aged under 25 were hired on permanent contracts. At 31 December 2015, CNP Assurances had more than 100 young employees on work-study contacts. CNP Assurances also hosted 86 interns in 2015. In addition, MFPrévoyance signed an intergenerational contract with employee representatives in 2013.

Employing seniors

CNP Assurances' intergenerational plan sets measurable goals for the hiring and retention of seniors As such, with 30 seniors on fixed-term contracts at the end of 2015, the company remains committed. Nineteen seniors with expertise were hired in 2015. Employees aged over 55 accounted for more than 21.2% of the workforce at 31 December 2015, an increase of nearly 4% compared with end-2014.

6.4.3.5 Promoting diversity through communication

The internal diversity communication plan is reviewed annually. Employees may also report any complaints or problems involving suspected or actual discrimination. The procedure is available on the intranet. Various articles on the implementation of the diversity policy, as well as external links, are also available on the CNP intranet site.

Awareness initiatives and training are conducted to fight stereotypes, prejudice, discriminatory language and attitudes, and to convince employees of the advantages of having a diversity policy. To maintain this momentum, which is now well entrenched, the "40 minutes to understand discrimination" self-training module, originally released in 2011 as part of the incentive campaign, has been updated.

6.4.4 Compliance with and promotion of the fundamental ILO conventions

In keeping with their commitment to the Global Compact, CNP Assurances, CNP Argentina, the Caixa Seguradora group and CNP UniCredit Vita ensure that laws and regulations are complied with in each country where they operate.

All of the subsidiaries share the four overriding principles of respect for human rights, freedom of association, the right to collective bargaining, long-term support for employees and the promotion of equal opportunity. Each one submits an annual report on their HR performance to CNP Assurances, with a special focus on these four criteria. Measures guaranteeing respect for civil and political rights at CNP Assurances include the company's internal code of conduct, the appointment of a liaison officer for dealings with the French data protection agency (CNIL) and agreements on union rights.

Employees are covered by insurance industry collective bargaining agreements (except for employees and managers in Ireland and senior managers in Argentina). CNP Assurances ensures that employee representatives enjoy the same training and promotion opportunities as other staff members.

Furthermore, compliance with ILO standards is reflected in dealings with suppliers and their own subcontractors (see section 4.3.3), the inclusion of CSR criteria in the investment strategy (81% of financial assets of the French entities, 100% of the Brazilian entity, 47% in Italy) and the management of property assets.

Abolition of forced or compulsory labour and effective abolition of child labour

Neither CNP Assurances nor its subsidiaries are directly concerned by forced or child labour. However, the Group pays particularly close attention to this issue in its purchasing policy (see section 4.2.3).

6.4.5 Building employee awareness of sustainable development issues through training

Sustainable development challenges are the subject of awareness/training initiatives to embed them in the corporate culture and everyday practices.

Awareness campaigns

Several Group entities have a section on their intranet dedicated to sustainable development. For several years, regular events and activities have been organised in each entity to raise employee awareness about sustainable development challenges:

- In recent years, CNP Assurances has organised competitions, surveys and conferences, shared guidelines, and raised awareness on environmentally friendly driving. In 2014, a conference was held in Paris for all employees on socially responsible investment.

- In 2015 a collection of used coffee capsules was organised during the Sustainable Development Week on CNP Assurances sites (Paris, Arcueil, Angers). The sale of material obtained from waste raised money for donations matched by the company for the benefit of Alliance française in Vanuatu for reconstruction efforts in the archipelago, and for the benefit of *Iniciativa Verde* for reforestation efforts in Brazil's Atlantic forest.

- The Sustainable Development Week was also an opportunity to launch our partnership with "Our Neighbourhoods Have Talent" (*Nos quartiers ont des talents* – NQT). This association connects young graduates from priority or disadvantaged neighbourhoods with volunteer sponsors in the company. Their aim is to help and guide them in their search for their first job.

- COP21 was widely discussed within CNP Assurances, with a wide variety of information distributed via the intranet and the issuance of a press release highlighting the company's commitments in respect of the environmental and energy transition. Nine hundred employees took part in an interactive serious game on these issues and on the strategy implemented by CNP Assurances to meet this challenge.

- Various awareness campaigns focused on eco-gestures within the Group's entities: MFPrévoyance educated employees about sorting, and La Banque Postale Prévoyance raised awareness about three eco-responsible habits (turning off lights and computers, limiting print-outs). The Caixa Seguradora group continued its intense employee awareness campaign last year. In Argentina, 2015 was marked by the launch of the "Multiplicar" programme aimed at reinforcing the responsible behaviour of employees through regular activities on the themes of recycling and solidarity, including training on sorting.
- In addition, in conjunction with the installation of defibrillators in CNP Partners offices, 58 company employees participated in races to promote their use. Caixa Seguradora circulated its new Code of Ethics and Conduct to all of its employees.

Training

The Caixa Seguradora group offers e-learning courses on socio-environmental responsibility for all staff, with 238 people trained in 2015.

CNP UniCredit Vita provided diversity training to all staff in 2015. It also tested a smart-working approach during the months of the World Expo in Milan: work-life balance, teleworking and remote control.

6.5 Foster a sustainable society and environment

Every year, when renewing their membership of the UN Global Compact, CNP Assurances and its various signatory subsidiaries confirm their determination to manage their impact on civil society and the environment.

The implementation of environmental policies within the Group, the desire to disclose its environmental impact on a very comprehensive basis, the annual monitoring of greenhouse gas emissions and the activity of the CNP Assurances Foundation and the Caixa Seguros Institute are evidence of the importance the Group places on its impact on the world around it. COP21 was an opportunity to take this approach further.

- Priority No. 1: optimise the environmental footprint of the Group's internal workings
- Priority No. 2: reduce the carbon and environmental impact of products
- Priority No. 3: control the local impact

6.5.1 Priority No. 1: optimise the environmental footprint of the Group's internal workings

Everyone in the Group has a role to play in reducing its environmental impact, primarily by effectively managing the three main direct sources of greenhouse gas emissions: paper use, business travel and office building management. Sorting has become part of the everyday routine for employees. Similarly, train travel is being used more instead of air travel, and video conferencing has become another regular habit.

6.5.1.1 Structures for addressing environmental issues

Environmental issues are handled locally by each entity. The resources mobilised for this purpose vary with the entity's size. Group subsidiaries report to the parent company on their environmental performance on an annual basis.

CNP Assurances has a Sustainable Development department, which reports directly to the Chief Executive Officer. Environmental issues are addressed and monitored by the corporate Purchasing, Working Environment and Property Investment departments. The Building Management department monitors regulatory developments. Each year an external audit firm prepares an assessment of regulatory compliance and a monitoring tool for equipment at risk.

To mark the launch of its new "Multiplicar" CSR policy, CNP Argentina has established a Sustainability Committee comprising employees who take part in the development of proposals for action.

CNP UniCredit Vita entrusts its approach to the CSR department in charge of environmental issues. CSR projects were previously monitored by the Green Group, comprised of volunteer employees. Since 2013, key CSR indicators have been included in the company's management reports.

The Caixa Seguradora group set up a Sustainable Development Committee in 2007 to address environmental issues. This Committee, comprising 11 representatives from various sectors within the company, is chaired by the chairperson of the Group's Executive Committee. The initiatives in the environmental programme help to instil a culture of sustainable development within the company.

6.5.1.2 Greenhouse gas emissions audit

CNP Assurances' greenhouse gas emissions

CNP Assurances' emissions of CO_2-equivalent have been monitored for five years. Since 2012, they have been measured in accordance with Article 75 of France's Grenelle law of 12 July 2010, and were as follows

	2015	2014	Year-on-year change
Direct greenhouse gas emissions (Scope 1)	2,673 t.eq.CO_2	2,643 t.eq.CO_2	+1%
Indirect greenhouse-gas emissions related to energy consumption (Scope 2)	2,246 t.eq.CO_2	2,074 t.eq.CO_2	+8%
Other indirect emissions (excluding	16,485 t.eq.CO_2	15,267 t.eq.CO_2	+8%

financial assets, see 4.5.2.2)

Scope 1 and 2 emissions are not material, which means that their volatility is inevitable, regardless of optimisation efforts: the slight increase in direct GHG emissions (Scope 1) is attributable to the higher level of maintenance work and tests on generators carried out in 2015. Heating over a full year of the new Parisian building purchased in 2014 explains the change in indirect GHG emissions attributable to energy (Scope 2).

The gap in respect of indirect emissions (Scope 3, excluding financial assets) is attributable chiefly to a change in methodology in determining the services.

Detailed information by source as reported to the French authorities is available in French at http://www.cnp.fr. In addition, CNP Assurances has reported its greenhouse-gas emissions to the Carbon Disclosure Project since 2005.

Caixa Seguradora group's greenhouse gas emissions

Caixa Seguradora's carbon footprint, measured in terms of business travel and buildings (based on the GHG protocol), totalled 2.63 tonnes of CO_2 equivalent per employee. With its emissions offset by reforestation in the Atlantic forest carried out with *Iniciativa Verde*, Caixa Seguradora has earned CarbonFree certification for several years in a row.

6.5.1.3 Analysis of the main components of the income statement

As CNP Assurances is a service company, its environmental footprint is related to employee behaviour and IT server activity. Energy, business travel and paper are the most significant items.

Emission sources	2015 emissions in t.eq.CO2 for CNP Assurances
Energy	3,414
Business travel	2,955
Paper	940

6.5.1.3.1 Business travel

Car travel is a big part of the CNP Assurances Group's carbon footprint. As the potential economic and environmental gain is significant, training and awareness campaigns on road risks and eco-driving were established for all employees in 2013. In 2014, new employees of the sales network attended specific personalised modules.

Expanding video conferencing

The use of video and audio conferencing is now widespread within the Group. It is promoted to limit business travel. The Caixa Seguradora group encourages its employees to reduce travel and to use any alternatives available to them. Since 2013, CNP UniCredit Vita has included tracking indicators for video and audio conferencing hours, as well as for air and train travel, in its quarterly report presented to the Management Committee.

In 2015, 11,742 hours of video conferencing were recorded across the Group, an increase of 31%, of which 70% at CNP Assurances.

Commuting

As part of its Business Travel Plan, CNP Assurances updated the commuting survey in 2013. Commuting by car was down (by between 9% and 30% depending on the site), while journeys by motorcycle or scooter and carpooling were up (by 8% for employees working at Paris Montparnasse). In all, greenhouse gas emissions related to commuting have been reduced by 13% in three years.

Business travel

	2015	**2014**	Year-on-year change	Level of coverage
Million km travelled by plane	15.6	13.9	+12%	98%
Million km travelled by train	3.7	3.9	-5%	99%
Million km travelled by car	10.2*	0.9	-11% like-for-like	93%
** including CNP Assurances from 2015*				

The increase in air travel is attributable chiefly to Caixa Seguradora. Air travel was either steady or down at the other Group entities. in Brazil, air travel is justified by business expansion and the size of the country.

CNP Assurances has prepared a written travel policy, providing a framework for employee practices to reduce the impact on the environment, while continuing to ensure the comfort and safety of travellers. Train travel relates mainly to CNP Assurances. Employees travelled 3.5 million kilometres by train, of which more than half between its main sites in Angers and Paris.

Kilometres travelled by car increased sharply during the year due to the consolidation of CNP Assurances (92% of the total). In previous years, car travel at CNP Assurances was expressed in terms of fuel consumption.

CNP Assurances encourages the use of public transport. Taxis can be used under certain conditions, and in this case, hybrid vehicles have been given priority by the booking office since May 2013. Accordingly, hybrid vehicles accounted for 40% of taxi journeys in 2015, up from 36% in 2014.

A large number of subsidiaries cut back on business travel or opted for cleaner modes of transport in 2015. As such, CNP UniCredit Vita continues its work to raise employee awareness (train vs plane and public transport), offering staff annual subscriptions at reduced rates after negotiation with the public transport company of Milan since 2015.

6.5.1.3.2 Consumption of office supplies

The CNP Assurances Group's operations are entirely in the field of insurance. As with other financial services, paper is the principal raw material consumed. For several years now, many initiatives have been deployed by Group entities to reduce paper use. In 2013, for instance, CNP UniCredit Vita's paper consumption was included as a key indicator in the monthly report presented to the Management Committee. Since 2014, CNP Partners has posted a guide to good practice on its intranet to reduce paper use by employees.

A reduction in Group-wide paper use for internal operations

	2015	**2014**	Year-on-year change	Level of coverage
Paper use for internal purposes	32.6 million sheets	35.5 million sheets	-8%	98%
Proportion of recycled paper used for internal purposes	19.4%	17.2%	+13%	97%

Thanks to the concerted efforts of employees, CNP Assurances is reducing its paper use year after year, with savings of 11% in 2012, 5% in 2013 and almost 6% in 2015. Caixa Seguradora and CNP Argentina have significantly reduced their paper purchases for internal purposes, by 30% and 14% respectively. CNP UniCredit Vita and CNP Europe Life use only recycled paper for internal purposes.

Green office supply purchasing

In line with last year's figure, 35% of office supplies ordered by CNP Assurances are labelled "green".

6.5.1.3.3 Office building environmental management

Controlling energy use

Energy use by the CNP Assurances Group corresponds to heating and cooling systems in its office buildings, office equipment used by employees and IT servers. Electricity is the main type of energy used.

	2015	**2014**	Year-on-year change	Level of coverage
Electricity consumption	22.1 million kWh	21.6 million kWh	+2%	99%
Gas consumption	2.2 million kWh	2.3 million kWh	+4%	98%
Fuel oil consumption	87,945 litres	56,010 litres	+57%	63%

CNP Assurances has adopted energy-saving measures designed to help buildings operate more efficiently. For example, improving how heating (French sites except Arcueil), air conditioning and ventilation systems are controlled requires the expert management of programmable time settings. The Group has also established room temperature guidelines and the regulation of fan coil units, whose efficiency has been improved by the closure of the doors.

Significant work has been carried out to reduce energy use. Notable initiatives include:

- As part of a comprehensive plan to reduce energy costs at the Saint Serge building in Angers, and on the basis of the energy performance assessment, a four-year programme (2014-2018) has begun with renovation work on the refrigeration system. The work will allow compliance with regulations, via the removal of R22 and the replacement of open air-cooling towers, which consume large amounts of water, with closed towers, which, by virtue of their design, do not consume water. A new stage of the project has begun, with the aim of fully renovating the ventilation and air conditioning system. For this, a management system and control equipment have been established.
- Following the purchase of a new office building in Paris in 2014, multi-annual renovations of the control system continued, with the installation on three levels of new terminal units to control fan convectors;
- The installation of LED lighting at SIC Beaucouzé resulted in an energy gain.

Furthermore, in accordance with Article L.233-1 of the French Energy Code, CNP Assurances conducted an energy audit on operating buildings before 5 December 2015. This audit was carried out at the headquarters and on the site in Angers, thereby covering 65% of energy bills paid by the company. The operation of buildings was studied, and measurements were taken of the consumption of the various buildings.

A total of 4.44 million kWh of heating supplied by the CPCU district heating network in Paris was used to heat CNP Assurances' Paris offices in 2015. Fuel-oil consumption, which is occasional and not material, relates exclusively to the power generators at the main sites in France.

CNP Assurances' subsidiaries have also gradually adopted measures to reduce electricity use, notably for lighting, heating and IT servers. The Caixa Seguradora group moved its headquarters to a more energy-efficient building equipped with presence detectors, LED lighting, glass façades (less artificial light) and a more efficient air conditioning system.

In addition, awareness campaigns have been carried out for employees across the Group's entities (see 6.4.5 – Building employee awareness of sustainable development issues through training).

The buildings used by Group entities are not currently equipped with systems for generating renewable energy.

Water use

	2015	**2014**	Year-on-year change	Level of coverage
Water consumption in cubic metres	63,205	71,960	-12%	98%

An analysis of local restrictions on the Group's water use, based on the Global Water Tool 2015, shows that 5% of its water use is in extremely water-scarce areas (Cyprus), 8% in water-scarce areas, 2% in water-stressed areas, 46% in water-sufficient areas and 39% in water-abundant areas (see the area definitions at **http://www.wbcsd.org**).

The removal of open cooling towers at CNP Assurances and the installation of more energy-efficient equipment at the new headquarters of the Caixa Seguradora group (modern air conditioning and water pressure limiting system) explain the drop in water consumption recorded in 2015.

Waste management

	2015	2014	Year-on-year change	Level of coverage
Proportion of employees with access to waste sorting	95%	89%	+7%	98%
Tonnes of waste paper and cardboard recycled	237	179	+32%	91%

Waste-sorting systems allow Group entities to recycle printer cartridges and paper used in offices for internal purposes. The financial benefits of recycling are donated to NGOs in France. Each Group entity has conducted campaigns to teach employees about recycling. Caixa Seguradora's move into a new building in late 2014 provided an opportunity for a diagnostic review of waste management within the organisation and a survey of employee behaviour.

The CNP Assurances recycling system was extended in 2011, with the addition of a dedicated process for office furniture. Used batteries and light bulbs are collected at the main facilities, representing over half a tonne in 2014.

Computer equipment is also a significant source of waste. CNP Assurances sells or gives away over half of its obsolete equipment, and the rest is dismantled for recycling by a specialised firm.

CNP Argentina has made waste management one of the major planks of its new CSR policy. To raise employee awareness, training on sorting has been carried out by an association employing people with disabilities. It has also led a campaign involving the replacement of individual bins in favour of collective bins. To go further, all obsolete computer equipment is given to a specialised association.

CNP UniCredit Vita has set up a plastic bottle compaction system, including caps, in one of its communal areas.

Pollution

Given the nature of its business, CNP Assurances causes no water or soil pollution, and emits very few greenhouse gases other than CO_2. Nonetheless, as part of its woodland management, it employs techniques that prevent soil erosion and ensure water filtration and purification.

The Group's entities do not cause noise or other forms of pollution. Several entities have installed lighting in their offices that switches off automatically.

None of the Group's entities have been convicted of any environmental violations or have been the subject of any non-monetary environmental sanctions.

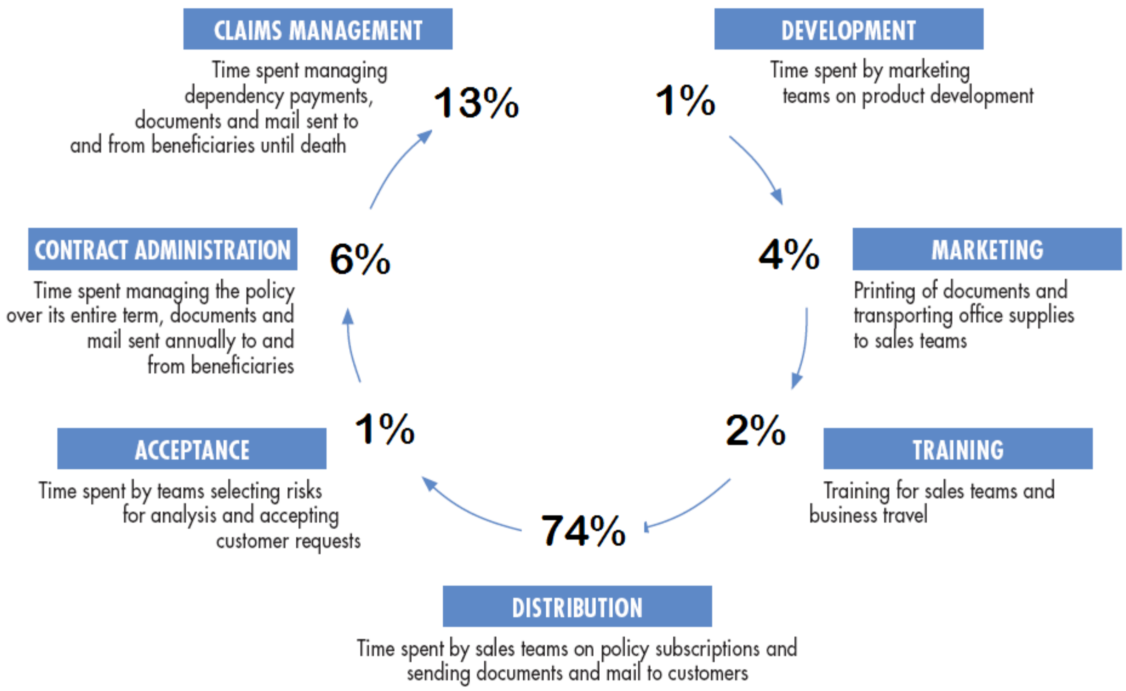
6.5.2 Priority No. 2: reduce the carbon and environmental impact of products

The fight against climate change is only effective if it is made central to business. A signatory to the Kyoto Statement of The Geneva Association several years ago, CNP Assurances worked hard in 2015 to gain the fullest picture possible of the carbon impact of its products, on the insurance side and on the investment side alike. It also gave noteworthy support to the "Declaration of the actors of the Paris financial centre on climate change".

Caixa Seguradora incorporated the management of environmental risk resulting from its activities and operations into its sustainable development policy in 2015: identification, assessment of negative impacts, mitigation and control.

6.5.2.1 Impact of an insurance product

The cradle-to-grave carbon emissions associated with a death and disability insurance product were revised in 2015, in line with the greenhouse gas analysis method®. For example, a Trésor Prévoyance Garantie Autonomie policy generates 22 kilograms of CO_2 over its lifetime, as follows.



We used the results of this analysis to set priorities for action, leading to our current work on reducing the environmental footprint of our internal operations, promoting paperless solutions and online tracking.

These findings were confirmed in 2015 by measuring the environmental impact of the online subscription in place in creditor insurance for over a year. The results are very positive, particularly in terms of greenhouse gas emission reductions.

Paper consumption for internal purposes

	2015	2014	Year-on-year change	Level of coverage
Paper consumption for customers (1)	116 million sheets	86 million sheets	+34%	97%
Proportion of paper certified as environmentally sustainable (2)	89%	90%	-1%	97%

(1) Paper use for contractual documents, claims management and customer communication
(2) All paper, excluding chemical carbon paper limited to contractual documents

The increase in paper consumption for customer purposes is attributable chiefly to the increase in the amount of customer correspondence required by changes to regulations. A total of 103.4 million sheets of paper were purchased for CNP Assurances' corporate brochures and contractual documents. In 2009, the switch to double-sided printing for informative documents sent to CNP Assurances customers helped reduce the volume, with the number of printed sheets down 42% in 2009 and 26% in 2010. Customer correspondence has been printed in part on recycled paper for the last two years. Moreover, CNP Assurances' corporate brochures accounted for 369,719 sheets, down 20% in 2015.

For several years, several Group entities, including Caixa Seguradora, CNP Partners and MFPrévoyance, have outsourced the printing of their contractual documents and/or customer correspondence.

Eighty-nine percent of paper used by the Group (including for internal purposes) has a sustainable management label such as FSC, PEFC or EU Ecolabel.

Paperless operations – a rapidly expanding approach

Digital conversion of certain documents and procedures has increased at CNP Assurances: the Amétis network started going paperless for marketing correspondence in 2011. Virtually all applications for La Banque Postale products are now paperless. This has helped eliminate the use of carbon paper (a saving of 1 million sheets). Semi-annual customer statements are new paperless, reducing the number of items sent by the Caisse d'Epargne and La Banque Postale networks by 3 million and 1.9 million respectively.

CNP UniCredit Vita launched two projects to make its contractual and aftermarket documents paperless in 2015. CNP Argentina has sharply reduced the printing of contractual documents, notably by establishing a customer extranet.

6.5.2.2 The environmental footprint of financial assets

As a financial intermediary, CNP Assurances' main challenge in respect of controlling CO_2 emissions is its assets.

The environment as an investment criterion

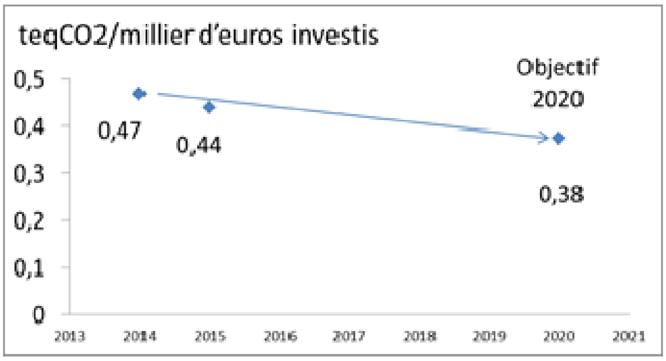
CNP Assurances applies environmental screens to all of its equity and corporate bond portfolios, thereby prioritising, as for CNP Argentina, companies with a good environmental performance and taking into account the carbon risks and opportunities (see 6.3.1 – Be a responsible investor). It has also developed CNP Développement Durable, an SRI fund focusing on environmentally responsible investments, which is marketed through the Amétis network.

Since mid-2009, Green Rating energy efficiency assessments have been carried out on all newly acquired properties in order to estimate the cost of upgrading them to meet the prevailing standards. The Caixa Seguradora group has a policy of not investing in property projects that pose a potential danger to the environment.

As the largest private owner of woodland in France, CNP Assurances helps to sequester a significant quantity of CO_2. As a reminder (see 6.3.1.5 – Forests: an environmental opportunity), the growth of CNP Assurances trees allowed the sequestering of 539,020 tonnes of carbon dioxide in 2015. After deducting timber sold or cut down during the year, a net 290,584 tonnes of carbon dioxide was added to the sequestered total in 2015. The company responsible for managing CNP Assurances' forestry assets has been considering how these woodlands can be adapted to cope with projected climate change over the coming decades.

A first measurement of the carbon footprint and strong commitments to fight against climate change

Estimate of the carbon footprint of the portfolio of listed equities held directly



After nearly 10 years of monitoring the carbon well formed by its forests, CNP Assurances elected to measure the greenhouse gas emissions from its equity securities in 2015. These emissions, despite being indirect, are far more significant than the carbon footprint emissions. Their measurement highlights the role of investors in the fight against climate change. It is a symbol more than a scientific measure. Nevertheless, CNP Assurances has set itself the goal of reducing the level reached in 2014 by 20% by 2020.

There is still scope to improve the methodology, and CNP Assurances supports the Carbone 4 methodological developments, notably with a view to better identifying companies that emit large amounts of greenhouse gases while at the same time being highly committed to CSR, via the "avoided emissions" approach. Furthermore, this measure and the associated reduction commitment strengthen the Group's role as a responsible shareholder and reinforce dialogue with issuers. Investor leverage is becoming credible with the proliferation of market commitments to which CNP Assurances subscribed in 2015: Gold sponsor of the "climate finance days", signatory to the Montreal Carbon Pledge, actor in the "Declaration of the actors of the Paris financial centre on climate change," pioneer, alongside the CDC Group as a whole, in the commitment to provide multi-year data on the reduction in its GHG emissions.

6.5.3 Priority No. 3: control the local impact

6.5.3.1 Local impact

Local employment

CNP Assurances has been providing employment in its host regions for close to a century: 91% of CNP Assurances employees work at either the Paris, Arcueil or Angers facilities. Expatriate workers represent 0.5% of headcount at foreign subsidiaries. These companies also participate in their local job markets, including for senior management positions: at 31 December 2015, 73% of Executive or Management Committee members had been hired locally.

CNP Assurances is a founder member of the *Entrepreneurs de la Cité* foundation. In addition, the new focus of CNP Assurances' sponsorship on supporting the inclusion of young people in education and civic service, and the partnership established with Our Neighbourhoods Have Talent (NQT) offer practical solutions in finding jobs. Similarly, the Caixa Seguradora group has for several years been organising expression and entrepreneurship workshops for young people from disadvantaged areas (1,700 in 2014 and 2015). Its events and discussion groups attracted nearly 14,000 participants in 2014. In 2015, the company established a partnership with various Brazilian institutions to support small and micro-enterprises.

Lastly, and less directly, several insurance products include assistance in finding work. Examples include, in France, an unemployment insurance product with a reduced premium or advisory services to help the policyholder find a new job and, in Brazil, the job search support service offered by Caixa Seguradora.

Impact as an insurer and long-term investor

By making its products widely accessible, in terms of both affordability and medical screening, the Group is helping to combat financial exclusion. These topics, which are an essential part of the Group's CSR approach, are discussed further in section 6.2.1.

With over €300 billion in investments, we play a major role in financing the economies of our host countries.

All sectors of the economy receive support to foster long-term development. We promote corporate social responsibility among the companies in the portfolio, through our policy of being a responsible investor and shareholder (see 6.3). Similarly, Caixa Seguradora's financial investments are carried out entirely in Brazil.

Initiatives to support local communities

The Group's entities also contribute to resolving current social issues. For example:

- Filassistance's assistance and prevention services meet the needs of people made vulnerable by age, disability or illness (see 6.2.2.2);
- the Caixa Seguradora group actively helps local communities. The *Jovem de Expressao* programme is supporting human development during the current period of demographic and epidemiological transition in Brazil (see **www.jovemdeexpressao.com.br**). Through this campaign, the Group seeks to reduce violence by fostering access to jobs, and to cut exposure to sexually transmitted diseases among young people in the surrounding region, in partnership with local cultural centres. This programme was acknowledged in 2010 for its innovative character, and received an award for its actions in the fight against AIDS/HIV in 2015. These initiatives were shared internationally in 2015 at the World Congress against Crime in Doha and a conference on sex education in the United States,
- in 2014, CNP Assurances invested in DomusVi, a major provider of residential and home care services for the elderly.

Lobbying

Group companies participate in their local insurance industry's professional bodies, and the international subsidiaries also attend events organised by the local French consulate, but they do not conduct any lobbying per se. We help to address the challenges facing society by contributing to research and discussion, notably on the topics of retirement and long-term care in France.

CNP Assurances never acts alone. It systematically acts through industry organisations, in particular the FFSA and European bodies in the insurance sector. Experts sit on its specific committees. Since January 2015, the Director of Sustainability at CNP Assurances had chaired the Sustainable Development Committee of the AFA (association combining the FFSA and the Association of Mutual Insurance Companies).

CNP Assurances is involved in the Paris Europlace SRI Commission, and is also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together various stakeholders (NGOs, unions and trade associations).

By way of illustration, CNP Assurances took an active part in development of the "Declaration of the actors of the Paris financial centre on climate change" signed by seven associations, including ORSE, Paris Europlace and the AFA, in 2015.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries, such as CNP Argentina, specifically prohibit them in their code of ethics.

6.5.3.2 Corporate philanthropy and outreach partnerships

Corporate philanthropy operations are carried out in partnership with non-profit organisations following calls for projects. In France, some projects are partly driven by employees, or by higher education institutions. Employees in Brazil and Italy take part in organising corporate philanthropy initiatives. Furthermore, the Caixa Seguros Institute, which manages the philanthropic work of the Brazilian group, has cooperation agreements with UNODC and UNESCO as well as service agreements with the NGO *Iniciativa Verde*.

The subsidiaries are involved in many philanthropy programmes, essentially social: CNP Partners sponsors a solidarity association, CNP Argentina undertook to assist a disadvantaged community through its “Multiplicar” programme in 2015, and CNP CIH supports local actions in the fields of fire and accident prevention. A high level of cultural and artistic patronage completes the many actions taken by Caixa Seguradora.

SPECIFIC INITIATIVES

- <u>training/research</u>:

CNP Assurances maintains close relations with ENASS, France’s leading business school specialised in the insurance sector. It also finances training centres and apprenticeship centres (CFAs) such as IFPASS and ADAPT, and helps schools through the apprenticeship tax. As part of its philanthropic activities, CNP Assurances finances several research chairs, including the Risk Foundation’s “Demographic Transitions, Economic Transitions” chair. It is also supporting Institut Europlace de Finance in the creation of a research initiative devoted to long-term asset allocation. In 2015, CNP Assurances also supported a 3D cardiac imaging technology research project that will ultimately help develop faster and more effective diagnostic tools in oncology, cardiology and neurology.

LBP Prévoyance has undertaken to start supporting in 2016 a research chair entitled “Dependence of the elderly” created by the Médéric Alzheimer Foundation in partnership with the Paris School of Economics.

- <u>reinsertion</u>:

The CNP Assurances Group has a long history of introducing young people to the world of work. At the end of 2014, CNP Assurances had 101 employees on combined work-study or apprenticeship contracts, as well as 194 interns and 195 young people on insertion contracts.

Since 2015, CNP Assurances has also supported Our Neighbourhoods Have Talent (NQT), an association that aims to foster informal exchanges between young graduates from priority neighbourhoods or disadvantaged backgrounds. Over 20 CNP Assurances employees voluntarily and willingly work with the association to help these young people find employment. CNP Assurances is also a founding member of the *Entrepreneurs de la Cité* foundation, and co-insures the entrepreneurs helped by the foundation. The Group is also involved in the *Cités Partenaires* II business angels investment fund dedicated to helping entrepreneurs from disadvantaged areas.

The Caixa Seguradora group is heavily involved in the *Jovem de Expressao* programme (see Local impact), and signed a cooperation agreement with UNESCO in 2011 to develop community-based communication and promote youth health initiatives as part of this outreach programme

CNP Assurances corporate foundation

CNP Assurances made a significant commitment in 2015 in favour of public health through its corporate foundation. It has a multi-year €4 million programme devoted exclusively to the projects it supports in two areas:

- A foundation aimed at helping to reduce social inequalities in healthcare:

By promoting prevention and better health, by acting on its social determinants, the foundation aims to help promote better living and health among young people at risk of social vulnerability. In this context, the

Foundation has adopted a dynamic approach to co-construction of national projects with partner organisations such as the Civic Service Agency (*Agence du Service Civique*) and the Alliance for Education (*Alliance pour l'Éducation*).

- A foundation committed to the treatment of cardiac arrest:

Since 2009, the CNP Assurances Foundation has initiated and provided support for projects emanating from French local authorities wishing to install defibrillators in public places and to provide first aid training to larger numbers (financing the implementation of more than 3,000 defibrillators and raising peoples' awareness of the importance of first aid in more than 2,200 cities and towns).

- A foundation close to CNP Assurances employees:

The CNP Assurances Foundation also calls for projects aimed at CNP Assurances employees for all projects in which they are personally involved (such as projects in the areas of social inequalities in respect of healthcare or disability).

6.5.3.3 Human rights

The guiding principles of the Global Compact

In line with our 2003 pledge to uphold the UN Global Compact, we ensure that each local organisation complies with human rights laws and regulations. Following the lead of CNP Argentina and Caixa Seguradora, CNP UniCredit Vita also pledged to uphold the Compact in 2010. Caixa Seguradora has its corporate social responsibility audited by Ethos on an annual basis to verify compliance with the Global Compact principles.

Each year, these companies reaffirm their commitment to upholding the Compact's principles and encourage their asset managers and suppliers to follow suit.

This commitment is reflected in the integration of environmental, social and governance criteria into financial asset management strategies. Respect for human rights is one of the criteria used to select equity and bond investments, as well as in determining "sensitive countries" since 2014. Consistent with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of prohibited countries covering all of its activities, extending the exclusion beyond the list of countries prohibited as part of the fight against money laundering and terrorist financing or non-cooperation in tax matters to include countries identified as tax havens based on the Tax Justice Network indices and those posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International.

A message communicated to stakeholders

The signing of the Principles for Responsible Investment reinforces CNP Assurances' commitment, notably among issuers and companies of which it is a shareholder.

The signing of the French Union of Advertisers' Charter on Responsible Communication confirms and promotes responsible communication by developing and implementing fair and ethical practices, including respect for diversity and a commitment to respect customers' private data when using it for marketing and commercial purposes. CNP Assurances discloses details of actions implemented each year.

In addition, in supplier relations, the standard CSR clause in CNP Assurances' purchase contracts stipulates that the supplier must undertake to combat human rights violations, notably by upholding the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the conventions of the International Labour Organization.

The Human Resources intranet provides information for CNP Assurances employees about their rights, and includes sections on the collective bargaining agreement, social dialogue, professional diversity and stress management. A union area on the intranet allows continuous communication from the unions to staff.

Dedicated procedures

All of the subsidiaries share the four overriding principles of respect for human rights, freedom of association, the right to collective bargaining, long-term support for employees and the promotion of equal opportunity. Each subsidiary submits an annual report on their CSR performance to the parent company, with a special focus on these fundamental criteria.

Neither CNP Assurances nor the Group's subsidiaries have recourse to forced or child labour. The Group pays particularly close attention to this issue in its purchasing policy (see 6.3.2) and in its property management processes.

Group procedures to guarantee respect for civil and political rights include internal codes and standard operating procedures, agreements on union rights, and data protection procedures.

6.6 Methodology

Group reporting methodology

Progress in sustainable development performance is tracked through the use of dedicated indicators and by identifying outstanding accomplishments. The CNP Assurances Group discloses its CSR indicators in accordance with the provisions set out in Articles R.225-104 to R.225-105 of the French Commercial Code. The notes to the 2015 Corporate Social Responsibility Report set out these indicators in detail for each country.

Guidelines and definition

The indicators and reporting processes have been defined for all Group entities This process serves as a reference for the various persons involved at CNP Assurances and at all subsidiaries in preparing this section. It describes the issues, roles, indicators and data collection processes, as well as the main identified risks and the system for controlling and managing these risks.

The process was set up using the Global Reporting Initiative (GRI) guidelines. The reference indicators are presented on the GRI website: **https://www.globalreporting.org**.

Scopes

The indicators cover all fully consolidated entities in the CNP Assurances Group, namely, unless otherwise stated, CNP Assurances (for environmental data excluding 2,860 sq.m. at regional sites), CNP IAM, Previposte, ITV, CNP International, La Banque Postale Prévoyance, MFPrévoyance, CNP Partners (for environmental data excluding CIS offices in Italy and France), CNP Assurances Compañia de Seguros, Caixa Seguradora, CNP UniCredit Vita, CNP Cyprus Insurance Holdings, CNP Europe Life and CNP Santander Insurance and their consolidated subsidiaries. Indicators from the Group's consolidated subsidiaries are presented without applying a proportion. Differences compared with 2014 are the inclusion of CNP Santander Insurance and the removal of CNP Barclays Vida y Pensiones.

The term "CNP Assurances" covers the legal entities CNP Assurances, CNP IAM, Previposte, ITV and CNP International. The scope for water and energy use includes the facilities in Paris, Angers and Arcueil, but excludes regional offices; this corresponds to 91% of CNP Assurances employees.

The **level of coverage** for each indicator is presented in the tables. It represents the headcount of entities included in the calculation of the indicator divided by the total headcount of the consolidated Group, excluding the branches in Italy and Denmark. Section 4 therefore covers a total of 99.54% of the consolidated Group's employees at 31 December 2015.

Change is the percentage difference between the 2014 and 2015 data. We note that the aforementioned change of scope above did not materially influence the rate of change. In the event of major adjustments to the scope explaining a particular rate of change, the rate of change is also presented at constant scope.

Reporting period

Indicators mapping movements cover the period from 1 January 2015 to 31 December 2015 (excluding CNP Assurances business travel, which is presented over a trailing 12-month period from 1 November 2014 to 30 October 2015, as well as electricity for CNP Assurances over 12 rolling months from 1 December 2014 to 30 November 2015); indicators of stocks are as at 31 December 2015.

Historical data and changes in scope

Differences compared with 2014 are the inclusion of CNP Santander Insurance and the removal of CNP Barclays Vida y Pensiones. Slight variations in scope can appear when indicators have not been provided for an entity or sub-entity in 2014, but have been in 2015.

Reporting, control and consolidation method

Indicators are reported by operational departments (HR, building management and purchasing), and are broken down by facility where necessary. The accounting consolidation system is also used for CSR reporting. CSR Officers have been appointed for each entity (a total of 16 CSR Officers). They prepare the first level of consolidation within the entity concerned. Thirteen validators check the data from their entities. The CNP Assurances Sustainable Development department is responsible for overall consolidation and carries out consistency checks on all the information collected from these CSR Officers.

Implementing CSR reporting in 2006 has led to a steady improvement in the quality of non-financial data, particularly environmental data. Certification by the Statutory Auditors and use of the Group consolidation system for CSR reporting in the past three years have also enabled quality standards to be tightened. A dedicated collaborative web platform was set up in 2015. These developments have helped to drive progress in the Group's CSR programme by making it easier to manage initiatives within each business.

Consolidated ratios for all entities are calculated by weighting reported ratios based on each entity's headcount.

Limitations to the completeness and reliability of information

Estimates have been used for certain environmental data, where more exact information is not available. This applies in particular to water and energy use data for buildings, which is sometimes estimated on a pro-rata basis based on the number of square metres (Arcueil, CNP Europe Life sites), Furthermore, the definitions of social indicators may differ slightly between countries. However, the consolidated indicators used are consistent and material. The guidelines were deployed in 2014 in foreign subsidiaries, and certain definitions, such as those for absenteeism, training and compensation, were harmonised from one subsidiary to the next.

Verification

One of our Statutory Auditors performed an analysis to verify the existence and fair presentation of information that falls within the scope of Article 225 of the French Commercial Code. A fairness review was performed for the most significant information, including detailed tests on the corresponding measurable indicators, and the other information was reviewed for consistency. The audit report is provided at the end of this section.

Names of entities

To make this report easier to read, the names of certain entities have been simplified. For example, CNP Argentina is used for CNP Assurances Compañia de Seguros, LBPP for La Banque Postale Prévoyance, CNP CIH for CNP Cyprus Insurance Holdings, and CNP Santander for CNP Santander Insurance.

6.7 Concordance table for labour, environmental and social data

The table below reviews in detail the indicators found in Articles R.225-104 to R.225-105-2 of the French Commercial Code and specifies the sections that cover these indicators in this report. All the sections mentioned in the table fall within the scope of the verification; the level of verification is specified in the table.

Labour indicators (Articles R.225-104 to R.225-105-2 of the French Commercial Code)	Level of verification	Relevant section
a) Workforce		
• Total workforce and breakdown by age, gender and geographic region	Fairness	6.4.1.1
• Hires and terminations	Fairness	6.4.1.1
• Remuneration and changes in remuneration	Fairness	6.4.2.5
b) Working hours		
• Organisation of working hours	Fairness	6.4.2.4
• Absenteeism	Fairness	6.4.2.6
c) Employee relations		
• Organisation of social dialogue (employee information and consultation procedures and negotiation processes)	Fairness	6.4.2.1
• Corporate agreements	Fairness	6.4.2.1
d) Health and safety		
• Workplace health and safety conditions	Fairness	6.4.2.6
• Health and safety agreements signed with trade unions and other employee representatives	Consistency	6.4.2.6
• Workplace accidents, frequency, seriousness and occupational illnesses	Fairness	6.4.2.6
e) Training		
• Training policies	Fairness	6.4.1.2
• Total number of training hours	Fairness	6.4.1.2
f) Equal opportunity		
• Measures taken to promote gender equality	Fairness	6.4.3.2
• Measures taken to promote the employment and integration of people with disabilities	Consistency	6.4.3.3
• Anti-discrimination policy	Fairness	6.4.3.1
g) Promotion of and compliance with the International Labour Organization's fundamental conventions concerning:		
• The right to exercise freedom of association and the right to collective bargaining	Consistency	6.4.4/6.4.2.1
• The elimination of discrimination in respect of employment and occupation	Consistency	6.4.4/6.4.3
• The elimination of forced and compulsory labour	Consistency	6.4.4
• The effective abolition of child labour	Consistency	6.4.4

Environmental indicators (Articles R.225-104 to R.225-105-2 of the French Commercial Code)	Level of assurance	Relevant section
a) General environmental policy		
• Structures for addressing environmental issues	Consistency	6.5.1.1
• Employee training and awareness initiatives for the protection of the environment	Consistency	6.4.1.2 and 6.4.5
• Resources allocated to preventing pollution and other environmental risks	Not covered in view of the Group's activities as a service provider	
• Environmental provisions and warranties	Consistency	No provisions or guarantees
b) Pollution and waste management		
• Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment	Not covered in view of the Group's activities as a service provider	
• Measures to prevent, recycle and eliminate waste	Consistency	6.5.1.3
• Measures to address noise and other forms of pollution specific to an activity	Consistency	6.5.1.3
c) Sustainable use of resources		
• Water use and supply in relation to local restrictions	Consistency	6.5.1.3
• Raw materials use and the measures taken to use them more efficiently	Fairness	6.5.1.3 and 6.5.2.1
• Energy use and the measures taken to improve energy efficiency and increase the use of renewable energies	Fairness	6.5.1.3
• Land use	Consistency	6.3.1.5
d) Climate change		
• Greenhouse-gas emissions	Fairness	6.5.1.2
• Measures taken to adapt to climate change	Consistency	6.3.1.5
e) Biodiversity protection		
• Measures taken to protect or develop biodiversity	Consistency	6.3.1.5

• Social indicators (Articles R. 225-104 to R. 225-105-2 of the French Commercial Code)	Level of assurance	Relevant section
a) Territorial, economic and social impact of the company's operations		
• In terms of employment and regional development	Consistency	6.5.3.1
• On local residents and communities	Consistency	6.5.3.1
b) Relations with people or organisations that have an interest in the company's operations		
• Dialogue with these people and organizations.	Consistency	6.5.3.2
• Partnership or philanthropy initiatives	Fairness	6.5.3.2
c) Subcontractors and suppliers		
• Integration of social and environmental issues in purchasing policy	Fairness	6.3.2
• Outsourcing and the importance of including CSR in dealings with suppliers and their own subcontractors	Fairness	6.3.2
d) Fair practices		
• Action taken to prevent corruption	Fairness	6.3.3.2
• Measures taken to promote the health and safety of consumers	Consistency	6.2.2.2 and 6.2.4.1
e) Other action taken to promote human rights	Consistency	6.5.3.3