

Anti-Corruption Policy

Preamble

Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life (hereinafter the "Sapin 2 law") requires measures to be taken to prevent and detect the commission, in France or abroad, of acts of corruption or influence peddling.

Covéa Finance faces multiple corruption and/or influence peddling risks: financial, strategic, criminal prosecution, administrative sanctions, damage to values, etc.

Since 2003, Covéa Finance has conducted its activities ethically and in compliance with applicable laws, including preventing the risks of conflict of interest, market abuse, the fight against corruption and influence peddling.

The Chairwoman and Accountable Managers of Covéa Finance are fully committed to the fight against corruption by adopting a zero-tolerance policy to address corruption risks, incorporating the fight against corruption into internal procedures and policies, involving its executive committee and implementing an appropriate communication policy.

Since 2018, this anti-corruption policy has been in line with the broader anti-corruption policy implemented by the Covéa Group and supported by the Group Chairman.

1. Objective of the anti-corruption policy

The objective of this policy is to explain the vision and measures implemented by Covéa Finance in its activities to combat corruption and influence peddling. This policy meets the requirements of the "Sapin 2 law" and supplements the measures already taken by Covéa Finance in the fight against corruption (code of conduct, ethics commitment, conflict of interest prevention policy, internal rules, etc.).

In the event of a breach of this anti-corruption policy and other measures taken by Covéa Finance in the fight against corruption, all Covéa Finance employees are liable to criminal sanctions, as well as those provided for in Covéa Finance's internal regulations (the "Regulations").

- Governance and implementation of the anti-corruption system:

The implementation and supervision of the anti-corruption programme is the responsibility of the Group's governing bodies with regard to stakeholders (employees, suppliers, customers, public authorities, etc.).

Covéa Finance's compliance is responsible for the operational implementation of Covéa Finance's anti-corruption programme.

2. Definition of corruption and influence peddling

2.1 Definition of corruption

The term "corruption" refers both to corruption itself and to "influence peddling".

Corruption is an offer, a promise, the award of a financial remuneration or other benefit to a person with public or private responsibilities, as an incentive or reward for having performed a function or an activity (or not, as the case may be) in an abusive manner, that is, demonstrating bad faith or a breach of trust.

Influence peddling occurs when an undue gift or advantage is offered or granted for the beneficiary to use its actual or alleged influence to obtain a favourable decision from a public authority.

Corruption can be active, when it is the corrupting person ("the corrupter") who initiates the corruption by offering or providing a sum of money or any other consideration or benefit in exchange for a service.

Corruption is passive when the act of corruption is initiated by the person who is corrupted by demanding or accepting money or any other benefit in exchange for a service.

Corruption is said to be public when it involves persons performing a public and private role where the corruption offence involves only natural or legal persons in the private sector.

3. Corruption penalties

Covéa Finance's Regulations stipulate that, in addition to the risk of being subject to criminal penalties, any employee who has impeded the company's anti-corruption measures or who is personally guilty of acts of corruption or influence peddling in the course of their duties shall be subject to disciplinary measures. The various disciplinary measures are described below (10. Disciplinary measures).

4. Covéa Finance code of conduct

Covéa Finance has put in place a code of conduct through its "Conflict of interest management policy and code of ethics" and ensures that each of its employees sign an ethical commitment incorporating anti-corruption measures. These policies and commitments define and illustrate the different types of behaviours to be prohibited, since they are likely to qualify as conflicts of interest,

corruption or influence peddling. These circumstances are specified in Covéa Finance's Regulations, which were therefore used for consultation with staff representatives as provided for in Article L.1321-4 of the French Labour Code.

5. Whistle-blowing system

The Sapin 2 law requires the introduction of an internal whistle-blowing system so that reports can be collected from employees concerning the existence of conduct or situations contrary to the company's code of conduct, notably in relation to acts of corruption. Insofar as different professional whistle-blowing systems provided for by specific regulations co-exist, it is recommended, in the interest of readability, to establish a single technical system for the receipt of alerts. This tool is also open to external and temporary employees.

As such, Covéa Finance has put in place a single whistle-blowing system aimed at strengthening all employees' means of expression so that they can report the existence of conduct or situations contrary to the code of conduct. Any employee or person external to Covéa Finance may send a report directly to the Ethics Committee, using a form available on the Covéa Finance intranet or website. The tool chosen by Covéa Finance guarantees the confidentiality of the reporting entity. The report may be made anonymously. The alert will be processed according to the chart provided in Appendix I.

This system supplements, and does not replace, reports to line managers or to staff representatives.

6. Covéa Finance's corruption risk map

In accordance with article 173° of the Sapin 2 law, Covéa Finance has established a corruption risk map in the appendix to the policy (Appendix II), as well as an associated methodological note.

This risk map takes the form of regularly updated documentation designed to identify, analyse and prioritise the risks of Covéa Finance being exposed to external solicitations for corruption purposes.

The corruption risk map quantifies and prioritises the risks to which Covéa Finance is exposed in the course of its activities.

Corruption risks are reduced where the procedures outlined in the policy to prevent conflicts of interest and market abuses are in place (management of gifts and invitations issued and received, monitoring of accounts, etc.).

Residual risks are low, as Covéa Finance:

- Issues calls for tenders for the selection of its external service providers and subcontractors and has set up a referral committee for its long-term partners;
- Has a detailed and documented procedure for the selection of its brokers and execution intermediaries, notably during committee meetings;
- Has a procedure for selecting and rating sponsorship projects;
- Has put in place a procedure for the selection of its commercial distributors;
- Has an accounting anti-fraud procedure that is regularly tested;

Lastly, the amounts in respect of which Covéa Finance does not use calls for tenders are negligible, but are nevertheless subject to prior comparative estimates.

7. Assessment of the integrity of customers', leading suppliers' and intermediaries' circumstances

7.1 Assessment principle and objectives

Any third parties must be chosen through a call for tenders, an invitation to tender or a selection at a committee meeting (broker/intermediary, service provider, supplier, etc.). Any call for tenders/selection during a committee meeting will inevitably include a questionnaire dedicated to assessing the integrity of third parties.

With regard to sponsorship, Covéa Finance has a detailed procedure for selecting and rating projects.

Lastly, Covéa Finance has also put in place a procedure for selecting its commercial partners. All subcontracting, partnership and service contracts are concluded for a limited period and are regularly put out to tender.

Residual corruption risks are low, as the amounts in respect of which Covéa Finance does not use calls for tenders or committees are negligible.

Assessment procedures involve the collection of information from third parties through standardised questionnaires, as well as the analysis of these elements. Certain elements are disqualifying when selecting third parties, e.g. non-filing of financial statements, location of the company and law governing it.

The aim of this assessment is to enable a decision to be made about whether to enter into a relationship with a third party, continue an existing relationship or terminate it.

In addition, as part of its relationship with third parties, Covéa Finance communicates its code of conduct to third parties and informs them of the risk of corruption.

In addition, Covéa Finance requires third parties to make a written anti-corruption commitment, and that the third party verify the integrity of their subcontractors.

7.2 Consequences of the assessment

Following the assessments and various selection committees, and based on the rating obtained and the qualitative elements taken into account, Covéa Finance may draw the following conclusions:

- Approve the relationship with or without reservations;
- Delay decision-making;
- Terminate the relationship or not enter into it;

The identification of risk factors does not mean the relationship is prohibited but must lead Covéa Finance to take appropriate measures to prevent any risk of corruption.

8. Accounting control procedures

Covéa Finance has put in place an accounting control procedure to ensure that its accounts are not used to conceal acts of corruption or influence peddling.

Before a service is provided, a quote must be issued. After the service is performed, a check is carried out to ensure that the service corresponds to the quote issued. Lastly, the payment approval is signed by a person other than the person who incurred the expense.

These various measures are intended to prevent Covéa Finance's accounts from being used to conceal acts of corruption or influence peddling.

9. Educating employees about corruption risk

Under the Sapin 2 law, Covéa Finance has decided to educate all of its employees about the risks of corruption and influence peddling, thereby developing a culture of integrity through mandatory training.

This training must enable the recognition and management of various types of behaviours that are to be prohibited, since they are likely to qualify as acts of corruption or influence peddling, and allow best practices and prevention measures to be applied on a daily basis.

A minimum score must be achieved in order to pass the training. Materials will be available at all times. This training must be passed on a regular basis.

In addition, the compliance team may carry out specific additional training for identified employees within the company who may face higher corruption risks.

10. Disciplinary system

In accordance with Article 7° II of Article 17 of the Sapin II law, Covéa Finance has set up a disciplinary system within its regulations to issue penalties for the company's employees in the event that the code of conduct is breached.

Wrongdoing by an employee may result in one of the following penalties depending on the situation:

- Verbal or written warning,
- Reprimand,
- Suspension,
- Transfer,
- Downgrade,
- Dismissal on material and substantial grounds,
- Dismissal for gross or wilful misconduct.

The penalties scale is provided in Appendix III of this policy.

10. Assessment of the implementation of procedures

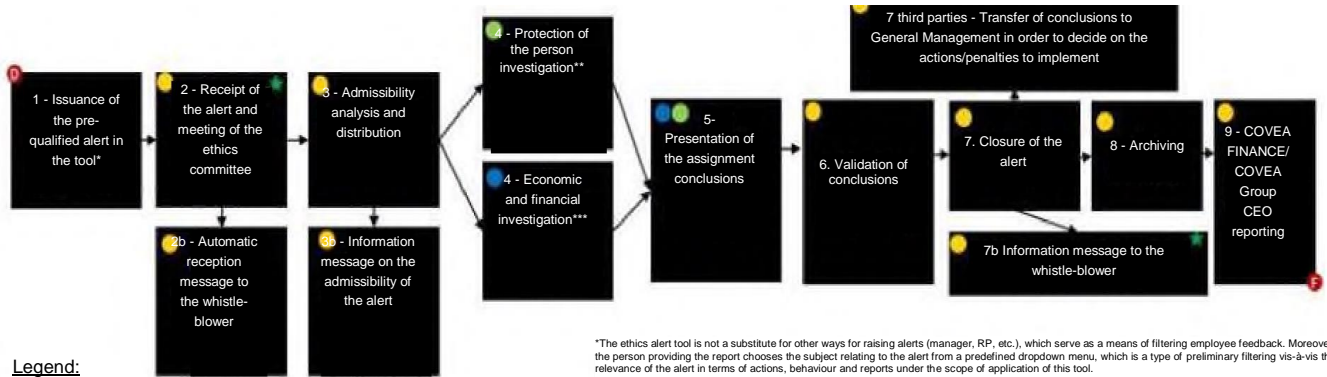
Covéa Finance conducts an annual assessment of how effective its anti-corruption programme is in terms of best practices identified in this area.

The purpose of these controls is to monitor the implementation of measures to prevent and detect corruption, identify areas for improvement, improve the effectiveness of the system and detect cases of corruption.

In accordance with Covéa Finance's control system, the implementation of anti-corruption procedures will be assessed at three levels:

- The **first-level** control will be performed by operational staff: it aims to ensure that procedures are not circumvented or ignored.
- The **second-level** control will be carried out by permanent control: it aims to ensure that the first-level controls have been correctly performed and that the system to prevent and detect corruption works well.
- A **third-level** control is carried out by an independent auditor. It aims to ensure that the system to prevent and detect corruption complies with company-wide and regulatory requirements, and that it is effectively implemented and regularly updated. This third-level control will result in an audit report.

Appendix I: Processing of a professional alert



Legend:

- D Start of process
- Ethics Committee
- F End of process
- Inquiry commission on the safety of persons
- Economic and financial inquiry commission

★ Steps in the process allowing for the preservation of anonymity

*The ethics alert tool is not a substitute for other ways for raising alerts (manager, RP, etc.), which serve as a means of filtering employee feedback. Moreover, the person providing the report chooses the subject relating to the alert from a predefined dropdown menu, which is a type of preliminary filtering vis-à-vis the relevance of the alert in terms of actions, behaviour and reports under the scope of application of this tool.

**Appointment of additional members to committees/the commission based on expertise and resources required (e.g. occupational health services for alerts relating to protecting an individual).

***In case of disagreement between members of the ethics committee and/or the investigation commission, general management is authorised to arbitrate on the cause of the disagreement

***Alerts relating to protecting an individual are to be handled immediately due to their urgent nature, compared to economic and financial alerts.

Appendix II:
Covéa Finance corruption risk map

| Risks | Description of the risk | Probability of the risk | Impact of the risk |
|--|---|--------------------------------|---------------------------|
| Risks related to suppliers /third parties | Risks related to the signature of a contract or continuation of a relationship with a dubious (or corrupt) supplier due to failures in the process of prior certification and subsequent verifications. | Low | High |
| | Risks related to the mismatch between services received and payments made (fictitious purchases) | Low | Medium |
| | Risks related to the absence of an anti-corruption policy at the supplier level | Low | Medium |
| | Risks related to the absence of an anti-corruption clause in contracts | Low | Medium |
| | Risks related to incidences of embezzlement (collusion, bribes, etc.) | Low | High |
| | Risks related to the use of an unauthorised supplier | Low | Medium |
| | Risks related to unfair competitive bidding between suppliers | Low | Medium |
| | Risks related to geographic location (suppliers based in countries with a high risk of corruption) | Medium | Medium |
| | Risks related to the absence of anti-corruption measures at the supplier level | Low | High |
| | Risks related to the signature of contracts with public companies or agents/PEPs | Low | High |
| Risks related to service providers | Risks related to the mismatch between benefits received and payments made | Low | Medium |
| | Risks related to the selection of a service provider without a call for tenders | Low | Medium |
| | Risks related to unfair competitive bidding between service providers | Medium | Medium |
| | Risks related to the service provider's lack of an anti-corruption procedure | Low | Medium |
| | Risks related to the absence of anti-corruption measures in contracts | Low | Medium |

| | | | |
|---|--|----------------|--------|
| Risks related to the whistle-blower system | Risk linked to the absence of an alert system to report corruption | Not applicable | Medium |
| | Risk linked to stakeholder lack of knowledge of the whistle-blower system | Low | Medium |
| Risks related to gifts and invitations | Risks related to the lack of knowledge of rules on gifts and invitations | Low | High |
| | Risks related to the failure to register gifts and invitations offered and received | Low | High |
| Risks related to employees | Risks related to failure to update the code of conduct and internal rules on matters relating to corruption | Low | Low |
| | Employee training: - Risks related to the absence of appropriate training for employees on the fight against corruption and influence peddling | Low | Medium |
| | - Risks related to the absence of regular education about corruption issues through information and communication actions; | Low | Medium |
| | - Risks related to the absence of information/disclosure in contracts on the training of temporary staff in the fight against corruption and influence peddling | Low | Medium |
| | Employee travel: Risks related to the absence of a procedure governing travel in countries with high risk of corruption; | Low | Low |
| | Recruitment practices: - Risks related to the absence of searching for and detecting negative news available (sanctions, reputation, etc.) on candidates before recruitment; | Low | Medium |
| | - Risks related to the employment of persons previously occupying positions at a public administration (French or foreign) | Low | Medium |
| | - Risks related to the absence of formalisation of recruitment processes to avoid favouritism (including hiring trainees) | Low | High |
| | | | |
| Risks related to distributors | Risks related to failure to establish a distribution agreement | Low | Medium |
| | Risks related to the absence of searching for and detecting negative news available (sanctions, reputation, etc.), lack of verification of the quality, integrity and reputation of distributors | Medium | High |

| | | | |
|---|--|------|--------|
| | Risks related to the absence of an anti-corruption policy at the distributor level | Low | Medium |
| | Risks related to the absence of an anti-corruption clause in distribution contracts | Low | Medium |
| | Risks related to the absence of a policy on authorised and prohibited procedures in terms of the remuneration and method of payment of "distributors" | High | Medium |
| Risks arising from donations, sponsorships, patronage, partnerships and events | Risks related to the absence of determination of the budget and criteria for allocating and selecting beneficiaries of donations, deeds of sponsorship and patronage allowing for the payment of bribes and influence peddling | Low | High |
| | Risks related to the nature of the beneficiaries of donations, deeds of sponsorship and patronage (political parties, PEPs, etc.) | Low | High |
| | Risks related to the absence of formal approval procedures for donations, sponsorships, patronage and events | Low | High |

Appendix III:

Scale of Covéa Finance penalties (extract from the Regulations)

| <i>Categories</i> | <i>Penalties</i> | <i>Hierarchical authority duly authorised to impose the penalty</i> |
|-------------------|---|---|
| 1 | <i>Reprimand, Warning</i> | <i>Head of Division, Team leader Chairman or one of the Directors, Members of the Executive Committee</i> |
| 2 | <i>Disciplinary suspension, without pay. (2 calendar weeks maximum) Disciplinary geographical transfer Downgrade</i> | <i>Chairman or one of the Directors, Members of the Executive Committee *</i> |
| 3 | <i>Dismissal on material and substantial grounds (with notice and dismissal compensation) Dismissal for serious misconduct (no notice or severance pay) Dismissal for gross negligence (no notice or severance pay)</i> | <i>Chairman or Director member of the Executive Committee in charge of Human Resources *</i> |

* or their proxy