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 social 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.

Recognition from non-financial agencies

AGENCIES	RATING AND ASSESSMENT
Moody's ESG Solutions	**57/100** Robust
ISS ESG	**C in 2021** Prime status (1st decile of insurers)

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

To reinforce its responsibility policy and make it a key component of its business activities, the Coface Group carried out its first mapping of non-financial risks in 2018. This mapping process was reiterated and improved in 2021 to refine the consideration of these risks in the Group's overall strategy. This exercise rounds out the risk mapping already monitored by the Group and presented in Chapter 5.

The process of non-financial risk mapping is detailed in paragraph 6.6.1.

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 this chapter.

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		0

NON-FINANCIAL RISKS AND IDENTIFIED IMPACT	MAIN POLICIES IN PLACE	KPI	URD REFERENCE
R.1 – Investment in non-responsible assets from an environmental, governance or social point of view • Asset depreciation and reputational risk	• Investment policy	• Overall ESG rating of portfolio **C** • Percentage of portfolio rated F **0.65%** • Carbon emissions from the portfolio **98** Teq/€m invested	6.2.3
R.2 – Environmental impact of risks covered by Coface (debtor portfolio) • Reputational risk	• *No policy at this stage*	• *No published KPIs* – GBA tracked internally	6.2.5
R.3 – Discontinuity of Coface operations relative to environmental risks • Risk of disruption to Coface business	• business continuity plan including the procedure to be implemented in the event of a problematic situation (call tree, operational priorities, etc.)	• Number of times business continuity plan implemented as part of a climate event **0**	6.2.6
R.4 – Non-satisfaction of clients and partners • Risk to brand credibility and loss of market share, pressure on prices	• Programme to improve service quality	• *No published KPIs* – NPS tracked internally	6.2.1

BUSINESS MODEL	DESCRIPTION		URD REFERENCE
R.5 – Acts of bribery involving Coface employees or third parties in connection with Coface business • 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 • Alert system	• Number of corruption allegations reported to Compliance **0**	6.2.8 a. II. + Chapter 5
R.6 – Tax evasion (transfer of assets with the aim of evading a tax burden and/or lack of transparency in tax management) • 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)	• Number of alerts under DAC6 regulation, for the European Union **0**	6.2.8 b.
R.7 – Non-protection of data and cybersecurity • Risk of financial loss, damage to operational systems and Company image, data leakage	• Numerous Group policies, including cybersecurity risk management; IT and cybersecurity risk mapping and control; an independent cybersecurity review; identity access management; IT asset management; project security; cybersecurity in supplier relationships; and cybersecurity for third parties.	• Cybersecurity taken into in purchasing **58%,** in projects **100%** and ability of Coface teams to detect cybersecurity incidents **51%**	6.2.8 c. + Chapter 5
R.8 – Lack of diversity, inclusion and equal opportunities • Risk of voluntary or unintentional discrimination of certain groups that may result in legal sanctions, reputational risk and a decline in the Company's performance	• Group Human Resources strategy including a "D&I" component	• Percentage of female employees **54%**; **41%** of managers and **34%** of Senior Management • Number of nationalities among employees **74** • Gender Index **84/100** • "My Voice Pulse" score on "D&I" issues **8.1/10**	6.3.3
R.9 – Lack of attractiveness, loyalty and engagement of employees • Risk of hiring failures, high turnover and employee disengagement potentially leading 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 n international mobility **86** • Turnover rate of employees identified as high-potential **5%** • Senior management: percentage of internal candidates *vs.* external • **77% of internal staff *vs.* 23% of external staff** • "My Voice Pulse" engagement score **7.4/10**	6.3.4
R.10 – Impacts of Coface's own activities on the environment • Reputational risk	• *No policy at this stage*	• Energy consumption **947 Teq CO_2** • Train travel **9 Teq CO_2**, plane travel **134 Teq CO_2** • Fuel consumption **1,387 Teq CO_2**	6.4

For greater clarity, the risk number will be referred to at the beginning of each chapter (R.1, R.2, etc.). These figures in no way correspond to a prioritisation of risks.

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

6.1 OVERVIEW OF COFACE'S CSR STRATEGY

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

In March 2021, Coface created the position of Group CSR Manager. The role of the latter is to enhance Coface's CSR strategy and roll it out in coordination with the various departments. The Group CSR Manager reports directly to Carole Lytton, Group General Secretary.

Work on enhance 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 reference in this area, so as to focus on desired global impacts.

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

Other SDGs, for example "quality of education", have been strongly prioritised given the management team's sensitivity to these issues. The "quality of education" theme 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 better world;
- a ***responsible employer*** that takes into account the development and engagement of employees;
- a ***responsible enterprise*** whose goal is 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.

In 2022, Coface plans to continue raising the awareness of its internal stakeholders and finalise a governance memorandum to further structure the various CSR roles and responsibilities of these entities (committees, management, regional and local representatives, etc.).

Coface also plans to organise ESG-focused events, including the Global Leaders meeting, and special client events.

A major challenge in coming years will most likely be the structuring of CSR data, which affects virtually all Company departments, the aim being to respond more efficiently to increasing requirements on reporting.

6.2 COFACE, A RESPONSIBLE INSURER

A RESPONSIBLE INSURER

Main pillar themes:	
Client satisfaction	***R.4***
Commercial exclusion policy	
Environmental and social impact of investments	***R.1***
Environmental risk taken into account in credit risk assessment (financial risk)	
Environmental impact of the debtor portfolio	***R.2***
Discontinuity of Coface's operations relative to environmental risks	***R.3***
Subcontracting and suppliers	
Fair practices:	
• Compliance (professional ethics, anti-corruption, fraud and money laundering, international sanctions and personal data)	***R.5***
• Tax evasion	***R.7***
• Cybersecurity	***R.6***

Convinced that the heart of its impact lies in the way it does business, 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 non-payment 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 essential 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. After falling at the beginning of the pandemic, Coface's NPS rose to a satisfactory level owing to the Group's ability to adapt and had improved significantly by April 2021.

This trend is to be seen in light of the Group's increased coverage levels [1] since the beginning of 2021, a result of the improvement in the economic environment and the confirmation of a historically low rate of corporate bankruptcy. It should be noted that this growing support is recognised by clients even though the increase in prices in many sectors mechanically increased the levels of coverage requested.

6.2.2 Commercial exclusion policy

In commercial terms, Coface is duty bound to demonstrate irreproachable ethical standards, in particularly 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 two 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 trade credit insurance business and its single-risk and surety-bond activities:

- Coface has stopped providing single-risk credit insurance policies and surety bonds for thermal coal extraction or thermal coal generation projects;
- 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 addition:

- business conducted under the trade 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;
- similarly, 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.

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.

(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*

Global strategy and approach

Coface's investment strategy is based on two pillars:

- a financial framework that respects a strategic asset allocation to achieve objectives of profitability, capital consumption and portfolio liquidity;
- a socially responsible investment framework aimed at improving the portfolio's carbon footprint, restricting non-responsible investments and expressing environmental concerns through a voting rights policy.

To invest available funds in investments complying with its financial risk framework, 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 with 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.

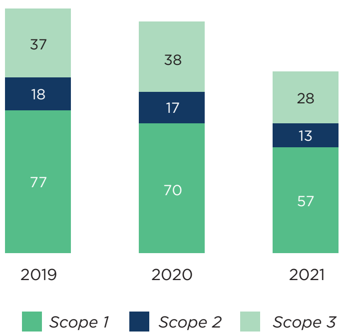
Decarbonisation strategy

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

- Scope 1: all direct emissions from sources owned or controlled by the Company;
- Scope 2: all indirect emissions resulting from the purchase or production of electricity, steam or heat;
- Scope 3: all other indirect emissions, upstream and downstream of the value chain. For reasons of data robustness, Coface has chosen to use only part of Scope 3 in this reporting: upstream emissions linked to first-tier suppliers. First-tier suppliers are those with whom the Company has a privileged relationship and on whom it can directly influence.

Coface measures its carbon footprint in absolute and relative terms, compared with a benchmark portfolio that is close to the portfolio's strategic allocation [1].

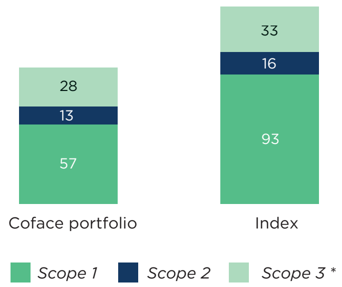
/ CARBON EMISSIONS PER MILLION EUROS INVESTED (TONS EQUIV. CO2/€M)



Source : Amundi

In 2021, the portfolio's overall carbon footprint stood at just under 98 tons of CO_2 equivalent per million euro invested (70 tons in Scopes 1 and 2), down nearly 22% compared with 2020 (-19.5% decrease in Scopes 1 and 2). This decrease underscores Coface's ongoing efforts to shrink the carbon footprint of its investments.

For Scopes 1 and 2 and relative to the benchmark portfolio, the composition of which is described below, Coface's CO_2 emission per million euro invested was over 35% lower in 2021.



Index: 85% ML EURO BROAS +10% MSCI EMU +5% THE BOFA ML GLOBAL HY

This indicator measures the portfolio's emissions in tons of CO_2 equivalent per million euros invested. It is an indicator of the emissions induced by the investment in this portfolio

* First tier suppliers only.

Coface's commitment for 2025 is to reduce the carbon footprint of its portfolio by 20% compared with 2020.

Sector strategy

Coface has initiated three initiatives to further reduce the environmental impact of its portfolio: exclusion measures, restrictive measures and an indicator monitoring the ESG impact of its portfolio.

Exclusion measures

Given its operations, 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 Global Compact.

Restrictive measures

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

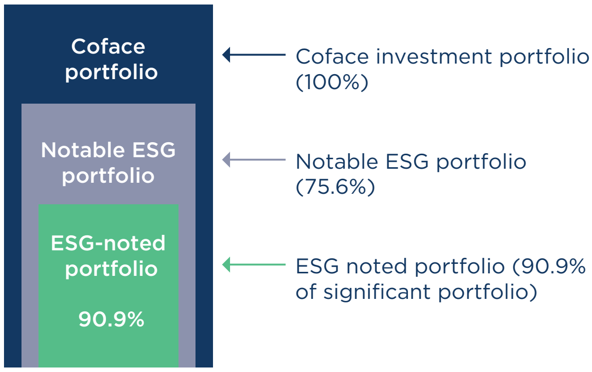
- companies that develop or plan to develop new mines, power plants or infrastructure relating to thermal coal;
- companies extracting 100 MT of thermal coal or more, with no goal to reduce this extraction;

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

- 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%).

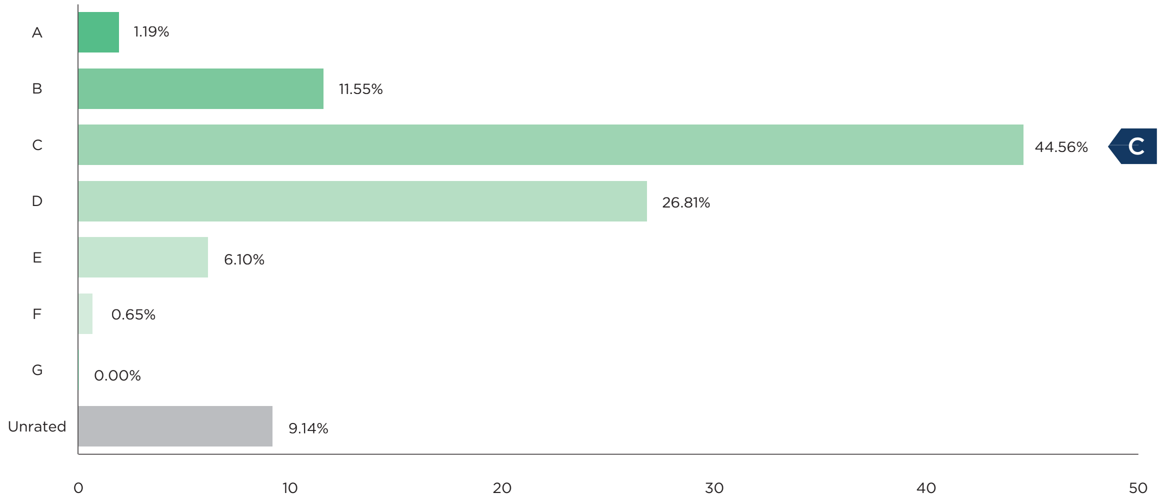
An indicator monitoring the ESG quality of the portfolio

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



75.6% of Coface's global investment portfolio is considered suitable for ESG rating (mainly excluding investments in money market instruments and mortgage investments).

Of the "notable" part of the portfolio, nearly 91% was rated and, at December 31, 2021, the overall ESG rating of the investment portfolio was C, an improvement on the C- rating at end-2020.



Since 2018, Coface decided not to invest directly in securities issued by a G-rated issuer and **in 2021 decided to limit the weight of F-rated assets to less than 3% of its rated portfolio.** At December 31, 2021, this indicator stood at **0.65%.**

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 through the managers selected by Coface.

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

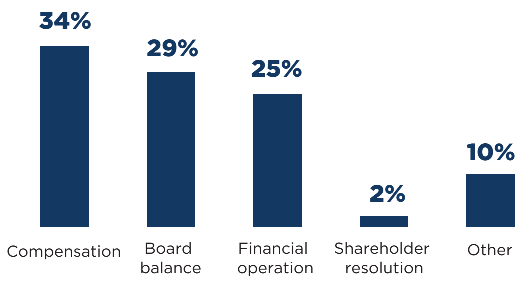
- overall voting statistics for each of the Coface dedicated funds (with a focus on geographic breakdown, opposition rates and main opposition topics);
- the list of meetings at which voting rights are exercised and during which an opposition voting right was exercised (broken down by company, country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

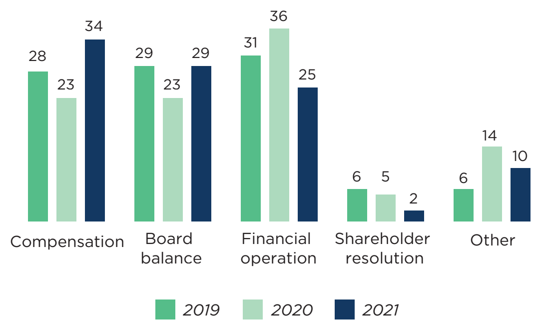
Amundi transmits its voting policy annually to the Group, to include the best corporate governance, social responsibility and environmental practices. Coface reviews this policy annually and ensures that it reflects its commitments.

The percentage of opposition votes exercised by Amundi on behalf of Coface at Shareholders' Meetings held in 2021 are presented in the table below by topic:

/ OPPOSITION VOTES ON SHARE POSITIONS HELD DIRECTLY (%)



/ HISTORICAL OPPOSITION VOTES ON DIRECT EQUITY DIRECTLY HELD EQUITY POSITIONS (%)



Source : Amundi

Coface expressed more opposition votes in 2021 than in 2020 on compensation (34% *vs.* 30%). These votes reflect Coface's concerns about the need to align the interests of the Management with those of shareholders.

6.2.4 Environmental risk taken into account 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 paid is taken into account in the management of credit risk.

For example, from a macroeconomic perspective, Coface **integrates environmental risks into its methodology for assessing country risk**. 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. Transition risk is measured based on the frequency of the country's government's participation in conferences on environmental change, the treatment of this issue in the national media, and the number of measures taken by the government to effectively combat global warming and pollution (national emissions level, energy efficiency of the main business sectors and investments in 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 its economy relies heavily on imports.

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

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

- *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 coverage.

For example, the impacts of the current changes in the automotive sector are 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.

6.2.5 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 exposures 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 subsequently enable Coface to steer its 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 has the value of providing 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 dimension 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 exposure to guaranteed amounts. Coface's objective in 2022 is to harness this tool to determine a more precise trajectory to gradually reduce its most unfavourable risks.

6.2.6 Discontinuity of Coface's operations relative to environmental risks

As an insurer operating directly in 59 countries, Coface is a service provider. As such, the Group's activities may be impacted in the short term, mainly in terms of the location of its employees' offices, since the unavailability of premises following a climate event would have potential impacts on its own daily operations.

In the medium or long term, it is important to consider that some places on the planet will be more difficult to inhabit.

To address this risk, Coface's IT architecture enables all employees to access their working session, allocated professional applications and complete office suites (MS Office and corporate network access) securely and from any location with an internet connection.

The Group took advantage of the COVID-19 pandemic to successfully implement this system on a very large scale. During some periods, the vast majority of Coface staff in several countries connected to the IT architecture remotely with no impact on the continuity of operations and quality of service provided to its clients.

Similarly, to strengthen the resources allocated to monitoring credit risk and managing limits, the Group has on several occasions successfully experimented remote limit-setting management for a country of origin, protecting the latter against any potential local staff unavailability resulting from a sudden climate event.

Regarding the non-availability of premises owing to a natural, technical or personal-safety event, a business continuity plan (BCP) is effective and updated at least once a year in all countries where the Group operates. A business recovery test is also performed once a year with the participation of all critical business lines and applications. This plan specifies the contacts of the crisis unit and of the Group's main suppliers and partners and sets out the framework within which critical activities are resumed over a period of less than two days. According to the crisis scenarios, BCP measures are thus established with concrete procedures dedicated to the occurrence scenario.

No BCPs were activated at Coface's subsidiaries in 2021, but home-office working methods were implemented regularly in line with the development of the pandemic.

To manage these risks, the Group has also begun to map each of its 114 locations around the world with a view to assessing the inherent risk stemming from the local configuration, business area and residual risk, including risk management and mitigation measures (remote work possible, back-up site in a different configuration zone, seismic building, etc.). The preliminary results show a low overall risk in terms of impact on the Group's own operations as a whole.

Lastly, Coface has property and casualty insurance policies for all the premises housing its staff and assets. These policies are managed internally under the responsibility of the Risk Division. Where applicable, these policies serve to cover claims *via* assistance and technical assistance depending on the type of loss experience incurred.

6.2.7 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.

This policy, approved by the Company's Board of Directors in 2016 and reviewed annually qualified the following functions and/or activities as constituting important or critical functions or activities, pursuant to the applicable regulations: (i) the following four key functions (see also Section 5.3.1 "Internal Control System"): the risk management function, the compliance verification function, the internal audit function and the actuarial function; as well as (ii) the other functions whose interruption once outsourced is likely to have a significant impact on the Company's business, on its ability to effectively manage risks, or likely to threaten the conditions of its accreditation.

In 2019, the Company added in the scope of its outsourcing policy, "standard" activities and functions.

The outsourcing contracts shall contains the minimum requirements referred to in the Guidelines for Suppliers' Agreements Review (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 shall therefore audit the service provider 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, the outsourcing plan of important or critical activities or functions must be approved by the Company's Board of Directors before the signature of the contract and must be notified to the French Prudential Supervision and Resolution Authority (ACPR) at least six weeks prior the effective date of the contract. Outsourcing contract of important or critical activities or functions must include certain mandatory clauses imposed by 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 started to map the Group's outsourcing activities. The work covered the outsourcing of standard services and important or critical activities or functions carried out by all Coface Group regions to third parties or within the Group to another Coface entity.

The work aimed at:

- reviewing existing outsourcing agreements;
- distinguishing between standard activities and functions and important or critical outsourcing functions and/or activities in accordance with the Solvency II Regulation;
- verifying the compliance of the outsourcing contracts with applicable regulations and the Group outsourcing policy;
- proposing and implementing a remediation plan;
- establishing a quarterly reporting of outsourcing contracts and the setting up of a dedicated registry to the reporting of such contracts The remediation plan was initiated in 2021 and will be finalised in 2022.
- For contracts relating to important or critical functions and/or activities concluded after the entry into force of Solvency II, the remediation will be both contractual (integration of absent contractual clauses) and regulatory (notification to the ACPR) upon the renewal of these contracts or in the event of a modification *via* an amendment.

The outsourcing standard contracts will mainly be 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 the general conditions for the purchase of supplies and services and specifies the rules to be followed in terms of supplier selection (including the conditions for issuing calls for tenders). Since 2017, Coface has also been signatory to the *Charte Relations Fournisseurs Responsables* (responsible supplier relationship charter) led by two French agencies, the Médiateur des entreprises (business ombudsman) and the Conseil national des achats (purchasing association). This charter consists of 10 commitments for a responsible purchasing policy towards suppliers. It enables Coface to apply, in concrete terms, its willingness to foster fair and transparent relationships with its suppliers. In accordance with the French "Sapin II" law of December 10, 2016 concerning transparency, anti-corruption and the modernisation of economic life, Coface has set up an assessment of suppliers looking at the corruption risk.

6.2.8 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 operates.

Any violation of laws, regulations, rules and internal standards may potentially expose Coface to the risk of sanctions, fines, financial losses and reputational damages 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 policyholders and/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) 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 losses or reputational damages arising from non-compliance with provisions specific to Coface's business activities, laws, regulations, rules or internal standards.

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

- professional ethics;
- the fight against corruption;
- combating money laundering and terrorist financing;
- compliance with embargoes, asset freezing 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 **36 key compliance performance indicators (KPIs) 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, was revised in 2018 to promote and emphasise to all employees the requirement for integrity in properly conducting their business. This code notably raise the importance of treating clients fairly by avoiding conflicts of interest.

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.

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

Coface has adopted a zero-tolerance policy for corruption in all its forms. This statement has been provided to all 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, undue benefit the legal framework to prevent corruption as well as the specific features of corruption involving public agents. The section on specific rules defines the concepts on sensitive issues in terms of corruption: gifts and hospitalities, 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, drawn up in 2019 and subject to a global review by the compliance function in 2021 ahead of roll-out in 2022 by Coface Group entity and by function within each entity;
- a global third-party evaluation, updated in 2020 for intermediaries and in 2021 for suppliers. This calculation 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 procedure. Coface has implemented an internal whistleblowing procedure, as described in the Anti-Corruption Code and the code of conduct. The internal whistleblowing framework was subject to a dedicated and detailed procedure that will be reviewed in 2022 following the transposition into French law of the European directive on the protection of whistleblowers. In 2021, ten cases were reported in total, six cases as part of the internal whistleblowing framework at the compliance function and four as part of the ombudsman. Internal Audit, the Human Resources Department, the ombudsman and the compliance function conducted investigations to process and close the various cases;
- key anti-corruption performance indicators (KPI 12 to 18). These indicators include the process of knowledge of intermediaries, suppliers, allegations of corruption, gifts and invitations received or offered and reported to Compliance. In 2021, no allegations of corruption were reported to Compliance;
- accounting controls and second-level permanent controls were performed in 2021 to strengthen the entire framework. In 2021, Internal Audit also carried out a periodic control of the Group compliance function, including the review of the anti-corruption dimension.

iii. Combating money laundering and terrorist financing (AML-CTF)

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

In respect of the Know Your Customer (KYC) procedure, Coface has developed an AML-CTF risk classification adapted to its business activities for the entire portfolio. For each client/prospect, Coface determines a KYC profile that provides an AML-CTF risk score in three categories (low/standard/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 periodic review.

Communication and awareness-raising initiatives were also carried out regularly with employees in 2021 to enable them to detect warning signals regarding money laundering and the financing of terrorism.

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

The Group's compliance programme evolved significantly in 2021, notably through the launch of the real-time automatic screening tool for Coface customers and their connected parties (debtors, intermediaries, beneficial owners, etc.) against international sanctions lists (United Nations, Office of Foreign Assets Control, European Union, France) and local sanctions lists.

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

In line with these operational developments, in 2021 the compliance function updated the framework procedure for compliance with international sanctions and controls on dual-use items and/or military goods.

v. Fraud prevention

The compliance function improved its fraud prevention programme in 2021 by:

- strengthening governance with the organisation of regional fraud committees led by the Fraud correspondents and regional compliance;
- developing its reporting tool and SAFE reporting tool for suspected fraud;
- tightening due diligence on debtors in the ATLAS database having been suspected of fraud or risk factors (alert in the tool and enhanced control system);
- rolling out fraud risk mapping in all the countries in which Coface operates;
- updating the Group Rules on Fraud Management;
- issuing communications to clients and brokers, particularly regarding social engineering fraud;
- implementing key performance indicators (KPI 23 to 28) relating to the number and type of suspicions of fraud (insurance frauds on policyholders and/or 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 to comply 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 raise employee's awareness on data protection requirements. 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.

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

c) Data protection and cybersecurity

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

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

The impacts on credit insurance, factoring, bonds, finance and data include data leakage, data alterations, ransomware, system failures and distributed denial of service (DDoS). The Group leads numerous policies in this regard:

- Group Cybersecurity Risk Management Policy;
- IT and Cybersecurity Risk Mapping and Control Policy;
- Independent Cybersecurity Review Policy;
- Identity Access Management Policy;
- IT Asset Management Policy;
- Security in project Policy;
- Cybersecurity in Supplier Relationships Policy;
- Cybersecurity Policy for third parties.

For example, the following indicators are monitored by the Group Information Systems Security and Business Continuity Committee (values as of November 2021) in addition to annual awareness campaigns, phishing simulations and intrusion tests conducted by the Group Chief Information Security Officer: integration of cybersecurity in procurement (58%), projects (100%) and the ability to detect cybersecurity incidents (51%).

These indicators are updated by the Head of IT Security at Business Technology (BT). Numerous operational security indicators (privileged accounts, antivirus, vulnerabilities, etc.) are also monitored at operational security committee meetings at BT.

An IT indicator is also included in the Group's risk appetite, which is monitored by the Group Risk and Compliance Committee and at Board's Risk Committee meetings.

Coface has also integrated a cybersecurity plan into its portfolio of strategic projects to strengthen its system and infrastructure.

6.3 COFACE, A RESPONSIBLE EMPLOYER

A RESPONSIBLE EMPLOYER

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

6.3.1 Responsible crisis management

In terms of Human Resources policies and practices, the year was marked, for Coface and for all companies, by the health crisis and its multiple developments.

Coface began the year by signing a company agreement in January for France, ratified by the trade unions. The agreement provided for extended remote working up to three days per week, and a system to support this change. This agreement was effectively implemented only on October 4 as the health situation did not allow employees to return to the office before that date. It was suspended once again in December with the arrival of the fifth wave of the virus.

Like France, Coface has implemented such approaches in its other regions. Consensual and reassuring, more protective in terms of the safety of people than companies in the financial sector, HR policies have been based on solid remote-working technology and extensive telecommuting practices, which have been proven since 2020.

Coface has developed the "IntoCoface" remote onboarding programme, implemented using the Group's remote management practices and digital training platform.

Coface has strengthened its ability to train remotely, notably by continuing to roll out the Commercial Academy, a training programme for sales staff conducted 100% remotely. The emphasis is naturally placed on learning sales techniques in remote working conditions. These training courses were deemed particularly relevant by the participants (average satisfaction score of 4.2/5). In addition, "the Underwriting academy" has been supplemented to promote remote learning and Coface has initiated other digital academies in fields including Information and Human Resources.

Employees expressed their appreciation of these human resources policies – deeming them "responsible" and adapted to the health crisis – *via* the latest engagement survey, administered in October. The issue relating to the management of the health crisis received a score of 9.1/10, well above the benchmark.

6.3.2 Key figures

A workforce structure reflecting strategic guidelines

In 2021, Coface pursued the strategic initiatives of the Build to Lead plan, in particular by rapidly developing information sales.

A few figures showing the reality of our business

The following data comes from the Group's "HR Reporting" tool, 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 reports.

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.

It 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.

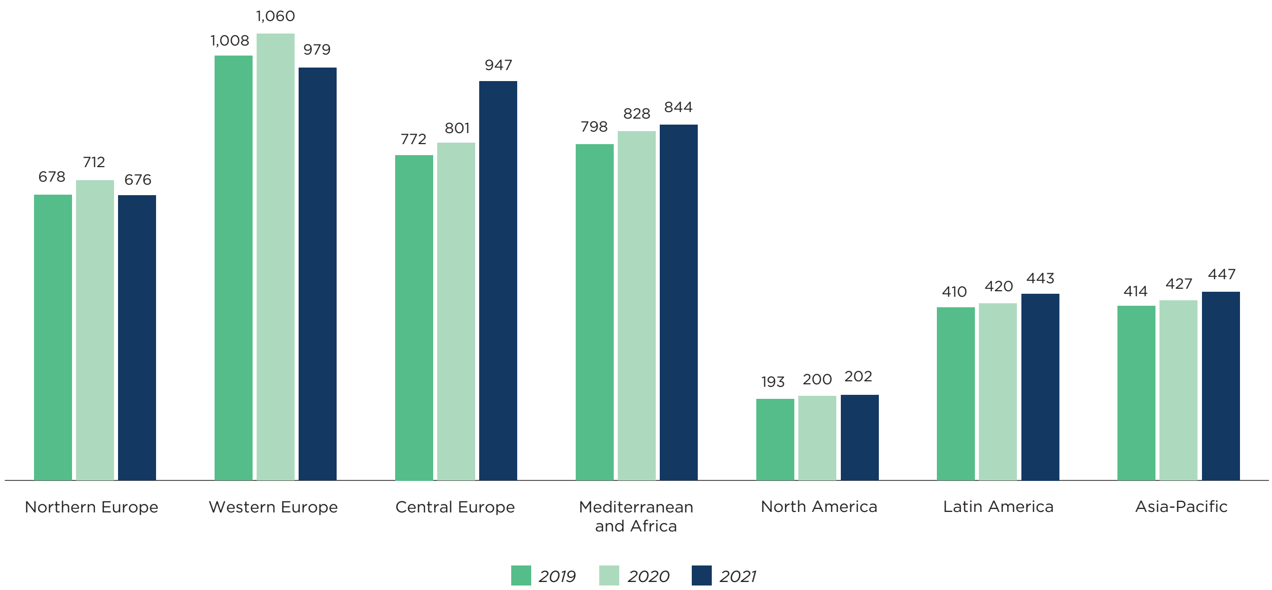
Strong international dimension

The report contains figures covering the entire group to give a global view of the Company. The indicators are then calculated for a scope of 11 selected countries, the number of which has been audited. This scope can be compared with the same scope for 2020.

At December 31, 2021, the Group employed 4,538 people in 57 countries, compared with 4,448 at December 31, 2020. The following table shows the geographical breakdown of the Group's workforce since December 31, 2019:

/ BREAKDOWN OF WORKFORCE BY REGION

WORKFORCE	2021	2020	2019
Northern Europe	676	712	678
Western Europe	979	1060	1008
Central Europe	947	801	772
Mediterranean and Africa	844	828	798
North America	202	200	193
Latin America	443	420	410
Asia-Pacific	447	427	414
TOTAL	**4,538**	**4,448**	**4,273**



The Coface workforce increased 1.9% in 2021. This change was due to an increase in the information sales workforce and by the expansion of head-office teams linked to major transformation projects such as the implementation of IFRS 17.

In Central Europe, the significant increase in headcount stemmed from increased staff numbers at the shared services centre and the IT development centre, both located in Bucharest.

The workforce contracted slightly in Western Europe owing to various operational efficiency measures, including the development of shared services.

/ BREAKDOWN OF WORKFORCE BY ACTIVITY

The table below breaks down the Group's workforce by type of activity since December 31, 2019:

WORKFORCE	2021	2020	2019	CHANGE 2021 *VS.* 2020
Sales & Marketing	1,629	1,546	1,436	5.4%
Support	1,596	1,562	1,510	2.2%
Information, litigation, debt collection	975	1,007	988	(3.2)%
Arbitrage	338	333	339	(1.5)%
Risk underwriting	**4,538**	**4,448**	**4,273**	**2.0%**

In 2021, 1,629 employees were assigned to Sales and Marketing, 1,596 to support functions, 975 to Information, Claims and Debt Collection, and 338 to Risk Underwriting.

The change in support function staff reflects the strengthening of the operations functions, with the creation in April 2021 of the global Operations function responsible for improving client satisfaction and digitalisation, implementing shared service centres, managing projects and developing the Lean methodology.

The increase in Sales & Marketing staff was driven by the growth in Information sales, which led to the recruitment of a numerous salespeople.

Types of employment contract

The following indicators are presented for a scope of 11 countries, comparable with that of 2020.

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

	2021	2020	2019	CHANGE 2021 *VS.* 2020
France	98.1%	98.4%	97.8%	(0.31)%
Germany	99.2%	99.5%	99.3%	(0.30)%
Italy	99.0%	100.0%	99.0%	(1.01)%
Spain	100.0%	100.0%	100.0%	-
United Kingdom	98.1%	99.0%	98.0%	(0.92)%
Poland	83.2%	81.2%	86.1%	2.40%
Austria	97.2%	100.0%		(2.88)%
Morocco	98.1%	98.1%		-
Netherlands	90.0%	88.4%		1.78%
Romania	99.6%	98.2%		1.41%
United States	100.0%	100.0%		-

For the Group as a whole, 93.3% of Coface employees work full-time.

Age ranges by country

At December 31, 2021, the age ranges of employees in France, Germany, Italy, Spain, the UK, Poland, Austria, Morocco, the Netherlands, Romania and the United States were as follows:

AGE RANGES	FRANCE	GERMANY	ITALY	SPAIN	UNITED KINGDOM	POLAND	AUSTRIA	MOROCCO	NETHERLANDS	ROUMANIA	UNITED-STATES
< 30	10.5%	4.2%	3.9%	8.1%	8.6%	17.9%	8.4%	39.4%	7.8%	20.2%	10.6%
30 to 40	29.1%	14.4%	16.5%	21.1%	29.5%	42.2%	28.0%	48.1%	38.9%	55.3%	15.6%
40 to 50	29.8%	34.5%	48.1%	48.9%	28.6%	28.7%	31.8%	10.6%	25.6%	24.0%	30.2%
> 50	30.6%	46.9%	31.6%	22.0%	33.3%	11.2%	31.8%	1.9%	27.8%	0.4%	43.6%

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.

6.3.3 Diversity, inclusion and equal opportunities

Coface has identified several corresponding risks:

- a lack of effective diversity in its teams;
- staff perception of human resources practices and policies as insufficiently inclusive or failing to sufficiently foster diversity;
- or the perception of a company for which diversity is not an essential value.

These risks are of several types:

- Coface may lack appeal for external candidates or fail to retain employees considering the Coface work experience as less inclusive than at other companies;
- since diversity is recognised as promoting creativity, efficiency and teamwork, Coface could lose its attractiveness compared with companies that place this value at the heart of human resources policies;
- as Coface is a multicultural company with a considerable proportion of non-French employees, supporting inclusive practices with regard to cultural diversity is vital to ensuring collaborative and productive work between teams representing 74 nationalities and located in 57 countries;
- lastly, as a French company with over 1,000 employees, the law on "real economic and professional equality" between women and men is applicable, obliging Coface to prepare for the 2030 deadline, at which point women must account for 40% of governing body members.

Accordingly, diversity and inclusion are a key component of the Group Human Resources strategy, the aim being to provide a vision, objectives, strategic initiatives, 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 will be adapted into an internal Diversity and Inclusion policy to be drafted formally in 2022. The main areas of this policy are presented below.

a) The goal of the D&I strategy

The aim of the Coface Group is to be recognised on the market for its diversified and inclusive culture.

Coface wants employees to see the work environment as inclusive and the Company to be 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 its candidates or in Human Resources practices throughout the careers of employees.

To do so, 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)] and 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 gender equality in terms of remuneration, through the oversight of specific indicators.

b) Organisation system implemented to ensure progress on initiatives

A Group Diversity and Inclusion Committee was set up in 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.

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.

I. Training and awareness of all forms of diversity

Multiculturality

Coface is a multicultural company with a workforce comprising 74 nationalities and 337 employees 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. A host of events and training courses were organised on these topics in 2021, the following actions being carried out:

- multiculturality was the theme of a conference open to all and organised across all regions for Diversity and Inclusion Week in May 2021. More than 500 employees discussed the topics raised by several members of the Executive Committee who shared their experiences;
- employees from Asia, Latin America and France participated in conferences and workshops on cultural differences. All the managers in Asia took part, as did over 200 head-office employees.

These programmes will be renewed in 2022.

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:

- review of internal policies to make their drafting more inclusive;
- organisation of an awareness-raising conference for Diversity and Inclusion Week in May 2021. More than 900 employees from around the world took part;
- a specific training course was provided throughout Diversity and Inclusion Week. Open to all, the course brought together 300 to 400 employees for each of the five sessions organized;
- Coface began 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;
- in addition, a Coface employee received the "model role" award from the Autre Cercle organisation in 2021, illustrating the positive progress made on LGBT+ inclusion at Coface. This award is attributed to people who make a difference through their leadership in promoting LGBT+ inclusion in the workplace.

These programmes will be renewed in 2022.

(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.

People with disabilities

One of the conferences organised for the Diversity and Inclusion Week in May 2021, open to all employees in France and abroad, focused exclusively on the theme of disabled people in the professional world.

Apart from the above conference, the awareness-raising initiatives mainly concerned employees in France.

France organised three "Employment for Persons with Disabilities Weeks" in 2021. Featuring numerous special events, conferences, communications and quizzes, these weeks brought together numerous employees as part of workshops and discussions aimed at raising awareness and forging partnerships with a view to developing the employment of people with disabilities. The last of these three weekly events was extended to other countries in the Western Europe region (Belgium, Switzerland and the UK).

These programmes will be renewed in 2022.

Initiatives with external partnerships

The Coface Group has also initiated an external equal opportunities policy through a **partnership with the Potter endowment fund**, which provides financial support to 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 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 have since December 2020 devoted 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, two Coface employees, the Group Talent Director and the Group's Chief Information Officer participated in the selection panel of grant candidates.

How to measure the effectiveness of all the Group's awareness-raising initiatives?

As part of the My Voice Pulse engagement survey, Coface measures how employees perceive and experience diversity and inclusion on a daily basis. The latest global survey, in October 2021, was completed by 3,922 employees representing 89% of Coface's workforce.

To the question, "Are you satisfied with Coface's efforts to support diversity and inclusion (for example, in terms of gender, ethnicity, disability, socio-economic status)?", employees gave a satisfaction rating of 8.1/10, which compares favourably to the survey benchmark.

To the question, "Do you think Coface is a diverse workplace (for example, in terms of gender, ethnicity, disability, socio-economic status)?", the answer was also satisfactory, with a score of 8.2/10.

II. Gender equality

The proportion of men and women is well balanced overall at Group level, with a little over 54% women in 2021. However, women accounted for just 41% of managerial positions and 35% of Executive Committee members.

The table below shows the trend in the overall proportion of women in management in the countries within the reporting scope since 2019:

		2021	2020	2019
France	% women	49.2%	49.2%	50.4%
	% of managers	23.9%	24.2%	23.0%
	% women among managers	40.5%	37.4%	37.6%
Germany	% women	52.7%	54.1%	53.7%
	% of managers	16.3%	15.4%	15.4%
	% women among managers	15.3%	18.8%	20.0%
Italy	% women	49.5%	49.7%	50.8%
	% of managers	25.2%	24.9%	30.9%
	% women among managers	34.6%	36.7%	42.4%
Spain	% women	64.1%	65.2%	64.3%
	% of managers	17.9%	19.0%	21.6%
	% women among managers	42.5%	37.5%	30.2%
United Kingdom	% women	42.9%	40.8%	40.4%
	% of managers	26.7%	25.2%	23.2%
	% women among managers	28.6%	26.9%	26.1%
Poland	% women	62.3%	64.8%	63.3%
	% of managers	15.4%	14.6%	16.5%
	% women among managers	53.7%	52.6%	51.3%
Austria	% women	60.7%	63.1%	
	% of managers	22.4%	20.7%	
	% women among managers	45.8%	56.5%	

		2021	2020	2019
Morocco	% women	62.5%	63.2%	
	% of managers	14.4%	16.0%	
	% women among managers	33.3%	35.3%	
Netherlands	% women	45.6%	49.5%	
	% of managers	20.0%	23.2%	
	% women among managers	33.3%	36.4%	
Romania	% women	56.5%	54.0%	
	% of managers	18.3%	21.4%	
	% women among managers	45.8%	45.8%	
United States	% women	48.0%	46.3%	
	% of managers	30.7%	28.2%	
	% women among managers	41.8%	44.0%	

A recruitment policy fostering gender equality

When recruiting for Senior Manager [(1)] positions from outside the Group, the focus is systematically on identifying female candidates in the final selection. As a result, **women accounted for 10 external recruitments out of the 14 recruitments at this level in 2021.**

However, internally and at this Senior Management level, the proportion of women in internal promotions is still insufficient, with women accounting for just 15 of the 47 promotions (or increased responsibilities) awarded in 2021, or less than 32%. This demonstrates the need to strengthen the pool of female talent in the short term for intermediate management positions.

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

In 2020, Coface decided to calculate an enhanced and extended index for all Group entities, similar to the gender equality index, which is now mandatory in France for all companies with 50 or more employees.

The new index, calculated mid-year, 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 paragraph 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.

The index has been included as a criterion in the variable remuneration of all the Group's Senior Managers. For the second year of calculation, the Coface Group improved its score, reaching **84/100**, for a significant 3-point improvement between 2020 and 2021.

The criterion for the representation of women in Senior Management was also included, with a quantified annual growth target, in the deferred variable remuneration of Senior Managers eligible for this variable plan. At end-2021, 34% of the women at Coface had reached this level, compared with 31% at end-2020.

This percentage increased in two out of seven regions, while the criterion on gender equality in promotion decisions reached the maximum in six out of seven regions and at the head office.

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

(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.

- **Executive Committee level.** The identification of long-term female successors (2-5 years) has increased significantly in one year:

	JULY 2021	JULY 2020
% of female unique successors (short term)	36%	31%
% of female unique successors (long term)	40%	24%

- **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 is also increasing significantly at this level, from 29% in July 2020 to 40% in July 2021.

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 50% women,** explained below;
- a women's career committee process called the **Talented Women Career Acceleration Programme.** This programme is organised three times a year to review, region by region, the career progression of high-potential women. 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.

Equal pay for men and women

As mentioned above, Coface has implemented a Global Gender Index, which has been used to quickly achieve progress on **equal treatment for men and women** in France and internationally. Coface's score rose from 31/40 in 2020 to 34/40 in 2021. Each region has progressed, some very significantly.

Decisions to increase remuneration are now equal, with each region having obtained a maximum score for this criterion in the index. This is 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.

Coface also checks that the average percentage of bonuses for men and women is comparable overall.

For several years now, some countries, including France, have set aside a specific budget for women's wage catch-up to more quickly achieve the equality objective.

The implementation of the Global Gender Index has enabled rapid and significant progress in terms of remuneration.

Measuring the impact of all D&I actions internally

Coface can now specifically measure progress on this initiative through its 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 from the October 2021 survey.

OVERALL PARTICIPATION IN THE SURVEY	OVERALL "DIVERSITY AND INCLUSION" SCORE	DIVERSITY	INCLUSION	NON-DISCRIMINATION
89%	8.1	8.2	8.4	8.2

6.3.4 Attracting, developing and retaining talent; engaging employees

Failing to take account of the importance of attracting, retaining and engaging employees presents entails several risks for Coface:

- lack of key skills to successfully complete the Company's strategic plan;
- key positions remaining vacant, at least temporarily, when incumbents leave, with a risk of discontinuity and reduced performance;
- having to recruit externally, which often involves significant additional costs, with the risk of unsuccessful integration into the Company's culture, particularly in leadership positions, and therefore a potentially negative impact on collective performance;
- potential employee disengagement, which may result in reduced performance, less well-identified or managed business, financial or expansion opportunities, less effective collaboration, loss of reputation and, ultimately, undesirable departures from the Company;
- reduced capacity for innovation if employee diversity is not guaranteed.

To limit these risks, Coface has, as part of its overall HR strategy, 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. partnering the business meeting Build to Lead objectives;
3. ranking 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, 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);
- 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 Arbitrage 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);
- 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);
- ensuring the proper integration of new recruits on fixed-term and permanent contracts, around the world (IntoCoface programme, the implementation of which continues to move forward);
- 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:

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.

The Academy received over 41,000 page views, while course registrations totalled nearly 16,000. Registrations were made by 1,074 employees, or nearly 23% of the Company.

Commercial Academy

The deployment of this programme, aimed at developing the skills of the sales teams around the world, continued as planned in 2021:

- 348 participants were trained in 2021, up from 324 in 2020. *(NB: some are the same in 2020 and 2021.)*;
- in 6 regions (5 in 2020);
- and 47 countries (22 in 2020);
- overall, nearly 700 employees and managers have benefited from this Academy since its launch, or nearly two-thirds of the sales teams;
- the initiative meets staff expectations, with an average 4.2/5 satisfaction rate.

The teaching content of the programme has been adapted for remote learning and the educational content adjusted to develop the distance sales skills of salespeople.

The Group has initiated the implementation of a specific programme for the Information Sales teams, with more than 60 participants.

Implementation will continue in 2022 with new modules to address more advanced skills levels and thus continue to enhance expertise.

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 in the Company. The programme continued in all Group regions in 2021 with:

- 69 participants in the new class initiated in 2021, including 67% women. This is full consistent with the aim of including a majority of women to strengthen gender equality and the representation of women in senior positions;
- participants account for more than 20% of nationalities.

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 excellent feedback from participants, mentees and mentors alike.

(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.*

My Voice Pulse

Coface has decided to renew its engagement surveys. In 2021, it set up a tool to focus not just on motivation but on the employee experience. Coface also gave each manager, with more than 6 direct reports, 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 2021 survey showed that engagement was globally consistent with the benchmark with an average 7.4/10. The main conclusions point to the following:

- strong confidence in the management of the health crisis;
- confidence in strategy, with a need for stronger communication and alignment;
- strong appreciation of Company values, perceived as part of the daily life and the "employee experience", as well as increased flexibility, which is a key aspect of the culture;
- pressure on wages and workload;
- perception of distance in daily working relationships owing to the growing remoteness of the office.

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, set out in detail in Section 2.3.1, aims to:

- **attract, motivate and retain the best talent.** Each year, the Group awards free performance shares to an identified regulated population in the context of the Solvency II Directive (Executive Committee, key functions and employees with significant influence on the Company's risk profile), for whom a portion of variable compensation must be deferred, and to certain key employees as part of the reward and retention policy. The vesting period for this scheme is set at three years;
- **encourage individual and collective performance**. 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 2021, the objectives of the Group's Senior Managers included client satisfaction and employee commitment, 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 exercise concerned 36 countries between 2017 and 2018, covering nearly 90% of the Group's functions and 13 target countries in 2020. It will be repeated in 2022 for 15 countries;
- **comply with the regulations in force and guarantee internal fairness and professional equality, particularly between men and women.** 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 85 out of 100 for 2020, 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 81 points out of 100 in 2020 and increased the score to 84 in 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 remuneration 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.

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

breakdown of internal/external applicants among new appointments for Senior Management roles in 2021:

- out of 61 new appointments, 77% came from internal staff and 23% from external recruitments,
  - Coface's ability to offer internal development opportunities for these job levels has improved significantly. External skills are recruited when they do not exist internally;
  - **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 July following the Talent Reviews. To have a sufficiently representative period for turnover, Coface measured on December 31, 2021 the percentage of employees identified as "high potential" in July 2020 having left Coface,
  - the percentage this year was 5%, compared with 5.2% last year;

6

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

- **international occupational mobility** continued to grow strongly in 2021, despite the prolonged pandemic. This performance reflects Coface's ability to continue to offer growth opportunities while ensuring the safety and well-being of the employees concerned by transfers, as well as compliance with all travel and immigration restrictions related to the health environment:
  - total number of employees on international transfers in 2021: **86 *vs.* 76 in 2020** (and 72 in 2019):
    - women account for 38% of transfers (36% in 2020),
    - young people are increasingly represented (36% *vs.* 29% in 2020),
    - cultural diversity remains extremely strong (28 in total, *vs.* 26 in 2020);
  - number of new employees on international transfers in 2021: 26, *vs.* 20 in 2020:
    - the share of intra-regional transfers increased sharply: at 81%, compared with 55% in 2020;
    - as did that of women: 46% *vs.* 30%;
    - non-French employees still have a large majority (73% *vs.* 75% in 2020), with 12 nationalities represented;
    - the share of staff aged under 35 remains high: 50% (55% in 2020);

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 (overall score of 7.1/10; 8.2/10 for staff aged 20-25).

6.4 COFACE IS DEVELOPING ITS ENVIRONMENTAL RESPONSIBILITY

RESPONSIBLE ENTERPRISE

Main pillar themes:	
Adaptation of the business model to take environmental issues and risks into account (part 6.4)	
General environmental policy: policy under development and cross-functional actions	*R.10*
Energy consumption	*R.10*
Travel policy	*R.10*
Car policy	*R.10*

Environmental issues are becoming increasingly important in public debate. The Paris Agreement, which aims to limit global warming to a level well below 2°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 loss of attractiveness in the eyes of internal and external stakeholders.

6.4.1 General environmental policy

Policy under development

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 along with the environmental and social impacts of investments** (as explained above in paragraph 6.2). The Group also initiated an **approach in 2021 to reduce its overall environmental footprint, initially by measuring its carbon footprint.**

A carbon footprint assessment will be finalised in early 2022 with the aim of implementing a Group decarbonisation strategy based on a regular update of this assessment.

To initiate a decarbonisation trajectory, Coface has begun to **measure its carbon footprint by including Scopes 1 and 2 and, above all, 3,** with a greater focus on the investment portfolio and the footprint of the products sold. By measuring Scope 3, the Group can take into account what in all likelihood constitutes the majority of Coface's carbon footprint (as is the case for all banking and insurance companies) and go beyond regulatory requirements in this area.

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 offered in each country's catalogue must now be adapted to the use of drivers, favouring hybrid and petrol models and limiting diesel models to the highest-mileage drivers. Coface has also set a target CO_2 standard at 140 g/km (WLTP standards) per vehicle and thus hopes to increasingly reduce the environmental impact of its fleet in the coming 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.

Cross-functional actions

In 2021, the Management Committee took part for three hours in a **"Climate Fresque"**, the aim being to understand key climate challenges and initiate broader thinking on how Coface can reduce its environmental impact.

Initiatives have already been implemented on items that are easily identifiable as "potential pollutants" at companies in the tertiary sector, such as more responsible property choices, reduced travel and business trips, and the introduction of hybrid or electric cars in the Company fleet. The implementation of flex-office policies in the various countries also contributes to reducing this impact by decreasing commutes and, in some cases, the surface area of the offices occupied by Coface.

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.

The Green to Lead Group, set up on an employee initiative in 2020 and composed of employees looking to contribute to this goal, continues to exist. It works hand in hand with the CSR Department through regular meetings to assess local needs and perpetuate initiatives.

Lastly, for European Sustainable Development Week, Coface organised daily conferences on environmental topics such as:

- *climate resilience and climate risk management;*
- *how environmental issues and climate change in particular affect climate in particular affect work at Coface;*
- *digital sobriety, with the contribution of Frédéric Bordage, founder of Green IT;*
- *giving a second life to plastic bottles.*

6.4.2 Energy consumption

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

/ REPORTED ENERGY CONSUMPTION SINCE 2019 FOR THE REPORTING SCOPE

	REPORTING SCOPE 2021 FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND THE UNITED STATES		REPORTING SCOPE 2020 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	EQUIV. CO_2	CONSUMPTION	EQUIV. CO_2	CONSUMPTION	EQUIV. CO_2
Electricity	4,766 MWh	711 tCO_2e	4,690 MWh	694 tCO_2e	5,007 MWh	573 tCO_2e
Gas	1,101 MWh	236 tCO_2e	1,038 MWh	233 tCO_2e	963 MWh	214 tCO_2e
Surface area		64,896 m^2		65,123 m^2	34,776 m^2	

In Germany, electricity consumption does not generate any greenhouse gas emissions, as Coface Germany has opted for an energy contract fully based on renewable energy sources.

	2021		2020		2019	
(Consumption MWh)	ELECTRICITY	GAS	ELECTRICITY	GAS	ELECTRICITY	GAS
France	1,599	245	1,507	165	1,836	205
Germany	1714	N/A	1,673	N/A	1,960	N/A
Italy	288	551	286	594	427	588
Spain	295*	N/A	317	N/A	469	N/A
United Kingdom	186*	150	179	171	210	170
Poland	107*	N/A	123	N/A	104	N/A
Morocco	81	N/A	68	N/A		
Netherlands	203*	N/A	192	N/A		
Austria	72	N/A	93	N/A		
Romania	110	138	91	93		
United States	110	17	159	17		

* *Containing estimates for the month of December.*

As in 2020, the Coface Group reported relatively low electricity and gas consumption, as the health environment forced employees to work in hybrid mode (working on-site/from home).

The return to the office is a gradual process, depending on the trend in the pandemic and national government directives.

Consumption increased considerably in France (which accounts for about one-quarter of the Group's gas consumption) owing to the breakdown of the solar panels on the roof of the head office. These solar panels had until then been used to replace the boiler for a few months of the year. In addition, new boilers have been installed, thus maximizing their use. The manager of the Bois-Colombes building is currently repairing the solar panels.

6.4.3 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.).

Since 2020, the global health crisis stemming from the COVID-19 pandemic led to a significant reduction in travel.

TYPE OF TRAVEL	METRIC TONNES EQUIV. CO_2 FOR THE 2021 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES EQUIV. CO_2 FOR THE 2020 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UNITED KINGDOM, POLAND, MOROCCO, NETHERLANDS, AUSTRIA, ROMANIA AND UNITED STATES	METRIC TONNES EQUIV. CO_2 FOR THE 2019 REPORTING SCOPE FRANCE, GERMANY, ITALY, SPAIN, UK AND POLAND
Aeroplane	134	151	675
Train	9	15	27

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

(1) No journeys in that year.

Since 2020, due to the global health crisis linked to COVID-19 and a strict travel authorisation policy implemented by the Group for a part of the year, air and train travel remained low across the entire reporting scope.

Remote collaboration is now firmly ingrained in working habits and Coface employees travel only when really necessary or, occasionally, to maintain social relations vital to successful collaboration.

As a result of the pandemic, employees generally appear to avoid trains and planes and densely populated public spaces.

Greenhouse gas consumption related to air and train travel thus remained lower than in 2019.

In Germany, CO_2 emissions from train travel were 100% offset.

6.4.4 Car policy

As detailed in paragraph 3.4.1, 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.

The Group's fleet has thus far mainly been composed of diesel vehicles.

In 2021, the changes made to the Coface car fleet resulted in a decrease in the consumption of diesel vehicles and an increase in petrol consumption (or electricity consumption for countries with plug-in hybrid or all-electric cars). A diesel/premium fuel distinction has been added to Table 2 to monitor this trend over time.

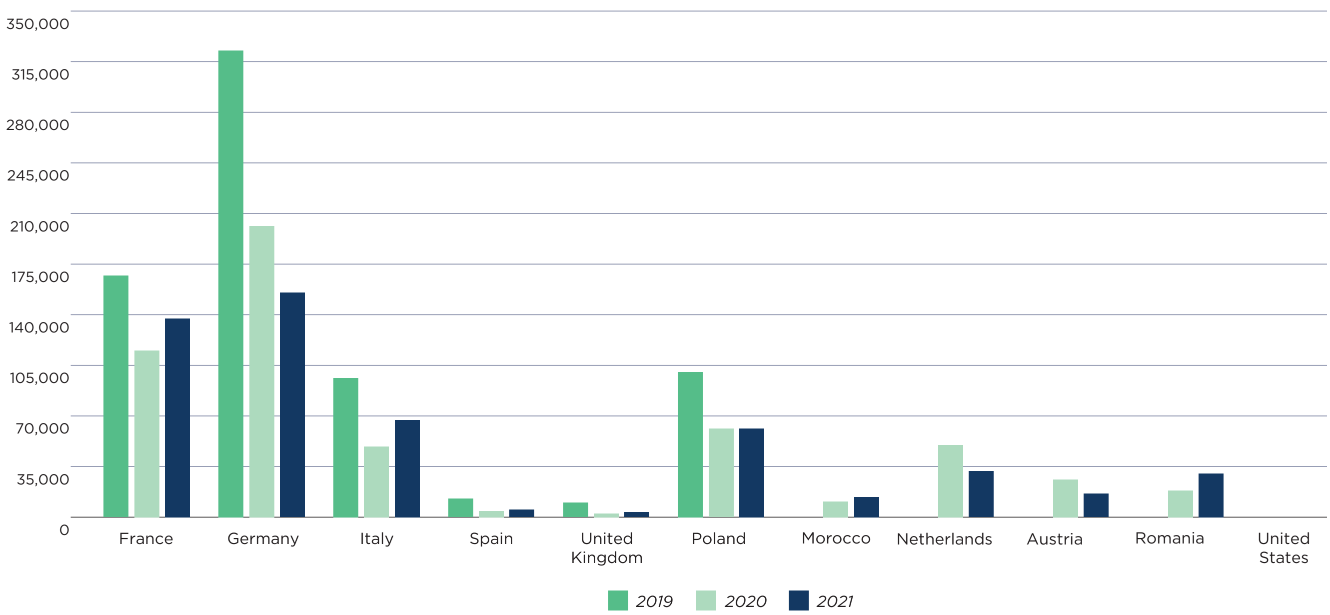
/ TABLE OF CONSUMPTION SINCE 2019

FUEL: DIESEL AND FOUR-STAR PREMIUM FUEL	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	521,631	538,505	716,527
Metric tonnes equiv. CO_2	1,387	1,437	1,847

(Fuel (diesel and four-star premium fuel) in litres)	2021			2020	2019
	Diesel	*Premium*	Total	Total	Total
France	*117,924*	*19,450*	**137,374**	115,197	166,930
Germany	*138,416*	*16,805*	**155,221**	201,394	322,688
Italy	*61,959*	*5136*	**67,094**	48,865	96,243
Spain	*2,994*	*2,118*	**5,112**	4,263	12,784
United Kingdom	*1,573*	*1,873*	**3,446**	2,584	9,983
Poland	*6,145*	*55,142*	**61,287**	61,098	100,277
Morocco	*14,010*	*N/A*	**14,010**	10,755	
Netherlands	*1,795*	*29,977*	**31,772**	49,929	
Austria	*10,665*	*5,509*	**16,174**	25,979	
Romania	*7,236*	*22,905*	**30,141**	18,442	
United States	*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.

/ FUEL (DIESEL & FOUR STAR PREMIUM FUEL) IN LITRES



Many countries have favoured car transport to avoid densely populated public transport spaces such as trains and planes. Still others once again severely limited travel owing to the pandemic. Since 2020, Group-wide GHG emissions have been affected by the Covid-related reduction in travel.

Within the reporting scope, countries adopt initiatives to reduce fuel consumption, such as Coface in France, which regularly upgrades its vehicles (renewal rate of over 90% since 2020) and selects them based on a number of criteria, including CO_2 emissions per kilometre travelled.

The catalogue of France's vehicle fleet has been comprehensively overhauled with the introduction of petrol and hybrid vehicles. All-electric vehicles were added to the catalogue in June 2021 and charging stations will be installed at Bois-Colombes in June 2022.

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

The CO_2 emissions of a vehicle 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.

The objective with the new catalogue in France is to reduce fleet CO_2 emissions by an average 3 g/km in 2022 (excluding any changes in the WLTP standard). The catalogue will 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 vehicle fleet in France stood at 118.06 g/km in 2021.

6.5 EUROPEAN TAXONOMY

In accordance with EU Regulation 2020/852 of June 18, 2020, known as the "Taxonomy Regulation", COFACE SA must publish, for the 2021 financial statements, the information required under Article 8 of this regulation, as supplemented by the delegated regulation of July 6, 2021.

The definition of an EU sustainability taxonomy is one of the measures provided for in the European Union's "Green Pact" aimed at achieving carbon neutrality by 2050. The aim of this so-called "Taxonomy" regulation is to establish a classification system common to all actors that will make it possible to distinguish economic activities that can be considered environmentally sustainable (green investments) from others.

6.5.1 Investment indicator

Regarding investments, Coface's teams understand that the following information is expected:

1/ **Exposure to economic activities eligible and not eligible for the Taxonomy/total assets;**

2/ **Exposure to central governments, central banks or supranational issuers (sovereigns)/total assets;**

3/ **Exposure to derivatives/total assets;**

4/ **Exposure on companies not required to disclose non-financial information within the meaning of European regulations/total assets.**

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

Coface teams understand that if the information is not available (as is the case for 2021), companies must indicate "0" for this indicator. Accordingly, the real value of Coface concerning the Taxonomy's eligible investment indicator in 2021 was zero.

6.5.2 Subscription indicator

The Coface teams understand that this indicator concerns ***"non-life insurance covering hazards related to climatic-risks"*** as defined in in Annex 2 of the Taxonomy Regulation – Regulation (EU) 2020/852.

The business lines mentioned in the delegated acts of the Taxonomy regulation relate to the 8 non-life business lines within the meaning of the Solvency 2 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.

Accordingly, this ratio does not appear to be applicable to **Coface's economic activities** (credit insurance, Single Risk, sales of information, factoring, bonding). The share of non-life gross premiums written eligible for taxonomy is therefore 0% in 2021.

6.6 GUIDELINES AND METHODOLOGY

6.6.1 Methodology for identifying non-financial risk

Non-financial risks have been mapped in several steps:

- the first step consisted in identifying a fairly broad spectrum of risks 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. This step resulted in the identification of around 30 risks divided into three areas: environmental risks, social risks and governance risks;
- these risks were then qualified and prioritised, notably according to their inherent level of risk, so as to focus on the most important issues for the Group. This resulted in a limited selection of the most relevant non-financial risks;
- each of the non-financial risks selected was analysed in depth: assessment of inherent and residual risk and the level of control, evaluation of mitigation measures implemented, definition of monitoring indicators. 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. 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 will be monitored quarterly by the Management Committee.

6.6.2 General organisation of the report

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

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

- The information in the "***responsible insurer***" paragraph was provided by the following departments:
  - Group Marketing (client satisfaction),
  - Commercial Underwriting (commercial exclusion policy),
  - Group Investments, Financing and Treasury (environmental and social impact of investments),
  - Economic Research and Underwriting (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 Staff Reporting and were coordinated by the Group Human Resources Department.
- ***Environmental information*** comes from the departments responsible, within the reporting scope, for Management facilities, as well as from Group Human Resources (travel and car policy) and Group Purchasing (car policy).

Reporting period

Unless stated otherwise, all figures refer to financial year 2021, corresponding to calendar year 2021.

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

Reporting scope

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

Since 2014, the Group has extended its reporting scope during each new reporting year, as presented in the table below.

FINANCIAL YEAR	REPORTING SCOPE	INFORMATION REGARDING THE SCOPE ADDED	SCOPE REPRESENT-ATIVENESS WITH REGARD TO THE GROUP'S WORKFORCE	SCOPE REPRESENT-ATIVENESS 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 the Company, 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 the Company, 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%

* *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

- In 2021, the corporate indicators, excluding those on the Group's workforce, concerned the scope of France, Germany, Italy, Spain, the United Kingdom, Poland, Austria, Morocco, the Netherlands, Romania and the United States. 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 Group HRD Reporting, an online internal tool.
- The workforce figures provided relate to employees at December 31, 2021 on permanent or fixed-term contracts (including expatriates and people who have temporarily left the Company), excluding people who have permanently left the Company, interns, trainees, V.I.E. international interns, temporary staff, consultants and subcontractors.
- "Permanent inactive" status concerns employees who, according to local regulation, must be kept in the Company's system but who no longer work for Coface. This includes employees having taken early retirement, whose notice period is not observed, having left the Company during the current month or on sabbatical leave.
- "Temporary inactive" status concerns employees who temporarily no longer work for the Company, including those on long-term sick leave (more than three months), maternity/parental leave and other short-term inactive leave.

- The indicator for the "percentage of female managers" takes into account the percentage of female managers in the workforce at December 31, 2021, *i.e.* the number of women in management positions among the workforce (numerator) out of the total number of employees in manager positions (denominator).
- Consistent with the Group-level categorisation, the following employees must be counted as managers:
  - *General management,*
  - *Middle management and 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.
- The number of expatriates during 2021 is equal to the total number of people on international mobility during the year (from January 1 to December 31, 2021), regardless of the contractual status (expatriate, seconded, local+), the initial departure date (before or during year N) and the duration of the assignment (long term or short term). This includes employees who have completed their assignment before the end of the year, as well as those who started their assignment remotely from their home country owing to exceptional circumstances having delayed the effective date of settlement in the host country.

In contrast, this excludes employees whose position was simply transferred to another country without a change in position and workers recruited directly from abroad.

- The number of new international assignments in 2021 is equal to the total number of people who began their international mobility during the year (from January 1 to December 31), regardless of the contractual status (expatriate, seconded, local+) and the duration of the assignment (long or short term). The same inclusion and exclusion rules as the previous indicator apply.
- The percentage of turnover among employees considered as "high potential": employees considered as "high potential" are approved each year at the end of July following the Talent Reviews. To ensure a sufficiently representative period for turnover, Coface measures the percentage of high potentials identified in July of year N-1 at December 31 of year N-1 who left Coface.

/ ENVIRONMENTAL RESPONSIBILITY

	REPORTING SCOPE	COMMENT	ELECTRICITY CONSUMPTION *(kwh)*	GAS CONSUM-PTION *(kwh)*	PETROL CONSUM-PTION (L)	DIESEL CONSUM-PTION (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	✓	✓	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	✓	✓	N/A	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.
- For train travel in Romania, the United States, Poland and Morocco, a world conversion factor (Ecoinvent® database) has been used since the data are not included in the ADEME Carbon Base®.
- In the ADEME Carbon Base®, the emissions factor identification is 25774 for diesel and 25763 for petrol.
- 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 aeroplane emission factor was calculated by taking the average of the three emission factors: short, medium and long haul.

Methodological details

- The electricity consumption table contains estimates for Spain, the United Kingdom (Manchester office only), Poland and the Netherlands, as December invoices were not available at the time of Chapter approval.
- 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).
- 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.

6.7 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, 2021

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 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO 17020 to ISO 17029), 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, 2021 (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 on ESG integration and the carbon footprint of investment portfolios is provided by the mandated asset management company;
- the measure of the environmental impact of risks covered by Coface (debtor portfolio) is currently being deployed;
- as explained in the methodology note "Guidelines and methodology", the scope of reporting of social and environmental indicators covers 63% of the workforce for the year 2021.

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.

Responsibility of the Company

The Board of Directors 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 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 acting as the verification programme and with the international standard ISAE 3000 (revised).

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 October 2021 and March 2022 and took a total of four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement, representing the following departments at Group-level: Marketing, Human Resources, CSR, Commercial Underwriting, Investment, Financing and Treasury Departments, and Risk Management.

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, respect for human rights and the fight against corruption and tax evasion;
- 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 21% and 71% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

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, 2022

One of the Statutory Auditors,

Deloitte & Associés

Jérôme Lemierre	Julien Rivals
Associé, Audit	Associée, Développement Durable

(1) *Qualitative information: Policies put in place to address the risk "Investment in non-responsible assets from an environmental, governance or social point of view"; Overall environmental rating of the debtor portfolio; Policies put in place to address the risk "Discontinuity of Coface operations relative to environmental risks"; Measure of client satisfaction; Gender Index; Policies put in place to address the risk "Lack of attractiveness, loyalty and engagement of employees".*

(2) *Risks: Investment in non-responsible assets from an environmental, governance or social point of view; Environmental impact of risks covered by Coface (debtor portfolio); Discontinuity of Coface operations relative to environmental risks; Non-satisfaction of clients and partners; Lack of attractiveness, loyalty and engagement of employees.*

(3) *Social indicators: Total workforce by gender and type of employment contract; overall proportion of women and overall proportion of women in Senior Management; Turnover rate of employees identified as high potential; Senior management: percentage of internal candidates vs. external.µµµEnvironmental indicators: Greenhouse gas emissions from energy, gas, and fuel consumption.*

(4) *Selected entities: COFACE France, COFACE Allemagne.*