Coface's purpose is to facilitate trade in domestic and export markets. Supporting the development of "B2B" trade brings with it a responsibility that the Group places at the centre of its governance, operations and communication through its "***For Trade***" **baseline. At Coface, we believe in trade as a positive force for the world** and we want to actively contribute to it.

The Coface Group has made a commitment to cooperate in the field of corporate, environmental and societal issues for several years now. In 2003, it joined the **United Nations Global Compact**, through which it supports in its sphere of influence the ten principles of the Global Compact relating to human rights, international labour standards and the fight against corruption. Coface's Human Resources (HR) policy reflects its economic and corporate plan. It contributes to and accelerates the Coface Group's strategic transformations, while controlling its environmental impact and ensuring the engagement of its employees.

Since 2022, Coface has participated in the "**Business and Civil Society Meetings**" organised by Common Stake to forge a better understanding of civil society actors and share constructive views and thinking on current societal changes and those to be carried out for an ecological and social transition on various topics, such as the climate and the respect for human rights. These meetings take place in person and take the form of a half-day of debates, presentations and discussions, organised every two or three months.

/ RECOGNITION FROM NON-FINANCIAL AGENCIES

AGENCIES	RATING AND ASSESSMENT
MSCI ESG RATINGS AAA	**AAA** Leader
Moody's ESG Solutions	**57/100** Robust
Corporate ESG Performance Prime, rated by ISS ESG	**C** Prime status (2nd decile of insurers)
MORNINGSTAR SUSTAINALYTICS	**18** Low risk

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

To reinforce its responsibility policy and make it a key component of its business activities, the Coface Group has mapped its non-financial risks since 2018. This mapping was revised and improved in the 2022 financial year to refine the qualification and quantitative assessment of risks, as well as their inclusion in the Group's overall strategy, supplementing the risk maps already monitored by the Group and presented in Chapter 5.

The process of non-financial risk mapping is detailed in paragraph 6.7.1.

The following table summarises the main non-financial risks identified by Coface. The nature of these risks and the policies implemented to address them, as well as the main indicators monitored by Coface, are detailed in Chapter 6.3.

Cross-reference table for the Universal Registration Document (URD):

BUSINESS MODEL	DESCRIPTION	URD REFERENCE
Main activities of the Group, organisation, business model, strategy and objectives		Chapter 0 - Overview of Coface

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI	2022	2023	URD REFERENCE
R.1 - Inadequate protection against data leaks • Risk of financial loss, damage to operating systems and damage to the Company's image **R.2** - Unsuitable cybersecurity solutions or poor management of a cybersecurity incident • Risk of financial loss, damage to operational systems and Company image, data leakage	• Policy on cybersecurity risk management; IT and cybersecurity risk mapping and control; an independent cybersecurity review; identity access management; IT asset management; project security; cybersecurity in supplier relationships; and cybersecurity for third parties	• Percentage of cybersecurity taken into account in purchasing • in projects • ability of Coface teams to detect cybersecurity incidents	*N/A*	• **79%** • **100%** • **85%**	6.2.4 d)
R.3 - Non-satisfaction of clients and partners • Risk to brand credibility and loss of market share, pressure on prices	• Programme to improve service quality	• Monthly survey response rate: • *NPS Q4*	• 11.4% • N/A	• **11.3%** • **51**	6.2.1
R.4 - CSR insufficiently integrated into the commercial policy • Risk of loss of business opportunities and competitiveness. In the long term, inability to meet the expectations of investors and clients	• Commercial exclusion policy • ESG projects covered by the Single Risk activity • consideration of environmental criteria in financial risk management • GBA as a tool for tracking our debtor portfolio	• Amount of ESG outstandings covered by the Single Risk activity at the end of the year ***(€m)***	• €350m	• **€428m**	6.2.2
R.5 - Investment in non-responsible assets from an environmental, governance or social standpoint • Asset depreciation and reputational risk	• Investment policy	• Percentage of portfolio rated F • Portfolio carbon emissions [1]: ***(Scopes 1 and 2)*** • Percentage of green bonds:	• 0.61% • 68 tCO_2/€m • 2.9%	• **0.54%** • **56 tCO_2/€m** • **2.9%**	6.2.3
R.6 - *Fair practices*/Failure to control acts of corruption involving Coface employees or third parties as part of Coface's business activities • Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation	• Anti-Corruption Code • Revision of the code of conduct including whistleblowing, conflict of interest and gifts and benefits procedures • Employee training and awareness programme • Mapping of corruption risks (Group + local) • Third-party assessment system	• Number of corruption allegations reported to Compliance	• 2	• **1**	6.2.4 b. II. + Chapter 5
R.7 - *Fair practices*/Failure to fight against tax evasion by Coface and/or clients using a Coface solution • Risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation	• Group tax policy adapted at regional level through seven regional tax correspondents and KYC (Know Your Customer) • Mandatory on a quarterly basis: ◦ statements by country CFOs on financial arrangements and controls (DAC6) in Europe ◦ global task-risk mapping	• Number of alerts under DAC6 regulation, for the European Union • Result of regular tax audits	• 0	• **0**	6.2.4 c)

1) *Historical data for 2022 have been recalculated a posteriori, to correspond to the new Amundi methodology.*

06

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI			URD REFERENCE
R.8 - Lack of diversity, inclusion and equal opportunities • Risk of not exploiting all the potential of the Company; legal sanctions; reputation; and a decline in the Company's performance/lack of innovation	• "Diversity, Equality & Inclusion" policy	• Percentage of women - among employees - among managers - and among Senior Management	• (54%) (41%) (34%)	• **(54%)** **(42%)** **(36%)**	6.3.3
		• Number of nationalities among employees:	• 80	• **84**	
		• *Gender Index* [1]	• 80/100	• **80/100**	
		• "My Voice Pulse" score on "DEI" questions	• 8.4/10	• **8.6/10**	
R.9 - Lack of attractiveness for Talents (recruitment and retention: development, onboarding of newcomers, etc.) • Risk of difficulty in recruiting and retaining Talents: risk of unsuccessful recruitment, high staff turnover, disengagement of employees that could lead to reputational risk and a decline in the Company's performance	• Group Human Resources strategy including a "Talent" component • Short-term assignment policy • International occupational mobility policy • Compensation policy	• Number of employees on international transfers during the year	• 95	• **100**	6.3.4
		• Turnover rate of employees identified as high-potential	• 8.3%	• **9%**	
		• Senior management: percentage of internal *vs.* external applicants among new appointments	• 64% *vs.* 36%	• **71% *vs.* 29%**	
		• "My Voice Pulse" engagement score	• 7.46/10	• **7.8/10**	
R.10 - Inappropriate management of Coface's carbon footprint • Reputational risk	• Carbon footprint assessment carried out for 2019 and planned for 2023 (in 2024), • carbon footprint reduction plan/trajectory • travel policy • vehicle policy • internal awareness campaigns • implementation of a reduction plan under way at different levels of the organisation • Implementation of a CSR dashboard under way to better collect and monitor carbon footprint data and automatically translate them into CO_2eq	• CO_2 consumption, Scopes 1, 2 and 3 - based on most recent carbon assessment (base year 2019): ***373 k tCO_2eq including investments (Scopes 1 and 2 of equities and corporate bonds - Amundi figures), operations and use of Coface credit insurance products***			6.4
		• Emissions related to electricity consumption	• 1,469 tCO_2eq	• **1,228 tCO_2eq**	
		• Train travel emissions	• 25 tCO_2eq	• **50 tCO_2eq**	
		• Air travel emissions	• 503 tCO_2eq [2]	• **516 tCO_2eq**	
		• Emissions related to fuel consumption	• 1,743 tCO_2eq	• **2,036 tCO_2eq**	
		• M^2 of office space	• 64,896	• **56,006**	

For greater clarity, the number of the risk will be referred to at the beginning of each chapter (R.1, R.2, etc.). These figures do not correspond to a risk hierarchy but rather to the order in which they are addressed in the chapters.

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

1) *The 2022 data has been recalculated a posteriori, to reflect the new methodology implemented in 2023.*

2) *Data corrected in 2023, retroactive to 2022.*

6.1 OVERVIEW OF COFACE'S CSR STRATEGY

The CSR strategy is an integral part of the Build to Lead strategic plan.

Since 2021, a Group CSR Manager has been responsible for enhancing Coface's CSR strategy and rolling it out in coordination with the various departments. The Group CSR Manager reports directly to Carole Lytton, Group General Secretary.

Work on enhancing the CSR strategy was organised at the beginning of 2021 and Coface decided to map the pillars of its CSR strategy relative to the UN Sustainable Development Goals (SDGs), a global benchmark in this area, so as to focus on desired global impacts.

The Group has prioritised 11 of the 17 SDGs, most of them selected for their relevance to Coface's business and the management of its employees.

Other SDGs, for example "quality of education", have been strongly prioritised given the management team's sensitivity to these issues. The latter has been chosen as a priority in the Company's future commitments with organisations around the world.

COFACE CORPORATE SOCIAL RESPONSIBILITY

3 pillars built on a culture of responsibility,
based on the United Nations' Sustainable Development Goals

Responsible Player

- Improve integration of ESG criteria in the investment portfolio management.
- Integrate CSR into commercial policy
- Strengthen our CSR requirements in our procurement policy

Responsible Employer

- Roll-out Diversity & Inclusion initiatives
- Support employee engagement & development
- Contribute to local communities

Responsible enterprise

- Assess Coface's carbon footprint (direct and indirect)
- Develop a reduction plan and trajectory to contribute to carbon neutrality by 2050
- Support employee networks across the world

DRIVE THE CULTURE

Ensure transparency, compliance, and employee support with clear ESG governance, Group-wide communication and commitments

/ THE APPROACH HAS BEEN RESTRUCTURED AROUND THREE PILLARS:

- A ***responsible insurer*** that harnesses its core businesses to contribute to a more sustainable world;
- A ***responsible employer*** to take into account Coface's social and societal impact, including employee development and engagement;
- A ***responsible enterprise*** that works to actively reduce its environmental footprint.

These three pillars are underpinned by a foundation called "***Driving the culture***", aimed at structuring the Group's ESG approach and developing a solid responsible culture among all Coface stakeholders through a communication plan. This last pillar is essential to the success of the first three.

The pillars will be explained in more detail in the sections below.

To facilitate the management of this CSR strategy and Coface's progress with regard to its CSR commitments, the Group sought to implement a data collection tool in 2023. During the implementation of the tool, the reporting practices of recent years were reviewed with a view to challenging and improving them. Workshops were organised with various contributors, in particular to review the relevant indicators for Coface, propose more granular indicators where possible, and harmonise data collection practices across countries and calculation methodologies, particularly between the annual report and the calculation of the carbon footprint.

The tool was also designed to start preparing for the new CSRD regulation, in particular with the GHG protocol methodology that will be followed for the next carbon review. Guidelines have thus been defined and included in the reporting protocol as well as in the data collection tool, as an input aid.

Based on the next carbon footprint assessment, the regions and countries in the reporting scope will benefit from clear and personalised GHG emission reduction targets so that they can steer their action plan and progress through the tool.

This tool was used to collect the data presented below and automatically translate the environmental data into equivalent CO_2 by incorporating the emission factors included in the ADEME databases.

6.2 COFACE, A RESPONSIBLE INSURER

A RESPONSIBLE INSURER

Main pillar themes:	
Client satisfaction	R.3
Integration of CSR into the commercial policy: • Commercial exclusion policy • Single Risk ESG projects • Consideration of environmental risk in credit risk assessment *(financial risk)* • GBA as a tool for tracking the environmental impact of the debtor portfolio	R.4
Environmental and social impact of investments	R.5
Fair practices: • Subcontracting and suppliers • Compliance (professional ethics, anti-corruption, fraud and money laundering, international sanctions and personal data) • Tax evasion • CSR-related legal watch • Data protection and cybersecurity	R.6 R.7

Convinced that its core impact is generated by its business operations, Coface has decided to undertake several structural projects internally.

6.2.1 Client satisfaction

Coface's purpose is to facilitate B2B trade in domestic and export markets alike. All the items of value provided by Coface as a credit insurer – macro-economic risk analysis, the selection and supervision of commercial counterparties, insurance protection in the event of unpaid payments and the reduction of unpaid amounts through active recovery – contribute to this purpose. In times of economic difficulties, the increase in risks nevertheless leads to a tightening of the Group's underwriting policy, which inevitably impacts client satisfaction. This risk is regularly echoed in the economic press, as was the case during the economic crisis caused by the COVID-19 outbreak in 2020.

The Group's management in the various phases of the economic cycle hinges on striking the right balance between sound risk management and support of the business flows of insured clients. However, persistent client dissatisfaction could indicate a deviation from the Group's stated purpose, leading to a loss of market share, pressure on prices, a deterioration in the Company's results and at the same time a reduction in the Group's contribution to the smoothness of B2B trade. Which is why it is vital to manage and measure this risk.

To address the risk of a deterioration in client satisfaction, Coface has implemented a policy on the continuous improvement of service quality and communication with its clients. Coface thus acknowledges that, during delicate economic phases, supporting companies also involves knowing how to explain changes in guarantees to put clients in a position to manage their risks in the most informed manner possible. This policy on improving the quality of service and communication is assessed using a series of KPIs (including the Net Satisfaction Score, Net Promoter Score and Customer Experience Index) monitored on a monthly basis by the Service Quality Board, a cross-functional body responsible for managing service quality and client satisfaction.

This Group priority was confirmed by the appointment in 2021 of a Chief Operating Officer tasked with reinforcing Coface's programme on operational excellence and service quality and further improving the client experience.

To measure client satisfaction, the Group has chosen the Net Promoter Score (NPS) as a key indicator. Also known as the net recommendation rate, the NPS gives a voice to clients, calling on them to rate their likelihood of recommending the Company on a scale of 0 to 10 ("Would you recommend Coface to a friend or business partner?") This indicator is interesting because it indicates an attachment to the Company and is forward-looking.

The Net Promoter Score is measured every month with clients (excluding brokers) in credit insurance, the Group's main activity. It is based on a monthly survey with a rotating sample. Every month, around 10% of clients are surveyed, the monthly rotation serving to prevent excessive solicitation. By using this methodology, the Group obtained an average response rate (number of questionnaires validated/emails sent) of 11.3% in 2023, in line with the response rates generally observed for this type of survey. The various aspects of the survey (client countries, segments, distribution network) are sampled in a balanced manner for each wave to ensure that the results are comparable. However, the number of responses collected does not allow statistically reliable segmented analyses to be performed on a monthly basis. Any trends detected are therefore subject to qualitative additions, for example by calling "detractor" clients, which the Group has rolled out widely as part of its quality approach.

On a response scale of 0 to 10, respondents giving a score of between 0 and 6 are counted as "detractors" and respondents giving a score of 9 or 10 are counted as "promoters". Those attributing a score of 7 and 8 are considered as "passives". The NPS is the difference between the percentage of promoters and the percentage of detractors, oscillating on a scale from -100 (where all respondents chose a score of 6 and under) to +100 (where all respondents chose a score of 9 or 10).

For example, the following 100 responses generate an NPS of -29:

	NUMBER OF RESPONDENTS:	
Note 0	**3**	
Note 1	**1**	
Note 2	**1**	
Note 3	**8**	
Note 4	**7**	
Note 5	**19**	
Note 6	**12**	**51% detractors**
Note 7	21	
Note 8	6	passives
Note 9	**10**	
Note 10	**12**	**22% promoters**
NPS = -29 (*I.E.* 22-51)		

NPS measured in 2023:

QUARTERLY AVERAGES	NET PROMOTER SCORE
Q1 2023	44
Q2 2023	46
Q3 2023	42
Q4 2023	51

The NPS fell at the beginning of the pandemic. But owing to the Group's ability to adapt, it then rose to a satisfactory level and had improved significantly by April 2021. Since 2022, the Group's average NPS has remained at historically high levels. This trend should be put into perspective with the relatively high coverage rates compared with the historical Coface average that the Group proposed over this period, themselves enabled by the extremely limited levels of insolvency in the economy despite price pressures and the instability corresponding to the conflict in Ukraine. It should be noted that this sustained support for clients in terms of risk acceptance has recognised as part of surveys even though inflationary pressures automatically increased the levels of coverage requested. Since mid-2023, the number of insolvencies has returned to normal in many markets, making it possible to envisage a reversal of trends on coverage rates and the NPS in the coming months. [1]

6.2.2 Integration of CSR into the commercial policy

a) Commercial exclusion policy

In commercial terms, Coface is duty bound to demonstrate irreproachable ethical standards, in particular through its **commercial exclusion policy**. The latter reflects the Group's determination to avoid non-ethical and/or non-responsible business activities, contribute to the Paris Agreement by withdrawing from thermal coal, and manage reputational risk.

This policy has been strengthened over the past four years.

For example, in **thermal coal**, a sector with a substantial contribution to climate change, Coface has made several commitments as part both of its credit insurance business and its single-risk and bonding activities:

Single Risk and bonding

- Coface has stopped providing single-risk credit insurance policies and bonding services for thermal coal extraction or thermal coal generation projects;
- Coface does not issue policies to insure sales of thermal coal by commodity traders.

Credit insurance

- Coface does not issue policies to insure sales of thermal coal by commodity traders or other types of companies;
- Coface does not issue insurance policies to transport, freight and logistics companies seeking to generate over 50% of their revenue through thermal coal.

More broadly, with regard to **fossil fuels**, Coface decided in 2023 to no longer take out new short-term credit insurance policies:

- Single Buyer policies to ensure the sale of oil or other fossil fuels (natural gas, oil or shale gas, etc.) or the sale of drilling/extraction equipment (related to these fossil fuels) or to cover a risk of non-payment on a debtor producing oil mainly from oil sands ("mainly" meaning more than 50% of its sales);
- Policies mainly covering bunkering or the sale of jet fuel (kerosene, aviation gasoline), ("mainly" here meaning more than 50% of the revenue to be insured);
- Policies with a financial institution and covering receivables resulting more than 50% from the sale of oil or other fossil fuels (such as natural gas, oil or shale gas) or from the sale of drilling/extraction equipment (related to these fossil fuels).

In addition, business conducted under the short-term credit insurance policies issued by Coface or its partners must not include activities related to fatal drugs (non-pharmaceuticals), gambling, pornography, or trade in endangered species.

Lastly, for all credit insurance, Single Risk and Bonding activities, and in addition to the underwriting framework for the strictly controlled defence industry as part of CSR directives (anti-personnel mines or cluster bombs, etc.) and the Group's compliance rules (list of country risk levels, KYC), an extremely restrictive underwriting policy is implemented in the defence industry sector in terms both of sensitive countries and sensitive equipment:

- a sensitive country is a non-OECD country, or any country not qualified as a full democracy or a "flawed" democracy (*i.e.* a hybrid regime and authoritarian regime) by *The Economist* in its democracy index; [2]
- sensitive equipment is constituted by lethal equipment (including weapons, ammunition, missiles, mortar canons, tanks, armed vehicles, rockets, war ships and submarines, and electronic missile guidance equipment).

Trucks, unarmed helicopters, bullet-proof vests, surveillance systems and other equipment are not considered as sensitive equipment.

1) Coverage rate: for each insured customer, the ratio of "guarantee amounts granted to guarantee amounts requested".

2) https://en.wikipedia.org/wiki/Democracy_Index

b) ESG projects in Single Risk

Single Risk accounts for approximately €25 million of Coface's total revenue of €1,868 million (as explained in part in Section 1.3.1 of Chapter 1).

In addition to the commercial exclusion policy, Coface decided in 2022 to roll out the resources to strengthen its support for financing and implementing long-term ESG projects by implementing more single-risk insurance solutions. Coface set an objective to double the budget allocated to supporting ESG projects around the world, with a view to reaching a minimum of €400 million of outstanding ESG projects by the end of 2025 (*vs.* mid-2022).

Single-risk solutions are hedging products that protect against long-term commercial and political risks. This decision therefore concerns the projects of companies, banks or multilateral institutions whose activity has been classified as having a positive environmental or social impact internally. These projects cover sectors such as renewable energy, energy efficiency, soft mobility, water treatment, health, education and microfinance. This demonstrates Coface's growing commitment to supporting initiatives with a positive environmental or social impact on economies through financial solutions.

In 2023, Coface initiated work to strengthen the process of identifying and documenting ESG projects in several phases:

1/ Establishing a definition of an ESG project:

- a project whose activity is included in the list of activities considered as ESG internally;
- a project for which an environmental and/or social report is available to demonstrate that measures have been put in place to mitigate any other possible negative impact of the project.

Environmental projects considered as ESG are compared with the sectors eligible for the European Taxonomy regarding the climate-change mitigation objective and the climate-change adaptation objective; only activities eligible for the European Taxonomy can be considered as ESG in the Single Risk project management tool, Sonata.

Social projects considered as ESG must be carried out in an emerging country [(1)].

2/ Strengthening of governance on decision-making

Projects are characterised as ESG according to the following process:

- estimation of a positive E, S or G impact from the sales representative managing the file and proposal of an ESG tag in the tool;
- qualitative analysis of documents by the daily Single Risk Committee Meeting, for each project;
- a third analysis by risk underwriters.

Since April 2023, the Sonata tool has been enhanced to adapt the classification of its business sectors and propose eligibility for the designation of an "ESG project". Sonata is used to monitor, approve and report on outstandings on these projects.

In terms of governance, the underwriting process, for which the daily Single Risk Committee incorporates the ESG classification of the transactions presented. Where applicable, the Group CSR Manager may take part. The final approval of the ESG criterion of the underlying transaction is entered (in the closing memo) in the Sonata application at the final stage of the process before the policy is signed.

In addition, the monthly committee will assess the progress of ESG outstandings, by impact class and type. The quarterly Group CSR Committee Meeting will also be responsible for monitoring ESG outstandings.

3/ Collection of enhanced documentation before signing the policy

Since April 2023, all documents justifying the file's ESG classification (for example, an environmental or societal report) have been filed with the other documents related to the file, in Sonata's electronic document management (EDM) database. Documentation for the historical stock of projects has not been enhanced.

The assets under management in ESG projects insured by Coface totalled some €200 million in summer 2022. These assets increased sharply in 2023 to reach €428 million at the end of the year, *i.e.* 13% of Single Risk outstandings.

Accordingly, Coface aims to revise its 2025 ambition upwards, to €500 million of outstandings ESG projects by the end of 2025. The decrease in the number of client requests for this type of project does not allow us to show greater ambition at this stage.

In addition to its goal on supporting ESG projects, the Single Risk Department is committed to limiting its coverage of projects in the oil and gas extraction sector (upstream oil and gas) to no more than €75 million.

c) Integrating environmental risk into the assessment of credit risk (financial risk)

As a credit insurance expert, Coface carries risks on companies operating in numerous countries and business sectors.

The environmental vulnerability of debtors that may lead to an increase in the volume of claims to be compensated is taken into account in the management of credit risk.

Certain themes in the new country risk assessment overlap with ESG themes, such as assessing a country's social fragility, political risk or quality of governance. From an environmental point of view, the methodology assesses a country's sensitivity to climate shocks, measured by indicators on geographical, demographic and social structure (including the share of the rural population, the percentage of the population aged over 65, and the poverty rate) and external dependence on goods that will become rarer with climate change (share of imports in total consumption of agricultural goods, water and energy).

1) as listed by the International Monetary Fund (World Economic Outlook Database - Groups and Aggregates (imf.org).

In addition, the Coface teams assess the financial risk represented by each debtor through an internal rating, the DRA, reflecting the likelihood of default in the short and medium term.

New environmental initiatives and regulations may have a broad array of impacts on businesses:

- *varying degrees of strategic reorientation;*
- *change in industrial process;*
- *change of suppliers, etc.*

These developments may call for substantial investment that impact Company profitability either temporarily or sustainably, at the risk of market loss or sanctions, for example.

These aspects form part of the entire set of information taken into account by Coface when analysing risk and deciding on hedging.

For example, the impacts of the current changes in the automotive sector vary substantially from one player to the next. Large carmakers are investing huge sums to alter their ranges (for some companies, in addition to considerable penalties for past activities). These manufacturers are demonstrating a strong capacity for change and resilience to changes in the market. The same cannot be said of small and less flexible subcontractors that are already under pressure in terms of finances, lack the capacity to make these changes, and whose business is structurally on the way out.

This resilience assessment is fully integrated into financial analysis and the usual credit risk monitoring tools.

d) The GBA as a tool for tracking the environmental impact of the debtor portfolio

As a credit insurer, Coface does not finance companies or its projects and does not intervene directly in commercial transactions between the insured party and its client. However, the outstandings guaranteed by Coface concern companies having their own environmental impact. The Coface Group has thus decided to implement a tool to measure the environmental impact of the debtors making up its guaranteed exposure. In addition to decisions on commercial exclusions, this tool could also contribute to steering Coface's business towards more environmentally responsible activities and thereby reduce reputational risk or investor withdrawals.

In this respect, Coface has developed an internal system for assessing companies in the form of an "environmental" index designed to rate businesses according to their environmental impact.

This assessment is imperfect for now as no comprehensive environmental database exists for medium-sized companies, *i.e.* the majority of Coface's debtors. But the assessment system does provide an initial measure of this impact.

Coface designed the new solution with KPMG to establish a structured and documented approach able to cover the entire portfolio. The assessment comprises two aspects:

- a generic rating based on the debtor's country;
- a further standard rating focused on its sector of activity.

Coface then combines these two ratings to produce a "standard" overall environmental rating for a debtor. To refine the assessment, a debtor-specific aspect may be added where *ad hoc* information is available.

Coface thus separates financial analysis (including the impacts of environmental policy) from purely environmental assessment.

This environmental vision is transcribed in the **GBA** (Green Business Assessment), which overviews the debtor portfolio and outstanding guaranteed amounts. In 2022, the Company monitored the trend in the average score of the portfolio, which remains stable.

The Company continued to improve the methodology in 2023, in particular by updating certain country and sector databases.

6.2.3 Environmental and social impact of investments

The Group is exposed to changes in environmental standards and the corresponding regulations that could impact its investment activities, financial performance and reputation.

Coface is required to invest part of its premiums in diversified investment vehicles to cover potential future claims.

In addition to the financial risks that these investments entail, Coface may invest in environmental or socially non-responsible assets such as the shares or bonds of companies failing to comply with environmental and social criteria, as well as real estate and infrastructure projects that could harm biodiversity. These risks could lead to a significant temporary or long-term depreciation of assets and undermine the trust of Coface's partners and clients, which in turn could generate a drop in revenue, the withdrawal of investors or a negative impact on the Company's image.

Coface has been a signatory of the UN Principles for Responsible Investment (UN PRI) since February 17, 2023. As a PRI signatory, Coface undertakes to:

- incorporate ESG issues into investment analysis and decision-making processes;
- be an active shareholder and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosures on ESG issues by the entities in which we invest;
- promote the acceptance and implementation of the Principles in the investment industry;
- work together to enhance our effectiveness in implementing the Principles;
- report on activities and progress towards implementing the Principles.

As part of its commitment to achieving carbon neutrality by 2050, Coface has also joined the Net Zero Asset Owner Alliance (NZAOA). Launched in 2019 by the United Nations, the Net Zero Asset Owner Alliance is an international group of investors having committed to transitioning their investment portfolio to carbon neutrality by 2050.

Global strategy and approach

Coface's investment strategy is based on two areas:

- a financial framework that respects a strategic asset allocation to achieve objectives of profitability, capital consumption and portfolio liquidity;
- a socially responsible investment framework that aims to achieve a net zero trajectory by 2050.

To invest available funds in investments complying with its financial risk and socially responsible investment frameworks, Coface called upon Amundi, the European leader in asset management, to which it has delegated the management of its investment portfolio since 2016. Mindful of the potential social and/or environmental impact of its investments, Coface has asked Amundi to assist it in its ESG approach in this investment portfolio. Because it operates in an international environment with divergent SRI practices and standards, the Group wanted to rely on a single repository; it therefore relies on Amundi's teams to implement and calculate SRI indicators for its portfolio.

Coface implements its non-financial approach based on four pillars, which will be detailed in the rest of the document:

- **Engagement strategy**

Coface applies its engagement strategy through voting rights and dialogue with the 20 largest issuers in terms of carbon contribution. The process of engagement through dialogue is broken down into several milestones to ensure that the engagement undertaken with the issuer is effectively monitored.

- Milestone 0: definition of the engagement, objectives, Key Performance Indicators (KPIs) and the engagement period,
- Milestone 1: the issuer is contacted; the engagement begins,
- Milestone 2: (a) the engagement remains unanswered, (b) the issue is acknowledged, but it is too early to see progress, (c) strategy/response shared by the issuer for the issue raised, but the KPI is not yet reached,
- Milestone 3: (a) the engagement has not been adequately addressed, (b) progress is noted but deemed insufficient to end the engagement (c) the engagement has been successful, the KPIs having been achieved.

- **Exclusion and restriction strategy**

Coface applies an exclusion and restriction policy to restrict, reduce or exclude issuers and sectors whose activities may not comply with its risk framework. In addition to restrictive and sector-based exclusion policies, Coface relies on Amundi's ESG ratings to limit the weight of issuers with the poorest ratings in this area.

- **Decarbonisation strategy**

Coface is committed to shrinking the carbon footprint of its listed equity and corporate bond portfolio by 30% between 2020 and 2025 (Scopes 1 and 2).

This scope corresponds to issuers able to quantify their issues, which distinguishes them from sovereign issuers or real estate funds, for example.

- **Transition financing strategy**

Coface does not act as a direct investor in projects or financial transactions (but instead in dedicated funds or mandates). However, it is working to integrate energy transition financing into its portfolio (renewable energies, energy efficiency) by communicating the weight of its green bonds. These "green" (1) bonds, which finance projects with an environmental impact, comply with the common framework of the Green Bond Principles (2). In accordance with regulatory requirements, Coface also publishes information on the eligibility and alignment of its financial assets with the European Taxonomy in Section 6.6.1.

a) Engagement strategy

Coface, through delegated managers voting at the Shareholders' Meetings of companies held in the portfolio, contributes to and encourages dialogue with the management teams on best practices based on the initiatives implemented on these topics.

Here are some concrete examples of best practices discussed with management at Annual General Meetings:

- Gender diversity on the Board of Directors:

Example of Neste Corp: Amundi is particularly attentive to the feminization of Boards of Directors, including in countries not subject to regulatory obligations. It is now internationally recognized as good practice for Boards of Directors to be made up of at least 33% women directors. Specific expectations have therefore been communicated to the Company, which has been informed of the intention to vote against the re-election of certain directors, due to the lack of diversity on the Board.

- Board independence:

Example of LVMH Moet Hennessy Louis Vuitton SE: Amundi expects Boards of Directors to have a diverse composition with a sufficient number of independent directors, *i.e.* at least 50% for non-controlled companies or at least one-third in the case of controlled companies, taking into account all directors. Board committees should also have a majority of independent members and be devoid of executives. Specific expectations have therefore been communicated to the Company, which was informed of the intention to vote against the re-election of certain directors considered non-independent under Amundi policy, due to the Board's lack of independence.

06

1) Not all green bonds are green investments in the sense of the European Taxonomy.
Strictly speaking, a "green investment" must be aligned with the Taxonomy, i.e. :
- make a substantial contribution to one or more environmental objectives
- not cause significant harm to any of the environmental objectives;
- be carried out in compliance with certain minimum guarantees (human and social rights).

2) The Green Bonds Principles aim to significantly increase the transparency needed to monitor investments in environmental projects, while improving the possibilities for assessing their impact.

- Multiple directorships:

Example of Unilever Plc: Amundi recommends that executive directors should not hold more than two other directorships outside their group, and that non-executive directors should not hold more than four directorships. Amundi is also vigilant about the need for the Chairman of the Board and the Chairmen of the various committees, particularly the Audit Committee, to be available at all times. In view of the growing importance of these functions and the workload they entail, Amundi recommends that the number of mandates acceptable for a director exercising one of these functions be further reduced. Specific expectations have therefore been communicated to Unilever, which has been informed of an intention to vote against the re-election of a director considered to have an excessive number of mandates.

Amundi provides an annual report on Voting Rights, containing the following information:

- overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and main opposition topics);
- the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (broken down by company, country and opposition topic).

Prior to these votes and where necessary, Coface can initiate discussions with Amundi's specialised teams to gather analyses on proposed resolutions and discuss the associated vote recommendations.

Amundi transmits its voting policy annually to the Group, to include the best corporate governance, social responsibility and environmental practices. Coface reviews this policy annually and ensures that it reflects its commitments.

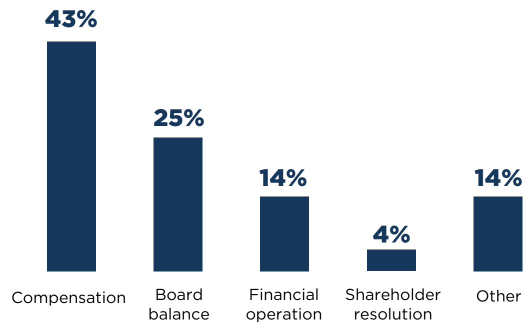
Starting this year, Coface will endeavour to communicate the number of climate resolutions voted on. These resolutions cover the following topics:

- In terms of management resolutions:
  - climate-related proposals,
  - reporting on the climate transition plan,
- In terms of shareholder resolutions:
  - climate change report,
  - greenhouse gas emissions,
  - actions concerning climate change,
  - expenditure relating to climate change,
  - proposals calling for an advisory vote on the climate action plan,
  - development of renewable energies,
  - publication of a 2 °C degree scenario analysis,
  - disclosure of fossil-fuel financing,
  - restriction of fossil-fuel financing,
  - political activities and disclosure,
  - lobbying on climate change.

Review of voting rights

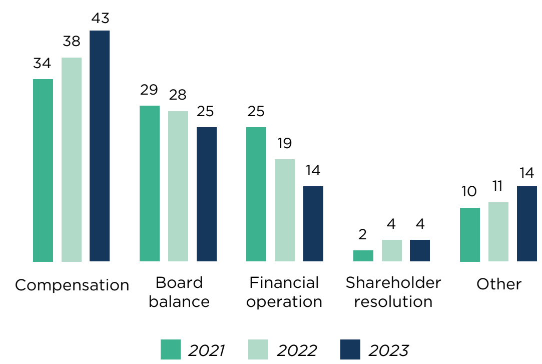
The percentage of opposition votes exercised by Amundi on behalf of Coface at Shareholders' Meetings held in 2023 are presented in the table below by topic.

/Opposition votes on share positions held directly (%)



Source: Amundi

/History of opposition votes on share positions held directly (%)



Source: Amundi

Commitment to the top 20 contributors to the carbon footprint

In 2023, Coface's manager, Amundi, initiated a dialogue with all of the top 20 issuers in terms of carbon contribution on ESG and climate aspects.

As part of the "ESG" dialogue initiated by Amundi, the main themes involved concern social cohesion, biodiversity and governance.

As part of the "Climate" dialogue initiated by Amundi, the two main themes involved, the Net Zero Transition and the Science-based Targets Initiative Transition, aim to support issuers in reducing their CO_2 emissions by defining commitments and key performance indicators.

Number of climate resolutions voted on

In 2023, Coface participated in voting on four climate resolutions. Coface voted in favour of two resolutions aimed at combating climate change. Coface abstained from voting on the two remaining resolutions.

- EDP-Energias de Portugal SA (management resolution) – Favourable
- Schneider Electric SE (management resolution) – Favourable
- Amundi SA (management resolution) – Abstention
- ENGIE SA (shareholder resolution) – Abstention

b) Exclusion and restriction strategy

Coface's strategy on investment restrictions and exclusions is based on two pillars and an indicator overseen by Coface's Board of Directors. In 2023, Coface, *via* its asset manager Amundi, updated its responsible investment policy.

Exclusion measures in force

Coface complies with the Ottawa and Oslo conventions and has excluded the following activities from its investments:

- anti-personnel mines;
- cluster bombs;
- chemical weapons;
- biological weapons;
- depleted uranium weapons;
- violation of one or more of the 10 principles of the UN Global Compact.

With regard to the investment scope, Coface has excluded from its universe:

- nuclear weapons companies involved in the production of essential components for nuclear weapons or dedicated components and companies generating more than 5% of their revenue from the production or sale of nuclear weapons (non-essential components);
- companies that develop or plan to develop new mines, power plants or infrastructure relating to thermal coal.

Gradual exclusion measures

Phasing out coal is key to decarbonizing our economies. This is why Coface has committed to phasing out thermal coal from its investments by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

Restrictive measures in force

Thermal coal

Regarding mining:

- companies generating over 20% of their revenue from thermal coal extraction;
- companies with an annual thermal coal extraction greater than or equal to 70MT with no intention of reduction (to be verified *via* the Company's disposal programme).

Regarding the production of electricity from thermal coal:

- companies generating over 50% of their revenue from thermal coal extraction and electricity generation from thermal coal;
- companies whose revenue related to the production of electricity from thermal coal accounts for between 2% and 50% of total revenue, with no intention of reducing this proportion (to be verified *via* the Company's disposal programme).

Tobacco

- companies that manufacture complete tobacco products, including cigarette manufacturers, where these products generate more than 5% of revenue.

Unconventional hydrocarbons

- companies generating more than 30% of their revenue from the exploration and production of the unconventional hydrocarbons listed below: shale oil, shale gas, oil sands.

An indicator monitoring the ESG quality of the portfolio

Since 2017, Amundi has produced a quarterly report on the average ESG rating of the Coface portfolio (A to G rating) and a breakdown of assets by ESG rating. The score is based on 37 criteria, including 16 generic criteria and 26 specific sector criteria.

Of Coface's overall investment portfolio, 84.6% (+5.2 points compared with 2022) is considered to be significant from an ESG perspective. In 2023, Coface expanded its significant scope to include all money market funds. Based on the new significant scope, nearly 91% (-3.4 points compared with 2022) of the portfolio has an ESG rating. Unlisted assets remain excluded from the Coface scope as their ESG ratings are considered too subjective at this stage.

Since 2018, the exclusion measures described above have been added to Coface's decision to refrain from investing directly in securities issued by a G-rated issuer, which is the worst rating on the Amundi scale. When an issuer's rating deteriorates to G, the investment line is immediately sold at market value.

Lastly, Coface's Board of Directors decided in 2021 to limit the weight of F-rated assets to less than 3% of its rated portfolio, which is part of its restriction strategy. At December 31, 2023, this indicator stood at 0.54%, a slight improvement from last year.

c) Decarbonisation strategy of the listed equity and corporate bond portfolio by 2025

Coface uses Amundi's methodology to monitor the carbon footprint of its portfolio in three scopes:

- Scope 1: all direct emissions from sources owned or controlled by the Company;
- Scope 2: all indirect emissions resulting from the purchase or production of electricity, steam or heat;
- Scope 3: Trucost data including upstream only (gradual integration of the entire Scope 3 to come)

As Scope 3 measurement is not yet fully reliable and stabilised, the NZAOA, which Coface recently joined, provides for carbon reduction commitments based solely on Scopes 1 and 2 (with the gradual incorporation of Scope 3). Coface is seeking to align with the approach developed by the Net Zero Alliance to calculate its decarbonisation trajectory.

In 2022, Coface raised its 2025 decarbonisation target from -20% to -30% (in TCO_2/€m invested) for its listed equity and corporate bond portfolio (Scopes 1 and 2) based on 2020.

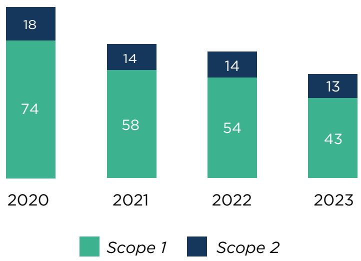
In the absence of stabilised methodologies and sufficient data, investments in sovereign bonds, infrastructure and real estate assets are not affected by Coface's decarbonisation objectives.

Note that due to the methodological improvements made by Amundi and carbon data providers, Coface's historical carbon footprint was recalculated in 2022 to reflect these changes.

Coface measures its carbon footprint in absolute and relative value terms against a benchmark portfolio close to the portfolio's strategic allocation [1].

/Carbon footprint per million euros invested in Scopes 1 and 2: 56 eq. tonnes CO_2/€m

At end- 2023, the carbon footprint (Scopes 1 and 2) of the listed equity and corporate bond portfolio (look-through view) in absolute value amounted to 56 tonnes of CO_2 equivalent per million euros invested, down 39% compared with 2020.



Source: Amundi

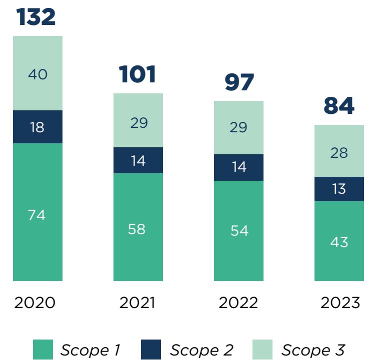
Note: The historical data for 2020, 2021 and 2022 have been recalculated a posteriori to correspond to the new Amundi methodology.

/Carbon footprint per million euros invested Scopes 1, 2 and 3: 84 eq. tonnes CO_2/€m

To monitor its carbon footprint, and in accordance with the French decree on the assessment of greenhouse gas emissions (BEGES), Coface also reports on Scope 3 carbon emissions for its investment portfolio.

As the measurement of Scope 3 emissions is not yet fully reliable and stable, this is likely to change in future reports.

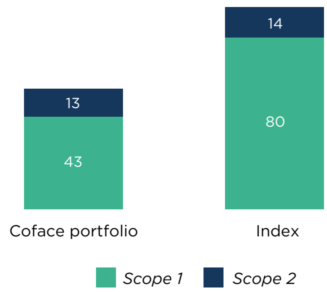
At end-2023, the carbon footprint (Scopes 1, 2 and 3) of the listed equity and corporate bond portfolio (look-through view) in absolute value was 84 tonnes of CO_2 equivalent per million euros invested.



Source: Amundi

Note: The historical data for 2020, 2021 and 2022 have been recalculated a posteriori to correspond to the new Amundi methodology.

Compared with a benchmark portfolio close to the portfolio's strategic allocation (the composition of which is described below), the carbon footprint (Scopes 1 and 2) of Coface's investment portfolio (listed equities and corporate bonds) was nearly 40% lower in 2023 per million euros invested.



Source: Amundi

Index: 85% ML Euro broad +10% MSCI EMU +5% The BOFA ML Global Hy.

d) Transition financing strategy

As a credit insurer and short-/medium-term investor, Coface strives to integrate the financing of the ecological and energy transition into its investment portfolio (renewable energies, energy efficiency), based on the weight of its green bonds. Green bonds [2], which finance projects with an environmental impact, comply with the common framework of the Green Bond Principles [3].

The short duration of its portfolio, consistent with that of its liabilities, does not allow Coface to invest an overly large share of its assets in long-term investments that could favour the energy transition. Nevertheless, and as much as possible, Coface is working to increase the weight of assets favouring the transition in its portfolio.

At December 29, 2023, the weight of green bonds stood at 2.92% of Coface's overall portfolio, *i.e.* €98 million in outstandings (market value). Outstandings were up €11 million compared with last year.

1) *The benchmark portfolio is composed as follows: 85% ML EURO BROAD + 10% MSCI EMU + 5% THE BOFA ML GLOBAL HY*

2) *Not all green bonds are green investments in the sense of the European Taxonomy.*
Strictly speaking, a "green investment" must be aligned with the Taxonomy, i.e. :
- contribute substantially to one or more of the environmental objectives;
- not cause significant harm to any of the environmental objectives;
- be carried out in compliance with certain minimum guarantees (human and social rights).

3) *The Green Bonds Principles aim to significantly increase the transparency needed to monitor investments in environmental projects, while improving the possibilities for assessing their impact.*

e) Next steps

NZAOA is structured around four specific objectives:

- engagement;
- sector;
- decarbonisation;
- financing of the transition.

Each NZAOA member investor must choose at least three out of four objectives, with Engagement being mandatory.

As part of joining the NZAOA, Coface has selected the following objectives:

- engagement with the top 20 contributors to carbon emissions;
- decarbonisation with the intermediate 2025 and 2030 targets approved by Coface, respectively -30% (2025) and between -40% to -60% (2030) based on 2020;
- financing of the transition: Coface has not yet defined specific indicators to manage this objective. Work is planned in early 2024 to determine tangible transition-financing indicators for liquid and illiquid assets.

It should be noted that recent accessions to the UNPRI and the NZAOA will require the production of specific reports for the coming years.

6.2.4 Fair practices

As indicated in Chapter 5, the Coface Group, overseen by the French Prudential Supervisory and Resolution Authority (ACPR), must comply with the law and regulations applicable in the countries where the Group is established or operates.

Any violation of laws, regulations, rules and internal standards may potentially expose Coface to the risk of sanctions, fines, financial losses and reputational damage having a direct and significant impact on its business in the short, medium or long term.

Coface is also exposed to external fraud. This may take various forms, including cyberattacks and fraud committed by insured clients or their debtors, potentially generating a direct loss for the Group.

As a member of the United Nations Global Compact, Coface follows the principles stated therein relating to the protection of human rights:

- to promote and respect the protection of international human rights law in its sphere of influence; and
- to ensure that it is never complicit in human rights violations.

a) Subcontracting and suppliers

The outsourcing of important or critical functions and/or activities is strictly governed by the regulations applicable to insurance companies since the entry into force of the Solvency II Regulation. In this respect, since 2016, the Company has issued a Group policy aimed at identifying "material or critical" activities and defining the fundamental principles for resorting to outsourcing, the terms of any contract drafted for such outsourcing and the control procedures related to the outsourced activities and functions.

Approved by the Company's Board of Directors in 2016, and reviewed annually since then, this policy, in accordance with applicable regulations, considers as important or critical operational activities

(i) the following four key functions (see also Section 5.3.1 "Internal Control System"):

- the risk management function,
- the compliance function,
- the internal audit function, and
- the actuarial function; as well as

(ii) other functions whose interruption is likely to have a significant impact on the Company's activity or its ability to effectively manage risks, or whose interruption is likely to jeopardise the conditions of its authorisation relative to some of the items detailed in the French Insurance Code.

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

Standard contracts on the provision of services must specify a number of standard contractual clauses (such as purpose, duration, financial conditions, and the liability of the service provider). The conclusion of these contracts is subject to the implementation of Know Your Supplier due diligence and to compliance with the purchasing policy and other Group rules.

Coface and all its subsidiaries have therefore pledged to select service providers who meet the high-quality service standards and have the qualifications and skills necessary to efficiently handle the outsourced service, while avoiding any conflict of interest and guaranteeing data confidentiality.

In accordance with the applicable regulations, for any project to sign a service contract regarding important or critical functions and/or activities, they are required to notify the French Prudential Supervision and Resolution Authority (ACPR) of any outsourcing project approved by the Company's Board of Directors, no later than six weeks before the effective date of the contract. Any outsourcing contract to be signed with a service provider must include certain mandatory clauses imposed by the Group policy of Coface.

To date, the main material or critical activities outsourced by the Group concern (i) the Company's financial investment management activity and (ii) the hosting of information systems. Key functions are rarely outsourced with the exception of the Know Your Customer (KYC) process, which has been outsourced internally by certain Group entities.

In 2020, Coface mapped the Group's outsourcing activities. The work covered the outsourcing of standard services and major or critical services carried out by all Coface Group regions to third parties or within the Group to another Coface entity.

The work served to:

- review existing outsourcing at the Group;
- distinguish between simple services and outsourcing services within the meaning of the Solvency II Regulation;
- classify outsourcing according to its "standard" or "important or critical" category;
- verify the compliance of contracts with applicable regulations and the Group outsourcing policy;
- propose a remediation plan;
- establish regular reporting on outsourcing.

The remediation initiated in 2021 was finalised in 2022.

For contracts relating to important or critical functions concluded after the entry into force of the Solvency II Regulation, the remediation was carried out from a contractual point of view by integrating the missing contractual clauses. No regulatory remediation (notification to the ACPR) was deemed necessary given the absence of substantial changes to these contracts.

Other contracts were subject to contractual remediation, in accordance with applicable local law and under the supervision of regional legal managers.

A quarterly report on both standard and important or critical outsourcing was introduced in 2021 for all Coface Group regions. The reporting provides a consolidated view of these services, which are also subject to level 2 control by the Risk and Compliance teams and level 3 control by the Internal Audit team.

In 2023, the content of the report was subject to a level 2 control campaign addressing the consistency of the qualifications of outsourcing or service contracts, the consistency of the criticality attributed to each outsourcing contract, and the quality of the information recorded in the reporting tables. The scope of the controls concerned all of the Group's insurance entities. The overall assessment of the controls was deemed "Robust" as less than 20% of anomalies were identified. The level 2 control campaign showed that the teams responsible for the reporting process had a robust knowledge of the process and demonstrated an overall consistency in qualifications. Incorrect qualifications have been corrected in the reporting table.

To manage its relations with suppliers, Coface has established an internal purchasing policy that is regularly reviewed and sets out, among other things, the rules and procedures to be followed when purchasing supplies and services and when consulting suppliers. Since 2017, Coface has also been signatory to the *Charte Relations Fournisseurs Responsables* (responsible supplier relationship charter) led by two French agencies, the *Médiateur des entreprises* (business ombudsman) and the *Conseil national des achats* (purchasing association). This charter consists of 10 commitments for a responsible purchasing policy towards suppliers. It enables Coface to apply, in concrete terms, its willingness to foster fair and transparent relationships with its suppliers. In accordance with the French "Sapin II" law of December 10, 2016 on transparency, anti-corruption and the modernisation of economic life, Coface assesses suppliers on corruption risk, more details on which can be found in point b) ii of Section 6.2.4 "Fair practices".

b) Compliance

The risk of non-compliance, to which Coface Group is exposed, is defined as the risk of legal, administrative or disciplinary sanctions, significant financial loss or reputational damage arising from non-compliance with provisions specific to Coface's business activities, be they laws, regulations, rules or internal standards.

To mitigate this risk, the Group has developed a compliance system underpinned in particular by a **compliance policy** accessible to all employees. This policy specifies the involvement of the compliance function with respect to limiting the main non-compliance risks listed below:

- professional ethics;
- the fight against corruption;
- combating money laundering and terrorist financing;
- compliance with embargoes, asset freezes and other international financial sanctions;
- fraud prevention;
- protection of personal data.

The compliance policy also details the governance structure of the Coface Group, which ensures the independence of the compliance function. It lists the **29 compliance key performance indicators actively monitored by the compliance function and presented five times a year to Management**, the Coface Group Risk and Compliance Committee (CGRCC) and the Board of Directors' Risk Committee.

i. Ethical issues/Ethical risk at companies

Compliance in general is crucial for the management team and is highlighted regularly with employees. More specifically, at each annual conference of the top 200 managers, the CEO stresses the importance of integrity and professional ethics. Accordingly, when introducing the annual conference in Deauville in June 2023, the CEO reiterated the importance of the compliance function.

As part of managing non-compliance risks, Coface's Code of Conduct, created for all Group employees to use, was revised in 2023 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. The Code of Conduct emphasises the importance of treating clients fairly by avoiding conflicts of interest and not using information in an employee's possession against the interests of a client, a potential client and co-contracting third parties.

It is the duty of all employees to ensure a working environment free from all forms of discrimination, whether based on age, sex, sexual orientation, culture or nationality, religion, health, disability or any other specific identity.

These principles must be respected in particular in recruitment, hiring, training, assessments, salary reviews and promotions, which must be based exclusively on merit, skills and individual performance.

In addition to the abovementioned principles of non-discrimination, employees must promote an inclusive environment in which everyone must feel valued for who they are.

Coface has thus established a diversity and inclusion policy that specifies its commitments in this area (see Section 6.3.3).

Employees must be able to work in a positive environment that promotes safety and reflects the values of respect for people and collaboration with regard to the colleagues, subordinates and managers, clients, suppliers and third parties with whom we interact.

Managers must be exemplary in carrying out their supervisory responsibilities.

They must ensure that their behaviour is not perceived as harassment or bullying, and that each member of their team is treated with respect and dignity by all the other members of the team.

In relation to work, managers must pay particular attention to the well-being and mental health of the employees for whom they are responsible.

ii. Corruption risk

The Coface Group has adopted a zero-tolerance policy for corruption in all its forms. This policy has been provided to all of the Group's employees, particularly as part of the Anti-Corruption Code and the Code of Conduct, both of which are prefaced by the CEO.

The Anti-Corruption Code consists of three parts: a reminder of general rules, specific rules and practical advice. The general rules define corruption, unfair advantages and the beneficiary concept, as well as the legal framework for corruption. The specific features of corruption involving public agents are also explained. The section on specific rules defines the rules on sensitive issues in terms of corruption: conflicts of interest, gifts and invitations, facilitation payments, political contributions, lobbying, charities and sponsorship.

Since 2017, Coface has focused on implementing the provisions set out in the Sapin II law on transparency, anti-corruption and modernisation of the economy. As a result, the Anti-Corruption Code is accompanied by (non-exhaustive list):

- the online anti-corruption training course rolled out in 2021, assigned to each new employee joining Coface;
- a mapping of corruption risks, reviewed globally by the compliance function in 2022. In 2023, each country reviewed the anti-corruption risk mapping and implemented corrective actions. The mapping was reinforced at regional level, approved by the Head of the Region and presented to the Group compliance function;
- a global third-party evaluation system, updated in 2020 for intermediaries and in 2022 for suppliers. This system is based on operational procedures specifying the process for identifying and classifying the risks presented by suppliers and intermediaries. Consequently, suppliers and intermediaries assessed as presenting a high corruption risk are reviewed and approved by Compliance;
- an internal whistleblowing system. Coface has put in place an internal whistleblowing system, as described in the Anti-Corruption Code and the code of conduct. The internal whistleblowing system was subject to a dedicated and detailed procedure published in December 2023 following the publication on October 3, 2022 of the final stage of the transposition into French law of the European directive on the protection of whistleblowers. On December 19, 2023, all employees were informed of this new procedure by a communication from the Group Chief Compliance Officer. A page on the Coface website is entirely dedicated to this subject. This page is currently accessible in French and English and in 2024 will be accessible in all the languages available on the Coface website. A dedicated email address was also created in Q3 2023: whistleblowing@coface.com. Specific training for employees likely to process internal alerts was organised in September 2023. In addition, the online training course on the Code of Conduct for all employees includes a section on the internal whistleblowing system and will be available in Q1 2024. In 2023, eleven cases were reported in total, eight of which as part of the internal whistleblowing system of Human Resources, two to the compliance function, and five through the ombudsperson. Internal Audit, the Human Resources Department and the ombudsperson, as well as the compliance function, conducted investigations to process and resolve the various cases;
- key performance indicators on anti-corruption and professional ethics. These indicators include the process of knowledge of intermediaries, suppliers, allegations of corruption, gifts and invitations received or offered and reported to Compliance. In 2023, one potential allegation of corruption was reported to Compliance and was further investigated at the end of the reporting period;
- accounting controls and second-level permanent controls were performed in 2022 to strengthen the entire system.

The compliance function will be reviewed by Internal Audit in the 2024 financial year.

With regard to lobbying, Coface does not directly or habitually carry out any activity in this field and has no employee whose appointed duty or mission involves lobbying public or political entities. Nevertheless, any action undertaken in this respect should naturally be carried out in the context of the internal rules laid down by Coface in the aforesaid Code of Conduct, which includes a number of anti-corruption rules. In addition to the Code of Conduct, a lobbying code was introduced in 2021.

iii. Risk of money laundering and terrorist financing (AML-CFT)

The compliance function regularly updates the framework procedures implemented to prevent and control money laundering and terrorist financing risks. These procedures are accessible to all employees on the Coface intranet and implemented locally by the international network of regional and local compliance managers.

Following the revision in 2022 of the Know Your Customer procedure, renamed Customer Due Diligence, communications and awareness-raising training courses were also carried out throughout 2023 with employees, mainly concerning the sales teams. The main purpose of these courses was to enable these employees to detect red flags relating to money laundering and terrorist financing. The new online training course on AML-CFT was assigned in December 2022 to all Group employees, as well as the module on client due diligence measures specifically for the sales, marketing and back-office teams, achieved a 97% completion rate. These courses were given in the Group's main languages to ensure better understanding by employees and were also accompanied by an assessment quiz.

iv. Risk of the violation of embargoes, asset freezes and other international financial sanctions

Since 2021, the Group's compliance system has changed significantly, in particular with the implementation of an automatic real-time filtering system for Coface counterparties. This new system filters the clients of Coface and their related parties (debtors, intermediaries, beneficial owners, etc.) relative to the lists of international sanctions issued by the United Nations, the Office of Foreign Assets Control, the European Union, France, and the countries in which Coface operates.

Following the introduction of new international sanctions, particularly against Russia, several actions have been taken to improve the effectiveness of the filtering system. These initiatives include the strengthening of level 2 controls, consistency checks carried out by the Compliance Department, and the continuous updating of the sanctions lists in the filtering tool.

In addition, new training courses on sanctions are being offered to all employees, including local teams, to enhance their understanding and application of these measures. The compliance function thus continuously detects sanctioned entities and ensures compliance with international sanctions by all Coface employees.

In line with these operational changes, the compliance function updated the framework procedure for compliance with international sanctions in 2023. This update follows a review of the procedure for controls on dual-use goods and military equipment in 2021. In addition, numerous performance indicators relating to the filtering system have been implemented and are rigorously monitored.

Lastly, at the request of the Group compliance function, an internal audit of the system put in place at Coface to comply with embargo and asset freeze measures and other international financial sanctions was conducted in 2023. The audit report highlighted some necessary improvements, which were the subject of recommendations, all in the process of being closed.

v. Risk of fraud

In 2023, the compliance function improved its fraud prevention system through:

- governance with the organisation of regional fraud committees led by the correspondents in charge of fraud prevention and regional compliance;
- the development of its reporting tool and SAFE reporting tool for suspected fraud;
- the tightening of due diligence on purchasers in the ATLAS database having been suspected of fraud or risk factors (alert in the tool and enhanced control system);
- the updating of the Fraud Reporting Group Rules;
- online and classroom training on the prevention of targeted fraud against sales teams, compensation, underwriting, finance/accounting, HR, Compliance, etc. The completion rate of the "Fraud in bank detail changes" online training course is 96.3%;
- implementing key performance indicators relating to the number and type of suspicions of fraud (insurance fraud, fraud against insured parties, fraud against debtors).

vi. Risk of non-compliance with the General Data Protection Regulation

Employees must respect the privacy and personal data of each person, in accordance with national regulations.

As part of its implementation of the General Data Protection Regulation (GDPR), Coface has adapted its information systems and processes with a view to complying with the stricter requirements in terms of personal data protection, including the:

- maintaining of data processing records by the Data Protection Officer;
- inclusion of GDPR clauses in contracts with its clients and suppliers;
- communication of the "Privacy Notice" to Coface clients.

Communication and online training initiatives on the protection of personal data within the Group were also implemented in 2021 and addressed to all employees. The purpose of the training course, accompanied by a quiz, was to enable each employee to comply with GDPR requirements and local data protection laws and regulations. The completion rate of the training course was 97%.

The new format of the Binding Corporate Rules (BCR) and responses to questions from the co-examiners were sent to the CNIL in November 2023. Coface's BCRs will then be sent to the co-examiners and subsequently to the rest of the EU members before being definitively approved. Pending approval by the CNIL and the competent authorities, the intra-group agreement implemented in 2021 to comprehensively oversee the transfer of personal data outside the European Union remains in force.

The Group Chief Compliance Officer was appointed Group Data Protection Officer to the CNIL on August 17, 2023.

c) Tax evasion

Coface is also required to comply with the tax laws applicable in the jurisdictions in which it operates, under penalty of sanctions, fines, financial losses and reputational damage.

The Group's tax policy is defined by the Group Tax Department. It is applied at regional level through seven regional tax correspondents.

In addition to regular dialogue consistent with the issues to be addressed, meetings are organised quarterly by the Group Tax Department with each of the regional CFOs and tax correspondents for a general review of the tax topics in their region.

Ahead of each meeting, the tax correspondent sends the Group Tax Department a report on current tax audits and related provisions.

Coface also complies with the standards established by the OECD to combat the erosion of tax bases and the transfer of profits through the implementation of a centralised transfer pricing policy, a governance system serving to identity aggressive tax arrangements with a view to reporting them in respect of DAC 6 in the European Union (no aggressive arrangement to report in 2023), and the filing of a declaration per country (Country-By-Country Reporting, CBCR).

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

d) Data protection and cybersecurity

As indicated in Chapter 5, Coface, like any other company, is exposed to cyberattacks or other security vulnerabilities in its IT systems and infrastructure, or those of its third-party service providers that could disrupt its business activities, cause significant financial losses, damage its reputation and expose the Group to possible sanctions on the part of regulators. With dependence on technological and digital infrastructures on the rise, information-system and cybersecurity risks are important to the Group.

Cybersecurity risks mainly stem from internal or external malicious acts such as cyberattacks. These acts could lead to a breach of the confidentiality, integrity or availability of the Group's information systems, whether internal or outsourced. Cyberattacks and major failures can vary substantially in their sophistication and execution.

The potential impacts on credit insurance, factoring, surety bonds, finance and data include data leakage, data alterations, ransomware, system failures and distributed denial of service (DDoS).

The Group leads numerous policies in this regard:

- Group Cybersecurity Risk Management Policy;
- IT and Cybersecurity Risk Mapping and Control Policy;
- Independent Cybersecurity Review Policy;
- Identity Access Management Policy;
- IT Asset Management Policy;
- Project Security Policy;
- Supplier Relations Cybersecurity Policy;
- Third-party Cybersecurity Policy.

For example, the following indicators are monitored by the Group Information Systems Security and Information Continuity Committee (values as of December 2023) in addition to annual awareness campaigns, phishing simulations and intrusion tests conducted by the Group Chief Information Security Officer: consideration of cybersecurity in procurement (79%), projects (100%) and the ability to detect cybersecurity incidents (85%). These indicators are updated by the Head of IT Security at Business Technology (BT). Numerous operational security indicators (privileged accounts, antivirus, vulnerabilities, etc.) are also monitored at Operational Security Committee Meetings at BT.

An IT indicator is also included in the Group's risk appetite, which is monitored by the Group Risk and Compliance Committee and at Board's Risk Committee Meetings. Coface has also integrated a cybersecurity plan into its portfolio of strategic projects to strengthen its system and infrastructure. A cross-functional programme targeting compliance with the Digital Operational Resilience Act was launched by the Head of BT Office following the analysis of shortcomings carried out by the Group CISO in 2022.

e) Legal watch related to CSR

Coface in 2023 sought to strengthen its legal watch related to CSR, which had previously been part of the general regulatory watch carried out by the Legal Department. To that end, a number of measures have been taken:

(i) a dedicated "CSR legal watch" officer has been appointed at the Legal Department;

(ii) an exhaustive review of all CSR texts likely to apply to Coface has been carried out; and

(iii) a monitoring table has been put in place to monitor changes in legal texts.

A CSR Legal Watch Committee now meets monthly in the presence of the Group CSR Manager, the Group General Secretary and the Group Chief Legal Officer to regularly review regulatory changes and the actions to be taken to prepare for new regulations.

6.3 COFACE, A RESPONSIBLE EMPLOYER

A RESPONSIBLE EMPLOYER

Main pillar themes:	
Key figures	
Diversity, inclusion, equal opportunities (multiculturality, disability, gender equality, sexual orientation) and societal commitment	***R.8***
Attracting, developing and retaining talent; engaging employees (induction and training of employees, international occupational mobility, employee engagement, compensation policy, etc.)	***R.9***

Several fundamental trends in Human Resources were observed in 2023:

- increased competition in the international talent market and expertise in financial services;
- a gradual renewal of the expectations of applicants and employees in terms of work-life balance, and in terms of the quality of the working environment and the corporate culture;
- the growing need to recognise oneself in diverse teams, with inclusive management;
- the confirmation of the need for flexibility in the organisation of the time and place of work;
- the volatility of talented professionals highly sensitive to salary increases and career advancement.

These challenges drover more than ever the work of Coface's Human Resources teams. They informed the development of the teams' skills and guided the projects and initiatives for the year.

The MyVoice survey, administered three times a year, measures the effectiveness of initiatives and the results of these trends, and guides the work of managers at all functions and levels in a highly precise manner.

The work carried out on **engagement** has been greatly strengthened. Coface has numerous indicators that measure progress on the priority areas of the Human Resources policy.

Career management, international occupational mobility and the identification of high potentials capable of filling tomorrow's management and management positions are now served by firmly established processes and policies in Coface's governance and the results are constantly improving. Around 100 employees are currently on international transfers.

the proportion of vacant senior management positions filled by internal talent during the year stabilised at a high level of over 60%.

the attrition rate of high potentials, a professional population more exposed to the market, remains consistent with the overall attrition rate, and remains at a reasonable level (around 8%). At the same time, the engagement of these high-potential professionals is high, exceeding the internal and external benchmark.

The **Diversity, Equity and Inclusion** initiative was particularly dynamic, contributing to establish Coface as a company perceived by talented professionals as a responsible company in this area.

Coface has stepped up training and awareness-raising for all staff on inclusive behaviour and the network of regional champions has worked in-depth across Coface's entire scope.

To remain competitive on **compensation**, the Human Resources teams also worked to build a global compensation management module using the "My HR Place" tool, the first stone of which was laid in 2022. From 2024, this new tool will enable the application of wage policies as close as possible to the local teams.

Lastly, the rapid development of information sales once again strongly mobilised the Human Resources teams, with the recruitment and integration of more than 100 new employees and the management of more than 350 people dedicated to this new activity.

6.3.1 Key figures

A workforce structure reflecting strategic guidelines

Coface's headcount increased compared with 2022. The most significant increase in headcount, as in the previous year, related to sales and marketing.

This increase reflects one of the initiatives of the Build to Lead strategic plan, namely the development of information sales. The number of employees directly dedicated to sales increased by 22% compared with the previous year, accelerating the development of this product line.

A few headcount figures

The Group's Human Resources data system "My HR Place" is now the source used for all employment analyses and statistics, global and local, that are requested from the Human Resources teams, and in particular for this document.

Data from the system now supports studies, action plans and strategic decisions based on reliable analyses.

Strong international dimension

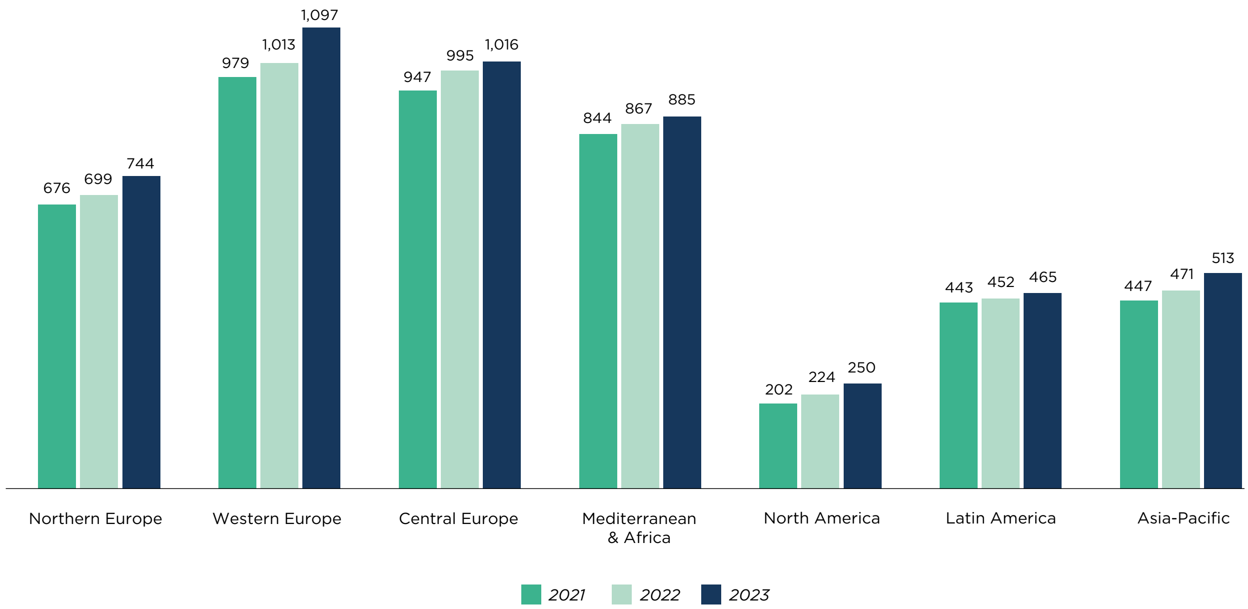
At December 31, 2023, Coface had 4,970 employees. Coface benefits from the diversity of cultures, working methods and practices of the countries in which the Group operates.

The figures in this report illustrate the workforce and give a global view of the Company. Given the Group's organisational model, indicators are presented by region.

/Breakdown of workforce by region

At December 31, 2023, the Group employed 4,970 people in 58 countries, compared with 4,721 at December 31, 2022. The table below shows the geographical breakdown of the Group's workforce since December 31, 2021:

WORKFORCE	2023	2022	2021
Northern Europe	744	699	676
Western Europe	1,097	1,013	979
Central Europe	1,016	995	947
Mediterranean & Africa	885	867	844
North America	250	224	202
Latin America	465	452	443
Asia-Pacific	513	471	447
TOTAL	**4,970**	**4,721**	**4,538**



The Coface workforce increased by 5.3% in 2023. The Western Europe region, the largest in terms of headcount, comprises the employees of the Group's head office and the French commercial entity. Next comes Central Europe where, in addition to commercial activities, two structures based in Romania carry out the production of operational tasks for other Group entities. It comprises both a shared services centre and the Group IT development centre.

/Breakdown of workforce by activity

The table below breaks down the Group's workforce by type of activity since December 31, 2021:

WORKFORCE	2023	2022	2021	CHANGE 2023 *VS.* 2022
Sales & Marketing	1,837	1,700	1,629	+7.88%
Support	1,638	1,583	1,596	+3.47%
Information, litigation, debt collection	1,027	985	975	+3.05%
Risk underwriting	468	453	338	+2.87%
TOTAL	**4,970**	**4,721**	**4,538**	**+4.91%**

As presented above, the Sales and Marketing activities are experiencing strong growth, particularly as a result of the strategic ambitions of the Build to Lead strategic plan relating to the development of Information Sales and the creation of value through growth.

The workforce rose 5% overall, reflecting the increase in activity and Coface's commercial performance, despite a more volatile and complex economic environment.

Types of employment contract

Permanent contracts continued to account for the large majority of jobs at Coface:

	2023	2022	2021	CHANGE 2023 *VS.* 2022
Northern Europe	99.3%	97.7%	98.1%	1.6%
Western Europe	98.6%	98.2%	98.2%	0.4%
Central Europe	98.6%	95.7%	93.5%	2.9%
Mediterranean & Africa	99.5%	99.5%	98.6%	0.0%
North America	100.0%	100.0%	100.0%	0.0%
Latin America	93.8%	94.7%	96.2%	(0.09)%
Asia-Pacific	97.9%	98.3%	97.3%	(0.4)%

For the Group as a whole, 98.4% of Coface employees work on permanent contracts.

Age ranges by country

Because careers are lengthening and the Group is convinced of the effectiveness of intergenerational dialogue and collaboration, diversity in Human Resources serves to drive Coface's collective performance. This aspect is highlighted by the breakdown of the workforce by age group and region.

In 2022

AGE RANGES	ASIA-PACIFIC	CENTRAL EUROPE	LATIN AMERICA	MEDITERRANEAN & AFRICA	NORTH AMERICA	NORTHERN EUROPE	WESTERN EUROPE	OVERALL TOTAL
< 30	22.72%	18.49%	26.11%	13.03%	14.29%	7.58%	12.8%	15.61%
30 to 40	40.13%	42.71%	36.95%	30.45%	19.64%	19.17%	30.3%	32.41%
40 to 50	24.63%	28.04%	25.88%	35.64%	24.11%	30.19%	27.0%	28.81%
> 50	12.53%	10.75%	11.06%	20.88%	41.96%	43.06%	29.8%	23.17%
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

In 2023

AGE RANGES	ASIA-PACIFIC	CENTRAL EUROPE	LATIN AMERICA	MEDITERRANEAN & AFRICA	NORTH AMERICA	NORTHERN EUROPE	WESTERN EUROPE	OVERALL TOTAL
< 30	24.56%	18.41%	25.38%	13.22%	13.20%	9.95%	13.86%	16.24%
30 to 40	36.84%	39.47%	36.77%	28.59%	23.20%	18.28%	29.99%	30.93%
40 to 50	25.34%	30.41%	23.66%	33.79%	25.60%	29.84%	26.25%	28.61%
> 50	13.26%	11.71%	14.19%	24.41%	38.00%	41.94%	29.90%	24.23%
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Several countries, where the average age of employees is over 45, are long-standing locations for Coface (Germany, USA) in which the resignation rate remains historically low. In contrast, the workforce is younger in Asia-Pacific and Latin America countries, where almost one-quarter of the workforce is under 30.

6.3.2 Diversity, inclusion and equal opportunities

In 2022, Coface established its “Diversity and Inclusion” policy, which then became “Diversity, Equity and Inclusion”. Coface has made significant progress in this respect since 2022. Employees now regularly express a positive perception of the working environment, which they see as more inclusive and respectful, and which allows people to express themselves at work, without fear of harassment or discrimination (perception quantified *via* the “My Voice Pulse” engagement survey, mentioned in 6.3.4).

Coface is a multicultural Group, not only because it is present in 58 countries, but above all because it is home to more than 80 nationalities and about 10% of its employees work outside their home country. This characteristic calls for inclusive management, to take full advantage of the cultural diversity of an international company.

Coface has already worked extensively on gender equality in the workplace and the issue remains a priority, with global action plans and new initiatives rolled out to achieve greater diversity, particularly in management positions. All initiatives are measured and shared with all employees.

Diversity, equity and inclusion are key components of the Group’s Human Resources strategy. The teams of the regions and local entities are all committed to these requirements and share a clear vision of what needs to be achieved during the year. In addition to global initiatives, each region is implementing specific action plans. A quarterly meeting with the Human Resources directors of each region and the Group was established in 2023 to discuss practices and initiatives to boost momentum on this strategy by reviewing each person’s objectives and achievements.

a) The goal of the DEI strategy

Coface’s DEI strategy remains the same. Coface aims to become a company whose culture must be recognised by the talent market as diverse and inclusive.

To that end, Coface reviewed each stage in the “employee journey”, including submitting an application, experiencing the recruitment process, being selected, joining the teams, and developing by holding different job positions. All these stages are an opportunity to experience a positive culture and high-quality, inclusive and transparent managerial practices. The Human Resources Department studies how these stages are experienced and perceived by the employee.

Coface also ensures that employees feel safe to express themselves and affirm their uniqueness without fear of discrimination. This impression must be identified from the recruitment process and monitored throughout the employee’s career path until they leave the Company.

To achieve these objectives, Coface recognises the importance of keeping these subjects a priority at the Company, through employee awareness-raising and training, global and local communications on the subject, and media articles used by the Company.

b) Visibility of the DEI strategy and its achievements

In May 2023, for Diversity, Equity and Inclusion Week, Coface created a special page on its internal learning platform.

This page is accessible to all employees and contains a set of internal and external videos, articles, guides, training, and presentations on internal programmes. It also contains recordings of events, the CSR strategy, the annual DEI roadmap, the KPIs we track on the progress of the DEI initiative, and a space dedicated to regional initiatives.

This space was created to ensure transparency on the actions taken by the Group and inform employees of progress on KPIs and My Voice survey scores on the internal perception of diversity and inclusion.

i. Training and awareness of all forms of diversity

Since 2021, Coface has organised a week dedicated to Diversity, Equity and Inclusion each year. The event is sponsored by members of the Executive Committee to boost the commitment of all staff to building a respectful and inclusive culture.

This year, a DEI Challenge was also organised, in which numerous employees from all the regions took part. The highly interactive challenge served to improve knowledge of the issues involved in DEI.

In 2023, DEI Week focused on sharing best practices and local or regional initiatives in this area. The aim was to encourage more people to take a more active role in DEI.

All the sessions kicked off with a presentation of the annual roadmap and then focused on a specific aspect of the DEI initiative, with a different topic each day. On the first day, the results of the reverse mentoring pilot project were presented. On the second, two countries shared their practices on race issues (South Africa) and gender equality (Austria). The main topic on the third day was the importance of Employee Resource Groups (ERGs) in Coface’s cultural transformation. The LGBT ERG of Latin America led part of the discussion, while employees in Germany talked about their difficulties in terms of gender equality.

Coface also took the opportunity of International Women’s Day to organise several conferences and webinars on professional equality.

Training plan

Everyone at the Group is responsible for developing an inclusive culture and allowing all staff to feel valued and well-integrated. This is why training initiatives have been rolled out at Group level, affecting all employees as well as more specific populations such as managers, accompanied by a communication plan accompanying their implementation.

E-learning

A mandatory e-learning module was launched in early July on "How to develop an inclusive culture at Coface?" (in December for Israel and the countries of North, Central and West Africa). The completion objective was achieved, with slightly more than 96% of employees having completed the entire module at the end of the two-month period initially set and having attained the minimum score in the final quiz (and 98% by the end of 2023). This training reviews the concepts of diversity, equity and inclusion, exploring how our unconscious prejudices and perception biases affect our ability to act in an inclusive manner with our colleagues. It examines micro-aggressions, how we can combat them, and how to become allies of inclusion. Above all, the e-learning module was tailored to Coface and provides extensive information to help understand Coface's vision on the subject, as well as the Company's objectives and the initiatives put in place (videos of members of the Executive Committee and employees involved in local initiatives; exercises and simulations based on the main measures implemented by the Company; alert procedure in the event of discriminatory behaviour for victims and witnesses alike, etc.).

The e-learning is also one of the mandatory training courses to be completed by all new recruits.

Managerial training on "inclusive leadership"

A mandatory two-hour training courses has been developed with an external partner and deployed by the latter starting in June to the top 200 managers, including the Executive Committee, and key HR managers. More than other employees, managers must set an example on inclusion. The course is inspired by the fact that in reality, although motivated by the best intentions, managers sometimes adopt non-virtuous behaviour without realising it and the impact of this behaviour causes feelings of exclusion in their teams. The objective of the course is to encourage participants to become aware of the underlying mechanisms leading to these situations of exclusion and to encourage them to think about how to avoid and combat them on a daily basis, as well as during key moments in an employee's career at the Company (recruitment interviews, performance management, training, career development, departure interviews, etc.).

The training module is practical, based on simulations and dialogue between participants. The groups are made up of 12 to 14 participants from different Coface regions to make these discussions even more interesting. At the end of December, more than 50% of the members of the top 200 had been trained, as well as key HR managers.

The course will continue to be rolled out in 2024. In addition to the top 200, intermediate and local managers will also be trained by their HR managers, who will benefit from specific preparation to run these training courses.

Multiculturality

Coface is a multicultural company with employees representing 84 nationalities, some of them working outside their country of origin.

Improving the Group's knowledge of cultures in other countries and understanding language codes, working methods and the management culture in other parts of the world is essential to Coface's business and the collaborative efforts of its teams. Awareness-raising efforts continued once again in 2023, in the form of webinars organised for Diversity and Inclusion Week in the second quarter.

Sexual orientation

At the end of 2023, Coface was approved by *L'Autre Cercle* to renew the collective signature of the charter. By signing the charter, Coface is renewing its commitment to diversity, equity and the inclusion of LGBT+ people, as well as its position against all forms of discrimination within the Company. The charter also commits the Company to carry out initiatives and action plans to strengthen the inclusion of LGBT+ people in management practices and corporate culture, while fulfilling its responsible role towards society.

For the 2023 Diversity, Equity and Inclusion Week, a day was devoted to the importance of Employee Resource Groups (ERGs) (employee groups seeking to discuss a diversity topic such as sexual orientation) with a view to advancing thinking and behaviour to promote inclusion for everyone. Coface received external guests at the event, including a representative of an ERG focused on LGBT issues, as well as an internal participant in the "Pride" employee network created in Latin America at the end of 2021. In addition to organizing debate on this subject, the Latin American ERG has taken on a global scope in an effort to integrate employees from other regions.

In a further development in 2023, all the Human Resources policies were reviewed and partially rewritten to integrate more inclusive wording.

Visible and invisible disabilities

The theme of visible and invisible disabilities, notably including neurodivergence, was widely discussed in 2023.

Coface France organised a "duo day" in the autumn, in which people with disabilities were invited to spend a day at the Company with volunteer employees of the programme in order to show the potential obstacles that these people face in the workplace. This type of initiative promotes awareness of the reality of the work life experience for this population and encourages reflection on ways to improve the working environment for Coface.

Regarding invisible disabilities and neurodivergences, conferences were held with external speakers to raise awareness among the teams and discuss unconscious and unconscious biases about differences of all kinds. The discussions also focused on initiatives that Coface could introduce, such as the layout of workspaces and changes in managerial practices, to improve the reception and inclusion of people with all types of differences.

In North America, an experiment was conducted on this topic, aimed at the widespread dissemination of a "Big Health" app to help employees suffering from anxiety and sleep disorders.

Age differences

In 2023, the Group Human Resources team introduced quantified indicators to measure HR practices and decisions with regard to employees aged over 50. This year, about 25% of the total workforce was over 50 years old. The Human Resources teams were thus able to observe that age was not a discriminating factor in decision-making regarding compensation, hiring or careers.

- People aged over 50 accounted for around 10% of new hires in 2023;
- Forty-two per cent of them received a salary increase in 2023, *i.e.* around 20% of the total number of employees having received a pay rise, which is not far from the group averages;
- In France, 58% of this population benefited from a merit-based rise, compared with an average of 61% for the population as a whole;
- People aged over 50 account for 18% of the total number of employees in the international occupational mobility programme, in line with the overall average.

These figures are now monitored twice a year to ensure that there is no discrimination in this area.

A project called "Building Bridges" was launched in Germany with the aim of bringing generations together and building cooperation and mutual understanding across generations.

External partnership with the Potter Foundation

Since end-2020, the Coface Group has also initiated an external equal opportunities policy through a **partnership with the Potter endowment fund**, which supports financially disadvantaged students so that they can study in scientific preparatory classes and then at engineering schools, thanks to scholarships awarded throughout their courses.

Coface and the Potter endowment fund have decided to work together to support this cause as part of a sponsorship agreement. Under the agreement, Coface France provides the time and skills of two of its motivated employees seeking to work on assignments with a social impact. Their goal is to help the fund develop its reputation, promote its mission, manage applications and contribute to the organisation of selection panels.

In addition, two Coface employees, the Head of the Group Information offering and the head office Human Resources Director, participated this year in the selection panel for scholarship candidates. Lastly, this year and for the second consecutive year, Coface financed a scholarship awarded to a student and provisioned for their five years of study.

Reverse mentoring

In 2022, the reverse mentoring pilot programme began to address diversity, equity and inclusion issues at Coface.

The pilot phase ended in early 2023 with positive results and a new cycle of this programme began in October 2023.

The programme involves assigning to a mentee a mentor with a difference (gender, age, sexual orientation) compared with the mentee. The mentee is a senior executive curious to learn from their mentor how difference is experienced in the Company. Through the programme, the mentee comes to understand how difference is experienced in the Company.

ii. Gender equality

The proportion of male and female employees remains balanced overall, as in previous years, with around 54% women in 2023. However, the percentage of women on the Company's Executive Committee decreased from 36% to 33%.

The table below shows the trend in the proportion of women overall and among managers in all regions since 2021:

		2023	2022	2021
Northern Europe	% women	48.7%	50.5%	50.4%
	% of managers	15.9%	15.5%	17.6%
	% women among managers	23.7%	23.1%	18.5%
Western Europe	% women	48%	49.4%	48.3%
	% of managers	22.7%	22.9%	24.3%
	% women among managers	36.5%	37.1%	38.7%
Central Europe	% women	62.6%	61.5%	60.9%
	% of managers	19.5%	19.0%	19.6%
	% women among managers	49.5%	49.2%	47.8%
Mediterranean & Africa	% women	57.3%	56.7%	57.9%
	% of managers	33.9%	26.3%	22.4%
	% women among managers	39.7%	38.6%	39.2%
North America	% women	41.2%	41.5%	46.0%
	% of managers	29.6%	27.7%	31.2%
	% women among managers	39.2%	38.7%	39.7%
Latin America	% women	56.6%	56.6%	58.9%
	% of managers	26.5%	25.7%	26.0%
	% women among managers	64.2%	61.2%	60.0%
Asia-Pacific	% women	54.1%	53.7%	53.9%
	% of managers	25.1%	26.3%	25.1%
	% women among managers	41.1%	38.7%	39.3%

A recruitment policy fostering gender equality

The rapid increase in the proportion of women in all management positions in 2023 showed that the efforts made over the past few years continue to bear fruit. At December 31, 2023, 36% of management positions were held by women, for a year-on-year increase of 2 points.

The identification of female applicants in the final selections of applications for these positions is now mandatory. This has made it possible to recruit women in 60% of positions filled externally (*vs.* 38% in 2022), while still continuing to select the best candidate at the time of the final offer.

At the same time, career reviews for female talent, as well as other career development initiatives focused on these women, have enabled many of these vacant leadership positions to be filled by women (36% of promotions to these positions were women).

Career management and mobility focused on women's careers

In terms of career management, Coface has actively committed to female careers. It has implemented several actions and processes and publishes several indicators widely to communicate on progress in house.

The Global Gender Index is used to coordinate and measure women's career management

Each year, Coface uses the Global Gender Equity Index to analyse several criteria in order to analyse gender equality at the Group. Ultimately, the goal is to close the pay gap between men and women, facilitate and support women's careers and promote diversity within the teams.

Inspired by the French model initiated by the law on the freedom to choose one's professional future, Coface has established its own calculation methodology [1]and changed the criteria studied in 2023 in order to improve the quality of the analyses and deepen the existing conclusions.

A new criterion on the number of women in succession plans has been added and the weighting of the other criteria has been revised to modify their representativeness. While the calculation method remains the same, the weight of each indicator was reviewed to guide actions in areas where the necessary room for improvement was the greatest, namely supporting career management and female mobility.

In this respect, six criteria are measured:

- equal pay for men and women - 20 points;
- equal pay increase decisions - 10 points;
- equal promotion decisions - 10 points;
- the percentage of women among Senior Managers (top 200) - 30 points;
- the percentage of women among the 10 highest-paid employees - 10 points;
- **new -** the share of women in succession plans - 20 pts.

The index results from the consolidation of each regional [2] index (for details of the scope and calculation, see Section 6.7 "Guidelines and methodology"). Progress thresholds are determined annually for each region. This central oversight ensures that professional equality objectives are met internationally. For 2023, Coface achieved a score of 80/100.

Note: this cannot be compared with the ratings of previous years, as the methodology has changed. The only year to be recalculated was 2022, to provide elements of comparison, with an identical score of 80/100.

The score on the gender pay gap criterion remains stable and is improving sharply in some regions. Regions for which the result is not at a reasonable level are examined. While the wage policy complies with the principles of non-discrimination, staff movements and reorganisations are the main causes of the change in the score from one year to the next.

For 2023, 20 countries (France and the head office being counted separately) are taken into account in the study on gender pay gaps (criterion no. 1 - countries with more than 50 employees). These 20 countries accounted for 75% of the Group's workforce at the time of the study.

The rule of a fair and proportional distribution of salary increases has been adopted by the regions, thus making it possible to reach the maximum score for the criterion relating to the distribution of increases (with the exception of one region). The Group monitors this distribution as part of each annual salary review exercise. The same is true of promotion decisions, which once again this year were egalitarian, with all regions having obtained the highest score on this criterion.

While supporting career management and female mobility remains one of the areas with the greatest room for improvement, the results illustrate the efforts made by the regions and the Group, as women account for 46% of succession plans and 36% of the senior manager population. An increase in these scores is expected in 2024. Coface's objective is for women to account for at least 40% of its senior manager population by 2030.

Lastly, the Group achieved the highest score on the proportion of women among employees with the highest salaries, but efforts remain necessary at the regional level.

The Coface Group's professional equality index is firmly established and taken into account in the Human Resources policies of the Group and the regions. It is a real tool for measuring and monitoring regional practices and trends and ensuring that professional equality and fairness are respected. Corrective measures are determined and applied following annual discussions between the Group and the regions, including the implementation of a monitoring tool focused on professional equality as part of the annual salary review and the enhanced monitoring of gender equality within the pool of candidates for the recruitment of senior managers.

To meet its objective to have women account for 40% of management body members by 2030, Coface must ensure that it has sufficient women in succession plans for these positions. The increase in the proportion of women in succession plans is measured every year, at two levels:

After promoting internal female talents to Executive Committee level (CEO LAR and WER, CFO), the pool of female successors has naturally declined for the short term. The pool needs to be enriched once again to ensure that

1) *The weighting, the criteria studied and the elements considered for the calculation are specific to the methodology that Coface has established, the Group having been inspired by the French index in its principle without reproducing identically the conditions defined by the French legislator. French entities subject to the obligation to calculate the professional equality index apply the methodology defined by the respective decree.*

2) *SSC Romania employees are included in the calculation of group-level indicators (4, 5, 6) but excluded from the calculation of regional CER indicators.*

internal options exist when positions become available:

	JULY 2023	JULY 2022
% of single female successors (short term)	30%	29%
% of single female successors (long term)	40%	38%

- Regional Management Committee level. A pool to provide over the very long term (> 5 years) potential future members of the Executive Committee. The proportion of women continues to increase, reaching 49% in July 2023 compared with 46% a year earlier (and 40% in July 2021).

Lastly, to these measurement tools, which have enabled us to focus on managerial promotion and recruitment decisions, Coface has added qualitative processes to make greater overall progress on the career development of all high-potential women:

- an international mentoring programme, including at least 60% women, detailed below;
- a women's career committee process called the Talented Women Career Acceleration Programme, launched in 2020. This makes it possible to review the career progression of high-potential women several times a year and region by region. During this review, Coface decides, if necessary, to provide more resources to some individuals to foster progress, including mentoring and training. Coface can also decide to anticipate a promotion for others or to open up the field of opportunities by imagining more creative paths. These sessions have effectively served to accelerate the careers of many women at Coface. Looking at the high potentials identified in July 2022 and their occupational status at end-June 2023, 57% of women have taken up a new position in the last two years, compared with just 38% of men.

Measuring the impact of all DEI actions internally

Since 2021, Coface's engagement survey has included a section dedicated to diversity, equity and inclusion.

The results of the most recent survey, carried out in November 2023, show a year-on-year improvement in all areas, as well as scores higher than Coface's external benchmark (financial market), with the exception of the question on non-discrimination, for which Coface is at the benchmark level.

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
94%	8.6	8.6	8.5	8.6

2023 benchmark

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
	8.4	8.2	8.3	8.6

2022 data

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
81%	8.4	8.4	8.4	8.5

6.3.3 Attracting, developing and retaining talent; engaging employees

As part of its overall HR strategy, Coface has established a policy on attracting, developing and retaining talent and, more broadly, engaging employees. The policy is reflected in the three pillars of this strategy:

1. contribute to the Company's cultural transformation;
2. partner the business and help to meet Build to Lead objectives;
3. rank as an employer of choice.

In concrete terms, the policy comprises a number of initiatives and programmes, the most representative of which are detailed below. They consist in:

- recruiting the right profiles, particularly in key positions, by developing the Group's reputation and attractiveness and by ensuring, in particular, the representation of women (recruitment to Senior Management positions approved by the Group); filling key positions internally with the best profiles, also with a view to the robust representation of women (internal transfers to Senior Management positions also approved by the Group);
- identifying the best talent to be developed as well as potential successors to key positions (annual Talent Reviews identifying high-potential individuals and their development plans, eligible for international transfers in the short term, succession plans, in particular for Senior Management);
- making international transfer opportunities available to the best talent (posting open positions on the Group intranet, regular occupational mobility committees with regional HR managers, Group approval of inter-regional transfers);
- organising systematic career interviews with the best talent and encouraging managers to conduct these discussions (career interview training programme initiated in 2021);
- strengthening the development offering for the best talent (new Group programme RISE to develop leadership; new Leadership Academy in the APR region; continuation of the Talent programme of the MAR region; Group Mentoring to Lead programme, the global deployment of which continued for the third consecutive year aimed at stepping up the development of future leaders in terms of soft skills, 360° feedback tool introduced across the entire Group in 2022);
- developing internal mobility on a larger scale (formalisation and communication of a Group internal transfer policy under the "Move & Grow" label): changes in business lines and countries are notably encouraged, the aim being to develop the broadest possible understanding of the Company among employees, enhance skills, strengthen the Group culture and develop individual and collective agility;
- expanding the Group's training offer, particularly in terms of business line expertise and by capitalising on digital tools (Underwriting Academy launched in 2021 on CLIC, the Group's digital training platform, continued roll-out of the Commercial Academy for the second year, implementation of a training programme for the Information Sales teams, introduction of an HR Academy in 2022);
- ensuring the proper integration of new hires around the world (*IntoCoface* programme, which continues to be rolled out and whose content was enriched in 2022);
- developing a compensation policy adapted to the Group's strategic challenges over the long term, respecting internal fairness and competition on the market;
- measuring and analysing employee engagement and establishing improvement plans ("My Voice Pulse" survey administered three times a year and initiated in October 2021).

Further information is provided below to illustrate the most representative initiatives in 2023:

Supplementary leadership development programmes

Coface has significantly expanded its offering of programmes aimed at accelerating the development of leadership skills among employees with the greatest potential to progress rapidly in their careers.

First of all, at the Group level, the RISE programme was created in September 2023, bringing together for a seven-month period, 29 intermediate managers with the ability to take on broader roles in the coming years and potentially a position in the top 200. This programme is highly international, with 18 nationalities and 17 countries represented. All Coface regions have appointed participants, as well as the Group's head office. The proportion of women is around 60%. The main objective of RISE is to raise the participants' awareness of the key success factors in exposed positions and acquire or strengthen the corresponding skills. The latter include knowing how to develop a vision and communicate it; working on one's image and reputation within the Company; developing a network and allies across the organisation; taking ownership of one's career; and building a development plan. The programme includes a week-long seminar, organised at the end of November in the Paris region, and a series of remote activities that began before the seminar and will continue until April 2024. Participants are required to step outside their comfort zone and experiment with new situations to develop their skills. The educational activities consist of individual and small group coaching sessions; co-development on real issues encountered at work, also carried out in sub-groups; "career workshops" coordinated by Coface HR teams; webinars led by external speakers to explore new leadership horizons; and Q&A sessions with Xavier Durand and members of the Executive Committee, who share their experience and provide advice on how to succeed as a leader. Halfway through the programme, the initial feedback is excellent, and the objectives of RISE have been fully met.

In the Asia-Pacific region, a Leadership Academy was launched with an initial class of 12 participants over a period of 10 months. The participants completed training modules focused on project management, team management, ethics for leaders, decision-making and communication, and benefited from individual coaching sessions with the trainer. They also worked in sub-groups on three strategic topics selected by the region's management team, with a final presentation to this body at the end of the programme to share their vision and recommendations. Feedback is also very positive at the end of the programme.

The Mediterranean and Africa region continued to roll out its regional talent programme, focusing on more junior profiles than in previous years. The programme thus rounds out the initiative led by the Group on a different target population. Running from July 2023 to early 2024, the programme brings together 18 participants from 8 countries with an equal number of men and women. The initiative serves to develop exposure to the region's top management, train participants on communication and the management of change, time and stress, and enhance their understanding of corporate finance. It also aims to empower beneficiaries to take ownership of the management of their careers.

Recruitment tool and employer brand

To promote its employer brand and develop the means to improve recruitment in a tight job market, Coface carried out a market study to establish an IT system for disseminating job offers and managing applications. The objectives were as follows:

- improve the applicant experience by making it easier to access Coface job offers and submit applications;
- automate the dissemination of job offers on job sites;
- boost the efficiency of the internal application management process, both for HR and for managers recruiting employees for their teams;
- pool applications in a single area and enable access to profiles from other offers or other countries; secure data and meet GDPR requirements; and
- develop reporting to better coordinate recruitment processes and improve their effectiveness.

The initiative was rolled out on a pilot basis in 2023 on an initiative by the CER & NER regions, made up of 13 countries: the entire CER region, as well as Germany. Following a six-month project phase, the new system has been in place since September 2023. Feedback is extremely positive, with managers appreciating the single access to all the applications concerning them and the visibility on the progress of their recruitment. For HR managers, the tool makes it easy to communicate with the various players involved in recruitment processes and become more efficient.

Continued implementation of the Group integration programme

The IntoCoface programme, which has been successfully constructed and implemented since 2020, was enhanced in 2023 by new video bubbles in that can be consulted in standalone mode on the new hires page of the Group's e-learning platform. They make it possible to quickly become familiar with Coface's key characteristics, from a business, product and culture perspective. They systematically feature in-house testimonials fostering sympathy and closeness as well as entertaining educational animations.

Six new video bubbles are dedicated to Coface values, the Diversity, Equity and Inclusion policy, and information on factoring, political risk, surety bonds, and, in terms of product, the sale of collection services.

The regions continued to roll out the integration webinars, the standard format of which was defined with the Group in 2022. The majority of the regions have implemented these webinars, with the exception of America, at a rate of one to four sessions per year. Nearly 380 new hires have benefited from the webinars. Feedback has proved highly positive, confirming the relevance of the webinars relative to their expectations as well as the interest of the content, particularly on the Group's values.

Digital training and "business line" academies

The "business line" Academies continued to be rolled out in 2023.

The "Commercial Academy"

The soft skills development programme implemented with Krauthammer since 2019 moved ahead in 2023. The number of participants is now increasing to a lesser extent as a large proportion of the sales teams have been formed. For reasons of fairness, local entities in 2023 tended to allocate a greater share of their training budget to functions other than those of the Sales Department.

A total of 93 participants were enrolled in one of the Academy's programmes in 2023, from all regions except Latin America. The courses have been streamlined as planned. The flagship programme, known as the "Core Model", which includes all the fundamentals, continued. It accounted for 60% of the year's registrations. A new module, "Negotiating with third parties (brokers or partners)", was developed and implemented. It accounted for 20% of registrations in 2023. The other participants followed the "Advanced Trading" module, launched in 2022.

In total, nearly 800 people have been trained at the "Commercial Academy" since launch and feedback continues to show high levels of satisfaction (4.6/5).

This year, the certification process, based on attendance and an online quiz at the end of the course, was rolled out on a broader scale. Out of 100 eligible people, 42% have already obtained their certification and the others are in progress or are starting the course.

In addition to the soft skills programme, the offer aimed at developing product and process knowledge continued to be restructured for greater clarity. It includes around 100 different courses, including some new modules concerning the Coface Premium Services segment and the generation of leads for digital marketing. It also includes courses for meeting the 15-hour annual individual training requirements of the Insurance Distribution Directive (IDD).

All these catalogues are accessible *via* the Commercial Academy page, a single portal accessible on the Clic digital training platform.

The Underwriting Academy

Launched in early 2021, the Underwriting Academy aims to develop the technical skills of professionals in underwriting and related functions and comprehensively inform all Company employees about this core Coface activity.

It includes a total of 120 training modules, with learning paths built by employee type, depending on their need, including a beginner course comprising 10 broadly accessible introductory modules. This course is available in ten languages.

In 2023, 1,290 employees on permanent contracts signed up for courses at the Underwriting Academy. On average, each of these learners is enrolled in ten courses. Fifty-five per cent of new hires have completed or are currently studying the beginners' course.

The HR Academy

The HR Academy concerns 120 professionals in the HR community, the aim being to train them on key initiatives and processes for the HR function and enable each member to develop the skills necessary to their work or for their future development.

Three new e-learning training modules were published in 2023:

- "Conducting departure interviews following resignation", to improve the Company's ability to retain talent;
- "How to give feedback", to continue to develop a performance culture; and
- "How to publish positions internally", to encourage international occupational mobility.

Five new webinars have also been set up for online training administrators in the various regions to help them continue to improve in their role and develop the use of digital training at Coface.

Lastly, supplementing the "business line" Academies, new digital training courses were launched, including eight mandatory modules for all employees. In addition to essential regulatory topics (cybersecurity, GDPR, sanctions, etc.), two modules concern CSR (awareness of climate change) and the development of Diversity, Equity and Inclusion (how to develop an inclusive culture at Coface). These two training courses are detailed in the paragraphs dedicated to these subjects.

Mentoring to Lead

The aim of this mentoring programme is to share experience between experienced leaders and high-potential employees with a view to boosting their development and increasing their visibility at the Company. Following the implementation of a pilot in France in 2019, implementation at the Group level continued for the fourth year in 2023 with:

- 47 new participants from six regions, 66% of them women, to help expand the pool of future female leaders;
- including the programmes launched in 2022 and continuing in 2023, 97 employees benefited from mentoring this year, of whom 59% were women.

360° feedback

The use of the 360° feedback tool introduced at Coface in 2022 increased in 2023. The aim with the tool is to help personnel selected by their local entities (including high-potential employees preparing for a change, having recently taken up management positions or holding an exposed position) to better pinpoint their development priorities by comparing their own perception with that of their main contacts in the organisation. Developed on a bespoke basis for Coface, the feedback questionnaire assesses skills that reflect the Company's values and culture.

A total of 84 new members, 50% of them managers, were registered in 2023, bringing the total number of beneficiaries to 146 since launch, based in 36 countries. Usage has been stepped up in particular through the integration of 360° feedback into leadership development programmes.

A pool of 27 internal debriefers has been set up within the HR community since launch, including eight new debriefers trained in 2023. Their role is to support beneficiaries in understanding their results and identifying avenues for development. All of them can debrief the results in 12 languages. A substantial proportion of debriefings are carried out internally (86% of the total in 2023), the aim being to optimise costs and strengthen the feedback culture at the Company.

This year, two refresher sessions were organised for internal debriefers, based on peer coaching, during which they were able to benefit from the experience and advice of their peers as well as an expert consultant. They were found to be very beneficial.

Onboarding and training new employees recruited for the information sales business

The integration of nearly 110 new employees in 2023 to enrich the information sales teams once again required an ambitious training and integration plan in 2023.

Some initiatives launched in 2022 have been developed and renewed, and others have been added. This plan is based on four areas:

- E-learning
  - 14 modules on information sales are now available for new recruits, developed in-house. Satisfaction scores are good, with an average score of 4.48 out of 5,
  - 22 "integration champions" have been appointed to support new recruits;
- Acculturation at Coface and connection to the credit insurance business

Eight virtual knowledge-sharing workshops were organised in which employees interact with their credit insurance colleagues to share the respective knowledge of the business lines between the different product lines. 1,300 employees participated, with a satisfaction rate of 82%.

- Sales and product training

Fifteen sessions were organised in 2023, led by head office experts, to train new employees in sales, distribution techniques, products and internal sales processes. A refresher course is organised twice a year *via* e-learning.

- Training of sales managers

A face-to-face session was organised in 2023 for managers of information sales teams. This session was followed by follow-up workshops. Individual support plans have been prepared and implemented, and performance monitoring KPIs have been implemented for this population of managers.

My Voice Pulse

In the last two years, Coface has conducted an employee engagement survey three times a year to ensure greater responsiveness in the implementation of corrective actions when necessary.

The survey compares Coface with the financial market benchmark, with adjustments specific to the reality of its population, thereby ensuring the relevance of the comparison.

The results for 2023 show a continuous improvement in employee engagement with an average of 7.8/10 (7.6/10 in 2022) and an Employee Net Promoter Score (promoters minus detractors) of 32 points (+5 compared with the benchmark and +10 compared with 2022). As for the NPS presented in paragraph 6.2.1 "customer satisfaction", the Employee Net Promoter Score rating scale ranges from -100 to +100.

The main conclusions are:

- in 2023, Coface improved on all indicators, all of which are now at or above the benchmark level, with one exception. Despite good progress, the "reward" indicator is still slightly below the benchmark;
- Coface's values are recognised by all employees, who say that they are well perceived on a daily basis at work;
- the definition of clear objectives and flexibility at work are strongly recognised;
- there remains concern about workload and expectations of measures to increase employee well-being.

Compensation policy

In accordance with the regulatory requirements applying to the insurance sector (Solvency II), Coface's **compensation policy** is reviewed each year to align it with the Group's strategic objectives and ensure effective risk management at the Company.

This policy, detailed in Chapter 2.3.1, aims to define, structure and harmonise rules on compensation through a balanced approach by incorporating short- and long-term fixed and variable components. This policy notably serves to:

- **encourage individual and collective performance**. The bonus policy is reviewed and approved each year by the Management Committee with regard to the Group's priorities;
- **position the Group competitively on the market while respecting its financial balance.** Since 2018, the Group has regularly participated in compensation surveys with a compensation consulting firm specialised in the financial services sector. The objective is to increase knowledge of market practices and ensure informed oversight of Group compensation;
- **retain talent**. Each year, the Group grants free performance shares to a population identified as regulated under the Solvency II Directive and to certain key employees as part of a reward and retention policy. The vesting period for this scheme is set at three years;
- **comply with applicable regulations and internal fairness.** As part of its annual review, the Compensation Department ensures a balanced and fair distribution of budgets for pay rises, notably between women and men. Each local entity also ensures compliance with the legislation in force while respecting the principle of compensation proportional to the nature and duration of the work carried out;
- **support the Group's development strategy over the long-term**. The Group's policy aims to prevent any conflict of interest in its compensation practices and integrate social and environmental issues into its thinking;
- **support the CSR strategy**. In 2020, the Group defined its global car policy with the main objectives of harmonising practices and reducing the carbon impact of the vehicle fleet. This policy was implemented at the entities in 2021 and 2022;
- **Diversify the Group's talent pool through its international *occupational mobility* policy.** International occupational mobility practices remain dynamic, reflecting Coface's ability to continue to offer career development opportunities, while controlling the costs involved in international travel. Coface has a responsible approach to expenditure, keeping it at a level acceptable to the Company while remaining fair to employees.
  - Total number of employees on international transfers in 2023: **100 *vs.* 95 in 2022** (and 86 in 2021):
    - women are highly represented: at 64%, compared with 62% in 2022,
    - cultural diversity remains very strong: 29 nationalities in total.
  - Number of new international transfers in 2023: **22 *vs.* 21 in 2022:**
    - the share of inter-regional occupational mobility remains substantial: at 63%, compared with 71% in 2022,
    - women are highly represented: at 45%, compared with 62% in 2022,
    - non-French people continue to represent the majority: 65%, compared with 73% in 2022 – In total, 11 nationalities are represented.

Measuring the effectiveness of the talent management policy

The following indicators are used to measure the impact of the various initiatives:

- **Breakdown of internal/external candidates among new appointments for Senior Management roles in 2023:** out of 34 new appointments, a significant majority came from internal staff (71% *vs.* 29% from external recruitments);

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Offering internal development opportunities at these job levels remains a priority for Coface. At the same time, it consciously seeks out new skills externally, for example to step up the development of information sales, to acquire marketing and purchasing expertise, or to fill General Management positions in countries where mastery of the local language is key and where, as a result, it is more difficult to call on candidates from other countries;

- **Turnover of employees identified as "high potential":** Every high-potential employee leaving the Company is a regrettable loss, even if the number is limited.

People with the greatest potential for development in the Company, given their aspirations and their performance history, are identified as "high potentials" during Talent Reviews. To have a sufficiently representative period for turnover, Coface measures the percentage of employees identified as "high potential" having decided to leave the Company in the following year. Nine per cent of high potentials identified at the beginning of July 2022 resigned in the 12 months that followed, compared with 8.3% the previous year. This very limited increase represents a relatively satisfactory retention capacity in a labour market that favours applicants with advantageous wage offers in a context of high inflation.

Employees' perception of career growth opportunities at Coface is measured via the My Voice Pulse engagement surveys. The overall score of this survey continued to improve, at 7.8/10 in 2023 compared with 7.6 last year. And for the first time, Coface is above the benchmark score for the financial sector (7.7). Progress was achieved across all development issues: career path visibility (7.2/10, up 0.3 points), possibility to acquire new knowledg[1]e (8.1/10, up 0.2 points), opportunity to learn from more senior colleagues (8.2/10, up 0.2 points). Coface scores better than the external benchmark on all these aspects.

In addition, in accordance with France's 2024-2030 Military Planning Act and in order to promote the Nation/Army link, Coface France has introduced a 10-day leave permit per calendar year for reservists. Although the law provides for absence without salary maintenance, Coface has since 2023 decided to maintain the salary of its reservist employees at 100% a year in the event of absence.

6.4 COFACE, A RESPONSIBLE ENTERPRISE

A RESPONSIBLE ENTERPRISE

Major themes addressed:	
Integration of CSR (including the environment) into the commercial policy *(part 6.2)*	
General environmental policy	***R.10***
Carbon assessment, commitment, reduction plan and net-zero trajectory	***R.10***
Energy consumption	***R.10***
Travel and car policy	***R.10***

Environmental issues are becoming increasingly important in public debate. The Paris Agreement, which aims to limit global warming to 1.5 °C compared with the pre-industrial level (and thus targeting carbon neutrality by 2050 at the latest), marks a turning point by recognising the significant role played by companies in global climate governance.

Companies are facing new regulations in this respect, as well as significant pressure from investors and employees to adapt their business activity to current environmental challenges and reduce their environmental footprint.

Companies, Coface included, failing to comply with regulations and contribute to this international effort may be exposed to controversy and see their appeal fade in the eyes of internal and external stakeholders.

1) *Definition of high potential: (i) Senior Manager with the ability to take up a position on the Group Executive Committee (whatever the time scale); (ii) For other levels: employee with the ability to take up a Senior Manager position (whatever the time scale). As a matter of principle, high potentials are identified among Coface employees. However, there may be rare exceptions for the inclusion of external personnel, in countries where they are employed by an intermediary structure (fronter), but where their career is managed by Coface.*

6.4.1 General environmental policy

A policy taking shape

Seeking to contribute to this effort and adapt to current and future regulations, Coface is **beginning by adapting its business model, gradually taking into account the environmental and climate risks of clients and debtors, the environmental and social impacts of investments and by demonstrating its ambition to strengthen its support for ESG projects with its Single Risk activity** (as explained above in paragraph 6.2). In 2021, the Group also **initiated an approach to reduce its environmental footprint, starting with measuring its carbon footprint.**

A carbon assessment was finalised in 2022, based on 2019. This enabled Coface to establish an action plan to reduce its greenhouse gas (GHG) emissions and initiate a trajectory on emissions reduction (the approach explained in Section 6.4.2).

In parallel, Coface implemented a Group vehicle policy in 2020 applying to all entities, the main objectives being uniform and consistent practices and a reduction in the carbon impact of its vehicle fleet. The vehicles available in each country's catalogue must be adapted to the use of drivers. The emphasis is on hybrid and petrol models and a limited range of models per vehicle, the aim being to increasingly reduce the environmental impact of its fleet in future years. Additional options that have a negative impact on vehicle consumption are also prohibited. As explained later in this chapter, the Group has planned a review of its car policy in 2024 in order to limit the increase in the number of cars in the fleet and strengthen the electrification of the fleet.

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

In addition, the building housing the head office in Bois-Colombes since 2013 has a capacity of around 1,200 employees (accounting for approximately 94% of office space in France). It has obtained NF MQE certification (high environmental quality for construction) and BREEAM certification (BRE Environmental Assessment Method). It incorporates current best practices in terms of the immediate environmental impact, construction materials and processes, and production of waste.

The head-office building also has BBC low-consumption certification. It preserves natural resources through various systems; for example, limited need for water for watering recovered from roofs and energy-efficient outdoor lighting.

6.4.2 From measuring the carbon footprint to setting a net-zero trajectory

a) Démarche du bilan carbone

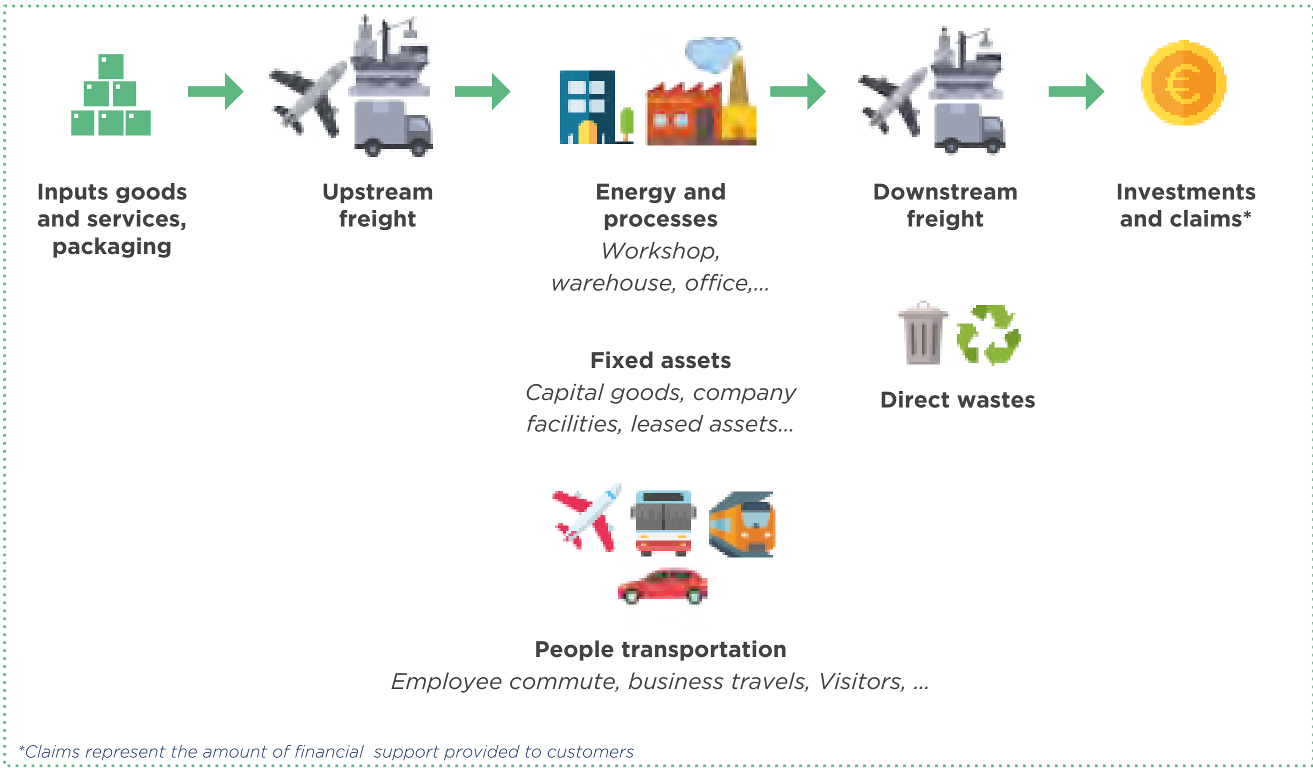
In 2022, Coface carried out a global carbon footprint assessment forming the basis for the development of an action plan to reduce emissions.

The Group's carbon footprint was based on its GHG emissions in 2019, considered as the most representative year for Coface's pre-COVID business activities.

The assessment was performed in collaboration with Goodwill Management, an agency certified by the Bilan Carbone® methodology published by the French Environment and Energy Management Agency (ADEME).

This methodology assesses all the greenhouse gases defined by the IPCC directly and indirectly generated by a company's business activities. These emissions are calculated in several categories (Scope 1, Scope 2 and Scope 3):

- Scope 1: emissions generated directly by the company;
- Scope 2: emissions generated indirectly by electricity and heat purchased and consumed by the company;
- Scope 3: other direct emissions (purchases of services and goods, employee travel, investments, use of Coface credit insurance products, etc.).



Coface's carbon assessment takes into account all three scopes and, to take account of the impact if is financial flows, focuses on its main business, credit insurance, accounting for nearly 90% of premium income.

Operations include emissions generated by upstream Coface activities and the credit insurance activities themselves:

- purchases;
- transport (passengers);
- energy and fixed assets (Scopes 1, 2 and 3);
- Items related to freight and waste are considered immaterial (between 0% and 0.1% of the carbon footprint).

Regarding the downstream component of the carbon footprint for companies in the financial sector, the methodology takes into account the direct financial support provided by the company. Consequently, investments and compensation paid to clients (reflecting the use of Coface's credit insurance products) were included when calculating the indirect greenhouse gases emitted by Coface's financial flows.

To measure the emissions generated by the financial flows of compensation, Goodwill Management has adapted the Bilan Carbone® methodology, mapping financial flows by sector and country.

A methodology developed by the Carbone4 firm was then applied to eliminate most of the double counts in Scope 3 of emissions related to financial flows. The Carbon Impact Analytics methodology is used to quantify emissions related to energy consumption across the entire value chain by removing repeated counts from the same energy source. For example, a delivery company's consumption of diesel is counted three times (first, in the direct emissions of its carbon footprint; second, in the indirect emissions of the oil company; and third, in the indirect emissions of the company producing the trucks).

To measure GHG emissions related to investments, Coface relied on the data provided by its asset manager, Amundi. The latter's results are more granular and its methodology more adapted to the various types of assets, though with a limited coverage rate (40% of the portfolio) and a limited consideration of Scope 3 emissions (Scope 3 of Tier 1), stemming from the maturity of existing measurement tools.

More than 50 contributors contributed to the data collection phase in 11 countries (France, Germany, Italy, Spain, the United Kingdom, Romania, Austria, the Netherlands, Morocco, the United States, Poland); each one was required to submit the exhaustive data necessary for measuring the carbon footprint. GHG emissions from other countries were extrapolated to the whole group based on their contribution to 2019 revenue, for financial items, and the country's share of the total headcount, for employee-related items (IT equipment, commuting, etc.).

b) Carbon emission reduction plan and trajectory

The carbon assessment was introduced with the aim of implementing a Group decarbonisation strategy based on a regular update of this assessment. As such, a new carbon assessment will be carried out in 2024 in respect of 2023 to assess the impact of the actions implemented since the beginning of the plan. A further assessment will be made in 2026 in respect of 2025 to assess whether or not the commitments made have been achieved.

In 2022, an emissions reduction plan was developed in collaboration with Coface's various departments.

It is naturally structured around three categories: investments, the use of Credit Insurance products (reflected in compensation), and transactions.

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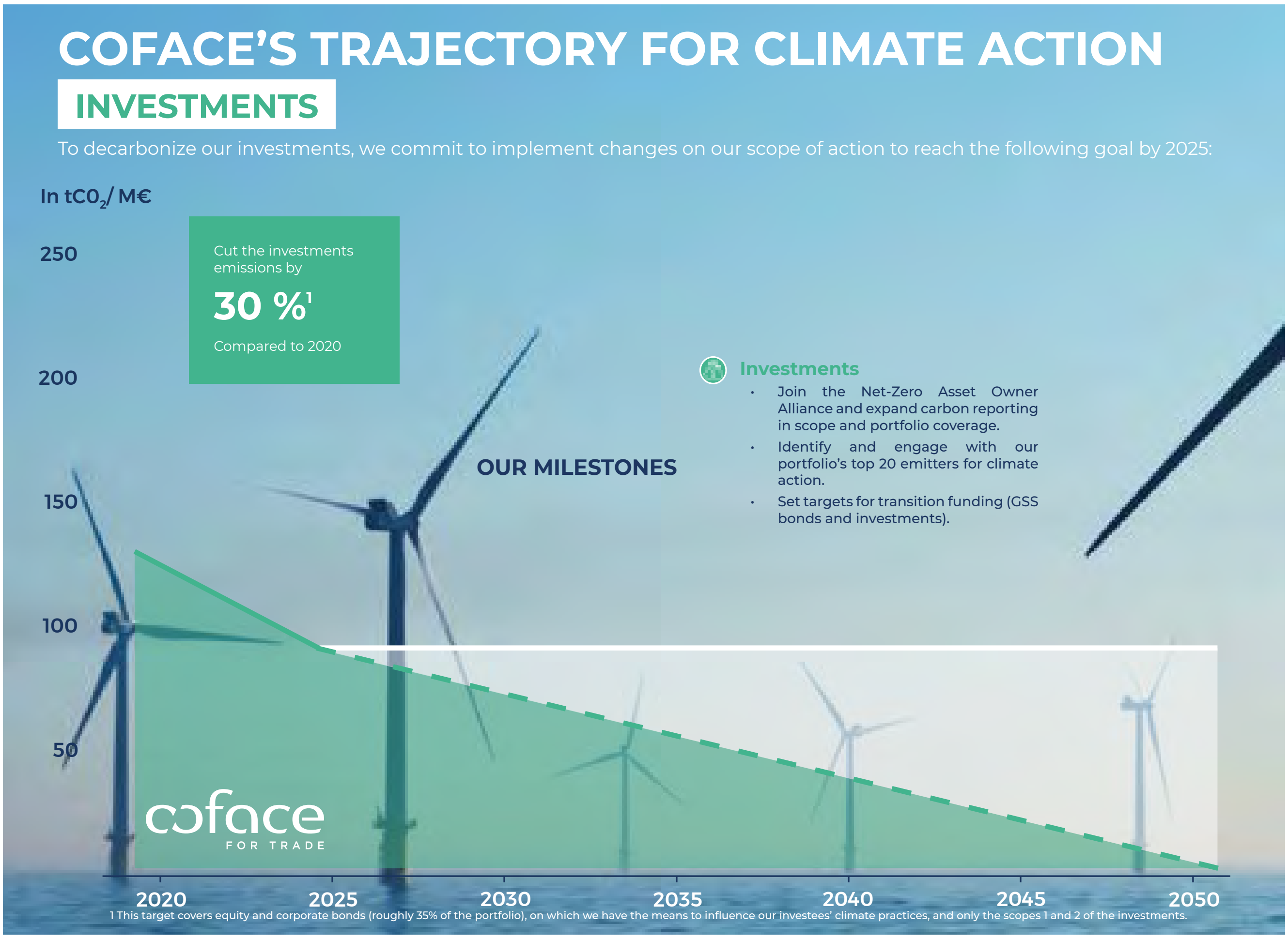
The support and commitment of stakeholders (suppliers, employees, clients, companies in which Coface invests) will be crucial in the coming years to successfully achieve the collective carbon neutrality effort.

1/ Investments

In terms of investments, as mentioned in Section 6.2.3, Coface joined the Net Zero Asset Owner Alliance (NZAOA) in 2023. As part of the Alliance, Coface is committed to ensuring the transition of its investment portfolio to carbon neutrality by 2050.

Coface has approved decarbonisation targets of -30% by 2025 and -40% to -60% by 2030 based on 2020 for listed equities and corporate bonds, Scopes 1 and 2 (as set out in the NZAOA approach). To that end, Coface plans to annually engage the main carbon contributors to its portfolio, set specific climate targets and monitor their conclusions.

The curve below shows portfolio decarbonisation forecasts for 2050.



The white curve represents an estimate of the trend in the carbon emissions of the investment portfolio in the absence of a new decarbonisation target after 2025. This projection only starts from 2025 because Coface has already made a decarbonisation commitment for 2025. The absence of an increase in the carbon footprint (expressed in tCO_2 equivalent per €m invested) is mainly explained by:

- continued pressure from institutional investors on issuers through the engagement pillar;
- regulatory pressure on issuers through the CSRD directive, applicable from 2025 (based on the 2024 financial year), which will broaden the scope of companies concerned by the non-financial reporting obligation (carbon footprint, objective, trajectory and action plan).

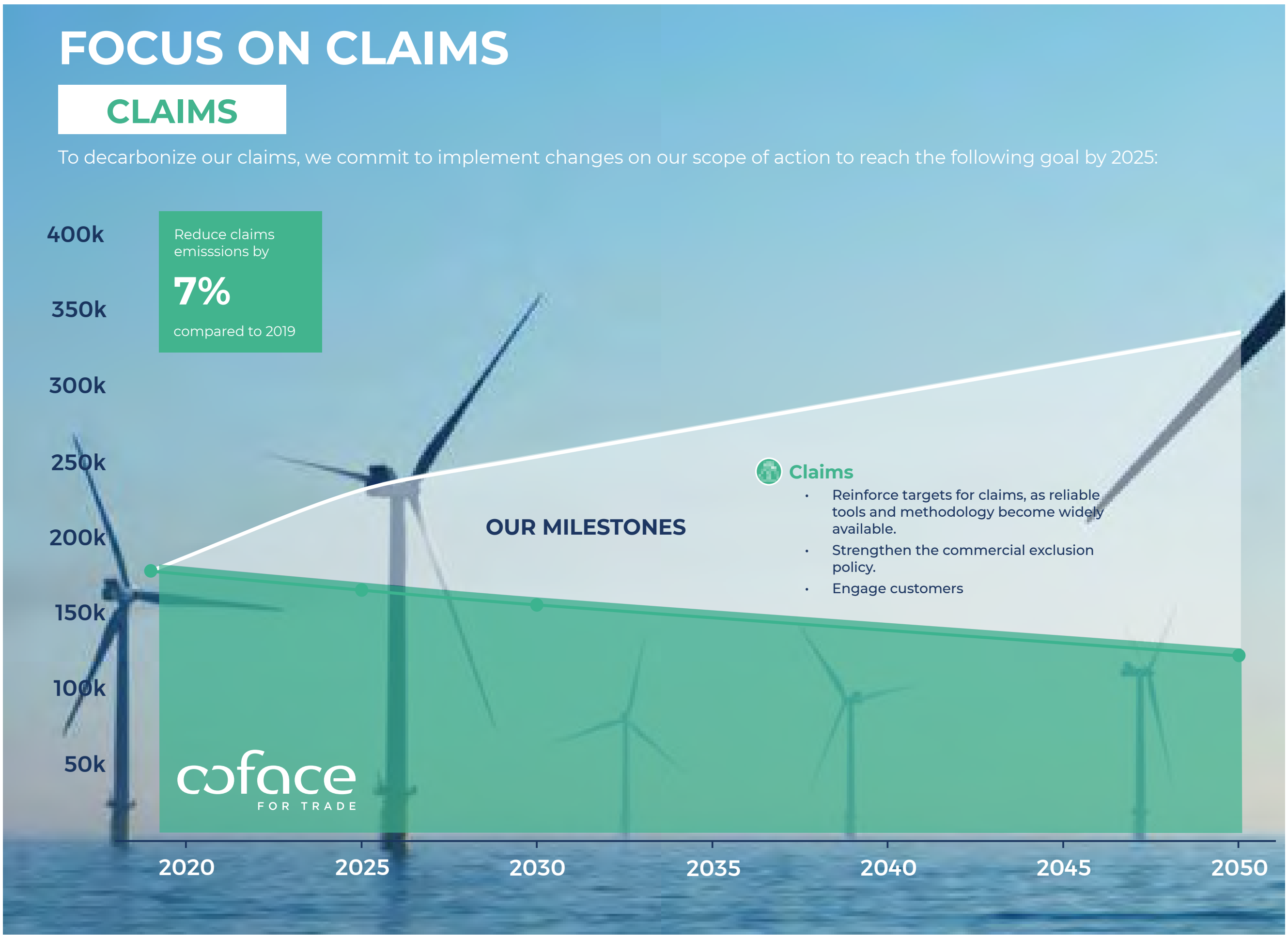
These two factors serve to offset the growth potential of the covered portfolio (with the inclusion of real estate, infrastructure).

The green curve represents Coface's commitment by 2025, while the dotted green line shows the trajectory for achieving net zero emissions by 2050.

2/ Use of Coface Credit Insurance products (reflected in compensation)

In 2022, Coface committed to reducing emissions related to the use of its Credit Insurance products (reflected in compensation) by 7% between 2019 and 2025. The reduction action plan was based on a twofold strategy:

- The commitment of clients to reduce their emissions;
- The revision of its commercial exclusion policy.



In 2023, as mentioned in Chapter 6.2.2 a), Coface strengthened its commercial exclusion policy, in particular excluding new credit insurance policies aimed primarily at insuring the sale of oil and natural gas taken out by financial institutions or covering a single buyer.

Credit insurance-related GHG reduction targets will be gradually reassessed in the coming years and accompanied by the development of appropriate tools.

3/ Operations

The carbon footprint of all Coface's operations in 2019 amounted to 42,762 tCO_2eq, or 9.6 tCO_2eq per employee. This carbon assessment forms the basis of the plan to reduce operations developed in close collaboration with Coface's various departments. In 2022, emission reduction workshops were organised at the Group level with the IT, Human Resources, General Resources and Purchasing Departments. They were accompanied by digital and physical workshops open to employees in the regions, the aim being to collectively discuss all possible reduction initiatives and engage all employees in a reduction approach.

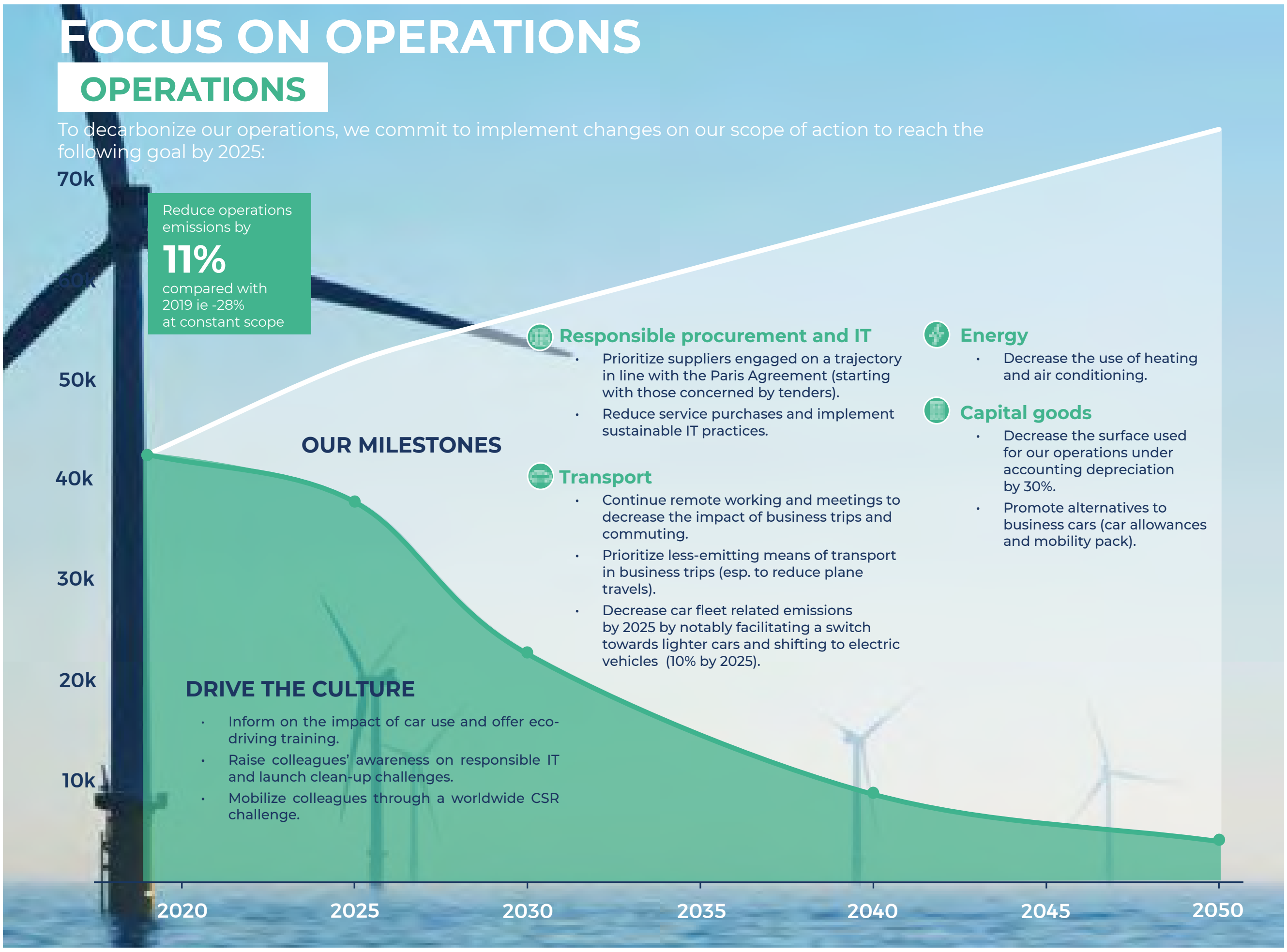
Drawing on these results, Coface aims to reduce its GHG emissions from operations by 11% between 2019 and 2025 and contribute to carbon neutrality by 2050 despite estimated growth in revenue and the growing number of employees (total effort of -28% in emissions to offset estimated growth over the period).

Coface's objectives for 2025 are based on the estimated and quantified impact of all the drivers used in the emission reduction action plan for the coming years.

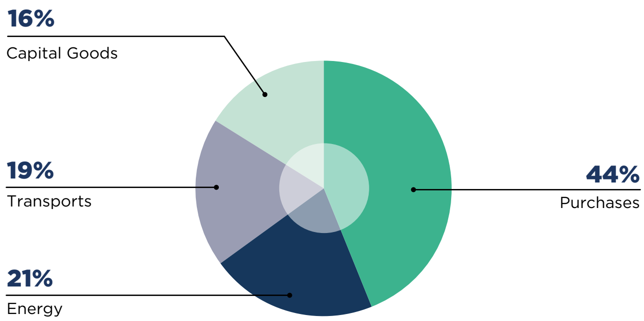
Starting in 2030, the figures will be positioned on a Science Based Target initiative (SBTi) trajectory such that the entire roadmap contributes to carbon neutrality by following a trajectory limiting global warming to 1.5 °C above the pre-industrial period, in accordance with the Paris Agreement.

For its 2023 carbon assessment, Coface will seek to refine the data collected in order to avoid the use of financial ratios as much as possible and favour physical data (*e.g.* number of emails sent and average weight of an email or total volume of data on our servers, rather than the amount spent on Outlook licences) with much higher certainty rates. This will serve to enrich the action plan with finer data and provide a greater number of quantitative objectives, notably for Purchasing and IT.

Importantly, Coface will use the GHG protocol methodology recommended by the CSRD from 2024 (2023 assessment) to prepare for the implementation of this new regulation in 2024. Coface will therefore try to isolate changes related to methodological changes as much as possible. The implementation of the CSR data collection platform aims to support these changes and facilitate the calculation of the carbon footprint of countries' operations.



The GHGs generated by Coface's operations are divided into four categories: purchases, transport, energy and fixed assets. All the initiatives mentioned below are targets for 2025 and the reduction indicators are based on the results of Coface's carbon assessment in 2019.



Energy: fuel vehicle electricity, lighting, heating
Transport: business travel, commuting

In 2023, the Group asked each regional director, with the help of the regional CSR champions, to assess their progress on the various initiatives provided for in the plan, as well as their action plan to meet the commitments by the end of 2025. All the progress reports and action plans were presented to the Group CSR Committee in July 2023.

i. Responsible purchasing

Purchases represent the largest category of the GHG emissions generated by Coface operations. Coface plans to accelerate the implementation of its Purchasing action plan in 2024, notably integrating into calls for tenders the engagement of its suppliers and service providers and selection criteria serving to highlight those committed to a trajectory compatible with the Paris Agreement. Efforts will also be made to gradually obtain accurate figures on their carbon footprint from existing suppliers.

Environmental issues have already been added to the annual performance assessment process for the Group's strategic and critical IT suppliers: the "Supplier Relationship Management" SRM. These questions mainly concern suppliers' carbon footprint and their emission reduction commitments and are part of the final supplier rating.

A CSR questionnaire has also been added to the Group purchasing specifications template, covering carbon issues as well as Diversity, Equity and Inclusion. In addition, Coface plans to review its Group purchasing rules in order to incorporate more CSR-related items at the beginning of 2024.

To optimise the purchase of IT services and the corresponding physical data (such as data stored in emails or servers), Coface plans to implement responsible digital practices to raise employee awareness of the social and environmental impacts of the digital industry and disseminate a set of best practices (including regular data sorting habits and a more responsible method for sharing large files).

The emissions reduction plan also aimed to reduce printing by 30% between 2019 and 2025 to limit the use of all the resources (paper, ink, etc.) necessary for printing. On this point, the implementation of teleworking enabled a reduction of nearly 30% by the end of 2023.

As part of the regional implementation of the plan, the volume of data on shared files (F://) was the main focus of France, which set a target of a 3% decrease in the total volume of data. The amount of data present for each shared folder, by department, was analysed in order to challenge the teams on their real needs and highlight "dead data", *i.e.* files that had not been used for more than two years. At the end of 2023, France managed to reduce its data volume on the shared F:// folder by more than 9%.

ii. Transport

Travel policy

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

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

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

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	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES				
TYPE OF TRAVEL	EQ. TONNES CO_2 2023	EQ. TONNES CO_2 2022	EQ. TONNES CO_2 2021	EQ. TONNES CO_2 2020	EQ. TONNES CO_2 2019 (1)
Aeroplane	516	503 (2)	134	151	860
Train	50	25 (2)	9	15	29

	2023		2022		2021		2020		2019	
(Eq. tonnes CO_2 equiv.)	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE
France	2.5	206	2	213	0.4	64	1	67	3	394
Germany	15	17	7	22	0	10	0	10	0	37
Italy	3	54	2	44 (2)	3	13	2	5	2	119
Spain	6.7	35	6	25	0.5	17	2	15	11	68
United Kingdom	21	39	6.3 (2)	42 (2)	4	1	6	3	0	20
Poland	0.8	15	0.4	17	0.8	0.6	3	2	10	37
Morocco	0.05	6.3	0	10	N/A (1)	N/A (1)	N/A (1)	N/A (1)	0 (3)	11 (3)
Netherlands	0.9	8.4	1	1	N/A (1)	0.4	N/A (1)	2	0 (3)	7 (3)
Austria	0.03*	27*	0	10	0.1	6	N/A (1)	7	0.4 (3)	7 (3)
Romania	0.02*	30	0.1	48	0.2	4	N/A (1)	5	1.2 (3)	39.1 (3)
United States	0.2	78	1	70	0.5	17	N/A (1)	35	0.9 (3)	121 (3)

** Value including estimates.*

(1) No journeys in that year.

(2) Data were corrected in 2023 retroactively in respect of FY22.

(3) The data were not published in 2019 but were collected and calculated as part of the carbon footprint assessment carried out by COFACE in 2023 for the 2019 financial year.

To enable the true comparability of data and reporting scopes between 2019 and 2023, and therefore the monitoring of the plan to reduce emissions related to Coface's operations, the table above has been enriched with 2019 data for Morocco, the Netherlands, Austria, Romania and the United States (which were not yet part of the reporting scope that year).

As in 2022, business travel (client visits and internal travel) increased in most countries in the reporting scope in 2023. Trains are now favoured, particularly in Germany and the United Kingdom, although the use of planes is also increasing in some countries, such as Italy, Spain, the Netherlands, Austria and the United States. In addition to the increase in the workforce:

- these countries welcomed employees working for the Group who travel more often to join the head office and keep in touch with their teams in Bois-Colombes;
- long-distance client visits also contributed to the increase in kilometres travelled in 2023.

Although air and train travel may increase in some countries compared to last year, efforts to reduce non-essential business travel and teleworking habits are reflected relative to 2019. By comparing GHG emissions, it can be seen that, between 2019 and 2023, emissions related to train travel increased by more than 70% while those related to air travel decreased by 40%, *i.e.* a decrease of around 36% in total emissions related to train/plane between 2019 and 2023.

Coface is pursuing and stepping up its efforts to reduce business travel by reviewing the travel policy to favour the use of trains and by promoting remote meetings. This objective is sometimes difficult to implement given the poorly developed railway infrastructure in many countries in which Coface operates and long travel distances in certain countries, such as the United States. Post-COVID, the creation of new types of employment such as remote workers (employees working for a given country but located in another country), which favours an increase in the number of employees working for the group, but located in the regions, adds an additional difficulty that needs to be monitored.

Car and commuting policy

As detailed in paragraph 6.4.1, Coface has implemented a vehicle policy since 2020.

Emissions related to the use of cars account for around 25% of Coface's carbon footprint in terms of operations (vehicle fleet fuel, employee commuting, business travel in cars and emissions related to the manufacture of fleet cars) but account for around 45% of Coface's action plan to reduce carbon emissions.

To reduce the environmental impacts of the Coface fleet, the action plan presented last year for 2025 is underpinned by several drivers:

- the maintenance of remote working 2 to 3 days per week and additionally 4 weeks/year of 100% remote working, enabling the closure of offices and the elimination of commutes during this period;
- raising employee awareness of the social and environmental impacts of the use of individual vehicles to promote a shift from cars to public transport;
- the drafting of guidelines for the various countries to ensure that when offices move, the new location is strategically positioned with regard to public transport access;
- the electrification of 10% of the vehicle fleet by 2025;
- reducing the number of cars in the Coface fleet by offering alternatives to employees (more attractive car allowances);
- facilities offered to employees, in some countries, to have a small-capacity company car during the year and lease/replace their car with a higher-capacity car during holiday periods.

After an initial regional review of the progress on the reduction plan related to car use, the Group CSR Committee decided to focus on key initiatives, for which targets will be strengthened. Each region's contribution to the reduction plan will now be monitored on a quarterly basis as part of the Business Reviews conducted by the CEO with the regional directors.

To that end, a working group, chaired by the Director of the Mediterranean Africa region, was set up to collect in more detail the progress of the 11 countries with the largest vehicle fleets (scope later to be extended to 15 countries – *i.e.* all countries with a fleet of 10+ vehicles) on the various actions. A 2025 projection was then established based on current trends.

With teleworking now implemented 50% worldwide, together with the occasional closure of offices in some countries and today's more efficient vehicles, it is already possible to foresee a significant reduction in commuting-related emissions in the next carbon assessment. But the large number of recruitments of sales staff with a company car in recent years will not allow Coface to leverage vehicle fleet reductions to reduce emissions by 2025. As such, Coface will need to limit the increase in the number of cars in its fleet, in particular by offering alternatives to cars and strengthening its electrification objective by promoting electric cars in catalogues, if it is to offset the carbon shortfall.

The working group carried out an analysis of the maturity of countries with regard to electric-car infrastructures with the aim of setting ambitious and personalised objectives on fleet electrification for each country concerned.

As the modal shift to public transport is difficult to measure and strengthen in some countries and is also complicated to manage at the Group level, it was decided that this initiative should always be firmly encouraged but not overseen by the working group, at least initially.

For France, for example, the weight of the fleet at December 31, 2023 was 127g according to the WLTP standard. Vehicle CO_2 emissions are rated at the time of purchase. As the fleet is renewed, the CO_2 emissions of vehicles are taken into account according to the new WLTP (Worldwide Harmonised Light Vehicle Test Procedure) calculation standard, which assigns an average of 20% to 30% additional CO_2 emissions for the same combustion vehicle. In addition, diesel cars are still present in the fleet, but it is no longer possible to order them.

/ TABLE OF FUEL AND ELECTRICITY CONSUMPTION SINCE 2019

	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES					2019: FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UK
	2023	2022	2021	2020	2019 (1) COMPARABLE SCOPE	2019
Diesel and Super *(litres)*	698,817	654,088	521,631	538,505	817,116	708,905
Electricity *(Mwh)*	138	N/A	N/A	N/A	N/A	N/A
Eq. tonnes CO_2	2,111	1,743	1,387	1,437	2,948	1,847

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(Fuel (diesel and four-star premium fuel) in litres)	2023			2022			2021	2020	2019	2019 VS. 2023
	DIESEL	PREMIUM	TOTAL	DIESEL	PREMIUM	TOTAL	TOTAL	TOTAL	TOTAL	
France	100,575*	72,611*	173,186	109,640*	56,922*	**165,295**	137,374	115,197	166,930	+8.4%
Germany	154,963	68,745	223,708	168,201	51,070	**219,271**	155,221	201,394	322,688	(31%)
Italy	84,117	17,152	101,269	77,715	8,397	**86,112**	67,094	48,865	96,243	+5.2%
Spain	10,741	15,769	26,510	3,616	3,016	**6,632**	5,112	4,263	12,784	+107%
United Kingdom	0	211*	211	1,385	3,536	**4,921**	3,446	2,584	9,983	(98%)
Poland	2,478	63,153	65,631	2,328	70,209	**72,537**	61,287	61,098	100,277	(35%)
Morocco	11,192*	2,579*	13,771	10,085	1,998	**12,083**	14,010	10,755	10,802 (1)	+27%
Netherlands	0	40,695	40,695	0	29,487	**29,487**	31,772	49,929	26,820 (1)	+52%
Austria	4,229*	15,146*	19,375	13,362	9,246	**22,608**	16,174	25,979	25,979 (1)	(25%)
Romania	3,484	30,977	34,461	5,536	28,339	**33,875**	30,141	18,442	44,610 (1)	(23%)
United States										N/A (2)

** Value containing estimates.*

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) As the United States does not have a fleet of owned or leased vehicles, it does not report this indicator.

For Spain and the United Kingdom, the scope has been changed in the indicators in order to harmonise practices and align with other countries:

- in Spain, we now count all the litres of fuel consumed by the fleet cars for which Coface pays. This includes the total consumption of Directors' vehicles paid by Coface rather than client visits only, as was the case previously;
- for the United Kingdom, until now all the fuel consumed by vehicles for which the Company has paid a car allowance, but which are not part of the Coface fleet, was counted. These vehicles are now excluded from the scope to include only the fleet of Coface vehicles (owned or leased).

In addition, the emission factor used to calculate the CO_2 emissions related to diesel consumption was modified to align with that taken into account for France during Coface's carbon assessment in 2023 in respect of 2019 (from 2.64 to 3.1, resulting in a mechanical increase in emissions of 15% with equivalent consumption).

Electricity (Mwh)	2023		
	OFFICE	NON-OFFICE	TOTAL
France	2.6	1.3	3.9
Germany	34*	36	70
Italy	0	3.6	3.6
Spain	0	0	0
United Kingdom	0	0	0
Poland	0	0	0
Morocco	0	0	0
Netherlands	0	61*	61*
Austria	0	0	0
Romania	0	0	0
United States			N/A (1)

** Value containing estimates.*

(1) As the United States does not have a fleet of owned or leased vehicles, it does not report this indicator.

For the electricity consumed by charging hybrid or electric fleet vehicles, several reasons can explain the data at 0: no charging station in the offices, consumption unable to be separated from the general consumption of the building, hybrid vehicles not rechargeable *via* electricity, no reimbursement of non-office charges yet.

Since 2022, the changes made to the Coface vehicle fleet have resulted in an increase in petrol consumption or electricity consumption for the charging of plug-in hybrids or 100% electric cars (for the countries concerned) and the initiation of a decline in diesel consumption. Austria is a good example; diesel cars having been replaced in 2023 by petrol hybrid vehicles. The litres of fuel consumed shifted from diesel to petrol and their total decreased, as did the related emissions.

Looking beyond changes in scope, and despite the electrification of the fleet, fuel consumption has increased overall since 2021 with the lifting of pandemic-related restrictions. This is explained by:

- the resumption of visits by clients and other stakeholders;
- the return of employees to the office;
- the increase in the number of cars in some countries, linked to the increase in the workforce, mainly in information sales,

On a like-for-like basis between 2019 and 2023, the fuel consumption of the fleet decreased by 14% and the emissions generated by the fleet fell by 28%.

iii. Energy

Consumption indicator

The Group's energy consumption concerns lighting, air conditioning and heating of the premises. Electricity consumption for the charging of hybrid or 100% electric cars is included only if it cannot be isolated from the building's overall energy consumption.

Between 2019 and 2025, Coface aims to reduce its GHG emissions generated by energy consumption. It will do so primarily through:

- a 30% reduction in total office space;
- the optimisation of offices according to the number of employees on site;
- the enhanced use of heating and air conditioning.

/ REPORTED ENERGY CONSUMPTION SINCE 2019 FOR THE REPORTING SCOPE

	2020-2023 REPORTING SCOPE: FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES										2019: FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UK	
	2023		2022		2021		2020		2019 (1) COMPARABLE SCOPE		2019	
	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2	CONS.	EQUIV. CO_2
Electricity	4,418	1,228	4,792	1,469	4,766	711	4,690	694	5,850 (1)	2,679 (1)	5,007	573
Gas	708	152	730 (2)	156 (2)	550 (2)	118 (2)	445 (2)	95 (2)	735 (1)(2)	157 (1)(2)	375 (2)	80 (2)
District heating	2,237	238	N/A									
Back-up generators	24,304	80	N/A									
Surface area	56,006 m^2		64,896 m^2		64,896 m^2		65,123 m^2		N/A		34,776 m^2	

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) Data corrected retroactively in 2023.

Following an in-depth review, Italy's gas consumption was reclassified as "District heating" from 2023 and the historical data was retroactively corrected.

Changes in methodology should be noted in the calculation of equivalent CO_2 emissions:

- *the emissions factors used up to now for electricity for countries outside France only took into account emissions related to power-plant combustion (Scope 2 for electricity). Upstream and downstream emissions were added in order to align with the approach used in France up to now, but also as part of the carbon assessment carried out in 2019. This methodological change automatically increases emissions related to electricity consumption by 50% for countries with equal consumption (excluding France, where the basis is comparable);*
- *the same emissions factor was used for gas consumption for all countries. Coface now uses one emissions factor for France, one for other European countries, and one for countries outside Europe. The objective once again is to better reflect reality and align with the calculations made to carry out the 2019 carbon assessment;*
- *for electricity, with a view to the upcoming application of the GHG Protocol, emissions can now be calculated in two ways:*
  - i. location-based methodology: emissions are calculated based on the emissions intensity of the local network where the electricity is used,
  - ii. market-based methodology: emissions are calculated based on electricity specifically purchased by the organisation, often in the form of contracts or instruments such as Renewable Energy Certificates (RECs).

To promote the transition to renewable energy contracts at Coface sites and thus contribute to financing the energy transition of countries, the Group has decided to postpone report on market-based emissions for countries with 100% renewable energy, *i.e.* Germany and Spain (since November 2023 in all offices).

06

(Consumption MWh)	2023			2022		2021		2020		2019		% CHANGE 2023 *VS.* 2019	
	ELECTRICITY	GAS	DISTRICT HEATING	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS
France	1,592*	333	N/A	1,703	303	1,599	245	1,507	165	1,836	205	(13%)	62%
Germany	1,670*	N/A	1,688*	1,727	N/A	1,714	N/A	1,673	N/A	1,960	N/A	(15%)	N/A
Italy	280*	N/A	549*	280	N/A [2]	288	N/A [2]	286	N/A [2]	427	N/A [2]	(34%)	N/A
Spain	180*	N/A	N/A	213	N/A	295*	N/A	317	N/A	469	N/A	(62%)	N/A
United Kingdom	62*	56*	N/A	174*	150	186*	150	179	171	210	170	(70%)	(67%)
Poland	75	N/A	N/A	88*	N/A	107*	N/A	123	N/A	104	N/A	(28%)	N/A
Morocco	70	N/A	N/A	65	N/A	81	N/A	68	N/A	99 [1]	N/A	(29%)	N/A
Netherlands	141*	N/A	N/A	157*	N/A	203*	N/A	192	N/A	192 [1]	N/A	(27%)	N/A
Austria	71*	N/A	N/A	78	N/A	72	N/A	93	N/A	155 [1]	N/A	(54%)	N/A
Romania	193*	305*	N/A	214*	263*	110	138	91	93	238 [1]	348 [1]	(19%)	(12%)
United States	83*	14*	N/A	92*	14	110	17	159	17	158 [1]	12 [1]	(47%)	17%

** Value containing estimates.*

(1) Data not published in 2019 but collected and calculated as part of the carbon assessment carried out in 2023 in respect of 2019.

(2) The data were corrected in 2023 retroactively in respect of FY 2022.

Electricity consumption fell by 8% in 2023 due to the measures taken to achieve the emission reduction targets, including the reduction in the surface area of premises (mainly in the United Kingdom and Spain), the weeks of total office closures in summer in Poland, and the reduction in heating and air conditioning by 2 °C in France. In addition, there was an electrical failure in the Bois-Colombes building in France that lasted one month (during which the main back-up fuel generators ensured the necessary electricity consumption).

Total gas consumption decreased slightly, a result of the closed offices in the UK that used gas.

On a like-for-like basis, electricity and gas consumption fell by nearly 22% compared with 2019.

Two new types of energy consumption are reported in 2023:

- the consumption of heating-fuel back-up generators: used in France to compensate for the electrical failure;
- urban heating/air conditioning networks ("district heating"): used in Germany and Italy (replacing what was previously counted as gas consumption).

In terms of related emissions for 2023, the valuation of market-based emissions for renewable energy (mainly in Germany) offsets the mechanical increase linked to the change in emissions factors and the use of back-up generators in France.

iv. Fixed assets

/ TABLE LISTING FIXED-ASSET SURFACE AREAS IN 11 COUNTRIES

Country	M^2 IN 2023	M^2 IN 2022
France	18,135	18,882
Germany	16,973	21,488
Italy	4,400	4,981
Spain	1,820	1,820 [1]
United Kingdom	489	971
Poland	2,535	2,535
Morocco	2,305	2,305 [1]
Netherlands	2,000	2,000 [1]
Austria	1,595	1,595 [1]
Romania	2,432	2,432 [1]
United States	3,322	4,296

(1) Corrections were made to data published in 2022.

For Italy, completely empty and unused spaces were taken into account until now in the reported surface area. These spaces are now excluded, in line with the surface area used in the carbon assessment carried out in 2023.

To limit the environmental impact of fixed assets, Coface has committed to reducing office space by 30% in all 58 countries between 2019 and 2025. Significant reduction efforts have already been made in several regions following the introduction of teleworking or flex offices. After Spain in mid-2022, the United Kingdom moved to premises nearly twice as small in 2023 and an office was closed in the United States. France and Germany have also returned or sub-let part of their premises. As this is starting to be reflected in the figures, these actions help to naturally reduce electricity, heating and air conditioning consumption.

Coface also plans to increase the lease term of electric fleet vehicles (+1 year) to maximise the vehicle use period and exceed the carbon footprint depreciation period related to their production. Coface has chosen not to extend the contract term for internal-combustion cars in order not to slow down the electrification of the fleet.

6.5 DRIVING THE CULTURE

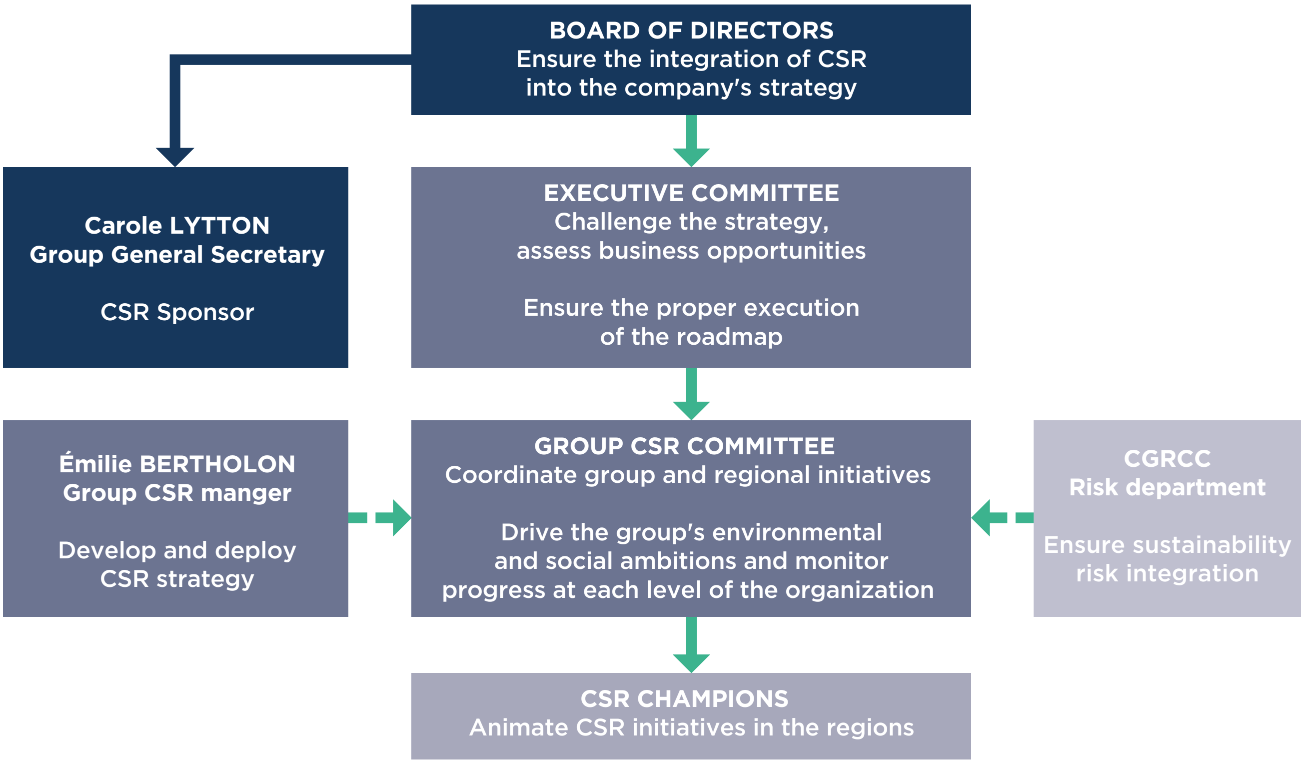
To succeed in the approaches presented in reference to the first three pillars of the CSR strategy, Coface has implemented a cornerstone initiative called "***Driving the culture***" aimed at structuring the Group's ESG approach and developing a robust culture of responsibility among all Coface's stakeholders through a communication plan.

Governance reviewed

Coface introduced a CSR governance system in 2022 mainly based on a network of CSR champions in the various regions and a CSR Committee including all the members of the Executive Committee and chaired by the CEO. The Group CSR Manager also attends Group Risk Committee Meetings to ensure that ESG issues are properly taken into account at Coface. The role of champions is to communicate on the CSR strategy within their region and to collect ideas or questions from employees. The champions also organise awareness-raising initiatives or workshops in the regions, work together with the Communication Department and the regional management, and help with the implementation of the emissions reduction plan in the regions.

The role of the Group CSR Committee is to coordinate Group and regional initiatives while steering Coface's environmental and social ambitions and progress at each level of the organisation.

The Board of Directors is regularly informed about the CSR strategy, particularly through the Nomination, Compensation and CSR Committee. The Board monitors the progress of the initiatives launched in this context.



To strengthen the development of a responsible culture at each level of the organisation, some regions, such as Latin America, have sought out CSR correspondents in each of their countries.

Continuous awareness-raising

In June 2023, Coface organised its strategic seminar, known as the Leadership Meeting, bringing together all Senior Management members (Top 200). One of the four workshops of this seminar was dedicated to Coface's decarbonisation strategy, mainly for credit insurance products.

As in the previous two years, Coface took advantage of the three European Sustainable Development weeks in September and October to organise conferences aimed at:

- ***Conference 1:*** reviewing Coface's greenhouse gas emissions reduction plan, and in particular the commercial exclusion policy and details of the reduction plan in operations;
- ***Conference 2:*** discussing decarbonisation drivers in major sectors such as metallurgy, plastics and construction with Araceli Fernandez Pales, process engineer and energy analyst at the International Energy Agency;
- ***Conference 3:*** "deconstructing accepted ideas on the ecological transition", presented by Christina Stuart and Clément Mallet, sector experts at Carbone4 and Carbone4 Finance.

In the same period, a CSR challenge was launched at the Company comprising five phases, each one including photo/video challenges or sporting challenges, quizzes, surveys and links to further information the various topics, ranging from the IPCC report and soft mobility to ecology in the office, digital pollution and responsible consumption.

In addition to this challenge, and the Diversity, Equity and Inclusion challenge held earlier in the year, numerous local initiatives aimed at promoting daily sports activities were organised. For the CSR challenge, for example, the 203 participating teams completed a total of 110,933,000 steps (equivalent to 2054 marathons or 86,600 kilometres) over a three-week period around the world.

In November 2023, a mandatory e-learning module was launched in eight languages to raise employee awareness of environmental issues worldwide. The objective was to understand concepts such as the greenhouse effect, GHGs and their consequences, carbon sinks, and complex subjects including carbon neutrality issues. The course also covered the four business sectors with the highest carbon emissions and measures for fighting against climate change. In addition, the module served to remind all employees of Coface's plan to reduce GHG emissions. One month after launch, more than 95% of employees had completed the training, in line with the target.

Lastly, in 2023, Coface launched a structuring project to prepare for the new Corporate Sustainability Reporting Directive (CSRD). It began with an initial comparison between the items published in the 2022 annual report and the requirements of the regulation, and then launched the construction of a dual materiality matrix in collaboration with Coface's various stakeholders. This project will continue throughout 2024 with a view to producing the first sustainability report within the meaning of the CSRD in 2025, in respect of the 2024 financial year.

6.6 EUROPEAN TAXONOMY

Pursuant to EU Regulation 2020/852 of June 18, 2020, known as the "Taxonomy Regulation", Coface is required, when closing its 2023 financial statements, to publish the information provided for in Article 8 of said regulation, supplemented by the Commission Delegated Regulation of July 6, 2021.

The European Taxonomy classifies economic activities having a positive impact on the environment.

The objective is to direct investments towards activities considered as environmentally sustainable with a view to achieving carbon neutrality by 2050.

The Taxonomy Regulation identifies economic activities that contribute substantially to six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

On January 1, 2024 (based on the 2023 financial year), Coface's regulatory obligation concerns the publication of information relating to eligible activities aligned with the European Taxonomy under the first two environmental objectives in force; and also the publication of information relating to eligible activities under the other four environmental objectives.

As a reminder, an aligned activity must:

- Be eligible for the European Taxonomy;
- Contribute substantially to one or more of the environmental objectives;
- Do Not Cause Significant Harm to any of the environmental objectives (DNSH);
- Carried out in compliance with certain minimum guarantees (human and social rights).

6.6.1 Investment indicator

According to the European Commission FAQ published in December 2021, insurers are obliged to publish the information required by the European Taxonomy regulation based on the real information published by companies.

For fiscal year 2023, Coface will publish two regulatory ratios for the investment ratio, namely a weighted ratio based on revenue (CA) and a weighted ratio based on capital expenditure (CAPEX).

The investment ratios published below are based on the actual data reported by the companies. The ratio corresponds to the amounts of assets aligned (in market value) with the European Taxonomy regarding the first two climate objectives (climate change mitigation and adaptation) relative to the market value of the covered assets.

Regulatory investment ratio reported based on revenue

BASED ON REVENUE	MARKET VALUE *(in €)*
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities (including green bonds) relative to the value of total assets covered by the KPI	74,126,460
The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	1,956,821,112
REGULATORY INVESTMENT RATIO INCLUDING TAXONOMY-ALIGNED GREEN BONDS (AS A % OF COVERED ASSETS)	**3.8%**

The exposure to Taxonomy-aligned economic activities (including aligned green bonds) of Coface's investment portfolio amounts to 3.8% of covered assets, based on actual data weighted by the companies' revenue.

BREAKDOWN OF NUMERATOR	MARKET VALUE *(in €)*	% OF EXPOSURES ALIGNED
Value of Taxonomy-aligned exposures to non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	20,140,110	27%
Value of Green Bonds whose economic activities are aligned with the Taxonomy	53,986,350	73%
NUMERATOR TOTAL (=EXPOSURE TO TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - INCLUDING ALIGNED GREEN BONDS)	**74,126,460**	**100%**

BREAKDOWN OF THE DENOMINATOR	MARKET VALUE *(in €)*	% OF COVERED ASSETS
The percentage of derivatives relative to total assets covered by the KPI.	147,633	0%
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI	1,290,613,890	66%
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI	123,754,628	6%
The proportion of exposures to other counterparties over total assets covered by the KPI	542,304,962	28%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

INDICATOR OF ELIGIBILITY FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Share of exposures to economic activities not eligible for Taxonomy, relative to total assets covered by the KPI	1,887,538,814	96%
Share of exposure to Taxonomy-eligible economic activities in total assets covered by the KPI	69,282,298	4%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

EXPOSURE TO ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF ELIGIBLE EXPOSURES
Value of all investments that finance economic activities eligible for the Taxonomy and aligned with the Taxonomy	20,140,110	29%
Value of all investments that finance economic activities eligible for Taxonomy but not aligned with Taxonomy	49,142,188	71%
TOTAL EXPOSURES ELIGIBLE FOR THE TAXONOMY	**69,282,298**	**100%**

BREAKDOWN OF REGULATORY INVESTMENT RATIO BY ENVIRONMENTAL OBJECTIVE BASED ON REVENUE (CA)	MARKET VALUE *(in €)*	*As a %*
(1) Climate change mitigation	15,606,664	77%
(2) Climate change adaptation	1,576,198	8%
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
REGULATORY INVESTMENT RATIO (EXCLUDING ALIGNED GREEN BONDS)	**20,140,110**	**100%**

(1) CLIMATE CHANGE MITIGATION	MARKET VALUE *(in €)*	*In %*
Transitional activities	304,483	4%
Enabling activities	7,665,360	96%
	7,969,842	**100%**

(2) CLIMATE CHANGE ADAPTATION	MARKET VALUE *(in €)*	*In %*
Enabling activities	1,403,353	100%
	1,403,353	**100%**

Regulatory investment ratio reported based on CAPEX

BASED ON CAPEX	MARKET VALUE *(in €)*
Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI	44,407,109
Monetary value of assets covered by the KPI. Excluding investments in sovereign entities	1,956,821,112
REGULATORY INVESTMENT RATIO (AS A % OF COVERED ASSETS)	**2.3%**

Exposure to economic activities aligned with the Taxonomy for Coface's investment portfolio amounts to 2.3% of covered assets, based on actual data weighted by companies' capital expenditure.

BREAKDOWN OF NUMERATOR	MARKET VALUE *(in €)*	% OF EXPOSURES ALIGNED
Value of Taxonomy-aligned exposures to non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	44,407,109	100%
NUMERATOR TOTAL (=EXPOSURE TO ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY)	**44,407,109**	**100%**

BREAKDOWN OF THE DENOMINATOR	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Percentage of derivatives relative to total assets covered by the KPI	147,633	0%
Share of exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU, as a proportion of total assets covered by the KPI	1,290,613,890	66%
Share of exposures to financial and non-financial companies subject to Articles 19a and 29a of Directive 2013/34/EU, as a proportion of total assets covered by the KPI	123,754,628	6%
Exposure to other counterparties and assets as a proportion of total assets covered by KPI	542,304,962	28%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

INDICATOR OF ELIGIBILITY FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF COVERED ASSETS
Share of exposures to economic activities not eligible for Taxonomy, relative to total assets covered by KPI	1,849,381,303	95%
Share of exposure to Taxonomy-eligible economic activities in total assets covered by KPI	107,439,809	5%
TOTAL DENOMINATOR (=COVERED ASSETS)	**1,956,821,112**	**100%**

EXPOSURE TO ECONOMIC ACTIVITIES ELIGIBLE FOR THE TAXONOMY	MARKET VALUE *(in €)*	% OF ELIGIBLE EXPOSURES
Value of all the investments that are funding Taxonomy eligible economic activities, and taxonomy aligned	44,407,109	41%
Value of all the investments that are funding Taxonomy eligible economic activities, but not taxonomy aligned	63,032,700	59%
TOTAL EXPOSURES ELIGIBLE FOR THE TAXONOMY	**107,439,809**	**100%**

BREAKDOWN OF REGULATORY INVESTMENT RATIO BY ENVIRONMENTAL OBJECTIVE BASED ON CAPEX	MARKET VALUE *(in €)*	*As a %*
(1) Climate change mitigation	39,873,004	90%
(2) Climate change adaptation	4,386,869	10%
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
REGULATORY INVESTMENT RATIO	**44,407,109**	**100%**

(1) CLIMATE CHANGE MITIGATION	MARKET VALUE *(in €)*	%
Transitional activities	628,613	4%
Enabling activities	15,499,576	96%
	16,128,189	**100%**

(2) CLIMATE CHANGE ADAPTATION	MARKET VALUE *(in €)*	%
Enabling activities	3,650,162	100%
	3,650,162	**100%**

Share of investments in taxonomy-eligible activities under the four other environmental objectives

Given the lack of actual data reported by companies, Coface is not in a position to determine investments in taxonomy-eligible activities under the other four environmental objectives. Coface will publish this information when actual data reported by companies becomes available.

SHARE OF INVESTMENTS IN ACTIVITIES ELIGIBLE FOR TAXONOMY UNDER THE OTHER FOUR ENVIRONMENTAL OBJECTIVES, BASED ON REVENUE	MARKET VALUE *(in €)*	*As a %*
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
N/A: NOT AVAILABLE BY OUR DATA PROVIDER	**N/A**	**N/A**

SHARE OF INVESTMENTS IN TAXONOMY-ELIGIBLE ACTIVITIES UNDER THE OTHER FOUR ENVIRONMENTAL OBJECTIVES, BASED ON CAPITAL EXPENDITURE (CAPEX)	MARKET VALUE *(in €)*	*As a %*
(3) Sustainable use and protection of water and marine resources	N/A	N/A
(4) Transition to a circular economy	N/A	N/A
(5) Pollution prevention and control	N/A	N/A
(6) Protection and restoration of biodiversity and ecosystems	N/A	N/A
N/A: NOT AVAILABLE BY OUR DATA PROVIDER	**N/A**	**N/A**

Methodology

In accordance with Article 7.1 of Commission Delegated Regulation (EU) 2021/2139:

- covered assets (ratio denominator) correspond to the total invested assets including exposures to cash and cash equivalents, excluding exposures to central governments, central banks and supranational issuers;
- derivatives and investments in companies not subject to the NFRD and non-EU companies are excluded from the numerator of the key indicators but are included in the denominator;
- exposures to assets eligible for the European Taxonomy concern corporate bonds, listed equities and cash and cash equivalents.

All Taxonomy data has been transmitted and checked by our asset manager Amundi. The Amundi Taxonomy methodology was audited by Coface in 2022.

The breakdown of environmental objectives on climate change mitigation and adaptation cannot be added up to calculate total aligned revenue and total aligned investment expenditure. Companies sometimes report only on the total, and not on detail by environmental objective. In addition, revenue, as well as capital expenditure, can be considered to be both aligned with the objective of climate change mitigation and adaptation to climate change. The addition of the two factors would thus result in double counting.

INVESTMENT PORTFOLIO	MARKET VALUE *(in €)*	% OF TOTAL PORTFOLIO
Covered assets	1,956,821,112	58%
Exposure to sovereign and similar issuers	1,391,641,178	42%
TOTAL INVESTMENT PORTFOLIO	**3,348,462,290**	**100%**

Nuclear energy and fossil gas

According to the European Commission's FAQ, financial companies must report on nuclear and fossil gas activities by completing templates 1, 2, 3, 4 and 5 of the Complementary Delegated Act on Gas and Nuclear Activities.

Template 1: Activities related to nuclear energy and fossil gas

Given the patchy actual data (reported by companies), Coface has filled in template 1 using a conservative and cautious approach. Coface will publish this information when the actual data reported by companies is available and complete.

LINE	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The Company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	Yes
2	The Company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	Yes
3	The Company carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	FOSSIL GAS ACTIVITIES	
4	The Company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels	Yes
5	The Company carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The Company carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	Yes

Template 2: Taxonomy-aligned economic activities (denominator) based on revenue

Given the fragmented actual data (reported by companies), Coface is not in a position to communicate the breakdown of economic activities aligned with the Taxonomy referred to in lines 1 to 6. Coface will publish this information when the actual data reported by companies is available and complete.

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	74,126,460	3.8%	74,126,460	3.8%	0	0%
8	Total applicable KPI	1,956,821,112	100%	1,956,821,112	100%	1,956,821,112	100%

Template 2: Taxonomy-aligned economic activities (denominator) based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	44,407,109	2.3%	44,407,109	2.3%	0	0%
8	Total applicable KPI	1,956,821,112	100%	1,956,821,112	100%	1,956,821,112	100%

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Template 3: Taxonomy-aligned economic activities (numerator) based on revenue

Given the fragmented actual data (reported by companies), Coface is not in a position to communicate the breakdown of economic activities aligned with the Taxonomy referred to in lines 1 to 6. Coface will publish this information when the actual data reported by companies is available and complete.

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	mount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	74,126,460	100%	74,126,460	100%	0	0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	74,126,460	100%	74,126,460	100%	74,126,460	100%

Template 3: Taxonomy-aligned economic activities (numerator) based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4	mount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	44,407,109	100%	44,407,109	100%	0	0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	44,407,109	100%	44,407,109	100%	44,407,109	100%

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities based on revenue

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 abo ve in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities based on CAPEX

		AMOUNT AND PROPORTION (INFORMATION MUST BE PRESENTED IN MONETARY AMOUNT AND AS A PERCENTAGE)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
LINE	ECONOMIC ACTIVITIES	AMOUNT	%	AMOUNT	%	AMOUNT	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 abo ve in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	ND	ND	ND	ND	ND	ND

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Template 5: Taxonomy non-eligible economic activities based on revenues

LINE	ECONOMIC ACTIVITIES	AMOUNT	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	**ND**	**ND**
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**ND**	**ND**

Template 5: Taxonomy non-eligible economic activities based on CAPEX

LINE	ECONOMIC ACTIVITIES	AMOUNT	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	**ND**	**ND**
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**ND**	**ND**

Given the fragmented actual data (reported by companies), Coface is not in a position to complete templates 4 and 5 for the 2023 financial year. The Group is committed to monitoring the progress of publications by the companies concerned in order to complete these templates for the next financial year.

6.6.2 Underwriting indicator

Coface’s teams understand that this indicator concerns “***non-life insurance covering risks related to climate risks***” as specified in Appendix 2 of the Taxonomy Regulation – Regulation (EU) 2020/852.

The business lines referred to in the delegated acts of the Taxonomy Regulation relate to the eight non-life business lines within the meaning of the Solvency II Directive, namely:

(a) medical insurance;

(b) income protection insurance;

(c) workers’ compensation insurance;

(d) motor vehicle civil liability insurance;

(e) other motor vehicle insurance;

(f) marine, air and transport insurance;

(g) fire and other property damage insurance;

(h) assistance insurance.

Coface's activities (credit insurance, single risk, information sales, factoring and bonding) are therefore neither eligible for nor aligned with the Taxonomy Regulation. Consequently, its eligibility and alignment ratio is equal to 0% for the 2023 financial year.

The underwriting KPI for non-life insurance and reinsurance undertakings

	SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE ADAPTATION			DNSH (DO NO SIGNIFICANT HARM					
ECONOMIC ACTIVITIES (1)	**ABSOLUTE PREMIUMS, YEAR T (2)**	**PROPOR-TION OF PREMIUMS, YEAR T (3)**	**PROPOR-TION OF PREMIUMS, YEAR T-1 (4)**	**CLIMATE CHANGE MITIGATION (5)**	**WATER AND MARINE RESOURCES (6)**	**CIRCULAR ECONOMY (7)**	**POLLU-TION (8)**	**BIODIVER-SITY AND ECO-SYSTEMS (9)**	**MINI-MUM SAFE-GUARD (10)**
	MILLIONS D’EUROS	**%**	**%**	**OUI/NON**	**OUI/NON**	**OUI/NON**	**OUI/NON**	**OUI/NON**	**OUI/NON**
A.1. **Non-life insurance and reinsurance underwriting Taxonomyaligned activities (environmentally sustainable)**	0	0	0	NA	NA	NA	NA	NA	NA
A.1.1. Of which reinsured	0	0	0	NA	NA	NA	NA	NA	NA
A.1.2. Of which stemming from reinsurance activity	0	0	0	NA	NA	NA	NA	NA	NA
A.1.2.1. Of which reinsured (retrocession)	0	0	0	NA	NA	NA	NA	NA	NA
A.2 **Non-life insurance and reinsurance activities eligible for taxonomy but not environmentally sustainable (activities not aligned with taxonomy)**	0	0	0	NA	NA	NA	NA	NA	NA
B. **Non-life insurance and reinsurance activities not eligible for the taxonomy**	1,868.2	100%							
TOTAL (A.1 + A.2 + B)	**1,868.2**	**100%**	**100%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

“Premiums” in columns (2) and (3) shall be reported as gross premiums written or, as applicable, turnover relating to non-life insurance or reinsurance activity.
The information in column (4) shall be reported in disclosures in the year 2024 and thereafter.
Non-life insurance and reinsurance can only be aligned with Regulation (EU) 2020/852 as activity that enables climate change adaptation.

6.6.3 Points of compliance of Coface strategy with the Taxonomy regulation

Annex 11 of Delegated Regulation (EU) 2021/2178 provides that financial companies describe the points of compliance of the financial undertaking's economic strategy with Regulation (EU) 2020/852.

As Coface's economic activities are not eligible for the Taxonomy, Coface has no points of compliance between its commercial underwriting strategy and the above regulation.

Concerning the investment portfolio, as mentioned in Chapter 6.2.3, Coface has policies limiting activities related to coal or unconventional hydrocarbons. In accordance with Amundi's management policy, Coface plans to phase out thermal coal in its investments by 2030 in European Union and OECD countries, and by 2040 in the rest of the world.

6.7 STANDARDS AND METHODOLOGY

6.7.1 Methodology for identifying non-financial risk

Non-financial risks have been mapped in several steps:

1/ The first step consisted in ***identifying a fairly broad spectrum of non-financial issues*** that could affect the Group or the Company in the broad sense through the Group's activities. This initial risk inventory was prepared based on an in-house review of CSR issues and CSR data collected in previous fiscal years, internal consultations, particularly with the Risk Department, as well as an external benchmark, analysing in particular the non-financial disclosures of other players in the financial sector together with best practices in the management of non-financial risks. Discussions with investors, rating agencies, clients and employees also helped to enrich the list of these issues.

This phase resulted in the identification of a little over 20 risks in four areas:

- environmental risks (responsible enterprise);
- social risks (responsible employer);
- risks related to our core business (responsible insurer); and
- governance risks.

Risk identification is an ongoing process that involves the business line managers with the assistance of risk managers. This identification is based on:

- the experience and knowledge of the business lines of the processes for which they are responsible, as well as the analysis of events that may negatively or positively affect these activities;
- the analysis of failures and incidents having occurred during the year, in particular by identifying the root causes of these events;
- Risks may also be detected when analysing new projects, products or new regulations.

2/ Risks are also assessed on an ongoing basis, *i.e.* at least once a year with the business line manager during Risk Identification and Assessment Meetings, and whenever a significant risk event occurs requiring an update of the assessment (major incident or significant failure identified during internal controls or external audits).

Each risk was assessed using an approach consistent with that implemented by the Group Risk Department for all risk mapping. The completeness of ESG risks has been compared with those present in the Company's risk management tool (operational or strategic risks) to ensure that risks with an ESG aspect are identified and that the results of the assessments obtained for these risks in annual risk analysis campaigns are transposed. The other risks not assessed were quantified and prioritised using a method based on that used in the risk management tool. Each non-financial risk was analysed in depth based on two criteria:

- *the level of intrinsic risk qualified as inherent risk*: the assessment is carried out by cross-referencing the impact (the most unfavourable scenario of the financial impact, the client impact and the regulatory and legal impact) with an assessment of the risk occurrence frequency. An inherent risk matrix determines the level of inherent risks assessed on a scale of four levels: high, important, moderate and low;
- *the level of control of this risk* based on the effectiveness of Level 1 and 2 controls, internal and external audit results, documentation, governance and monitoring of key performance indicators, IT and staff.

3/ Based on the assessments, ***the Group prioritised ten non-financial risks***, which were approved by the relevant departments. An initial prioritisation is carried out to define the level of residual risk resulting from the cross-referencing of the inherent risk with risk mitigation according to a risk matrix resulting in one of four assessment levels: High, Important, Moderate and Low. A second prioritisation is also carried out using the same residual risk scale taking into account the most important inherent impact, then the level of mitigation; consequently, the highest inherent risk will remain riskier.

All of the non-financial risks selected were then included in the Group's overall risk map.

As with the other risks monitored by the Group, the non-financial risks selected will be reassessed every year ahead of the drafting of the Universal Registration Document. The Group's policies to protect itself against them, and details of the actions and results, are presented throughout this document.

Three ESG indicators, each one representing a major category of non-financial (environmental, social and governance) risks, were then presented to the Risk Committee and integrated into Coface's Risk Appetite:

- an Environmental KRI on the coverage rate in the ESG rating of the investment portfolio as well as the share of the lowest-rated companies;
- a Social KRI on gender equality within the Company;
- a Governance KRI that measures client and partner satisfaction.

These indicators have therefore been monitored since 2022 by the Management Committee and, as with other risk appetite indicators, presented to Coface's Board of Directors and its Risk and Compliance sub-committee.

6.7.2 General organisation of reporting

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

The information presented in this document was produced internally on the basis of information provided by the heads of each area concerned.

- The information in the "***Responsible insurer***" paragraph was provided by the following departments:
  - Group Marketing (client satisfaction),
  - Commercial Subscription (commercial exclusion policy),
  - Group Investments, Financing and Treasury (environmental and social impact of investments),
  - Underwriting and Economic Research (consideration of environmental risk in the credit risk assessment and environmental impact of the debtor portfolio),
  - Risk (discontinuity of Coface's transactions relative to environmental and cybersecurity risks),
  - Legal (subcontracting and suppliers),
  - Compliance (fair practices),
  - Taxation (tax evasion).

These components were coordinated by the Group's CSR Department.

- The corporate information and indicators in the "***A responsible employer***" paragraph were supplied by the HR Departments of the entities in the reporting scope and by the person in charge of Personnel Reporting and were coordinated by the Group Human Resources Department;
- ***Environmental*** information comes from the departments responsible, within the reporting scope, for general resources, as well as from the Group Human Resources (travel and vehicle policy) and Group Purchasing (vehicle policy) Departments.

Reporting period

Unless stated otherwise, all figures refer to financial year 2023, corresponding to calendar year 2023.

Comparable data, on a like-for-like basis, is sometimes presented for previous years for purposes of comparison.

Reporting scope

The information presented in this document was produced for the first time for financial year 2014, and the figures contained therein concerned the French scope, with an illustration of the policies, processes, tools, initiatives and actions at Group level.

Since 2014, the Group extended its reporting scope with each new reporting year until 2020, as presented in the table below.

FINANCIAL YEAR	REPORTING SCOPE	INFORMATION REGARDING THE SCOPE ADDED	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S WORKFORCE	SCOPE REPRESENTATIVENESS WITH REGARD TO THE GROUP'S TURNOVER
2014	France	The French scope concerns (i) COFACE SA and (ii) its subsidiary, *Compagnie française d'assurance pour le commerce extérieur* (iii) excluding its second subsidiary, Coface Ré, which is not registered in France and has a total workforce of 11 employees based in Switzerland.	24%	20%
2015	France and Germany	The German scope concerns the three German companies, Coface Finanz GmbH, Coface Rating GmbH and Coface Debitorenmanagement GmbH, as well as the German branch of Compagnie française d'assurance pour le commerce extérieur.	40%	36%
2016	France, Germany and Italy	Italy includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur and a service company devoted to debt collection operations, Coface Italia SRL.	43%	43%
2017*	France, Germany, Italy and Spain	Spain includes the insurance branch and a service entity, Coface Servicios España.	42%	53%
2018	France, Germany, Italy, Spain and the UK	The UK includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface UK Holdings Ltd and a service entity, Coface UK Services Ltd.	43%	56%
2019	France, Germany, Italy, Spain, UK and Poland	Poland includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, two service entities, Coface Poland Insurance Services and Coface Poland CMS, as well as a factoring company, Coface Poland Factoring.	47%	59%
2020	France, Germany, Italy, Spain, United Kingdom, Poland, Morocco, Netherlands, Austria, Romania and United States	**1)** Morocco includes the insurance subsidiary of Compagnie française d'assurance pour le commerce extérieur, Coface Maroc SA and a service subsidiary, Coface Services Maghreb. **2)** The Netherlands includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Netherland Branch and a service entity, Coface Nederland Services BV. **3)** Austria includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Niederlassung Austria, the holding company, Coface Central Europe Holding GmbH and the service entity, Coface Austria Kreditversicherung Service GmbH. **4)** Romania includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur, Coface Sucursala Bucuresti and two service entities, Coface Romania Insurance Services and Coface Romania CMS. **5)** The United States comprises two insurance subsidiaries of Compagnie française d'assurance pour le commerce extérieur, Coface North America Inc and Coface North America Insurance Company, the holding company, Coface North America Holding Company and the service subsidiary, Coface Services North America Inc.	62%	73%
2021		Same scope as 2020	63%	72%
2022		Responsible employer (social reporting) Environmental reporting: same scope as 2021	100% 63%	100% 71%
2023		Responsible employer (social reporting) Environmental reporting: same scope as 2022	100% 63%	100% 72.9%

** Although the reporting scope was significantly extended in 2017, its representativeness as regards the workforce decreased due to a reduction in the workforce in France. This decrease was due largely to the transfer of the State guarantees management business to Bpifrance Assurance Export on January 1, 2017, which re sulted in 249 departures.*

Methodological details on the information communicated

A responsible employer

- Social indicators cover the entire Group, broken down by region. As mentioned above, the description of policies, processes and HR tools are defined at Group level unless otherwise noted;
- All figures concerning the workforce, contract type, nationality, age and diversity were obtained from the new Group HRD tool, My HR Place, an online internal tool - with the exception of the list of Senior Managers and the calculation of the Gender Index, which are managed in Excel spreadsheets;
- The workforce is calculated taking into account employees on permanent contracts or fixed-term contracts (including temporary inactives" since 2023, "leaves of absence") still present at the Company on the evening of December 31;
- "Leaves of absence" concern employees on permanent or fixed-term contracts whose contract has been suspended for a short period for one of the following 4 reasons (paid or not): parental leave, long-term illness (over 3 months), assignment (ex. Coface), or other long-term inactivity;

- As from 2023, "temporary inactive" employees are also included, *i.e.* permanent and non-permanent contracts that have been suspended for a long period, for one of the following two reasons (paid or not): parental leave (maternity, paternity, etc.) and early retirement;
- Expatriates are counted in the country in which they work;
- The following are excluded: apprentices or work-study participants, external auditors, external sales agents, temporary workers, interns and subcontractors;
- The "percentage of women managers" indicator takes into account the number of women in "managerial" positions on 12/31/N (numerator) out of the total number of employees in "managerial" positions on 12/31/N (denominator);
- The following employees must be counted as managers, according to the "Hierarchical Level" in My HR Place:
  - *senior managers,*
  - *middle managers,*
  - *line managers;*
- The Group Gender Index is made up of all Coface entities, grouped into seven regions: APR, CER, LAR, MAR, NAR, NER, WER and HQ (WER and HQ being accounted for separately since 2023):
  - members of the Executive Committee (except for criterion 5) and Coface Ré and BDC, which belong to very specific markets, are excluded from the scope of the analysis,
  - for criteria 1 and 5, the analysis is carried out based on the annual basic salary,
  - the Group index is calculated based on data from each regional index, weighted by the workforce of each region at the Group (for criteria 1, 2 and 3 only),
  - criteria 4, 5 and 6 are calculated on a Group consolidated basis,
  - as the Shared Service Centre ("SSC") in Romania is not attached to the CER region, the employees are not included in the regional study carried out for the calculation of indicators 1, 2 and 3. However, the SSC is included in the Group's consolidated indicators (4, 5 and 6).

/Environmental responsibility

	REPORTING SCOPE	COMMENT	ELECTRICITY CONS. (KWH)	GAS CONS. (KWH)	ELECTRICITY CONS. (L)	DISTRICT HEATING CONS. (KWH)	PETROL CONS. (L)	DIESEL CONS. (L)	TRAIN TRAVEL	AIR TRAVEL
France	Registered office (Bois-Colombes) and offices in Lyon, Strasbourg, Nantes and Toulouse. Lille and Marseille are excluded (service provision)	For all offices at head office and in the regions, only the head office uses gas.	✓	✓	✓	N/A	✓	✓	✓	✓
Germany	Mainz (main office) and offices in Hamburg, Berlin, Nuremberg, Bielefeld, Cologne, Stuttgart and Munich	Coface Germany does not use gas. For its electricity consumption, the contract provides for 100% renewable resources.	✓	N/A	✓	✓	✓	✓	✓	✓
Italy	Milan (main office) and 1 office in Rome		✓	N/A	✓	✓	✓	✓	✓	✓
Spain	Madrid (main office) and offices in San Sebastián, Alicante, Valencia, Seville, Pamplona, Barcelona and A Coruña.	Coface Spain does not use gas. 100% renewable electricity contracts were signed in 2023	✓	N/A	N/A	N/A	✓	✓	✓	✓
United Kingdom	London (main office) and offices in Watford and Cardiff	Confirmation expected if new London and Cardiff offices use gas	✓	N/A	N/A	N/A	✓	N/A	✓	✓
Poland	Warsaw (main office) and offices in Krakow, Gdynia, Katowice and Poznan.	Coface Poland does not use gas.	✓	N/A	N/A	N/A	✓	✓	✓	✓
Netherlands	Breda (main office)	Coface Netherlands does not consume gas.	✓	N/A	N/A	N/A	✓	N/A	✓	✓

	REPORTING SCOPE	COMMENT	ELECTRICITY CONS. (KWH)	GAS CONS. (KWH)	ELECTRICITY CONS. (L)	DISTRICT HEATING CONS. (KWH)	PETROL CONS. (L)	DIESEL CONS. (L)	TRAIN TRAVEL	AIR TRAVEL
Austria	Vienna (main office) and 1 office in Graz.	Coface Austria does not use gas.	✓	N/A	N/A	✓	✓	✓	✓	✓
Romania	Bucharest (main office) and 2 offices in Cluj and Timisoara.	Timisoara (shared offices: ex. reporting).	✓	✓	N/A	N/A	✓	✓	✓	✓
Morocco	Casablanca (main office)	The country does not use train travel and mileage for air travel is not available.	✓	✓	N/A	N/A	N/A	N/A	✓	✓
United States	Princeton (principal) and offices in Hunt Valley and New York.	As no vehicles are leased or owned, the information is not available. Only the California office (closed in November 2023) reported gas use.	✓	✓	N/A	N/A	N/A	N/A	✓	✓

Selected emissions factors

Greenhouse gas emissions (electricity and gas mix, diesel, petrol, train and plane) were calculated on the basis of the CO_2 emission factors or equivalent available in the ADEME Carbon Base®, when the data were present. The objective is also to align as closely as possible with the factors used in the Carbon Review carried out in 2023 in respect of the 2019 financial year.

Energy

More specifically for electricity:

- the "electricity grid mix" factors for each country were used;
- for countries outside France, these emission factors only include emissions related to power plant combustion. Coface thus increased the emission factor by the same proportion as upstream and downstream accounts for the French emission factor (approximately 50%);
- for countries with renewable energy, emissions are calculated using the market-based methodology using only the share of the emission factor representing upstream and downstream.

For gas, three emission factors are used:

- natural gas 2022 - Average mix – consumption in France;
- emission factor from the EPA base for the US;
- natural Gas Europe (kCO_2/kWh GCV) for other countries.

For the operation of back-up generators in France and Germany, the emission factors used are those of heavy/commercial fuel oil in France and Europe.

For district heating, it is proposed to use a factor provided locally. If this is not available, the default factor is the one in the ADEME Carbon Base® "Heat network/Other heat networks/2021".

Fuel for fleet cars

In the ADEME Carbon Base®, the identifiers of the emission factor are "Gazole Routier B7" for diesel and "Supercarburant sans plomb" (95 95-E10. 98) for petrol.

Train and plane travel

The aircraft emission factor is the same for all countries and was calculated by taking the average of the three emission factors: 2018 short-, medium- and long-haul passenger aircraft without contrail impacts.

For train travel:

- the factors present in the ADEME Carbon Base® for each country are used. For France specifically, under the assumption that journeys are mainly between two major cities in France, the train emission factor chosen in the ADEME Carbon Base is that of TGV high-speed trains, with identification number 28145:
  - for train travel in Romania and Poland, a European emission factor (Ecoinvent® base) was applied,
  - for the United States and Morocco, a global conversion factor (Ecoinvent® base) was used.

Methodological details

Energy

- The electricity consumption table contains estimates for France (offices in Lyon, Strasbourg, Nantes and Blagnac), Germany, Spain (offices in Seville and Barcelona), Austria, Romania and the Netherlands, as December invoices were not available at the time of Chapter approval. The gas consumption table contains estimates for Romania for the same reason.

- Most of the estimates were made using a common methodology of taking the actual and total consumption from January to November 2022, dividing it by 11 and multiplying it by 12. For Romania, electricity and gas consumption in December was calculated using consumption in December 2022, as it was much higher than the average for the rest of the year. For the Lyon office, the value was estimated for 4 months on the basis of FY21 and FY22 averages, following a fault on the EDF meter that prevented the data from being read.
- The electricity and gas tables also contain estimates for Italy, the United Kingdom and the United States, where accurate consumption data could not be obtained for some offices from the building owner. In this case, estimates were made on the basis of the square metres occupied by Coface relative to the consumption of the entire building, where available, or to the consumption per square metre recorded in another Coface office in the country.

Fuel for fleet cars

- Reported fuel consumption corresponds to the consumption of company vehicle fleets for long-term leasing. No country in the scope owns vehicles. Consumption represents the fuel that is reimbursed by Coface, either for the entire use of the vehicles or for business travel only (according to contractual agreement with the employee);
- The fuel consumption table contains estimates for Morocco and Austria, as the rental agency reporting was not available for December, when the Chapter was approved, and for France and the UK, because, in addition to the rental agencies' reporting, the expense reports had not yet all been received either. This estimate was calculated based on the same methodology of taking the actual and total consumption from January to November, dividing it by 11 and multiplying it by 12.

Plane and train travel

The mileage for Austria and Romania was estimated for the month of December, as not all the data from the travel agency and expense reports were available when approving the Chapter.

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

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

6.8 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

Year ended December 31, 2023

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac) (Cofrac accreditation under number 3-1886 scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- As stated in the methodological note in section "6.6.2 General organization of reporting", the reporting scope for environmental indicators covers 63% of the workforce for the 2023 financial year.
- The policy of ESG integration criteria in investment has been defined by Coface and executed by the mandated asset management company, but the formalization of related controls needs to be strengthened.
- The sectorial exclusion policies are defined but have no controls related.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on the Entity's website or on request from its headquarters.

Limits inherent in the preparation the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management of COFACE SA is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq of the French Commercial Code, *with our verification program consisting of our own procedures* and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, *Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of three people between December 2023 and March 2024 and took a total of four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement representing in particular Group Marketing; Human Resources; CSR; Commercial Underwriting; Investments; Group Financing and Treasury; Risks.

Our work involved the use of information and communication technologies, which allowed us to carry out our work and interviews remotely, without this hindering their completion.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of tall the consolidated entities' activities and the description of the main risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector.

- We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important [1]. Concerning certain risks [2] or information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes that we considered to be the most important [3], we implemented:
  - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities [4] and covers between 16% and 61% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the Entity

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 4 April 2024

One of the Statutory Auditors,

Deloitte & Associé

Damien Leurent	Julien Rivals
Partner, Audit	Partner, Sustainability Services

1) ***Selected qualitative information***: *Service quality improvement program, Commercial exclusion policy, D&I policy, including Reverse mentoring and training, Attractiveness policy, including International mobility, High Potentials, Mentoring to Lead.*

2) ***Risks***: *Lack of customer and partner satisfaction; Lack of integration of CSR into business policy; Investment in assets that are not responsible from an environmental, governance or social point of view; Lack of attractiveness for Talent (recruitment and retention: development, integration of new arrivals, etc.).*

3) ***Social indicators***: *Workforce by gender and type of contract; proportion of women among employees, managers and senior managers; Gender equity index; turnover rate of employees identified as high-potential; Senior management: percentage of internal vs. external candidates.*
Environmental indicators: *CO2 emissions linked to electricity, gas and fuel consumption, and to rail and air travel.*
Societal indicators: *Single Risk ESG projects; Response rate to monthly barometric surveys.*

4) *COFACE France, COFACE Italy*