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 **"Meetings between businesses and Civil Society"** 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, organized every two or three months.

/ RECOGNITION FROM NON-FINANCIAL AGENCIES

AGENCIES	RATING AND ASSESSMENT
MSCI ESG RATINGS	**AAA** Leader
Moody's ESG Solutions	**57/100** Robust
Corporate ESG Performance Prime – RATED BY ISS ESG	**C in 2022** Prime status (2nd decile of insurers)
Morningstar Sustainalytics	**16.6** 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 approach to responsibility 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. This exercise rounds out 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.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.

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	URD REFERENCE
R.1 – Inadequate protection against data leaks ● Risk of financial loss, damage to operating systems and damage to the company's image			Chapter 5
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			Chapter 5
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: **11.4**% on average in 2022 ● NPS tracked internally	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 and transition 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 end-2022: **€350m**	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: **0.61%** ● Portfolio carbon emissions: **53 tCO_2e/€m (Scopes 1 and 2)** ● % of green bonds: **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 ● Code of conduct ● Employee training and awareness programme ● Corruption risk mapping ● Third-party assessment system ● Whistleblowing system	● Number of corruption allegations reported to Compliance: **2**	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: **0** ● Result of regular tax audits	6.2.4 c)
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 & Inclusion" policy	● Percentage of women among employees: **54%**, among managers: **41%**, among Senior Management: **34%** ● Number of nationalities among employees: **80** ● Gender Index: **88/100** ● "My Voice Pulse" score on "D&I" issues **8.4/10**	6.3.3

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI	URD REFERENCE
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: **95** • Turnover rate of employees identified as high-potential: **8.3%** • Senior management: percentage of internal applicants vs. external candidates: **64%** of internal staff vs. **36%** of external staff • "My Voice Pulse" engagement score: **7.46/10**	6.3.4
R.10 – Inappropriate management of Coface's carbon footprint • Reputational risk	• Carbon footprint assessment completed and carbon footprint reduction plan/trajectory • Travel policy • Car policy • Internal awareness campaigns	• CO_2 consumption, Scope 1, 2 and 3 – based on most recent carbon assessment (base year 2019): **373 k tCO_2eq including investments (Amundi figures), operations and claims** • Emissions from electricity consumption: 1,469 **tCO_2eq** • Train travel emissions: **48 tCO_2eq and airplane 470 tCO_2eq** • Emissions related to fuel consumption: **1,743 tCO_2eq**	6.4

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.

6.1 OVERVIEW OF COFACE'S CSR STRATEGY

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

Since March 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 deliberately 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

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 commitment;
- a ***responsible company*** 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.

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; • contribution to financing the sustainable transition: 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	*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. This policy is based on operational programmes using techniques such as Lean Management, UX-UI and the Customer Journey. It is measured through 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. This indicator is interesting because it indicates an attachment to the company and is forward-looking.

The NPS is measured as a monthly moving average over three consecutive months. 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. Using this methodology, the Group was able to report an average response rate (number of questionnaires approved/number of emails sent) of 11.4% in 2022, consistent with the response rates generally observed for this type of survey. The sampling of each wave of the survey is balanced in terms of client countries, segments and distribution network so that the results can be correctly compared. 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.

After falling at the beginning of the pandemic, Coface's NPS indicator rose to a satisfactory level owing to the Group's ability to adapt and had improved significantly by April 2021. In 2022, the Group's average NPS remained at historically high levels. This trend should be put into perspective with the very high coverage rates [(1)] that the Group proposed over this period, themselves enabled by the extremely limited levels of insolvency in the economy resulting from 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 is recognised even though inflationary pressures automatically increased the levels of coverage requested. At end-2022, the initial signs of a return to normal in insolvency levels make it possible to envisage a shift in trends in coverage ratios and NPS in the coming months.

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 three 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;
- Coface does not issue insurance policies to transport, freight and logistics companies seeking to generate over 50% of their business through thermal coal.

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

Moreover, 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 fatal 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.

b) Contribution to financing the sustainable transition: single-risk ESG deals

Single Risk accounts for approximately €16 million of Coface's total revenue of €1,568 million (as explained in part in Section 1.3.1).

In addition to the commercial exclusion policy, Coface wants to give itself the means to strengthen its support for financing and implementing long-term ESG projects by implementing more single-risk insurance solutions. Coface is seeking to double the budget allocated to supporting ESG projects around the world, with a view to reaching a minimum of €400 million of outstanding under management on 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 that meet E, S or G objectives in sectors such as renewable energy, energy efficiency, soft mobility, water treatment, healthcare, education and microfinance. This demonstrates Coface's growing commitment to supporting initiatives with a positive environmental or social impact on economies through financial solutions.

(1) *Coverage rate: for each insured client, the ratio of guarantee amounts granted to requested guarantee amounts.*
(2) *https://en.wikipedia.org/wiki/Democracy_Index*

Assets under management on ESG projects carried out by Coface totalled some €200 million in the summer of 2022 and are already growing substantially, reaching around €350 million at end-2022, *i.e.* 12.5% of single-risk assets.

Projects are characterised as ESG according to the following process:

- qualification 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;
- third analysis by risk underwriters.

ESG projects also concern sectors eligible for the European Taxonomy on climate change mitigation and climate change adaptation. Only activities eligible for the European Taxonomy can be considered as ESG in the single-risk tracking tool, Sonata. The latter been enhanced to adapt the classification of its business sectors and propose "ESG project" eligibility. Sonata is used to monitor, approve and report on outstanding on these projects.

In terms of governance, the daily Single Risk Committee meeting assesses, among other things, the ESG criteria of projects. Where applicable, the Group CSR Manager may take part. In addition, the monthly meeting of the Committee will assess progress on ESG outstandings by category of impact and typology, and the quarterly Group CSR Committee meeting will also be responsible for tracking ESG assets.

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) Consideration of environmental risk in credit risk assessment (financial risk)

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

As such, 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.

For example, from a macroeconomic perspective, Coface integrates components relating to ESG standards into its methodology for assessing country risk through three of the main pillars;

- F: Environment;
- P: Policy (*e.g.* the existence of discriminatory or non-discriminatory laws, this pillar echoing the social dimension of ESG); and
- B: Business Climate.

From an environmental point of view, two key risks for companies have been identified:

- ***Physical risk*** measures the frequency of occurrence of exceptional weather events (such as the fires in Brazil and Australia in 2019). It depends on the country's exposure to this type of event (measured notably by taking into account long-term projections of agricultural yields, rising temperatures in the country, rising sea levels, etc.) and its sensitivity, measured by indicators of geographical, demographic and social structure (such as the share of the rural population and the population over 65, and the poverty rate) and the dependence on other countries for goods that will become rarer with climate change (share of imports in total farming produce, water and energy);
- ***Transition risk***: faced with these future climate changes and in an effort to avoid some of them, governments are taking action (such as anti-pollution standards in the automotive sector in Europe and China) and the population is changing its consumption behaviour. While these regulatory and behavioural changes will have beneficial effects in the medium term, in the short term they are likely to jeopardise companies having failed to prepare for these changes in production and consumption methods. The index used for this sub-pillar of transition risk mainly measures the tracking of progress on green transition performance and what remains to be done to meet global targets (country emissions levels, energy efficiency of main business sectors, investments to foster the energy transition).

The exposure index is used to measure the extent to which a country can be vulnerable to climate disruption and captures the physical impact of climate risk. The sensitivity index, based on topographic and demographic variables as well as the country's economic structure (*i.e.* sensitivity of the country's main sectors of activity to a climate shock), makes it possible to assess the impact of a climate shock.

These two indices combined are used to assess a country's vulnerability to climate hazards and are based on six sectors essential to a country's proper functioning: food, access to water, the health system, ecosystem services, human habitat, and infrastructure. A country is considered to be highly exposed if a climate hazard can significantly limit access to drinking water, cause food insecurity, or if the quality of infrastructure is not sufficient to respond to this type of crisis. At the same time, a country is considered to be highly sensitive where it relies heavily on imports to meet its needs.

In addition, 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:

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

These impacts 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, the latter remaining in the hands of the insured party and its client. However, the outstanding 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. This tool will later be used to steer Coface's business towards more environmentally responsible activities and thereby reduce reputational risk or investor withdrawals.

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 methodology was enhanced in 2022 with the addition of new indicators, notably on biodiversity (proportion of loss of mangroves, average proportion of key land areas covered by protected areas, etc.) and waste management in the various countries.

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.

Through its insurance activities, 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.

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 issuers.

- **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 poor 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 and increase the share of its "green" investments, in particular through green bonds (*i.e.* which participate in the energy transition and whose objective is to finance projects with environmental benefits, in accordance with the application of the Green Bonds Principles defined by the Icma). In accordance with regulatory requirements, Coface will from 2023 onwards publish information on the European Taxonomy eligibility of its financial assets and from 2024 onwards will endeavour to publish an alignment report.

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.

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

- overall voting statistics for each of 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).

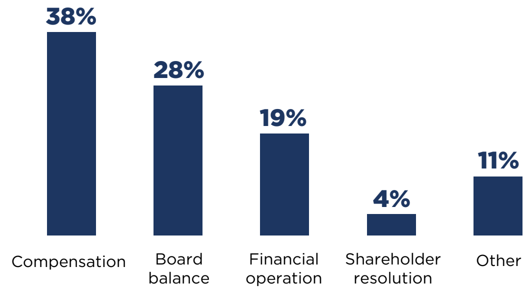
Prior to these votes and where necessary, Coface can initiate discussions with Amundi's specialised teams to gather analyses on proposed resolutions and discuss the associated vote recommendations.

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.

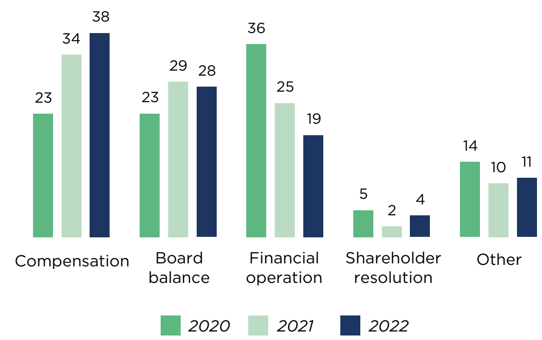
Review of voting rights

The percentage of opposition votes exercised by Amundi on behalf of Coface at Shareholders' Meetings held in 2022 are presented in the table below by topic.

/ OPPOSITION VOTES ON SHARE POSITIONS HELD DIRECTLY *(%)*



/ HISTORY OF OPPOSITION VOTES ON SHARE POSITIONS HELD DIRECTLY *(%)*



Source : Amundi

Commitment to the top 20 contributors to the carbon footprint

In 2022, Coface's manager, Amundi, initiated a dialogue with 17 of the top 20 issuers in terms of carbon contribution on ESG aspects and 14 of these issuers on climate aspects.

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.

Exclusion measures

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 United Nations Global Compact.

Restrictive measures

In terms of investment activity, Coface has stopped investing directly in:

- companies that develop or plan to develop new mines, power plants or infrastructure relating to thermal coal;
- companies extracting 100 MT of thermal coal or more, with no goal to reduce this extraction;
- companies generating over 25% of their revenues from thermal coal extraction;
- companies generating 25% to 50% of total revenue from thermal coal extraction and electricity generation from thermal coal and whose ESG rating calculated by Amundi has deteriorated significantly;
- companies generating over 50% of revenue from thermal coal extraction and electricity generation from thermal coal;
- companies manufacturing complete tobacco products (revenue > 5%).

An indicator monitoring the ESG quality of the portfolio

Since 2017, Amundi has produced a quarterly report on the average ESG rating of 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, 79.4% is considered to be significant from an ESG perspective. Based on the significant part of the portfolio, nearly 94.4% of the portfolio has an ESG rating. This coverage ratio improved by 3 points compared with end-2021.

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, 2022, this indicator stood at 0.61%, 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 measure the carbon footprint of its portfolio in two 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.

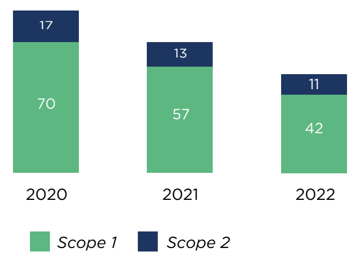
Coface has decided to increase its decarbonisation target from -20% to -30% of the carbon footprint of its listed equity and corporate bond portfolio between 2020 and 2025.

At this stage, investments in sovereign bonds, infrastructure and real estate assets are not affected by Coface's decarbonisation objectives.

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

/ CARBON EMISSIONS PER MILLION EUROS INVESTED (TCO_2EQ/€M)

In 2022, the carbon footprint of the listed equity and corporate bond portfolio (look-through view) in absolute value amounted to 53 tons of CO_2 equivalent per million euros invested, down 39% compared with 2020.

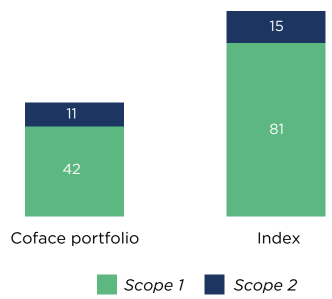


Source : Amundi

Compared with a benchmark portfolio close to the portfolio's strategic allocation (the composition of which is described below), Coface's CO_2 emissions per million euros invested was nearly 45% lower in 2022.

/ CARBON EMISSIONS PER MILLION EUROS INVESTED (TCO_2EQ/€M)

Total tCO_2/€m = 53



Index: 85% ML EURO BROAD +10% MSCI EMU +5% THE BOFA ML GLOBAL HY.
Source: Amundi – This indicator measures emissions from the portfolio in metric tons of CO_2 equivalent per million euros invested. It is an indicator of emissions resulting from investment in the portfolio.
** Top-tier suppliers only.*

6

(1) *The benchmark portfolio is composed as follows: 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 transition into its investment portfolio, based on the weight of its green bonds.

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 31, 2022, the weight of green bonds stood at 2.9% of Coface's overall portfolio, *i.e.* €87 million in outstandings (market value).

e) Outlook

At end-2022, Coface's Senior Management decided to join the Net-Zero Asset Owners Alliance (NZAOA) in 2023. 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. To achieve this target, CO_2 emission trajectories must be reduced by around 50% between 2020 and 2030 and achieve net-zero emissions by 2050.

In addition to NZAOA membership, Coface is currently signing the United Nations Principles for Responsible Investment (UN PRI), the signatories of which agree to the following:

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

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.

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, and of their intention to outsource services falling within the scope of the procedure, in accordance with the applicable regulations. 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 the Company's financial investment management activity and, in a few limited countries, the risk underwriting activity.

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 their "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 plan was initiated in 2021 and finalised in 2022.

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.

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.

To supervise relations with suppliers, Coface has established a regularly reviewed internal purchasing procedure that sets out, among other aspects, the general conditions for the purchase of supplies and services and specifies the rules to be followed in terms of supplier selection. 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 **35 key compliance performance indicators actively monitored by the compliance function** and **presented five times a year to the Management**, the Risk Committee of the Board of Directors and the Coface Group Risk and Compliance Committee (CGRCC).

i. Professional ethics

The importance of compliance in general is crucial for the management team and is highlighted regularly with employees. More specifically, during each annual conference of the top 200 managers, the CEO always mentions the importance of integrity and professional ethics in his speech.

As part of managing non-compliance risks, Coface's code of conduct, created for all Group employees to use, was revised in 2018 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. This code notably emphasises the importance of treating clients fairly by avoiding conflicts of interest and not using information in an employee's possession against the interests of a client, a potential client and co-contracting third parties.

In addition, in 2018, the Group appointed an ombudsman to whom any integrity issues, violations of the code of conduct or non-compliance with the law and regulations may be reported if necessary. To mitigate the risks of conflicts of interest, Coface in 2022 implemented training and a procedure to prevent conflicts of interest. The completion rate of the training course is 96.3%.

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.

ii. The fight against corruption

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

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 the following (non-exhaustive list):

- the introduction in 2021 for all Group employees of a new online training course on the fight against corruption incorporating the latest recommendations of the French Anti-Corruption Agency issued on December 4, 2020. Each course has been made available in the main languages to ensure better understanding by employees and is also accompanied by a quiz. The completion rate of the training course is 98%;
- corruption risk mapping, subject to a global review by the compliance function in 2022 ahead of roll-out in 2023 by Coface Group entity and by function within each entity;
- 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 that will be reviewed in 2023 following the final stage of the transposition into French law of the European directive on the protection of whistleblowers. In 2022, fourteen cases were reported in total, nine of which were reported as part of the internal whistleblowing system to the Human Resources and compliance functions, and five through the ombudsman. Internal Audit, the Human Resources Department and the ombudsman, as well as the compliance function, conducted investigations to process and close the various cases;
- key anti-corruption performance indicators (KPI 10 to 17). These indicators include the process of knowledge of intermediaries, suppliers, allegations of corruption, gifts and invitations received or offered and reported to Compliance. In 2022, two potential allegations of corruption were reported to Compliance and were 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. In 2021, Internal Audit also carried out a periodic control of the Group compliance function, including the review of the anti-corruption system.

iii. Combating 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 *Cofagroup* intranet and implemented locally by the international network of regional and local compliance managers.

In 2022, the compliance function reviewed the Know Your Customer procedure. It has incorporated the latest version of the ACPR guidelines on KYC and determining the due diligence measures to be applied by type of client. In this context, Coface has modified and aligned with the existing classification of money laundering and terrorist financing risks. For each client/prospect, Coface determines a business relationship profile that provides an AML-CFT risk score in three categories (low/medium/high). The information collected as part of the KYC process is then updated and reviewed on a regular basis or following a trigger event. As a result, "high-risk" clients/prospects are subject to enhanced due diligence measures as well as an annual review.

Communication and awareness-raising initiatives were also carried out regularly with employees in 2022 to enable them to detect warning signs regarding money laundering and the financing of terrorism. A new online training course on AML-CFT was assigned in December 2022 to all Group employees, together with a module on client due diligence measures specifically for the sales, marketing and back-office teams. These courses are available in the main languages to ensure better understanding by employees and are also accompanied by a quiz.

iv. Compliance with embargoes, asset freezes and other international financial sanctions

The Group's compliance system evolved significantly in 2021, notably through the launch of the real-time automatic filtering project for Coface clients and their related parties (debtors, intermediaries, beneficial owners, etc.) in respect of international sanctions lists (United Nations, Office of Foreign Assets Control, European Union, France) and local sanctions lists. Following the publication of new lists of international sanctions against Russia, the Group undertook several initiatives in 2022 to strengthen the effectiveness of the filtering system, including consistency checks by the Compliance Department.

The compliance function continuously detects sanctioned entities with which Coface cannot enter or continue a business relationship.

In line with these operational developments, in 2022 the compliance function updated the framework procedure for compliance with international sanctions and in 2021 adjusted the procedure for controls on dual-use goods and military goods. Performance indicators (KPI 28 to 35) relating to the filtering system have also been implemented.

v. Fraud prevention

The compliance function improved its fraud prevention system in 2022 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 (KPI 22 to 27) relating to the number and type of suspicions of fraud (insurance fraud, fraud against insured parties, fraud against debtors).

vi. Protection of personal data

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%.

In March 2019, Coface submitted to the approval of the CNIL and the relevant personal data protection authorities binding corporate rules (BCRs) as set out in Article 47 of the GDPR. Pending approval by the CNIL and the competent authorities, Coface established an intra-group agreement in 2021 to comprehensively oversee the transfer of personal data outside the European Union.

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 2021), and the filing of a declaration per country (Country-By-Country Reporting, CBCR).

Lastly, Coface's KYC (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 Coface entity that issued the policy).

6.3 COFACE, A RESPONSIBLE EMPLOYER

A RESPONSIBLE EMPLOYER

Main pillar themes:	
Key figures	
A new worldwide HRIS: added value for Human Resources and employees	
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

Coface's Human Resources teams, which were strengthened during the last two strategic plans, worked intensively in 2022 on the following social initiatives and trends:

- talent management and the need to boost Coface's attractiveness and the retention of its high potentials. Competition on attracting talent has increased sharply since the health crisis. Attrition rates of key resources are on the rise, and candidates are more difficult to identify and attract. Coface can highlight a host of advantages in order to be perceived as an employer of choice with a culture, managerial practices and collaboration methods corresponding to the expectations of the talents its teams require;
- Coface's efforts on diversity and inclusion, and in particular its stated ambition on gender equality, are part of this drive;
- the Group's extensive work on corporate engagement and culture has produced results, with a level of engagement that has improved considerably, to today achieve robust benchmarks in financial services in several regions;
- considerable flexibility in working methods, with modernised offices and highly flexible remote-working arrangements, further enhances the attractiveness of Coface; and
- the development of international occupational mobility and cross-functional collaboration with multicultural teams also responds to one of the major expectations of the talents that Coface is looking for.

Particular attention was also paid in 2022 to wage issues in response to high inflation in most of the markets where Coface employs staff and is seeking new talents.

In addition to these fundamental social trends, the Human Resources teams contributed proactively to Coface's ambitions on the sale of information. The HR teams recruited nearly 160 people around the world, doubling the workforce in one year, in a context of scarce resources on the market.

Lastly, the Group's human resources were mobilised to improve their resource management tool with the introduction of a global system, "My HR Place", which they can use to manage employee data more reliably, and the digitalisation of internal work processes.

6.3.1 Key figures

A workforce structure reflecting strategic guidelines

Coface's workforce structure continues to evolve, with trends reflecting the strategic orientations of the Build to Lead strategic plan. In particular, the headcount of the information sales business has increased considerably, with some 300 people dedicated to this business line at the end of the 2022 financial year. The Group has also recruited widely for its dedicated sales forces. Nearly 160 new people have joined Coface with responsibility for the sale of information. These recruitments naturally cover the replacement of people having left Coface, but the net increase remains significant.

A few figures showing the reality of our business

The following data comes from the Group's "My HR Place" tool, introduced in 2022 and available online for the various contributors to the database. The database is updated in real time and receives a steady flow of data from the HR teams in the countries. The information is consolidated on the last business day of the month, enabling the production of monthly scorecards.

This reporting includes the individual contract, activity, business and length-of-service data for each Group country, as well as information on the hierarchical links between the various positions.

An extraction of the tool also serves as a strategic tool for staff, as it makes it possible to manage recruitment actions and internal transfers within the context of a budget.

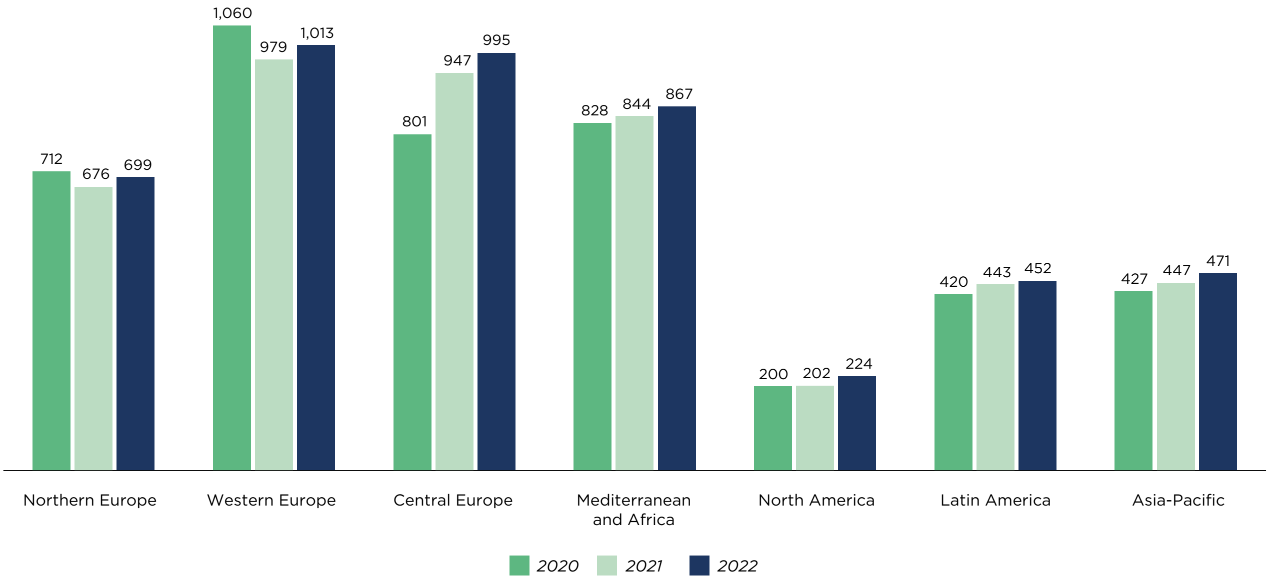
Strong international dimension

This report contains figures covering the entire Group to give a global view of the company. The indicators are then presented by region, reflecting the organisational model of the business. This scope can be compared with the same scope for 2020 and 2021.

/ BREAKDOWN OF WORKFORCE BY REGION

At December 31, 2022, the Group as a whole employed 4,721 employees in 58 countries (a new site having been opened in New Zealand in 2022), compared with 4,538 at December 31, 2021. The following table shows the geographical breakdown of the Group's workforce since December 31, 2020:

WORKFORCE	2022	2021	2020
Northern Europe	699	676	712
Western Europe	1,013	979	1,060
Central Europe	995	947	801
Mediterranean & Africa	867	844	828
North America	224	202	200
Latin America	452	443	420
Asia-Pacific	471	447	427
TOTAL	**4,721**	**4,538**	**4,448**



Coface workforce increased by 4.03% in 2022. This change can be attributed to an increase in the number of information sales staff and the growth of the central teams, particularly as part of the ramp-up of shared service centres.

The sale of information is at the root of the increase in the workforce in North America, Northern Europe and Central Europe. In Central Europe, the number of shared services staff also contributes to the increase in the region's total.

/ BREAKDOWN OF WORKFORCE BY ACTIVITY

The table below breaks down the Group's workforce by type of activity since December 31, 2020:

WORKFORCE	2022	2021	2020	CHANGE 2022 *VS.* 2021
Sales & Marketing	1,700	1,629	1,546	4.36%
Support	1,583	1,596	1,562	(0.81%)
Information, litigation, debt collection	985	975	1,007	1.03%
Risk underwriting	453	338	333	34.02%
TOTAL	**4,721**	**4,538**	**4,448**	**4.03%**

In 2022, 1,700 employees were assigned to sales and marketing, 1,583 to support functions, 985 to information, litigation and debt collection, and 453 to risk underwriting.

The changes partly reflect a more detailed classification of the workforce, following the implementation of the new HR information system this year. For example, bonding, Single Risk and specialities were reclassified from "support" to "sales and marketing" (+122) and commercial underwriting from "support" to "underwriting".

Types of employment contract

The following indicators are presented this year for the total Group scope and no longer for a selection of countries as in previous years.

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

	2022	2021	2020	CHANGE 2022 *VS.* 2021
Northern Europe	97.7%	98.1%	97.9%	(0.4%)
Western Europe	98.2%	98.2%	98.6%	0.1%
Central Europe	95.7%	93.5%	93.5%	2.4%
Mediterranean & Africa	99.5%	98.6%	99.0%	1.0%
North America	100.0%	100.0%	100.0%	0.0%
Latin America	94.7%	96.2%	97.4%	(1.5%)
Asia-Pacific	98.3%	97.3%	98.4%	1.0%

For the Group as a whole, 97.6% of Coface employees work on permanent contracts.

Age ranges by country

Here too, the choice was made this year to present the age brackets for all regions and the Group. The breakdown by age for 2021 is provided for comparison purposes.

The high volume of recruitment from one year to the next significantly increases the proportion of employees by age group.

IN 2021

AGE RANGES	ASIA-PACIFIC	CENTRAL EUROPE	LATIN AMERICA	MEDITERRANEAN & AFRICA	NORTH AMERICA	NORTHERN EUROPE	WESTERN EUROPE	OVERALL TOTAL
< 30	18.34%	14.47%	21.22%	11.85%	9.90%	4.73%	10.42%	12.49%
30 to 40	41.39%	44.67%	39.05%	29.15%	18.32%	17.90%	29.93%	32.57%
40 to 50	25.95%	29.67%	30.02%	40.17%	30.69%	33.58%	29.83%	31.95%
> 50	14.32%	11.19%	9.71%	18.84%	41.09%	43.79%	29.83%	22.98%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Several countries, with an average age of more than 45 years, are very long-standing locations for Coface (Germany, USA), where the resignation rate remains historically low. This age structure is no longer the case in France, where the teams have been substantially renewed in the last five years, particular for Group functions.

6.3.2 A new worldwide HRIS: added value for Human Resources and employees

In 2022, Coface rolled out a project to implement an HR information system that covers all of its employees and external service providers.

The new system is a foundational database of administrative HR data (personal data, employment data) that can be used to:

- establish a complete view of Coface's workforce, updated on an ongoing basis;
- further secure sensitive data;
- better manage processes related to staff movements, such as access to Coface's information systems;
- give managers an overview of the key characteristics of the workforce.

The new system will enable Coface to develop other activities on this basis, in particular the HR cost budget process and the management of compensation campaigns.

6.3.3 Diversity, inclusion and equal opportunities

Coface's diversity and inclusion initiatives continued to grow in 2022. Coface is fully committed to creating a work atmosphere that respects the individualities and diversity of its teams. The Group is also duty bound to boost its attractiveness for external candidates and work to retain its employees potentially considering Coface work experience as less inclusive than at other companies.

Given the nature of its business, which operates across a global scope, Coface must remain a multicultural company, where the proportion of French people is largely a minority. To that end, employees must be provided with a work environment in which managerial practices and communication methods are inclusive and non-discriminatory and their creativity and the expression of their diversity are respected. This allows for collaborative and fruitful work between teams representing 80 nationalities and working in 58 countries.

Furthermore, with new regulations on gender diversity fast approaching, Coface is preparing for changes to requirements on the gender balance among managerial positions. To do so, it has initiated numerous actions plans together with indicators for monitoring progress.

Accordingly, diversity and inclusion are a key component of the Group Human Resources strategy, the aim being to provide a vision, objectives, strategic initiatives, and means of action, progress indicators and a clear communication framework for its employees and outside the company. This Group Human Resources strategy is shared each year with the entire Human Resources community around the world.

This strategy has taken the form of an internal policy on Diversity and Inclusion, formally drafted and presented to the Board of Directors in April 2022. The main areas of this policy are presented below.

a) Objective of the Diversity & Inclusion strategy

Coface's aim is to be recognised on the market for its diversified and inclusive culture.

Coface work environment must be seen as inclusive and the company as a place where employees can thrive and contribute their authenticity to their professional activities. Coface is committed to combating all forms of discrimination in the workplace, whether in the selection of candidates or in human resources practices throughout the careers of its employees.

To that end, Coface has introduced training and awareness-raising initiatives to encourage the transformation of the corporate culture towards greater openness to diversity in all its forms and towards inclusive and non-discriminatory managerial practices.

Regarding gender equality, Coface aims to achieve wage equality in the short term and gradually improve the share of women in Senior Management [(1)], including executive functions, to 40% before the 2030 deadline.

To achieve this objective, Coface has set three priorities:

- leverage external recruitment opportunities for Senior Manager positions to strengthen the pool of female talent;
- direct career management and succession plans in a determined manner towards the promotion of women in order to move rapidly towards gender equality at all levels of management;
- ensure strict respect for equal pay, through the oversight of specific indicators such as the gender index, an indicator made up of five metrics on equal pay and promotion, as well as the proportion of women in the Senior Management and in Senior Management succession plans. Coface also measures equal opportunities in performance assessment processes (comparison of the percentage of men and women by performance level) and the proportion of women in people assessed as high potential.

b) Organisation system implemented to ensure progress on initiatives

A Group Diversity and Inclusion Committee has been in place since 2021. The new committee meets monthly to make headway on the various projects in place. It is composed of the Group CSR Manager, Human Resources, Communications and certain key contributors.

(1) For Senior Managers (or the "Top 200"), Coface considers the professionals of the Regional Management Committees, all country heads, whether or not they are members of a regional management committee, the Group Executive Committee, Group Directors reporting directly to them or N-2 Managers responsible for a scope with a high overall impact and with a high degree of autonomy.

A network of seven Regional Diversity and Inclusion Champions, and a global champion, has also been rolled out to coordinate regional initiatives, share best practices and ensure coordination with the Group. These champions have met monthly since April 2022 to discuss their respective initiatives and nourish shared thinking. They are coordinated by the Group Human Resources Department.

I. Training and awareness of all forms of diversity

As in 2021, a Diversity and Inclusion Week was organised in 2022 for all employees around the world to raise awareness of the issue. Bringing together internal and external speakers, it took place from May 16 to 20, with conferences on gender equality, gender and sexual orientation, multiculturalism, disability and inter-generational collaboration. For the first time this year, four workshops were also organised on unconscious perception biases and inclusive behaviour, led by an expert company in the field. The objective is to make people aware that Coface fosters a work environment where everyone can thrive whatever their profile, where diversity is seen as a source of richness and key to achieving strategic objectives, and where everyone has a role to play in this area.

The campaign proved highly successful, with 2,500 connections over the week and over 1,000 participants attending awareness workshops. A subsequent survey showed that 82% of respondents found these workshops useful for understanding the influence of perception biases on their behaviour at work, while 77% said that they felt better equipped to help develop an inclusive culture at Coface.

Training plan

A training plan has been developed to firmly root this culture at the company and make further progress on the behaviour and actions that everyone can implement. The plan consists of an e-learning module targeting all employees on inclusive behaviour, along with training workshops for managers at all levels, starting with the Group's Executive Committee. A service provider has been selected and the training courses are being developed for roll-out in 2023.

A specific module for HR was introduced in mid-December based on inclusive language. The aim is to raise awareness of the consideration of the diversity of employee profiles and situations in HR policies and day-to-day actions, the importance of words used and their impact. The overarching objective is to empower the Human Resources teams in their contribution to the fight against discrimination at the company, particularly as regards gender and sexual orientation. All HR staff are requested to complete this training and update their local policies by taking into account the principles promoted in the course.

Multiculturality

Coface is a multicultural company with employees representing 80 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 in 2022 in the form of a webinar organised for Diversity and Inclusion Week in the second quarter.

Sexual orientation

Following the signing of the "Autre Cercle" charter at the end of 2020, Coface implemented several initiatives aimed at promoting an inclusive and non-discriminatory environment for LGBT+ people:

- organisation of an awareness-raising conference for Diversity and Inclusion Week in May 2021 and then in May 2022;
- Coface continued to promote the creation of internal networks of people interested in this theme, referred to as "employee resource groups". An initial LGBT+ network was created in Latin America at the end of 2021, following a conference organised for all employees in the region. This network pursued its remit in 2022.

People with disabilities

In 2022, Coface continued its action plan to raise manager and employee awareness of the inclusion of people with disabilities in the professional world. The following actions were implemented over the course of the year:

- in 2022, Coface organised two weeks dedicated to disability:
  - the first week was focused on parasports, featuring a conference on the subject. A newsletter was published on the subject and employee awareness was raised through a parabasketball session, attended by some 30 participants,
  - the second week turned the spotlight on the theme of "Culture and Disability", taking the form of a conference followed by a newsletter.

In addition to raising awareness, the Group has formed partnerships with the French Parasports Federation and AFP France Handicap, an organisation that works to defend and represent people with disabilities. Coface and AFP France Handicap organised the "Duo Days" event, inviting two people with disabilities to discover Coface's business lines. Around ten employees contributed to the initiative by informing the visitors about their professions.

Initiatives with external partnerships

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 through a sponsorship agreement. Under the agreement, Coface's head office in France provides the time and skills of two of its motivated employees seeking to work on assignments with a social impact. The two employees devote one day a week to the initiative. 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, a Coface employee, the Head of the Group Information offering, is part of the panel that selects candidates, and since 2022, Coface has financed a scholarship awarded to a student and provisioned for their five years of study.

Reverse mentoring

The Reverse Mentoring programme seeks to develop understanding among employees of different cultures, backgrounds and generations, the aim being to overcome the conscious or unconscious barriers and biases existing between these individuals in order to improve collaboration.

The programme was launched this year with a view to developing inclusion. Twenty-six employees took part, focusing on the themes of age, gender, sexual orientation and country of origin. Feedback is expected in 2023.

In addition to global initiatives, Coface also implements regional initiatives to address specific needs in terms of employee training and awareness. These initiatives include the organisation of sessions on creating greater empathy at work (Asia-Pacific); awareness-raising of disabilities and notably autism in the workplace (Latin America); the creation of "listening sessions" followed by debates on actions to be implemented (North America); and the publication of articles to raise awareness of the forms of multicultural and intergenerational diversity in our internal newsletters (Northern Europe and Mediterranean & Africa).

ii. Gender equality

The proportion of women and men is well balanced overall at Group level, with a little over 54% women in 2022. However, women accounted for just 41% of managerial positions and 33% of Executive Committee members. Women account for 34% of the top 200, in line with the target set for 2022 and at the same level as in 2021.

The table below shows the trend in the proportion of women overall and among managers in all regions since 2020:

		2022	2021	2020
Northern Europe	% women	50.5%	50.4%	52.3%
	% of managers	15.5%	17.6%	17.6%
	% women among managers	23.1%	18.5%	22.4%
Western Europe	% women	49.4%	48.3%	47.8%
	% of managers	22.9%	24.3%	24.5%
	% women among managers	37.1%	38.7%	35.7%
Central Europe	% women	61.5%	60.9%	61.3%
	% of managers	19.0%	19.6%	21.3%
	% women among managers	49.2%	47.8%	47.4%
Mediterranean & Africa	% women	56.7%	57.9%	57.1%
	% of managers	26.3%	22.4%	23.1%
	% women among managers	38.6%	39.2%	38.7%
North America	% women	41.5%	46.0%	46.0%
	% of managers	27.7%	31.2%	28.0%
	% women among managers	38.7%	39.7%	42.9%
Latin America	% women	56.6%	58.9%	56.2%
	% of managers	25.7%	26.0%	27.4%
	% women among managers	61.2%	60.0%	60.0%
Asia-Pacific	% women	53.7%	53.9%	51.8%
	% of managers	26.3%	25.1%	28.1%
	% women among managers	38.7%	39.3%	32.5%

6

A recruitment policy fostering gender equality

When recruiting for Senior Manager positions from outside the Group [(1)], the focus is systematically on identifying female candidates in the final selection. The external recruitment of female profiles nevertheless remains a challenge. In 2022, women accounted for just 38% of recruitments at this level (6 out of 16), compared with 71% in 2021 (10 out of 14).

Internally, and among Senior Managers, the proportion of women in internal promotions increased slightly, from 32% in 2021 to 39% in 2022, *i.e.* 11 of the 28 internal promotions (or increased responsibilities). 45% took a Senior Management position for the first time, but this proportion remains insufficient.

The situation underscores the need to continue focusing on the recruitment of women leaders and, in the short term, to strengthen the pool of female talent in middle manager positions.

(1) For Senior Managers (or the "Top 200"), Coface considers the professionals of the Regional Management Committees, all country heads, whether or not they are members of a regional management committee, the Group Executive Committee, Group Directors reporting directly to them or N-2 Managers responsible for a scope with a high overall impact and with a high degree of autonomy.

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

Coface index, also known as the Global Gender Index, has been included as a criterion in the variable compensation of all the Group's Senior Managers. It consists of two KPIs: the gender index group and the criteria on the proportion of women in Senior Management positions, as detailed below.

Firstly, similar to the gender equality index, Coface in 2020 decided to calculate an enhanced and extended index for all Group entities.

This Global Gender Index, the calculation of which was overhauled in mid-2022, measures:

- equal pay for men and women -40 points;
- equal pay increase decisions -20 points;
- equal promotion decisions -15 points;
- the percentage of women among Senior Managers (top 200) -15 points;
- the percentage of women among the 10 highest-paid employees -10 points.

The Group index, then, is calculated on the basis of four criteria from the French index plus an additional measure on equal career development (criterion 4). The index results from the consolidation of each regional index (for details of the scope and calculation, see Section 6.6 "Guidelines and methodology"). Progress thresholds are determined annually for each region. This central oversight ensures that professional equality objectives are met internationally. 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.

For the first criterion, 20 countries are taken into account in the analysis (countries with more than 50 employees). They account for 80% of the Group's workforce. The rest of the criteria take into account the entire Group. This difference in calculation can be attributed to the relevance of the samples from a statistical viewpoint.

Secondly, the criterion for the representation of women in Senior Management was also included in the Global Gender Index, with a quantified annual growth target, in the deferred variable compensation of Senior Managers eligible for this variable plan. At end-2022, 34% of the women at Coface had reached this level, stable on 2021.

To meet its objective to have women account for 40% of Senior managers by 2030, Coface must ensure that it has sufficient women in succession plans for these positions. The increase in the presence of women in these **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 internal options exist when positions become available:**

	JULY 2022	JULY 2021
% of single female successors (short term)	**29%**	**36%**
% of single female successors (long term)	**38%**	**40%**

- **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 grow significantly, reaching 46% in July 2022 compared with 40% a year earlier (and 29% in July 2020).

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**, explained 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 2021 and their occupational status in July 2022, 65% of women have taken up a new position in the last two years, compared with just 45% of men.

Equal pay for men and women

For the new year, Coface decided to renew the calculation of its gender equality index rolled out throughout the Group. With the introduction of this index, head office is able to ensure that professional equality objectives are met around the world. Since the index was implemented in 2020, rapid progress has been made in terms of equal opportunities. This index has thus proven its effectiveness.

For the third year of calculation, Coface further improved its score in 2022, to 88/100. This was 4 points higher than in 2021, following a 3-point increase between 2020 and 2021.

In detail and by region, criterion number 1, aimed at controlling equal pay for men and women, decreased slightly in some regions. This was mainly due to new hires and regional reorganisations, as well as regional focuses on other forms of discrimination. Coface's score thus trended from 34/40 in 2021 to 33/40 in 2022, underscoring the need to continue its efforts in this area.

Decisions to increase compensation are now equal, with all but one region having obtained a maximum score on this criterion. Decisions to increase compensation are verified by the Group, which ensures that the increases, before they are applied, concern women as much (or more) than men and that the average increase in women is equal to or greater than that of men. The same is true of promotion decisions, which once again this year were egalitarian, with all regions having obtained a maximum score on this criterion.

Performance on the criterion on the share of women in the highest-paid positions increased or remained stable in six regions out of seven. The Group index has thus made progress on this criterion.

Coface plans to change the way it calculates the Global Gender Index in 2023 to incorporate and additional focus on including more women in succession plans. While the calculation method remains the same, the weight of each indicator will be reviewed in order to guide actions in areas with the greatest room for improvement, namely supporting career management and female mobility.

In addition to the criteria used in the Global Gender Index, Coface also checks that the bonus achievement percentages of men and women are assessed in a non-biased manner. To that end, Human Resources establishes bonus averages by category and gender to ensure that men are not favoured over women, consciously or otherwise.

Measuring the impact of all D&I actions internally

Coface has since 2017 been able to accurately measure progress on this initiative through its "My Voice" then "My Voice Pulse" survey. The Group can monitor the overall score in terms of "The perception of working in a company where diversity is valued, where HR culture and practices are inclusive, and where discrimination is not present." Below are the responses to the November 2022 survey, the scores of which increased in the past year, and more than the benchmark of comparable financial companies. The only exception is the non-discrimination score, which is good and improved but fell slightly below the benchmark, at 8.5 vs. 8.6.

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

6.3.4 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 boosting the awareness and attractiveness of the Group and notably by ensuring the representation of women (Senior Management recruitments approved by the Group);
- filling key positions internally with the best profiles, ensuring that women are well represented (internal promotions to Senior Management positions also approved by the Group);
- identifying the best talent [(1)] 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 mobility 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) as well as remote assignments: Coface is open to offering employees the opportunity to work from their country of origin for an entity established in another country. This meets the company's need to expand the pool of potential talent to fill positions internally and the need of employees to benefit from more options to grow professionally, in line with changes in practices on the labour market. However, this is being implemented on a small scale and under strong control of Group HR. The latter has determined specific rules and processes for approving these projects, taking into account operational criteria related to the position and the person, but also subject to compliance with labour law, tax and immigration rules, and consideration of the impact in terms of the costs and workload required to manage these situations;
- 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 (a talent programme for the Risk Underwriting function, the MAR region; Group Mentoring to Lead programme, the global deployment of which continued for the second 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);

(1) *"Best talent" here means high-potential individuals, employees with critical expertise for Coface's success and adaptable professionals able to take on international responsibilities.*

- 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 2022:

Employer brand

Coface has clarified the main advantages of its employer brand in order to enable all the entities to communicate in a more impactful and consistent manner around the world. The objective is to improve recruitment by developing the company's reputation on the job market and boosting its appeal to professionals unfamiliar with the credit insurance world but likely to bring new skills to the profession and to find an environment in which to flourish. Internally, it also helps to rally the teams around shared sources of pride.

The advantages of the employer brand were identified by an in-depth analysis conducted in the last few years. This analysis involved some 100 players on the ground (employees and managers from various regions, business lines, seniority), whose proposals were approved first by the HR and Communication networks and then by the Group Executive Committee.

These strengths are structured into four main areas:

- Coface's contribution to the development of companies around the world, in a sustainable manner;
- the strong connection with global trends, whether economic, geopolitical or societal;
- the human dimension of the company, through its size and values; and
- Coface's ability to reinvent and modernise, leaving room for the ideas and contributions of all employees.

This work resulted in the provision of recruitment and communication tools – to which Coface employees proactively contributed – to all entities in March 2022. These tools are enhanced with visuals, *i.e.* a series of photographs taken at Coface's premises on three continents feed these tools with visuals. Video testimonials by Coface employees were also produced for the social networks. These films showcase innovation capacities, international career paths, collaboration within the teams, and the focus on clients. The Careers page on Coface website has also been updated. It now places particular emphasis on in-house testimonies from employees at all levels, from the most junior staff to the Executive Committee. In total, over 80 employees appeared in these videos.

The overarching aim is to portray the truth of Coface, *i.e.* a company with a human face whose teams work in close proximity and with a strong spirit of mutual assistance.

Group onboarding programme

The IntoCoface programme has been successfully developed and implemented since 2020 and was enhanced in 2022 by:

- registration for the standard course of the "fundamental" modules of the Underwriting Academy (see below);
- regional onboarding webinars bringing together the company's leaders and other spokespersons on flagship initiatives and new hires. Their content was designed to overview Coface's business, strategy and culture through a client case and concrete examples. These webinars also aim to develop a sense of belonging to a global organisation by creating direct contact with counterparts in other countries and functions and by making the company's leaders accessible;
- short videos that can be viewed autonomously on the Onboarding page of the company's e-learning platform (CLIC). These concise videos sum up Coface's 360° vision systematically from the standpoint of business, products and culture. They also make effective use of testimonials, which forge greater closeness, and educational events.

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.

In 2022, the basic journey covering underwriting fundamentals and addressing the broadest audience possible was translated to make it more accessible. It is now offered in 10 languages, enabling all employees to understand how underwriting contributes to Coface value chain and enhance their collaboration with these business lines.

After the peaks linked to the launch in 2021, the content of the Underwriting Academy continues to be widely used in the organisation. In 2022, page visits totalled 21,000 (for a total of more than 63,000 since launch) and course registrations 11,000. In all, 1,940 employees have signed up for the Academy since its launch.

For new hires, the increased visibility of the Underwriting Academy in their integration journey is reflected in the attendance of learners. In 2022, 154 new hires consulted the "fundamentals" targeting them and 36% of them followed the course in its entirety (ten modules) compared with 110 in 2021, with a full completion rate of 7%.

Commercial Academy

The roll-out of the soft-skills training programme, developed in partnership with Krauthammer, initiated in September 2019 and aimed at developing the skills of sales teams around the world, moved ahead as planned in 2022. A total of 311 participants were trained, bringing the number of beneficiaries of the programme since inception to 774, in 6 regions and 34 countries, representing both the credit insurance teams and the information sales teams.

The Commercial Academy continues to meet the expectations of the sales teams, with satisfaction maintained at 4.2/5 on average.

The programme has been adapted since 2021 to be delivered either in person or remotely and includes specific remote sales and leadership modules. It now consists of ten different career paths, including that of the "Fundamentals", which stands as the necessary entry point to ensure that all the teams are properly aligned. The training offer was supplemented in 2022 with two new modules: "Management of Key Client Accounts" and "Advanced Negotiation". A learner certification process has been established and is gradually being implemented for participants in the "Fundamentals". To be certified, the beneficiaries must attend the course assiduously and score 80% on a quiz sent to them after the course via the CLIC e-learning platform to test their skills. It is planned to extend this certification process to all courses in 2023.

After three years of implementation, the processes will be streamlined in 2023 to make them more legible and efficient, while the range of skills developed will be expanded. Two new modules will be created: "Sell via brokers" and "Sell via partners".

In addition to the soft-skills programme, the product and process knowledge development training offer was overhauled in 2022 to update content and identify pathways to meet the 15-hour annual individual training requirements of the Insurance Distribution Directive (IDA). The latter has been integrated into the Commercial Academy and the entire catalogue is accessible via a single portal on CLIC.

Modules on the new Coface Premium Services offer to Account Managers responsible for selling them were rolled out in 2022 in the form of webinars in three pilot countries, Germany, France and Italy. Workshops were also held with the back office teams to help them take ownership of the implementation procedures. These training courses will be translated into e-learning modules and made available on CLIC in 2023 to the other countries that will roll out this offer. A basic module on the main principles of Coface Premium Services will also be introduced for all the sales teams to provide them with an overview of the offer.

HR Academy

To align the 140 professionals of the HR community on key initiatives and processes for the function, and to help each member develop the skills necessary to their current position or future career development, a digital training programme has been initiated. The vision, major themes and specific topics of the programme were developed by a project team and approved by a steering committee involving around 15 key players representing the regions and the Group. Thirteen modules have been published thus far. Most of the modules will be developed and rolled out in 2023 to cover all HR aspects and target the major subjects to be addressed. These pages have already received over 800 visits and 173 course registrations have been made by 62 unique learners since the launch.

CSR awareness-raising

As detailed in Section 6.5 "Driving the culture", a mandatory e-learning module has been launched in eight languages to raise employee awareness of CSR issues.

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 third year, with:

- 71 participants, 58% of them women, to help expand the pool of future female leaders;
- from six regions and representing 28 countries and 35 nationalities; and
- from all staff levels, including Senior Managers.

Of particular note this year were the increase in the number of mentee-mentor duos from different regions and the internal occupational mobility triggered as a direct consequence of the programme. At WER and head office, one-third of programme participants have already benefited from a functional or geographic transfer or have concrete plans to do so in the short term.

The continuation of systematic training at the beginning of the programme, the setting of clear objectives, the provision of a mentoring guide and the follow-up carried out by the HR teams contribute to the success of the programme, with feedback from participants, mentees and mentors alike remaining excellent.

360° feedback

Coface introduced a 360° feedback tool in 2022 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. The list of skills was determined with senior managers and HR leaders from the regions and the Group and approved by the Executive Committee. Following a pilot exercise in January with 12 participants from various backgrounds, the tool was made available across the entire Group. In total, 53 employees from 26 countries received 360° feedback in 2022.

Onboarding and training new employees recruited for the information sales business

In 2022, nearly 160 new employees joined Coface to work on the information sales business. This substantial recruitment effort was accompanied by a series of actions to rapidly integrate the new hires and ensure that they take up their positions under good conditions. It was also important to support employees assigned to credit insurance, Coface's traditional business. The aim here was to ensure that they were familiar with these new information products and that the new business line and the new teams do not generate any misunderstanding and anxiety among existing Coface teams.

In the first quarter, webinar sessions were organised for information teams to train them in traditional credit insurance products and business lines. At the same time, the credit insurance teams attended similar sessions on information sales products and business lines. A total of 925 employees were trained in first-quarter 2022 and 600 in fourth-quarter 2022.

A plan for onboarding new arrivals has been put in place featuring training, small-scale workshops, and coffee talks with the information teams at head office.

The Group has also introduced a process including systematic onboarding checklists for managers recruiting new employees. Onboarding has also been enhanced through feedback from the My Voice Pulse surveys.

My Voice Pulse

Coface has decided to renew its engagement surveys. In 2021, it set up a tool, renewed in 2022, to focus not just on *motivation* but on the *employee experience*. Coface also gave each manager with more than six direct employees access to the answers of their team to help them dialogue and accurately address avenues for improvement in the employee experience. The Group has decided to carry out this survey three times a year instead of once every 18 months. This will help all those involved to closely oversee their results and serve to measure the impact of improvement actions implemented by managers.

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

The results of the Q4 2022 survey showed that engagement was globally consistent with the benchmark with an average 7.6/10. The main conclusions point to the following:

- progress on all indicators measuring motivational drivers;
- confidence in the strategy, recognition of a healthy and non-discriminatory work environment;
- strong appreciation of company values, perceived as part of the daily life and the "employee experience", as well as recognition of the management of the company's transformation;
- pressure on wages and workload;
- perception of distance in daily working relationships owing to the growing remoteness of the office.

A significant year-on-year increase in engagement for all the regions, with room for improvement to meet the benchmarks of comparable financial companies.

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 attract, motivate and retain the best talent through a balanced approach to total compensation, 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. It incorporates collective financial and non-financial objectives. In 2022, the objectives of the Group's Senior Managers included client satisfaction and employee engagement, as well as a gender equality target assessed through an increase in the Global Gender Index and the proportion of women in Senior Management and succession plans;
- **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. This survey was administered in 18 main countries in 2022;
- **retain talent**. Each year, the Group awards free performance shares to an identified regulated population in the context of the Solvency II Directive (Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom a portion of variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. The vesting period for this scheme is set at three years;
- **comply with the regulations in force and guarantee internal fairness and professional equality, particularly between women and men.** As part of its annual review, the Compensation Department ensures that the distribution of budgets for pay rises notably respects gender equality. In France, the Human Resources Department carried out substantive work aimed at correcting these inequalities. These efforts were reflected in Coface's good result in the occupational equality index implemented in connection with equal pay legislation. With a score of 90 out of 100 for 2022, Coface is now above the legal obligation set at 75 points. Drawing on this experience, Coface has decided to go further by adapting the France index to the entire Group. The Group achieved an excellent result of 88 points out of 100 in 2022, up 4 points compared with 2021. The Group has set an objective of continuous improvement in this area;

- **be consistent with the Group's objectives and support its development strategy in 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. 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 limiting the costs involved in international transfer packages. 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 2022: **95 *vs.* 86 in 2021** (and 76 in 2020):
    - women are highly represented: 46% (38% in 2021),
    - cultural diversity remains very strong: 28 nationalities in total.
  - number of new employees on international transfers in 2022: **21 *vs.* 26 in 2021:**
    - the share of inter-regional occupational mobility remains substantial: at 71%, compared with 81% in 2021,
    - that of women too, and the share is increasing: at 62%, compared with 46% in 2021,
    - non-French people continue to represent the majority: 62%, compared with 73% in 2021 – In total, 10 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 2022:** out of 44 new appointments, a large majority came from internal staff (64% vs. 36% from external recruitments);
- offering internal development opportunities at these job levels remains a priority for Coface. At the same time, it is consciously choosing to seek new skills externally, for example to accelerate the development of information sales;
- **turnover of employees identified as "high potential"** [(1)]**:** Every high-potential employee leaving the company is a regrettable loss, even if the number is limited.

High potentials are approved each year at the end of June following the 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. In this respect, 8.3% of the high potentials identified at the end of June 2021 resigned one year later. For the high potentials identified in June 2022, the forecast trend for end-June 2023 is just over 10.4%. This increase in resignations reflects today's labour market tensions and the search for advantageous wage offers in a context of high inflation.

Employee perception of career development at the company was measured by the latest My Voice Pulse survey. Answering the survey questions, Coface employees see it as a learning company where they can develop their career and skills. The overall score for this question is 7.6/10, an increase of 0.2 compared with the previous year.

(1) Definition of "high potential": (i) Senior Manager with the ability to join the Group Executive Committee (regardless of the time scale); (ii) For other levels: employee with the ability to become a Senior Manager (regardless of the time scale).

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.

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 car policy in 2020 applying to all entities, the main objectives being uniform and consistent practices and a reduction in the carbon impact of its car 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.

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

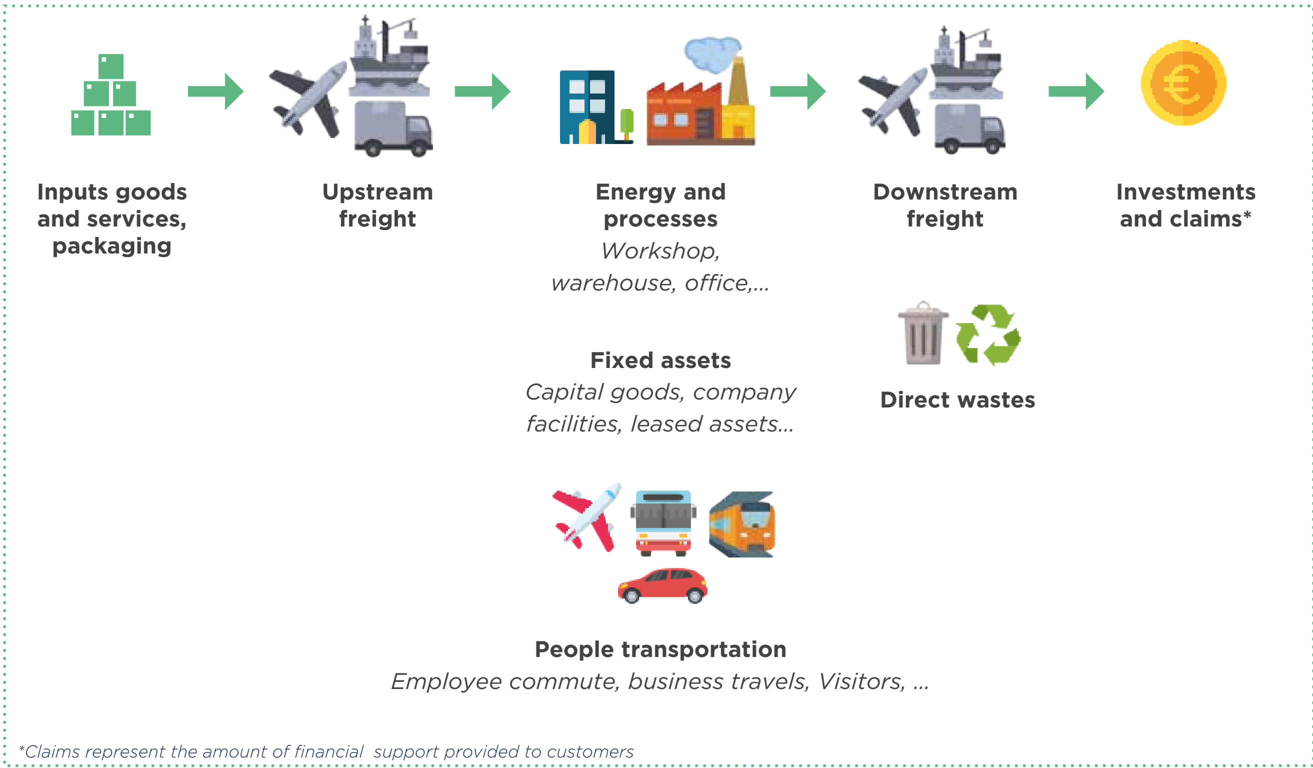
a) Carbon assessment approach

In 2022, Coface carried out a global carbon 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, claims, etc.).



Coface's carbon assessment takes into account all three scopes and 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 capital goods (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. As such, the investments and claims paid to clients were considered when calculating the indirect greenhouse gases generated by the use of Coface products.

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

A methodology developed by Carbone4 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 entire group based on their contribution to 2019 revenue.

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. A carbon assessment will thus be carried out in 2026 relative to 2025 to determine whether or not the commitments are met.

Consequently, an emissions reduction plan has been developed in collaboration with Coface's various departments.

The plan is naturally structured around the three categories: investments, claims and operations.

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

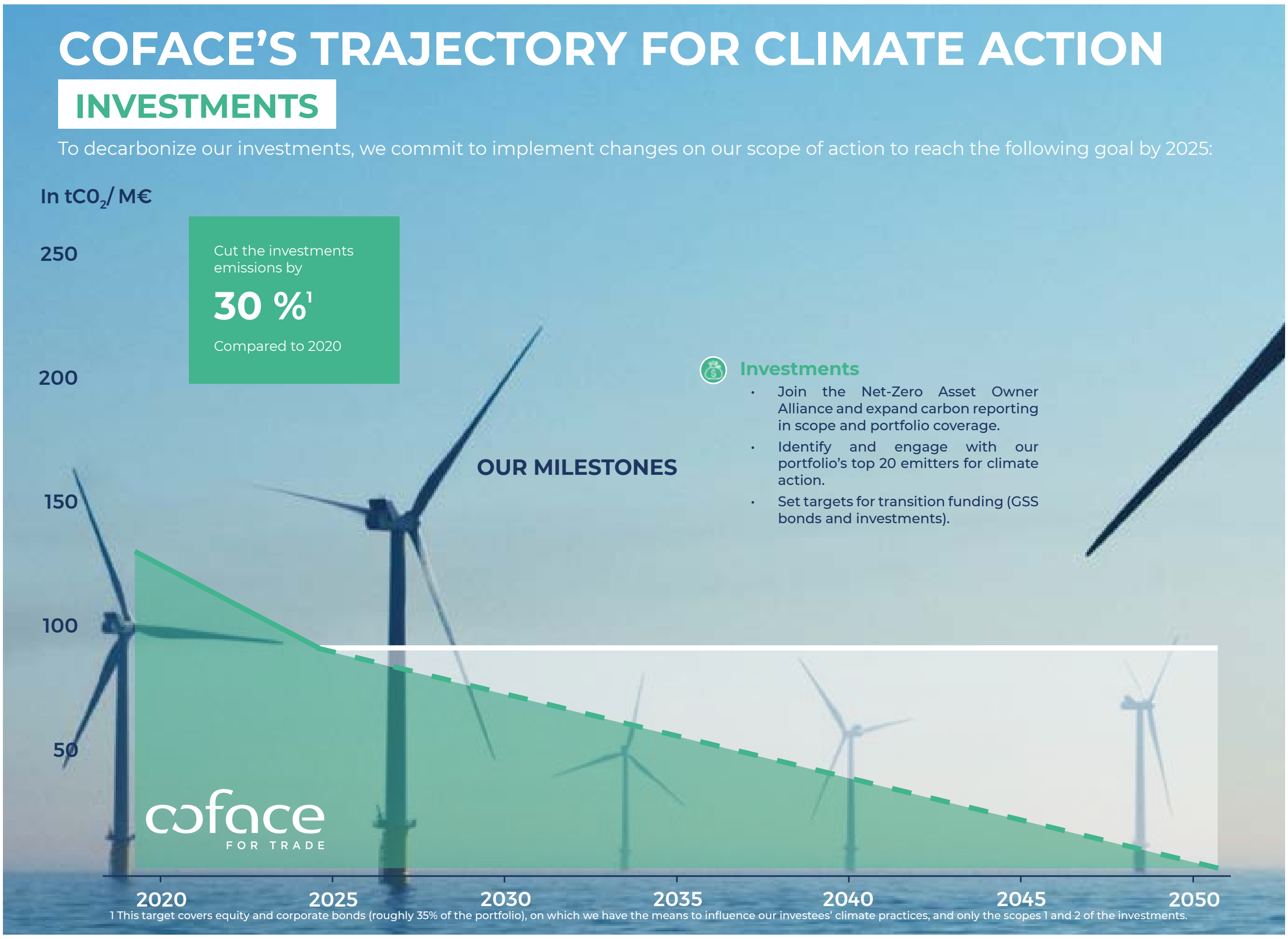
1/ Investments

In terms of investments, as mentioned in Section 6.2.3, Coface has committed to joining the Net Zero Asset Owner Alliance (NZAOA) in 2023 and to decarbonising its investment portfolio to ensure net-zero emissions by 2050 with the other members of the alliance.

Initially, Coface has set itself a target of reducing its Scope 1 and 2 GHG emissions related to investments, corporate equities and bonds, by 30% between now and 2025 (based on 2020), in line with the NZAOA 2025 trajectory (-22%; -32%). To achieve its objective, Coface will continue to engage the 20 largest carbon emitters in its portfolio on ESG and also Climate aspects.

In a second step, Coface will endeavor to set intermediate objectives, starting with that of 2030 (NZAOA 2040 range: -40%; -60%), with a view to achieving carbon neutrality for its investment portfolio by 2050.

The curve below shows portfolio decarbonisation forecasts for 2050.



The white curve represents an estimate of the evolution of the carbon emissions of the investment portfolio in the absence of a new decarbonization objective after 2025. This projection only starts from 2025 because Coface has already made a commitment to decarbonization by 2025. The lack of increase in the carbon footprint (expressed in t CO2 equivalent per M€ invested) is mainly explained by:

• continued pressure from institutional investors with respect to issuers through the commitment pillar,

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

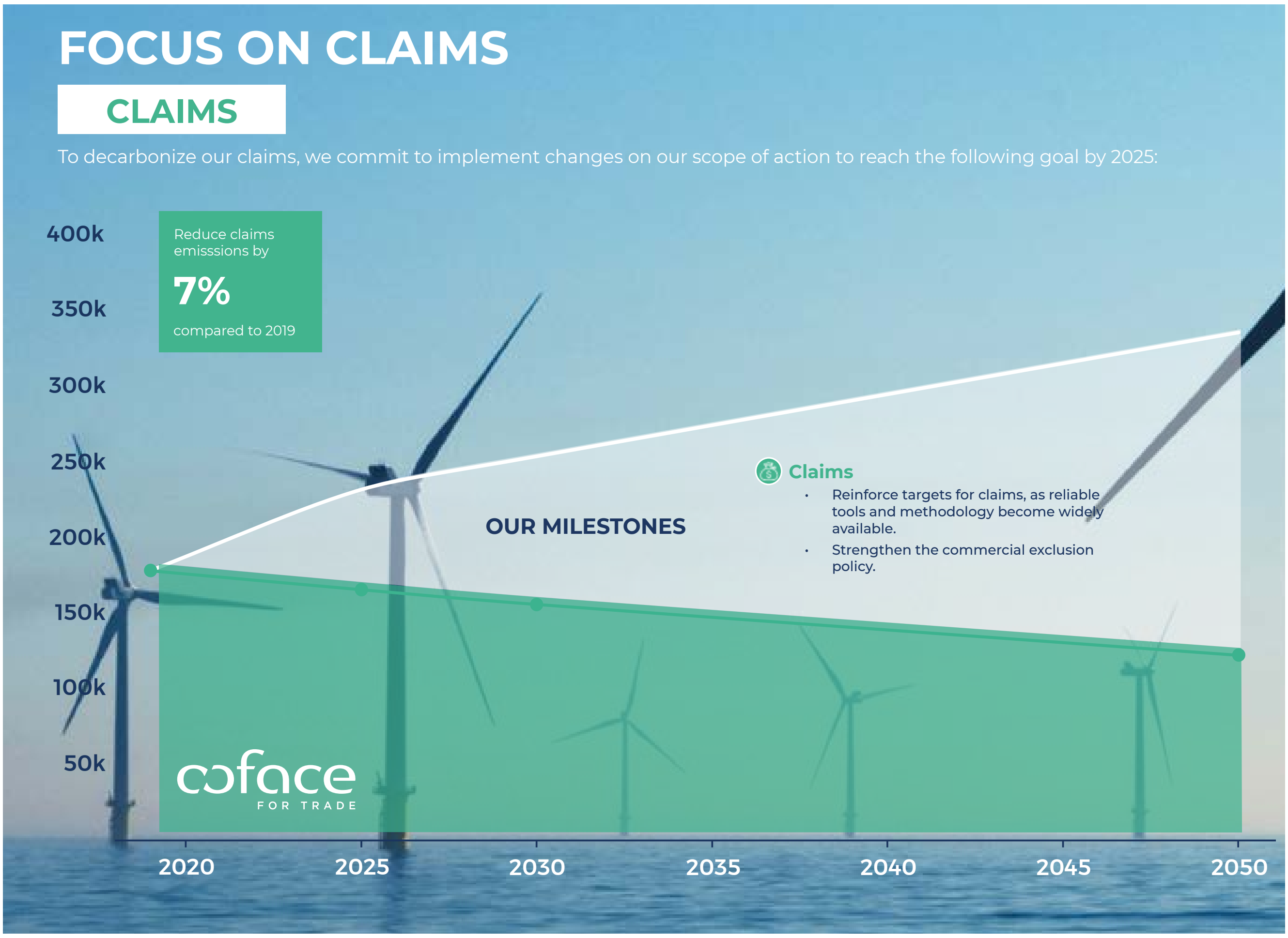
These two factors would make it possible to balance the potential growth of the portfolio covered (real estate, infrastructure).

The green curve represents Coface's commitment by 2025, then the green dotted line shows the way to go until 2050, to ensure net zero emissions in 2050.

2/ Claims

Coface is committed to reducing claims-related emissions by 7% between 2019 and 2025. This reduction is based on a dual strategy:

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



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

3/ Operations

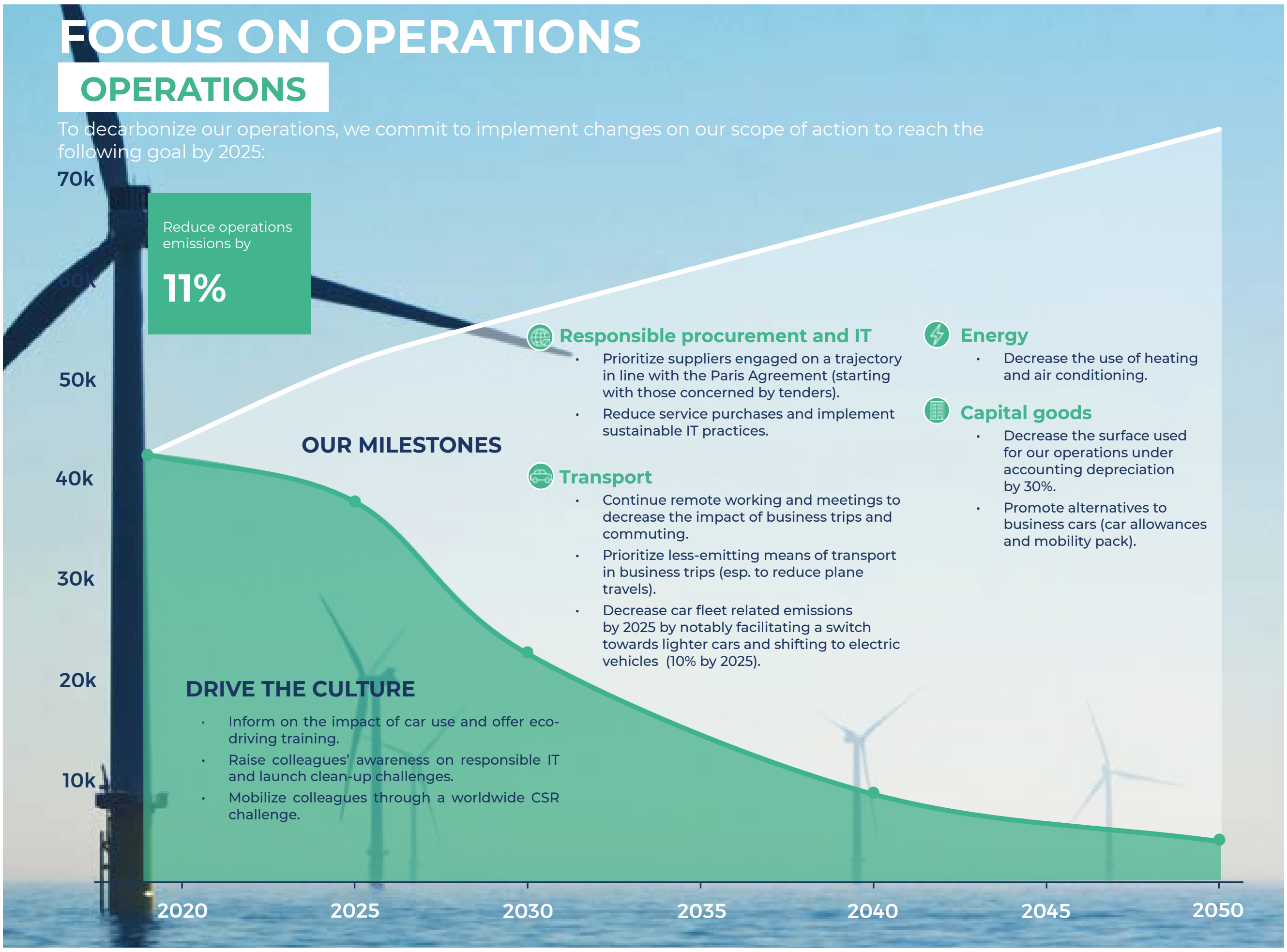
The carbon footprint of all Coface's operations in 2019 amounted to 42,762 tCO_2eq, or 9.6 tCO_2eq per employee. This carbon assessment forms the basis of the plan to reduce operations developed in close collaboration with Coface's various departments. In 2022, emission reduction workshops were organised at the Group level with the IT, Human Resources, Management Facilities and Procurement 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.

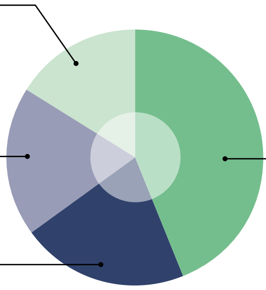
Coface's objectives for 2025 are based on the estimated and quantified impact of all the drivers used in the emission reduction action plan for the coming years.

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.

In the coming years, Coface will need 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, rather than the amount spent on Outlook licences) with much lower uncertainty rates. This will serve to enrich the action plan with finer data and provide a greater number of quantitative objectives.



The GHGs generated by Coface's operations are divided into four categories: purchases, transport, energy and capital goods. 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

i. Responsible purchasing

Purchases represent the largest category of the GHG emissions generated by Coface operations. To reduce the impact of purchases, Coface plans to engage all of its suppliers and service providers and favour those committed to a trajectory compatible with the Paris Agreement. It notably takes ESG criteria into account in calls for tenders and obtains exact figures from existing suppliers on their carbon assessment.

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).

Coface also aims to reduce printing by 30% between 2019 and 2025 to limit the use of all the resources (amount of paper reams and ink) necessary for printing.

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.).

TYPE OF TRAVEL	METRIC TONNES CO_2 EQUIV. FOR THE 2022 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES CO_2 EQUIV. FOR THE 2021 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES CO_2 EQUIV. FOR THE 2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES
Aeroplane	470	134	151
Train	48	9	15

	2022		2021		2020		2019	
(Metric tonnes CO_2 equiv.)	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE	TRAIN	AEROPLANE
France	2	213	0.4	64	1	67	3	394
Germany	7	22	0	10	0	10	0	37
Italy	2	45	3	13	2	5	2	119
Spain	6	25	0.5	17	2	15	11	68
United Kingdom	29	9	4	1	6	3	0	20
Poland	0.4	17	0.8	0.6	3	2	10	37
Morocco	0	10	N/A (1)	N/A (1)	N/A (1)	N/A (1)		
Netherlands	1	1	N/A (1)	0.4	N/A (1)	2		
Netherlands	0	10	0.1	6	N/A (1)	7		
Romania	0.1	48	0.2	4	N/A (1)	5		
United States	1	70	0.5	17	N/A (1)	35		

(1) No journeys in that year.

In Germany, CO_2 emissions from train travel were previously quantified as 0 because they were 100% offset. For 2022 data, the ADEME train-travel emission factor in Germany is used in order to align with the carbon assessment methodology used to calculate Coface's overall carbon footprint.

Train-travel emission factors in Poland and Romania have also been adjusted to best reflect their geographical scope (Europe rather than World as applied the previous year) and align with the carbon assessment methodology.

Although air and rail travel increased in all countries in the reporting scope following the lifting of pandemic restrictions, efforts to reduce non-essential business travel and the practice of remote working were reflected in 2022. Indeed, when comparing GHG emissions for the six countries already in the reporting scope in 2019, it can be seen that between 2019 and 2022, emissions related to train travel have increased by 78% (mainly due to the methodological change for Germany's emissions factor and a significant number of train journeys for the UK in 2022) and those related to air travel have decreased by 51%, *i.e.* an average of -46% of the total emissions related to train/plane travel between 2019 and 2022.

Coface is pursuing and stepping up its efforts to reduce business travel by reviewing the travel policy and reducing all business trips by 40% (compared with 2019) by promoting remote meetings. The objective is also to further strengthen the use of trains rather than planes wherever possible.

Vehicle policy

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

Coface contributes to the reduction of greenhouse gas emissions notably through its car policy, whereby the most polluting vehicles in its fleet are replaced by petrol, hybrid and all-electric vehicles.

These changes to Coface car fleet resulted in 2022 in an increase in petrol consumption (or electricity consumption for countries with plug-in hybrid or all-electric cars).

/ TABLE OF FUEL CONSUMPTION SINCE 2019

FUEL: DIESEL AND FOUR-STAR PREMIUM FUEL	2022 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	2021 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UK AND POLAND
Litres	654,088	521,631	538,505	716,527
Metric tonnes CO_2 equiv.	1,743	1,387	1,437	1,847

	2022			2021			2020	2019	2019 VS. 2022
(Fuel (diesel and four-star premium fuel) in litres)	DIESEL	PREMIUM	TOTAL	DIESEL	PREMIUM	TOTAL	TOTAL	TOTAL	
France	109,640*	56,922*	**165,295**	117,924	19,450	**137,374**	115,197	166,930	0%
Germany	168,201	51,070	**219,271**	138,416	16,805	**155,221**	201,394	322,688	(32%)
Italy	77,715	8,397	**86,112**	61,959	5136	**67,094**	48,865	96,243	(11%)
Spain	3,616	3,016	**6,632**	2,994	2,118	**5,112**	4,263	12,784	(48%)
United Kingdom	1,385	3,536	**4,921**	1,573	1,873	**3,446**	2,584	9,983	(51%)
Poland	2,328	70,209	**72,537**	6,145	55,142	**61,287**	61,098	100,277	(28%)
Morocco	10,085	1,998	**12,083**	14,010	N/A	**14,010**	10,755		
Netherlands	0	29,487	**29,487**	1,795	29,977	**31,772**	49,929		
Austria	13,362	9,246	**22,608**	10,665	5,509	**16,174**	25,979		
Romania	5,536	28,339	**33,875**	7,236	22,905	**30,141**	18,442		
United States	N/A (1)	N/A (1)	**N/A (1)**	N/A (1)	N/A (1)	**N/A (1)**	N/A (1)		

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

Fuel consumption has increased in most countries since 2021 with the lifting of pandemic restrictions. This is a result of the resumption of visits by clients and other stakeholders, as well as the return of employees to the office.

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

- the maintenance of remote working 2 to 3 days per week and 4 weeks/year of 100% remote working, enabling the closure of offices and the elimination of commutes during this period;
- the electrification of 10% of the vehicle fleet by 2025. In France, for example, the new catalogue will include electric vehicles for each category of beneficiaries and gradually exclude the heaviest internal-combustion models. Six electric charging stations have been installed at the Bois-Colombes site to meet new charging requirements;

- reducing the number of cars in Coface fleet by offering alternatives to employees (more attractive car allowances). Each new beneficiary of a company car will be made aware of the social and environmental issues related to the car, and the new catalogue will include a decision tree encouraging the employee to question their real need and refer them to light and electric models;
- the gradual training of all employees with a company car on eco-driving, to help them drive more economically and also more safely;
- 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.

The catalogue will also be reviewed regularly to adapt to the market and provide an increasingly optimised choice in terms of environmental impact.

Average CO_2 emissions for the entire vehicle fleet in France stood at 128 g/km in 2022 (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.

Diesel is reserved exclusively for employees with extensive mileage (over 20,000 km a year).

Commuting

The emissions related to the commuting of Coface employees fall within the scope of Coface's carbon assessment. The main aim of the plan to reduce these emissions is to raise employee awareness of the social and environmental impacts of the use of individual vehicles. In 2019, 10% of employees commuted by car, accounting for 91% of the GHG emissions generated by commuting. The commuting reduction plan thus aims to maintain remote working in order to limit commutes and switch from individual vehicles to public transport.

Coface will launch a CSR challenge in September 2023 to raise employee awareness and foster the use of less polluting modes of transport for commutes.

Mindful that some employees do not have easy access to public transport, and based on the recommendations of employees in the workshops, Coface's head office in Bois-Colombes plans to adjust its infrastructure to enable employees to charge their individual electric vehicles on site. Additional charging stations will be installed and made available to employees. If this measure proves effective, it may be implemented at other sites.

The CSR Department plans to set guidelines for the various countries to ensure that when offices move, the new location is strategically positioned with regard to public transport access.

Lastly, as explained above, Coface will fully close all its offices four weeks a year.

iii. Energy

Consumption indicator

The Group's energy consumption concerns lighting, air conditioning and heating of the premises. Since 2021, this indicator has also included the consumption of electric and hybrid vehicles when the data is traced.

/ REPORTED ENERGY CONSUMPTION SINCE 2019 FOR THE REPORTING SCOPE

	2022 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		2021 REPORTING SCOPE 1 FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, POLAND AND THE UNITED KINGDOM	
	CONSUMPTION	CO_2 EQUIV.	CONSUMPTION	CO_2 EQUIV.	CONSUMPTION	CO_2 EQUIV.	CONSUMPTION	CO_2 EQUIV.
Electricity	4,792 MWh	1,469 tCO_2eq	4,766 MWh	711 tCO_2eq	4,690 MWh	694 tCO_2eq	5,007 MWh	573 tCO_2eq
Gas	1,273 MWh	272 tCO_2eq	1,101 MWh	236 tCO_2eq	1,038 MWh	233 tCO_2eq	963 MWh	214 tCO_2eq
Surface area	64,896 m^2		64,896 m^2		65,123 m^2		34,776 m^2	

In Germany, CO_2 emissions generated by electricity consumption were previously quantified as zero because Coface Germany chose an energy contract based entirely on renewable energy sources. Since 2022, the ADEME emission factor for the German electric mix has been used, the aim being to align with the carbon assessment methodology used to calculate the entire Coface carbon footprint. This methodological change, applied to one of Coface's largest sites, with fairly carbon-intensive electricity, artificially increases total emissions related to electricity without significantly increasing overall consumption compared with 2021.

	2022		2021		2020		2019		2022 *VS.* 2019 % CHANGE	
(Consumption MWh)	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS
France	1,703	303	1,599	245	1,507	165	1,836	205	(7%)	48%
Germany	1,727	N/A	1,714	N/A	1,673	N/A	1,960	N/A	(12%)	N/A
Italy	280	543	288	551	286	594	427	588	(34%)	(8%)
Spain	213	N/A	295*	N/A	317	N/A	469	N/A	(37%)	N/A
United Kingdom	174*	150	186*	150	179	171	210	170	(11%)	(11%)
Poland	88*	N/A	107*	N/A	123	N/A	104	N/A	(16%)	N/A
Morocco	65	N/A	81	N/A	68	N/A				
Netherlands	157*	N/A	203*	N/A	192	N/A				
Austria	78	N/A	72	N/A	93	N/A				
Romania	214*	263*	110	138	91	93				
United States	92*	14	110	17	159	17				

* *Value containing estimates.*

Although COVID-related restrictions were lifted in 2022, the Group's electricity consumption was fairly similar to 2021, thanks in particular to the continuation of remote working.

Total gas consumption is increasing, mainly due to:

- Romania, whose premises function using gas, where employees have returned to the office in significant numbers compared with 2021;
- France, where consumption rose owing to a breakdown of solar panels on the roof of the head office. These solar panels had been used to replace the boiler for a few months of the year. The manager of the Bois-Colombes building is currently repairing the solar panels, due to be completed in February 2023;

between 2019 and 2025, Coface aims to reduce its GHG emissions generated by energy consumption, primarily through:

- a 30% reduction in total office space,
- the optimisation of offices according to the number of employees on site. At Coface's head office in Bois-Colombes, for example, since Friday is mainly a "remote working day", employees working on-site are grouped together on the floors in order to close three floors of the office and not heat them,
- the enhanced use of heating and air conditioning: In accordance with French government recommendations, heating of buildings will be limited to 19°C in winter and air conditioning limited to 26°C in summer.

iv. Capital goods

/ TABLE LISTING CAPITAL GOODS SURFACE AREAS IN 11 COUNTRIES

COUNTRY	M² IN 2022
France	18,882
Germany	21,488
Italy	4,981
Spain	3,412
United Kingdom	971
Poland	2,535
Morocco	2,000
Netherlands	1,595
Austria	2,432
Romania	2,305
United States	4,296

To limit the environmental impact of capital goods, Coface is committed to reducing office space by 30% in all 60 countries between 2019 and 2025. Significant reduction efforts have already been made in several regions following the implementation of remote working and flex offices. This will naturally reduce the consumption of electricity, heating and air conditioning. Headway is being made on this objective thanks to the implementation of the flex office between 2019 and 2022.

Coface also plans to increase the lease term of company vehicles (+1 year) in order to maximise the vehicle use period and exceed the carbon footprint depreciation period related to their production.

6.5 DRIVING THE CULTURE

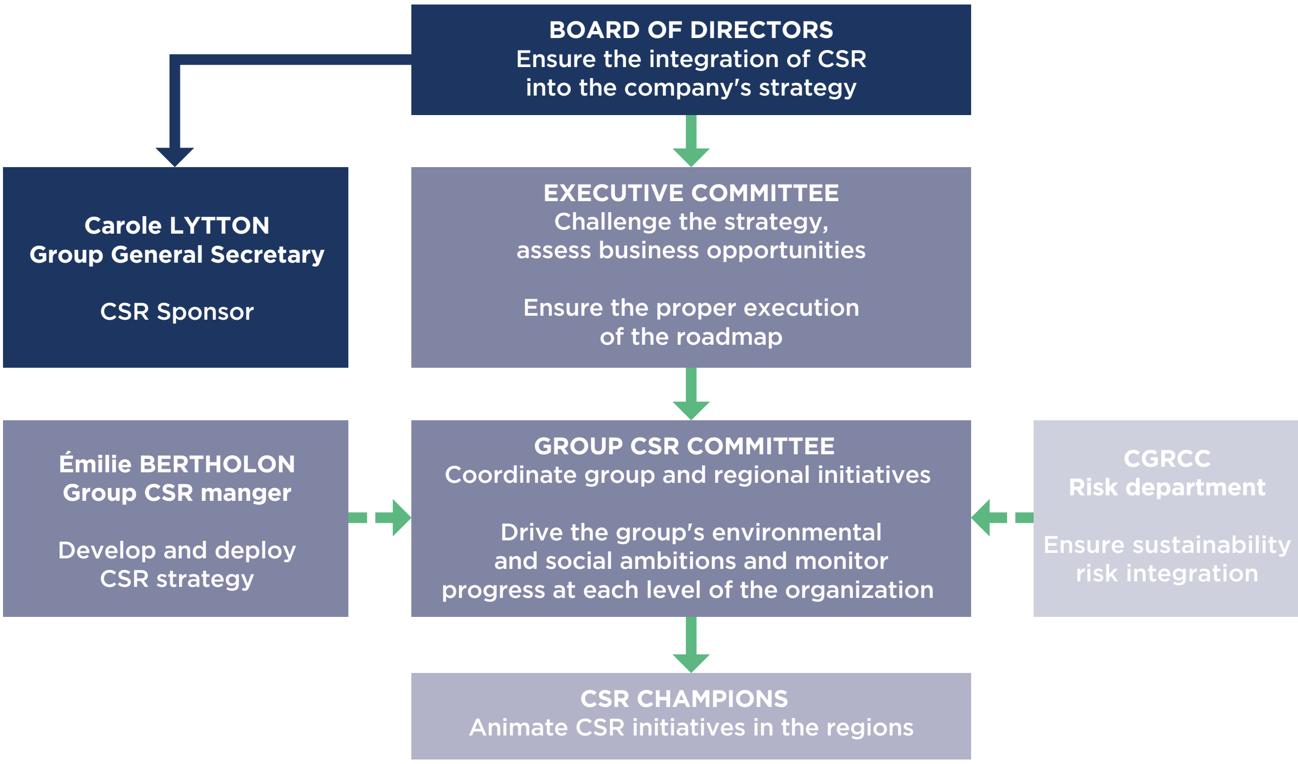
To succeed in the approaches presented in reference to the first three pillars of the CSR strategy, Coface has implemented a cornerstone initiative called ***"Driving the culture"*** aimed at structuring the Group's ESG approach and developing a robust culture of responsibility among all Coface's stakeholders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

Governance reviewed

Coface introduced a CSR governance in 2022 mainly based on CSR champions in the various regions and a CSR committee including all the members of the Executive Committee. The Group CSR Manager now attends all 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. Champions also organise awareness-raising initiatives and workshops in the regions in collaboration with the Communications Department and the Regional Management.

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 and consulted on the CSR strategy and monitors the progress of initiatives launched in this area.



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.

Increased awareness

At the beginning of 2022, a number of meetings were held to present and explain the CSR strategy at the various departments, including Audit and Human Resources.

In February 2022, Coface dedicated part of its annual seminar of key clients to the theme "The positive impact of ESG on commercial credit management and credit insurance". The Group Head of Marketing and Innovation, Coface's CSR manager and an external speaker participated in filmed discussions and interviewed clients on their vision of the maturity of corporate CSR integration today as well as current ESG ratings. The debate concluded by addressing the vital but complex issue of strengthening business exclusion policies and client expectations concerning credit insurers.

To put into perspective the importance of measuring the company's carbon footprint, and to thank all contributors to the data collection campaign, an information session on climate and energy issues was held in April 2022.

In June, a sporting challenge was launched at the company. In addition to promoting physical and sporting activities, as part of a team or individually, the challenge featured quizzes on CSR issues such as carbon neutrality and the impact of meat consumption and car transport.

As in 2021, Coface took advantage of the three sustainable development weeks in September/October to organise conferences aimed at raising awareness of Coface's CSR strategy, key projects such as single-risk ESG projects and the results of the carbon assessment. The conferences also explored complex topics including responsible investment and biodiversity, with the input of external speakers. The conferences were also an opportunity to align employees on key definitions such as the ESG/CSR acronyms, carbon neutrality and the three scopes of GHG emissions.

A Leadership Meeting session bringing together all 200 senior managers of the Group also focused on CSR, the aim being to recap the key items from the European Sustainable Development Weeks organised by Coface. The session also reviewed the major challenges facing the financial industry in its climate contribution efforts.

In November 2022, a mandatory e-learning module was launched in eight languages to raise employee awareness of CSR issues around the world. The objective of the module was to boost understanding of the economic, environmental and societal challenges companies face through their business activities and how they can better control their impacts. The module was also devised to help employees take ownership of Coface's approach and priorities through company-specific content. One month after launch, more than 95% of employees had completed the training, in line with the target.

In addition, workshops were organised in France and Northern Europe to allow employees to collectively discuss the action plan to reduce the emissions generated Coface's operations and make their own suggestions.

Numerous awareness-raising initiatives were also organised in the regions. "Zero waste in the office" conferences were organised in France by the Green to Lead network, created on an initiative by employees in 2020 and composed of employees seeking to boost environmental awareness at the company.

The Mediterranean & Africa region has launched a programme with three objectives:

- *take proactive actions to integrate social, ethical and environmental issues;*
- *develop a shared CSR culture in line with the objectives of the Group strategy;*
- *improve the well-being of employees and their commitment to the local community.*

Thanks to this programme, the region has committed to reforestation initiatives and each employee has one additional day off to volunteer with NGOs/associations that support the environment or local communities. The region also promotes healthier, local food by distributing fresh local fruit to the office. It also fosters the circular economy by recycling jeans and organising collections of clothing and toys.

The structuring of CSR data will undoubtedly stand as a major challenge in the coming years as it affects virtually all the departments at the company. As such, the company introduced a CSR dashboard in 2023 to respond more efficiently to mounting reporting requirements and stakeholder questions. The purpose of the dashboard is to set clear targets for each region on reducing greenhouse gas emissions and help them to manage their action plans.

In 2023, Coface also plans to launch a worldwide CSR challenge to strengthen cultural change and call on employees' competitive spirit to achieve more responsible objectives.

6.6 EUROPEAN TAXONOMY

Pursuant to EU Regulation 2020/852 of June 18, 2020, known as the "Taxonomy Regulation", COFACE SA is required, when closing its 2022 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.

As of January 1, 2023 (based on fiscal 2022), Coface's regulatory obligation concerns the publication of information on the eligibility of its activities for the European Taxonomy.

As of January 1, 2024, financial companies will have to publish information on the alignment of their activities with the European Taxonomy.

6.6.1 Investment indicator

Regulatory investment ratio

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.

Coface teams understand that if the information is not available (as is the case for 2022), insurers must indicate "0" for this indicator. Accordingly, the real value of Coface concerning the Taxonomy's eligible investment indicator in 2022 was zero.

Voluntary investment ratio

The voluntary investment ratio published below is based on estimated data from the MSCI data provider. The ratio corresponds to the amounts of assets eligible (in market value) for the European Taxonomy regarding the first two climate objectives (climate change mitigation and adaptation) relative to the market value of the hedged assets.

	MARKET VALUE *(in €)*
Exposure to economic activities eligible for the Taxonomy	399,719,037
Hedged assets	1,895,015,111
VOLUNTARY INVESTMENT RATIO (AS % OF HEDGED ASSETS)	**21.09%**

As such, the proportion of assets eligible for the European Taxonomy for Coface's investment portfolio is 21% of hedged assets, based on estimated data from the MSCI data provider transmitted by our asset manager Amundi.

Methodology

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

- Hedged 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 also cash and cash equivalents.

	MARKET VALUE *(in €)*	% OF TOTAL PORTFOLIO
Hedged assets	1,895,015,111	62.67%
Exposure to sovereign and similar issuers	1,128,624,617	37.33%
TOTAL INVESTMENT PORTFOLIO	**3,023,639,728**	**100.00%**

/ DETAILS OF VOLUNTARY INVESTMENT INDICATORS (AS A % OF HEDGED ASSETS)

VOLUNTARY INVESTMENT INDICATORS (AS A % OF HEDGED ASSETS)	MARKET VALUE *(in €)*	% OF HEDGED ASSETS
Exposure to derivatives	7,870,848	0.42%
Exposure to companies not subject to the NFRD	ND	ND

Our asset manager's data provider is unable to determine the exposure to companies not subject to the NFRD. Therefore this information is undetermined "ND".

VOLUNTARY INVESTMENT INDICATORS (AS A % OF HEDGED ASSETS)	MARKET VALUE *(in €)*	% OF HEDGED ASSETS
Exposure to economic activities not eligible for the Taxonomy	1,495,296,075	78.91%
Exposure to economic activities eligible for the Taxonomy	399,719,037	21.09%
TOTAL ASSETS COVERED	**1,895,015,111**	**100.00%**

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, 4 and 5 of the Complementary Delegated Act on Gas and Nuclear Activities published in December 2022.

Template 1: Activities related to nuclear energy and fossil gas

Given the late publication of the Complementary Delegated Act, Coface completed template 1 with a conservative and prudent approach.

LINE	NUCLEAR ENERGY ACTIVITIES	
1	The company carries out, finances or is exposed to research, development, demonstration and deployment activities relating to innovative power generation facilities from nuclear processes with a minimum of waste from the fuel cycle.	Yes
2	The company carries out, finances or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for industrial processes such as hydrogen production, including their safety upgrades, using the best available technologies.	Yes
3	The company carries out, finances or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for industrial processes such as hydrogen production from nuclear energy, including their safety upgrades.	Yes
	FOSSIL GAS ACTIVITIES	
4	The company operates, finances or is exposed to the construction or operation of power generation facilities from gaseous fossil fuels.	Yes
5	The company operates, finances or is exposed to the construction, renovation, or operation of combined heating/cooling and power generation facilities from gaseous fossil fuels.	Yes
6	The company operates, finances or is exposed to the construction, renovation, or operation of heat generation facilities that generate heating/cooling from gaseous fossil fuels.	Yes

As the required information is not available, Coface is unable to publish templates 4 and 5 for the 2022 financial year. The Group is working to be able to publish the required templates for the 2023 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.

As such, this ratio does not appear to apply to **Coface's economic activities** (credit insurance, Single Risk, information sales, factoring, bonding). Consequently, the share of gross written premiums in non-life insurance eligible for the taxonomy was 0% in 2022.

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

2/ ***Each risk was then 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. As such, these indicators are monitored quarterly by the Management 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 2022, corresponding to calendar year 2022.

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 Re, which is not registered in France and has a total workforce of 11 employees based in Switzerland.	24%	20%
2015	France and Germany	The German scope concerns the three German companies, Coface Finanz GmbH, Coface Rating GmbH and Coface Debitorenmanagement GmbH, as well as the German branch of Compagnie française d'assurance pour le commerce extérieur.	40%	36%
2016	France, Germany and Italy	Italy includes the insurance branch of Compagnie française d'assurance pour le commerce extérieur and a service company devoted to debt collection operations, Coface Italia SRL.	43%	43%
2017*	France, Germany, Italy and Spain	Spain includes the insurance branch and a service entity, Coface Servicios España.	42%	53%
2018	France, Germany, Italy, Spain and 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)	100%	100%
		Environmental reporting: Same scope as 2021	63%	71%

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

Methodological details on the information communicated

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.
- The workforce is calculated taking into account employees on permanent contracts or fixed-term contracts (including "leaves of absence" and expatriates) 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 four reasons (paid or not): parental leave, long-term illness (over 3 months), assignment (ex. Coface), or other long-term inactivity.
- Expatriates are counted in the country in which they work.

- The following are excluded: employees on permanent and non-permanent contracts whose contract has been suspended for a long period, for one of the following two reasons (paid or not): garden leave, *i.e.* notice not given and early retirement, as well as apprentices or individuals on work-study programmes, external auditors, external sales agents, temporary workers, interns and subcontractors.
- The "percentage of women managers" indicator takes into account, among COFACE SA workforce at December 31 of the current year, the percentage of women at Coface, being monitored by gender in the HR report, among employees with a permanent or non-permanent contract. The number of women in managerial positions is determined by comparing the number of women in managerial positions in COFACE SA workforce (numerator) with the total number of employees in managerial positions (denominator).
- The following employees must be counted as managers, according to the "Hierarchical level" in My HR Place:
  - *senior managers;*
  - *middle managers;*
  - *first line managers,*
- The Group Gender Index is made up of all Coface entities, grouped into seven regions: APR, CER, LAR, MAR, NAR, NER, WER + HQ.
  - Members of the Executive Committee (except for criterion 4) and Coface Re 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 and 5 are calculated on a Group consolidated basis.

/ ENVIRONMENTAL RESPONSIBILITY

	REPORTING SCOPE	COMMENT	ELECTRICITY CONSUMPTION (KWH)	GAS CONSUMPTION (KWH)	PETROL CONSUMPTION (L)	DIESEL CONSUMPTION (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.	✓	✓	✓	✓	✓	✓
Germany	Mainz (main office) and offices in Hamburg, Berlin, Hanover, Nuremberg, Düsseldorf, Bielefeld, Cologne, Stuttgart, Munich and Ettlingen	Coface Germany does not use gas. For its electricity consumption, the contract provides for 100% renewable resources. For rail travel, the Deutsche Bahn contract, which is more expensive, provides for the 100% offsetting of emissions.	✓	N/A	✓	✓	✓	✓
Italy	Milan (main office) and 1 office in Rome		✓	✓	✓	✓	✓	✓
Spain	Madrid (main office) and offices in San Sebastián, Alicante, Valencia, Seville, Pamplona, Barcelona and A Coruña.	Coface Spain does not use gas.	✓	N/A	✓	✓	✓	✓
United Kingdom	London (main office) and offices in Watford, Birmingham and Manchester.	Part of the distance travelled by train and plane in the UK is not reported because some of the staff do not use the services of the dedicated travel agent.	✓	✓	✓	✓	✓	✓
Poland	Warsaw (main office) and offices in Krakow, Gdynia, Katowice and Poznan.	Coface Poland does not use gas.	✓	N/A	✓	✓	✓	✓
Netherlands	Breda (main office)	Coface Netherlands does not consume gas. For travel, the country does not have a reporting system for train travel in terms of mileage.	✓	N/A	✓	✓	✓	✓
Austria	Vienna (main office) and 1 office in Graz.	Coface Austria does not use gas.	✓	N/A	✓	✓	✓	✓
Romania	Bucharest (main office) and 2 offices in Cluj and Timisoara.	Timisoara (shared offices: ex. reporting).	✓	✓	✓	✓	✓	✓
Morocco	Casablanca (main office)	The country does not use train travel and mileage for air travel is not available.	✓	N/A	✓	✓	✓	✓
United States	Princeton (main office) and offices in Boston (closed in November 2020), Hunt Valley, Oak Brook (opened in April 2020), Miami, Shenandoah, Franklin, New York and California.	As no vehicles are leased or owned, the information is not available. Only the California office reported gas use.	✓	✓	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.
- In the ADEME Carbon Base®, the emissions factor identification is 25774 for diesel, 25763 for petrol and 15312 for natural gas.
- For France, 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 28145.
- The air emission factor was calculated by taking the average of the three emission factors: short, medium and long haul without contrail.
- Where the data were not included in the ADEME Carbon Base®, an Ecoinvent® base emission factor was used:
  - *for train travel in Romania and Poland, a European conversion factor (Ecoinvent® Base) was applied,*
  - *for the United States and Morocco, a global conversion factor (Ecoinvent® Base) was used.*

Methodological details

- The electricity consumption table contains estimates for the United Kingdom (Manchester office only), Poland, Romania, the Netherlands and the United States (Hunt Valley only), as December invoices were not available at the time of Chapter approval.
- The gas consumption table contains estimates for Romania because the December invoice was not available when the chapter was approved.
- The estimates were made using a common methodology of taking the actual and total consumption from January to November 2021, dividing it by 11 and multiplying it by 12. This methodology appears to be the simplest, since there is no major difference in consumption between summer (air conditioning) and winter (heating).
- The fuel consumption table contains estimates for France because the reporting of one of the leasing agencies was not available for December, when the chapter was approved. For this estimate, a different methodology was applied (estimated over the last three months) due to the switchover of the fleet to another manager during the year.
- Reported fuel consumption corresponds to the consumption of company vehicle fleets for long-term leasing. No country in the scope owns vehicles.

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, 2022

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 Coface SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, 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 performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (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 our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

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

- Information related to ESG integration and the carbon footprint of investment portfolios are provided by the mandated management company.
- The policy and the indicator related to "ESG assets covered by the Single Risk activity" are defined but the ESG qualification criteria for this activity as well as the formalization of the related controls remain to be reinforced.
- As specified in the methodological note presented in chapter "6.6.2 General organization of reporting" the scope of reporting of environmental indicators covers 63% of the workforce for the 2022 financial year.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

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, especially in the chapter "6.6.2 General Organization of reporting".

Responsibility of the Company

Management is responsible for:

- selecting or determining the appropriate 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 with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);

- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

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 it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company'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 duty of vigilance and the fight 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 our audit verification programme in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 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 2022 and March 2023 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.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and

clarity, taking into account, where appropriate, best practices within the sector.

- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs.
- 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 principal 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 principal risks associated with the activities of 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 principal risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important (1). For certain risks (2), 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, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company 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 (3), that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities (4) and covered between 19% and 47% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the consolidation scope.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue 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, April 5, 2023

One of the Statutory Auditors,

Deloitte & Associé

Jérôme Lemierre	Julien Rivals
Partner, Audit	Partner, Sustainability Services

(1) ***Selected qualitative information:*** *Service quality improvement program; Commercial exclusion policy; Controls implemented by Coface on the data provided by the mandated management company; Policy put in place to achieve the target of 40% women among Senior Management; "Talent" component of the Human Resources strategy; "Short term assignment" policies and international mobility; Carbon footprint methodology carried out by a specialized firm*

(2) ***Risks:*** *Non-Satisfaction of customers and partners; Lack of integration of CSR into commercial policy; Investment in assets that are not responsible from an environmental, governance or social point of view; lack of attractiveness for Talents (recruitment and retention: development, integration of new arrivals, etc.).*

(3) ***Social indicators:*** *Workforce by gender and by type of contract; percentage of women among employees, manager and Senior Managers; turnover rate of employees identified as high potential; number of internationally mobile employees.*

Environmental indicators: *CO2 emissions related to the consumption of electricity, gas, fuel and travel by train and plane.*

Societal Indicators: *Single Risk ESG projects; Response rate to monthly barometric surveys*

(4) *COFACE France, COFACE Maroc*