
2021 Integrated Report



A PURPOSEFUL
MUTUAL
INSURANCE
GROUP







Covéa has made it its mission to support and protect its 11.6 million members and customers day in, day out, in a responsible and sustainable manner while also driving forward social and environmental progress. The Group achieves this goal with the engagement of its 21,000 employees in France, operating in particular through its three brands – MAAF, MMA and GMF.

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“Our goal is to be present across the entire value chain in insurance and reinsurance.”

→ Interview with Thierry Derez,
Chairman and Chief Executive Officer

“As part of our strategy, we want to continue to grow organically as well as developing our international presence through acquisitions in the field of reinsurance.”

What is your view of 2021 and Covéa's results?

Thierry Derez — 2021 was an unprecedented year. Although it was clearly affected by the continuing Covid-19 pandemic, with its successive waves accompanied by varying restrictions depending on the period, it was also synonymous with improvements. The first vaccines were launched, the economy made a significant rebound with growth of over 6%, the highest level in close to 50 years, and economic activity gradually returned to pre-crisis levels. The measures taken by central banks and governments, coupled with society's and companies' ability to adapt to the new health situation, clearly account for a large part of this.

Against this backdrop, Covéa delivered very satisfactory performances, with earned premiums of €19.1 billion, up 14.7%, net income (Group share) of €838 million and a solvency ratio of 351%, well above the average for insurance groups. This has allowed us to strengthen our financial position and, as a result, our independence.

Our business activities demonstrated solidity in both property and casualty insurance as well as personal insurance and reinsurance, both in France and abroad, with an increase in premiums across all segments. This includes savings in particular, with gross inflows up 37.5% in unit-linked policies, as



well earned premiums on international inwards reinsurance, up 22.7%. One satisfactory point to note is the ongoing favourable trend in both personal insurance and commercial lines.

Overall, 2021 can be described as a positive year. I would like to praise the hard work of our teams, who, throughout this period, continued to take action, adapt to the climate of uncertainty and remain in close contact with our members and customers in order to help them, advise them and serve them effectively.

Why did Covéa sign an agreement to acquire PartnerRe in December 2021?

T.D. — As part of our strategy, we want to continue to grow organically as well as developing our international presence through acquisitions in the field of reinsurance. Why reinsurance? Quite simply because we think that it is necessary, in a world that is more unstable than ever, to diversify the products, risks and regions in which the Group is present. That is why we signed a memorandum of understanding with Exor in late 2021 to acquire reinsurance company PartnerRe. The acquisition should be finalised mid-year once it is approved by the regulatory and competition authorities in the countries concerned.

This means that we will cover the entire value chain in insurance and reinsurance, which will give us the opportunity to better understand the major risks. We will enhance our performance even further in climate emergency and cyber risk. This marks a major turning point in Covéa's history, with our strategy still centred around the desire to respond as best possible to the needs and expectations of our members and customers.

The Cové@venir strategic plan came to an end at the end of 2021. How do you think it went?

T.D. — The plan, based on four core pillars – higher-value segments and markets, first-class customer experience, operational excellence, committed employees – was affected by the health crisis. Nevertheless, it enabled us to remain the leading property and casualty insurance provider in France. That's no small feat. We made considerable progress, constantly adapting our products and services, stepping up the pace of digital transformation, updating our IT systems and making changes to our management model. I would add that during this completely unprecedented time, each one of us was able to adapt to the uncertainty and take on the operational and organisational challenges that arose. This is a result that we can be collectively proud of.

What objectives does the 2022-2024 strategic plan respond to?

T.D. — This new three-year plan, which we have called "Covéa 2024 – Growing together", responds to three main aims. The first is development, as we need to be able to help our members and customers to face new risks, the acuity of which we measure daily or almost daily. The second is transformation, in the sense of coping with fiercer and new forms of competition. The third is responsibility, insofar as we need to be able to adapt to policyholders' new uses. That is why we have set ourselves three priorities as part of the Covéa 2024 plan: Covéa as leader, Covéa on the move, Covéa committed. This is in addition to the need to be responsible, based on our results-oriented culture that allows the Group to look ahead to the long-term. This strategic goal supports our position as the leading mutual insurance group. Our success also depends on the involvement, professionalism and expertise of our teams, without whom nothing is possible.

“I would like to praise the hard work of our teams, who have been able to take action, adapt to the climate of uncertainty and remain in close contact with our members and customers in order to help them, advise them and serve them effectively.”

What are Covéa’s strengths at a time when the insurance market is changing shape and seeing the arrival of newcomers?

T.D. — The first is our in-depth knowledge of our members and customers, which allows us to provide an effective and relevant response to their needs. Their loyalty obliges us and engages us now more than ever.

Our second strength relates to the Group’s financial solidity. Our solvency ratio is above market standards. This solidity helps to secure our long-term future, allowing us to look to the future with confidence and peace of mind.

Our third strength is, of course, our identity as a mutual insurance group, which marks us out on a day-to-day basis and over the long term, with proven ways of working and cooperating. Our values guide our way of being and what we do.

Covéa is calm about newcomers in the form of insurtechs and neo-insurers, as well as the growing number of digital giants. However, we still have to be vigilant. We need to continue to adapt the products and services we offer and provide our policyholders with innovative solutions at a reasonable cost.

Covéa is becoming more and more involved in corporate social responsibility. Why have you made this choice?

T.D. — We are a leading name in the French economy and the mutual insurance sector, and our main mission is to protect. This means we have responsibilities. I would add that our customers pay close attention to the impact of our business on society and the environment. Our strategy therefore also includes developing our efforts in terms of corporate social responsibility. There are three examples that illustrate our approach.

In 2021, Covéa became a sponsor of the *Collège de France’s “Avenir Commun Durable”* (“Together for a Sustainable Future”) initiative. This has the ambitious goal of bringing about new technological and behaviour approaches to address climate change and encourage groundbreaking research that will lead to concrete projects. This is a meaningful commitment that fits in fully with our vision of responsibility.

In addition, Covéa is taking action in terms of risk prevention, which forms an integral part of its role as an insurer. For example, the Group has been a partner of the Clinatéc biomedical research centre for a number of years and supports particularly innovative international programmes to support better care for neurodegenerative diseases.

Finally, for the second year in a row, Covéa is partnering *La Fondation des Femmes* (the Women’s Foundation), which works to combat violence against women and uphold their rights.

With these three commitments, we are implementing our vision of responsibility and asserting our role in society. Not forgetting *Institut Diderot*, the think tank created on the initiative of Covéa, which attracts high-level speakers to talk about the human condition and help to understand the uncertain world in which we live.



“In an increasingly uncertain world, confidence and connection are essential.”

To conclude, what do you think lies ahead in 2022?

T.D. — 2022 has already been overshadowed by a new crisis with the war in Ukraine. This is clearly a major geopolitical event that has significant consequences on a humanitarian, diplomatic and economic level and even in terms of our food. Covéa’s exposure to the crisis is very limited. However, we feel that it concerns us all. That is why from the very first days of the conflict, we offered our support to the people of Ukraine by paying a donation of €1.5 million to the civil protection scheme to finance primarily the transportation and distribution of medicines and surgical equipment. With this war, the economic climate in Europe and France has changed considerably due to the slowdown in growth and resulting risk of stagflation.

For Covéa, 2022 is an important year in a rapidly changing environment, with the new geo-economic situation, changes in financial conditions with ongoing low interest rates and the upswing in inflation, fiercer competition and the sharp rise in use of digital technology as a result of the pandemic. We need to address all of these issues. More than ever, we need to remain by the side of our policyholders and respond to their needs for support and pragmatic, useful solutions. In an increasingly uncertain world, confidence and connection are essential.

2022 also marked the start of a new era for the Group with the acquisition of PartnerRe. The Group has many exciting new challenges ahead. I firmly believe that Covéa has all it needs to turn these challenges into success. —



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Our fundamentals

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Covéa,

leading mutual
insurance provider

- **As a mutual insurance group**, Covéa plays a major role in the country's insurance industry, driving it forwards, actively boosting the French economy and anticipating changes in the lifestyles, expectations and needs of its policyholders.
- **Built around three leading brands, MAAF, MMA and GMF**, Covéa provides nearly one in three French households with attentive, effective and local cover, while also operating internationally.
- **Every day, the Covéa Group helps its customers achieve their goals, anticipate risks and cope with life's contingencies.** More than twenty years ago, Covéa made a bold and fundamental commitment to mutual insurance and adopted an organisational structure that enabled it to more effectively meet the needs of the 11.6 million members and customers who place their trust in Covéa, the 21,000 employees in France who have enabled it to prosper, and the many partners in society with which it cooperates.
- **With its new strategic plan "Covéa 2024 - Growing together"**, the Group is drawing on its resources and energy to establish its leading position, continue with its transformation and step up its commitment of all of its stakeholders.

Strong brands and broadly diversified operations

A group built around three complementary brands



Mutual insurer with its own distribution network, providing general personal and commercial lines insurance.



A mutual insurer with a third party operated distribution network providing multispecialist insurance for individuals, small and large businesses, non-profit organisations and local authorities.



Mutual insurer with its own distribution network providing insurance for individuals and leading mutual for French public-sector employees.

Specialist structures, affiliated mutuals and a protection insurer

At 31 December 2021



Structure managing the Group's portfolio of operating and investment properties
€6 bn: total value of investment portfolio
212 investment properties



Structure dedicated to the Group's affinity insurance partners
132% increase in revenue between 2012 and 2021
3.5 m vehicles insured



Non-life insurance



Asset management arm of the Group
52 UCIs (Undertakings for Collective Investment)
€102.9 bn of assets under management



Assistance provider for the Group, serving all members and customers 24 hours a day, 7 days a week
8.9/10: customer satisfaction score
 Over **1.2 m** open cases



Health and protection insurance



COOPÉRATIONS

Entity handling all of Covéa’s reinsurance business
 S&P Global Ratings: **AA-**
 AM Best: **A (Excellent)**
 "Under review with positive implications"
 Moody’s: **Aa3**



PROTECTION JURIDIQUE

Legal protection entity of the Group
N°1 in France for individuals and small businesses
100,000 open disputes
17.1% market share



Health and protection insurance

#1

Covéa is the leading property and casualty insurance provider in France*.



Property and casualty



Asset management



Legal protection



Life insurance



Health and protection



Assistance



Reinsurance

International subsidiaries

Covéa operates worldwide via subsidiaries in which it holds a majority stake, primarily in the United Kingdom and Italy. Its Luxembourg subsidiary was sold with effect as of February 2022, and an agreement was signed in September 2021 to sell its subsidiary in the United States, which could come into effect in 2022.

* Source: France Assureurs - 2020 data.

Executive Committee

At 31 December 2021

Chaired by Thierry Derez, Chairman and Chief Executive Officer, and comprising 13 members, the Executive Committee is Covéa's operational central body. Its members are involved in decisions that have a significant impact on the Group's companies regarding strategy, budget and financial matters.



Thierry Derez

Chairman and Chief Executive Officer

After working as a lawyer at the Paris Court of Appeal, Thierry Derez joined the AM-GMF group in 1995, of which he was appointed Chairman in 2001, and was successively appointed Chairman of MAAF and MMA. He has held the position of Covéa Chairman and Chief Executive Officer since 2008.



Paul ESMEIN

Deputy Chief Executive Officer and General Secretary

ENSAE graduate, actuary and mining engineer Paul Esmein joined the mutual insurance supervisory authority ACAM in 2004 as an insurance auditor, before working for the Ministry of Finance's Treasury Department. He joined Covéa's Health and Protection executive management team in 2014.



Laurent TOLLIE

Chief Customer Relationships Officer, General Manager

After graduating from the *École Polytechnique* and ENSAE, Laurent Tollié started his career in 1990 as a statistical analyst at GMF Assurances, before holding the position of General Manager between 2013 and 2018. He has sat on the Covéa Executive Committee (formerly the Management Committee) since 2006.



Maud PETIT

Chief Financial Officer, General Manager

Having graduated with a Master's degree in Science and Management and a postgraduate diploma in Accounting and Finance, Maud Petit started her career at Befec-Pricewaterhouse before joining Covéa in 2008 as Chief of Consolidated Financial Statements Officer.



Thierry FRANCO
Chief Transformation and
International Activities Officer,
General Manager

After graduating from the *École Polytechnique* and ENSAE, Thierry Franco has spent the majority of his career at the French Treasury, becoming Deputy Commissioner General for Investment for the French Prime Minister. He joined Covéa in 2018 as Director of the Cabinet of the Chairman.



Olivier LE BORGNE
Chief Investment Officer,
General Manager

After graduating from the *Institut Supérieur de Gestion* in Paris, Olivier le Borgne joined the Technical and Administrative Department at GMF Vie in 1992 before joining the Finance Department of Azur-GMF. In 2015, he was appointed Chief Investment Officer and Assets/Liabilities Officer at Covéa.



Éric LÉCUYER
General Manager MMA

After obtaining a postgraduate diploma in Economics and Finance from the University of Orléans, Éric Lécuyer started his career as Claims Statistics Manager at GMF. In 2004, he was appointed Chief Financial Officer of Covéa Finance before becoming Director of Life Insurance for Covéa in 2018.



Valérie COHEN
Chief Offers and Services Officer,
General Manager

An actuary, doctor of econometrics and graduate of the *Centre des Hautes Études d'Assurances*, Valérie Cohen joined GMF Assurances as Comprehensive Home Insurance and Private Life Product Manager in 1990. She was appointed Covéa's Chief Technical Property and Casualty Officer in 2015.



Lionel CALVEZ
Chief Risk Officer, General Manager

A qualified member of the French Institute of Actuaries, Lionel Calvez started his career at Mutavie. He joined MAAF Vie in 2000 as Assets/Liabilities and Profitability Study Leader before being promoted to lead Covéa's Risk Department in 2015.



Jérôme RONCORONI
General Manager GMF

After graduating from the *École Nationale Supérieure de Géologie* and the *Institut Supérieur des Affaires*, Jérôme Roncoroni was appointed Chief Sales and Marketing Officer for MMA in 2008. Since 2013, he has held several positions within the Covéa senior management team, including Group Internal Audit Director.



Amaury DE HAUTECLOCQUE
Chief Human Co-operations Officer,
General Manager

After completing a doctorate in private law at Paris II, Amaury de Hauteclocque started his career as a police commissioner before moving to the Paris headquarters of the criminal investigation division of the French National Police. He was later appointed head of the RAID anti-terrorist unit. He joined Covéa in 2013 as Chief Cooperative Strategies Officer.



Stéphane DUROULE
General Manager MAAF

After graduating from the *École Supérieure de Commerce de Montpellier*, Stéphane Duroulet began his career at MAAF in 1990. He has held the position of General Manager of MAAF Assurances since 2015.



Béatrice SAVOURÉ
Chief Life Insurance Officer

After studying at Paris-Dauphine University and obtaining a degree from IAE Paris in management control and audit, Béatrice Savouré joined MMA in 2001, becoming Chief Customer Relations Officer in 2010. She was appointed General Manager of MAAF Vie in 2017, before being made Director of Covéa Affinity in 2019.

Board of Directors

At 31 December 2021



Thierry Derez
Chairman and Chief Executive Officer

After working as a lawyer at the Paris Court of Appeal, Thierry Derez joined the AM-GMF group in 1995, of which he was appointed Chairman in 2001, and was successively appointed Chairman of MAAF and MMA. He has held the position of Covéa Chairman and Chief Executive Officer since 2008.



Jean-Pierre Jouyet
Lead director

Senior civil servant, lawyer and politician, Jean-Pierre Jouyet has served as Secretary of State for European Affairs and General Secretary of the Presidency of the French Republic. He has been chairman of the Autorité des Marchés Financiers and ambassador of France to the United Kingdom.



Jean-Claude Seys
Président d'honneur

Jean-Claude Seys has held various management positions in banking and insurance, including Chairman and Chief Executive Officer of MAAF Assurances. In 2003, he helped found SGAM Covéa, which he chaired until 2008.



Jean-Michel Banlier
Director

A business owner/operator in cabinet making and interior decoration, Jean-Michel Banlier has also served as Chairman of the Chamber of Trades and Crafts.



Bernard Barbottin
Director

A podiatry prosthetist, Bernard Barbottin has also served as Chairman of the French Council of the Order of Podiatrists and Chiropodists. His knowledge of self-employed professions and his directorships have given him a deep understanding of entrepreneurial culture and the insurance industry.



Christian Baudon
Deputy director

After developing a broad background in economics, finance, engineering and actuarial science, Christian Baudon has held several positions at Covéa, including Chief Insurance Officer, General Manager.



Hélène Béjui-Hugues
Director

Physician and lawyer Hélène Béjui-Hugues is consulted for her expertise in legal compensation of bodily injury. She has been a member of the National Commission for Medical Accidents and an executive officer of the non-profit AREDOC.



Luce Berille
Director

Tax expert and former lawyer Luce Berille currently works as a Chief Tax Officer. She draws on her experience to advise multiple departments and functions, including Finance, Innovation, Sales and Institutional Relations.



Sophie Biou
Director
GMF employee

Sophie Biou joined GMF in 1986 and was insurance advisor for the Paris region for 12 years. Since 2001, she has held a variety of mobile advisory positions within the regional department for Western France.



Xavier Dejaiffe
Director

Chief Executive Officer of a food-processing company, Xavier Dejaiffe has also held directorships outside of the insurance industry and has been Mayor of Assainvillers since 2008.



Christian Delahaigüe
Director

Christian Delahaigüe is a managing director and partner of a consulting firm. He was previously the Chief Executive of a fashion house. He has a degree in business management and engineering.



Jean Fleury
Director

Jean Fleury has held a number of operational positions within the Covéa Group in a wide range of fields (IT, management control, audit, accounting, legal affairs, technical aspects of insurance, international, human resources, reinsurance, etc.).



Anne-José Fulgères
Director

Financial magistrate Anne-José Fulgères worked for leading consulting firms before joining a banking group where she was made Chief Legal and Compliance Officer and then Special Advisor to the Chairman.



Myriam Garrec
Director
GMF employee

After 10 years in customer accounting in the power industry, Myriam Garrec became executive assistant for a training organisation. She joined Assurances Mutuelles de France in 2014 as administrative and technical assistant.



Karine Gilbert-Belhomme
Director
MMA employee

MMA agent inspector Karine Gilbert-Belhomme began her career in 2001 as a customer advisor and has been a commercial lines life and health insurance inspector since 2016.



André Martinez
Director

A specialist in international services for businesses and individuals, André Martinez's initial experience was in running hotel and tourism companies, before joining the banking sector. He has also been Special Advisor to the French Ministry of Finance and the Ministry for International Trade, in charge in particular of relations with the business world. In addition, he has been Chair of a listed property company.



Hélène Martini
Director

Honorary Inspector General of the French General Inspectorate of the National Police (IGPN) and the General Directorate for Internal Security (DGSI), Hélène Martini has held various positions, including head of the audit department and project officer at the IGPN. She has considerable knowledge of the insurance industry and the mutual model.



Marie-France Orti
Director

A parliamentary civil servant, Marie-France Orti has held various positions within the French National Assembly (General Secretariat, International Affairs and Defence Department). She has considerable knowledge of the insurance industry and the mutual model.



Jean-Louis Reynet
Director

Regional administrator and former head of training at INSET in Nancy, Jean-Louis Reynet has in-depth knowledge of regional public office.



Laurent Trouvé
Director
MAAF employee

Having joined MAAF Assurances in 1999, Laurent Trouvé has held a number of management roles since 2003 (branch director, head of sales, regional commercial head, etc.). From 2008 to 2009, he was non-voting director on the control board of MAAF.



Annick Wexler
Director

Civil service principal attaché Annick Wexler has held a variety of roles in local government (chief of bureau, project manager). She has in-depth knowledge of GMF's members and holds a degree in public administration.



Philippe Bailly
Representative of SMI

Philippe Bailly has held a variety of positions as auditor and expert appraiser for the Paris Court of Appeal. He has extensive professional experience of finance and insurance.



Agnès Békourian
Representative of
APGIS

Chief Employee Relations France Officer and Group for Carrefour and director of APGIS, Agnès Békourian has considerable experience in HR in retail and the service sector.



Michel Coursat
Representative of
MMA IARD
Assurances Mutuelles

Michel Coursat holds a degree in law and has served as the Chairman and Chief Executive Officer and then the Chief Executive Officer of OGIF, a leading lessor of controlled-rent housing in the Paris area.



Michel Gougnard
Representative of
MAAF Santé

Michel Gougnard began his career at MAAF and has held various positions of responsibility at Covéa. He is the current Chairman of the Mandatory Insurance Guarantee Fund (FGAO).



Christophe Guettier
Representative of
MMA Vie
Assurances Mutuelles

University professor of law Christophe Guettier has gained in-depth knowledge of the mutual insurance sector as a director of various Covéa companies for several years.



Bernadette Le Bourgeois
Representative of
La Garantie Mutuelle
des Fonctionnaires

Chief clerk to the Cergy-Pontoise administrative court reporting to the Council of State, Bernadette Le Bourgeois has extensive knowledge of GMF's members.



Jean-Marie Meckler
Representative of
Assurances
Mutuelles de France

Previously Group Reinsurance Director at AM-GMF, Jean-Marie Meckler has held various operational and management positions in the field of reinsurance. He holds degrees in public law and political science.



Jean-Pierre Paquien
Representative of
MAAF Assurances

After many years as Chief Financial Officer in the manufacturing and service sector, Jean-Pierre Paquien has worked as an organisational consultant since 2004.

Audit Committee

At 31 December 2021

Michel Gougnard
MAAF Santé (Chairman)
Philippe Bailly
SMI

Michel Coursat
MMA IARD Assurances Mutuelles
Jean Fleury
Patrice Forget
Marie-France Orti
Jean-Jacques Vouhé

Risks Committee

At 31 December 2021

Jean Fleury
(Chairman)
Jean-Michel Banlier
Anne-José Fulgères
Michel Gougnard
MAAF Santé

Christophe Guettier
MMA Vie Assurances Mutuelles
Jean-Marie Meckler
Assurances Mutuelles de France
Jean-Pierre Paquien
MAAF Assurances

Remuneration and Appointments Committee

At 31 December 2021

Hélène Béjui-Hugues
(Chair)
Bernard Barbottin
Xavier Dejaiffe
Christian Delahaigue
Jean Fleury
Jean-Pierre Jouyet

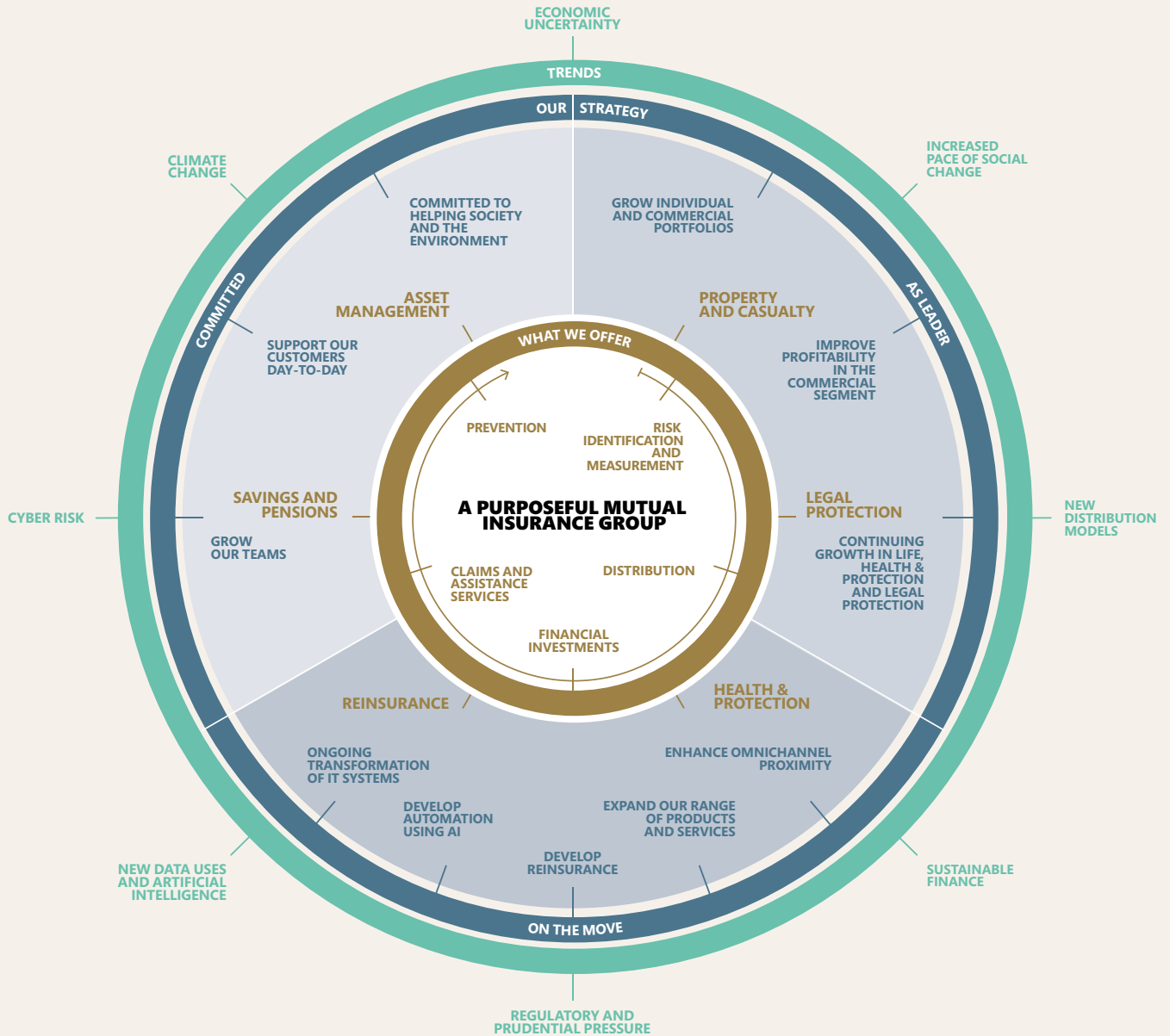
Strategic Committee

At 31 December 2021

Thierry Derez
(Chairman)
Bernard Barbottin
Christian Baudon
Hélène Béjui-Hugues
Anne-José Fulgères
André Martinez
Hélène Martini

Business model

Covéa markets its insurance products and services to individuals and small and large businesses through its three leading brands – MAAF, MMA and GMF.



Group resources

A strong financial basis

- €19.1 bn in earned premiums
- €114 bn of assets under management
- €17.2 bn in equity
- 351% solvency ratio

Dedicated employees

- 21,000 Covéa employees
- 54.2% of managers are women

Diverse expertise

- A mutual insurer with 200 years of experience
- 3 complementary brands: MAAF, MMA, GMF
- 9 specialist structures, a protection insurer and affiliated mutuals
- Partners, suppliers and foundations
- Actuarial models and databases

Presence throughout France

- 2,421 points of sale across MAAF, MMA and GMF
- Distribution networks operated by employees, tied agents and brokers

Shared value

€838 m in net income

Employees

- 94.6% of employees received training
- Gender balance index of 92/100

Members and customers

- 10.8 m vehicles insured
- 8 m homes insured
- 3 m individual and group health beneficiaries
- 4.1 m claims processed and assistance provided in 1.2 m cases
- 1.1 m commercial insurance policies
- Customer satisfaction rate of 8.6/10 to 8.9/10 depending on the brand

Company

- 48 companies met with as part of shareholder dialogue (ESG)
- €4.1 m paid in respect of sponsorship and general interest partnerships

Contribution to regional development

- 3.3% of the active population in Le Mans is employed by MMA
- 2.2% of the active population in Chartres is employed by MMA
- 5.6% of the active population of the Niort labour market area is employed by MAAF
- 100% of customer relations centres are in France

Environment

- Greenhouse gas emissions related to energy consumption
 - Operating property: 14.6 kg CO₂eq/m²
 - Investment property: 15.3 kg CO₂eq/m²

Financial and non-financial performance

At 31 December 2021

PORTFOLIOS IN FRANCE



10.8 m
vehicles
insured*

8 m
homes
insured

3 m
health
beneficiaries

KEY FIGURES



€114 bn
of financial assets
(market value)

€17.2 bn
in equity

351%
solvency
ratio

EARNED PREMIUMS

€17.1 bn
entities in France



€2 bn
international entities

Breakdown of earned premiums by segment



20%

Motor



19%

Commercial
lines



17%

Savings and
pensions



12%

Health and
protection



11%

Home and other
personal risks



9%

Inwards
reinsurance**



10%

International
subsidiaries



2%

Other
France

* Including company car fleets.

** Covéa Coopérations reinsurance business.

WORKFORCE



20,237

employees on permanent and fixed-term contracts
excluding suspended contracts, work/study contracts and Covéa D group of employers contracts

Diversity



13,317 women
6,920 men

54.2%
women in managerial positions

1,135
employees registered disabled

Status



46.9% managerial
53.1% non-managerial

19,464 Permanent contracts (excluding suspended contracts and work/study contracts)

773 Fixed-term contracts

488 Work/study contracts

Changes in the workforce

1,199
people hired on permanent contracts

1,143
people on permanent contracts left the company (including 526 retirements)

Age and seniority

43.5 average age in years

15.4 average seniority in years

Training

94.6%
of employees received training

ENVIRONMENT



Energy consumption

Operating property

86,556,086 kWh
-1.5% on 2020

146 kWh/m²
-0.9% on 2020

Investment property

40,723,920 kWh
+5.7% on 2020²

102 kWh/m²
+75.8% on 2020

Operating property

Waste¹
745 tonnes
(paper, card, non-hazardous industrial waste)

Water consumption
95,921 m³
-24.4% on 2020

Carbon footprint (scopes 1 & 2)

Operating property

8,615.6 t CO₂ eq^{}**

14.6 kg CO₂ eq/m^{2*}**
+3.8% on 2020

Investment property

6,127.3 t CO₂ eq^{}**

15.3 kg CO₂ eq/m^{2*}**
+85.79% on 2020²

¹ Broader scope than in 2020.

² The scope of square metres taken into account is different from 2020, hence the significant change.

^{**} Ton of CO₂ equivalent.

^{***} Kilogram of CO₂ equivalent/m².



02

Keys to understanding

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- P. 34** Cyber attacks: facing the threat is no longer an option



Economic outlook: uncertainty has become the norm

We are continuing to face a series of upheavals at an increasing rate, with the health crisis, economic crisis, energy crisis, food crisis, cargo pressures and the biggest geostrategic conflict in Europe since 1945. In this uncertain and volatile climate, combating stagflation and reducing the European Union's reliance on Russian power are becoming increasingly pressing matters.

¹ Unconventional monetary policy tool consisting of a central bank intervening in the financial markets by buying up financial assets on a mass scale and over an extended period, with the aim of injecting the liquidity created into the economy in order to boost economic activity.

What is your view of the global economy in 2022 following two completely unprecedented years, characterised by a partial shutdown of activity in 2020 and business resuming at a very swift rate in 2021?

Philippe Chalmin — I will start by reminding you that the Covid-19 pandemic has been the most serious crisis the world has experienced since the Spanish flu a century ago. However, there is one notable difference: while the world population is now four times larger, human losses were proportionally lower in 2020-2021, with excess mortality of around 20 million people, compared with 50 to 100 million deaths a hundred years ago. Nevertheless, the pandemic has had a major impact and the world economy suffered its sharpest fall in a century, with global GDP down by 3.8% to 4%. Yet this recession is nothing compared with the Great Depression of the 1930s.

2021 saw an undeniable upturn in activity, thanks to the catch-up phenomenon in consumer spending.

But by the autumn, there were fears of a renewed decline as a result of the slowdown in China. This return to growth has been accompanied by three crises: a logistics crisis relating to the upturn in consumer spending and demand, leading to an explosion in cargo rates; an energy crisis as a result of soaring gas prices; and the more moderate impact on the price of other commodities, in particular metals and agricultural products. All this has caused a surge in prices and inflation returning to high levels, at a time when economic recovery was coming to an end and injections of liquidity into the economy were starting to stabilise. In November 2021, the risk of stagflation began to emerge. And it is against this backdrop the Ukrainian crisis has broken out.

What are the geo-economic effects of Russia's invasion of Ukraine?

P. C. — The war already has three consequences: it has aggravated the energy crisis, caused an agricultural crisis due to the suspension of shipping in the Black Sea and created tensions on the metals market. The destabilisation of the energy and agri-food markets has further aggravated existing imbalances, pushed gas and wheat prices upwards and, in some cases, could lead to shortages. This geopo-

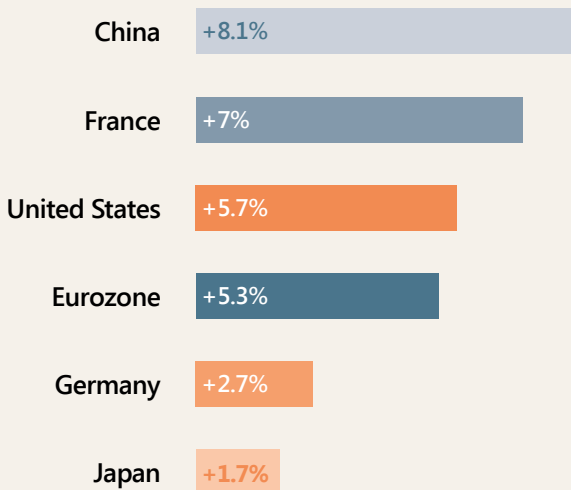


Philippe Chalmin

→ Philippe Chalmin is a graduate of the prestigious French business school HEC, holds a teaching training degree in history, Doctor of Arts and Human Science and has a PhD in History from Paris-Dauphine University. He is the founder and President of Cyclope, Europe's main research structure on the commodities markets, and is also President of the Observatory of Price Formation and Food Margins for the French Minister of Agriculture and the Minister of Economy and Finance. He is author of *Une brève histoire économique d'un long vingtième siècle* ("A brief economic history of a long twentieth century") (François Bourin, 2018).

"The energy crisis looks set to last given the long-term nature of the sanctions imposed on Russia by the west. However, there is still a possibility that this crisis could actually favour the energy transition, with governments already starting to think about their supply sources."

CHANGE IN THE MAIN INDUSTRIALISED NATIONS' GDP IN 2021



Source: OECD.

x4

average increase in gas prices
in Europe and Asia in 2021.

11,5 m

number of containers waiting
at the world's 13 largest ports in January 2022.

Source: CyclOpe report, 2021.

litical and geostrategic crisis is a problem for the European Union. It comes at a sensitive time, when our energy transition plans are still uncertain. The choices made by the coalitions in power in European countries and those made by the European Parliament lack consistency. The result is that having rejected nuclear power and shale gas and with the limitations of renewable energies due to their intermittence, and with coal no longer an option, the EU 27 are reliant to a large extent on Russian gas. This is a real problem. The consequences of these choices are dramatic in terms of prices, particularly for companies that do not have any means of protection. Another consequence of the war is the renewed debate about food sovereignty. Finally, on a geopolitical level, two new blocks will emerge, with democracies on one side and despotic states on the other, as symbolised by Russia and China.

How could the global commodities market evolve this year in the light of the economic situation?

P. C. — The energy crisis looks set to last given the long-term nature of the sanctions imposed on Russia by the west. However, there is still a possibility that this crisis could actually favour the energy transition, with governments already starting to think about their supply sources. But this will take time. As for other commodities, I would tend to think that the logistics crisis will slowly subside. As regards the agricultural crisis, everything will clearly depend on harvests and the impact of higher fertiliser prices. Finally, tensions remain in metals prices, but for reasons relating to changes in use, such as demand for batteries affecting lithium and nickel prices.

Against this backdrop, what are the major economic challenges facing governments?

P. C. — The major economic challenge is clearly that of returning to normal. This will be done with inflationary tensions coming to an end, as well as with the reduction in public deficits and debt. Limiting inflation to 2-4% a year implies reducing inflows of liquidity, and therefore quantitative easing measures¹, and raising interest rates slightly. Balancing the budget will inevitably cause a few problems for France due to the extremely high proportion of its GDP allocated to public spending. The efforts that will need to be made involve reforms, but whatever you might think, French people are still strongly support the government having some weight in the economy.

Another significant challenge, this time on a global scale, is economic development in the least advanced countries and Africa in particular. There are one billion people affected by food poverty and two billion affected by poverty in general. We tend to overlook this issue.

In a globalised and financialised economy, uncertainty now seems a given. What does this change for political decision makers and company executives?

P. C. — This world of complete uncertainty is now a reality. This uncertainty is because the safety nets put in place as part of the welfare state have been called into question in a number of countries, and because the idea of state intervention has collapsed on the international economic stage. This means that the only certainty we have is that tomorrow will be different, whether in terms of commodities prices, which are changing from one day to the next, exchange rates or even electricity prices, which have long been a public service but are now subject to price instability. The result is that decision makers and executives need to manage these risks on a permanent basis and factor this uncertainty, which is now the norm, into their choices.

During the Covid-19 crisis, insurance groups played an essential role in cushioning the impact. What does the future hold?

P. C. — They will continue to play an important role despite remaining cautious, particularly as regards new risks. This is nevertheless a core industry, particularly in times of crisis, when they play a significant role in cushioning the impact. —

Changes in society: the search for meaning and ecological aspirations

Although France has not changed radically since the Covid-19 crisis began, it has not remained set in stone. Existing trends have been amplified and some social issues such as environmental matters, the need to change model, and even questions about social utility, are now on the agenda.

Following two years of crisis due to Covid-19, how has France changed in terms of society and, more specifically, how people live and work?

Véronique Lamblin — The crisis has considerably accelerated trends that were already in play. I am thinking in particular of the digitisation of society, which is continuing to gain momentum. The development of working from home – which is now widespread – is an example of this. The huge growth of e-commerce also shows how uses are changing, both in terms of how we consume – with services such as click and collect, drive and collect, and contactless payment now the norm – and our relationship to time, with almost everyone wanting their product or service straight away. It is clear that this transformation has been made possible by the tools we currently have available. Furthermore, while social media is now firmly embedded in our personal and working lives, it is changing how we relate to the world, to democracy and even to the truth. This contributes to a large extent to the polarisation of people's opinions, a change that is corroborated by research and polling institutes.

The second trend relates to the three social demands that accompany this increased pace of digitisation: the demand for a better work-life balance; the demand for a new, more horizontal management model within businesses; and the demand for a relationship that combines the best of people and digital technology.

One of the main challenges of the future concerns mobility and regional development. What are the emerging aspirations in this regard?

V. L. — Once again, various trends had already been apparent for a few years. Concerns such as the desire to make cities greener, reduce the use and place of cars in how we get around, developing more environmentally friendly modes of transport such as walking or cycling, as well as public transport, have been amplified at a time when many city dwellers are calling for a better living environment. We can see that some measures taken by large cities during the Covid-19 crisis, such as creating cycle paths, will remain in place, attesting to the appeal of alternative modes of transport.

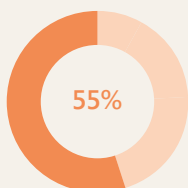


Véronique Lamblin

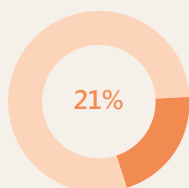
→ Engineer, Foresight and Strategy Director at the Futuribles centre for foresight thinking and studies, and scientific advisor to Futuribles International.

“Environmental and ecological concerns have gained considerable importance since the health crisis. While this is not a new issue, it has become a clear cause for concern for almost everyone. People, businesses and public authorities are more worried about climate change.”

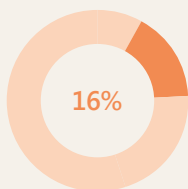
FRENCH PEOPLE'S OPINIONS ON CLIMATE CHANGE



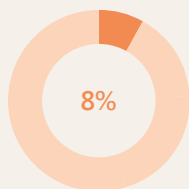
Making major changes to how we live will be the main factor in curbing climate change.



Technical progress and scientific innovation will be the main factor in finding solutions to combat climate change



There is nothing we can do. We cannot curb climate change.



No opinion.

IN 2021, THE THREE MAIN CONCERNS AMONG FRENCH PEOPLE WERE:

41%



the Covid-19 pandemic

39%



protecting the environment

36%



the future of the social system

Sources: Ipsos-Sopra Steria annual survey for *Le Monde*, Jean-Jaurès Foundation and Montaigne Institute, *Fractures françaises*, 2021, 9th edition.

In terms of regional development, the topic of the moment is whether or not the exodus from urban areas to peri-urban areas, medium-sized towns and rural areas will continue. While there is no doubt about French people's wish to live differently, driven by the desire for green spaces and room to breathe, there are no certainties about whether this trend will continue in the long term, firstly because it is recent, and secondly because these lifestyle choices give rise to new questions in terms of how we work and get around on a daily basis, often becoming more dependent on having our own car. The question also arises of whether the former city dwellers will adapt to their new way of life in the long term. However, if this trend is confirmed, local authorities make themselves more attractive by offering sufficient housing, high-speed internet access, accessible transport and public services. They are already focusing on all these issues.

What has the health crisis taught us about the state of the country?

V. L. — I believe that this multifaceted crisis has taught us three things. First of all, it has highlighted the existence of a multidimensional France. It is clear that everyone experienced the crisis differently depending on their socio-economic situation, their living standards and their housing conditions. Inequalities in terms of housing, living conditions and work were evident, resulting in a call for greater solidarity on a local level.

Secondly, while demand for state support remained significant throughout the crisis, some people chose to take things in hand themselves, believing that it was more useful to rely on themselves rather than the authorities. Once again, we saw the emergence of spontaneous solidarity.

Thirdly, and finally, inequalities in access to health-care were exposed, showing that disparities remain in this key issue. In brief, the picture is that of a France running at different speeds, which some would call fragmented.

What is driving businesses now that the worst of the health crisis seems to be over?

V. L. — The crisis has demonstrated the importance of the search for meaning and ethics. And this is clearly something that businesses have had to address. They are questioning their responsibility towards society, as well as their social and environmental responsibility in addition to their economic utility. This utility stems from the health crisis, climate crisis and moral crisis, hence the growing si-

gnificance of subjects such as having a *raison d'être* and companies with a purpose.

This demand for meaning is an important matter not only for employees, some of whom are questioning the utility of their role within the company, but also for applicants who are asking companies to prove their CSR credentials. That is why motivation and feeling part of a shared adventure are two concerns that need to be addressed by businesses, at a time when hiring is becoming more difficult. Questions regarding staff loyalty and companies' attractiveness will inevitably be exacerbated.

From the weak signals you have seen, what matters will be at the heart of social debate in future?

V. L. — Environmental and ecological concerns have gained considerable importance since the health crisis. While this is not a new issue, it has become a clear cause for concern for almost everyone. People, businesses and public authorities are more worried about climate change. The idea has developed that we need to change model, and not just adapt. And that is why the restrictions seem more acceptable, such as those concerning travelling by car in cities. Ecological awareness has undeniably gained ground.

Another point that has risen in importance is the shift among consumers towards higher quality products. This also applies to supporting local producers, animal welfare and short distribution channels. This still relates to the search for meaning and social utility. French people undeniably have aspirations for a society that is greener, more liveable and more responsible.

Thirdly, correlating to the first two points, there is the appetite for the circular economy with the success of second-hand goods in all areas, the desire to keep things for longer by repairing them if necessary, and not forgetting the desire to create less waste. Once again, the idea of responsibility prevails. —

Climate change: disaster is not inevitable

Faced with the climate crisis, France has already made a commitment to the energy and ecological transition. However, given the complexity of the matter, which requires a long-term view, heavy investment and coordinated action on an international level, the decarbonisation of our energy system will take time. Research and innovation will play a major role in this revolution.

You reject the common belief that nothing or almost nothing has been done in the last 20 years to combat climate change, preferring to stress the measures taken and progress made in this regard. What exactly does this mean?

Marc Fontecave — Firstly, we need to remember, even though it's obvious, that we have been used to living with fossil fuels, in other words, gas, oil and coal, for decades. It will be much harder to break this habit if energy needs continue to increase as a result of the world's demographic growth, with close to 8 billion inhabitants. In other words, we will not meet our energy needs with just wind and solar power. Of course, we are not combating climate change quickly enough. This is because of the considerable difficulties caused by this unprecedented issue. I would add that at a time of catastrophist, technophobic and moralist ideologies, with all their anathemas and injunctions, we need to observe and carefully analyse the measures, solutions and progress achieved to move the energy transition forwards. Also, saying that nothing or almost nothing has been done is a criticism that does not reflect the reality. There are numerous examples of progress. People's awareness of the fragility of our environment is an established fact. Furthermore, companies have invested in the matter and are innovating extensively, both on their own and as part of dedicated ecosystems. I am thinking in particular of companies in the energy, manufacturing, aeronautics, environmental and even waste treatment industries; the list goes on. Major progress has been made in all these areas. A number of countries, including France, have begun their energy transition, whatever most of the voices we hear on the matter may think or say, promising negative growth and the collapse of the capitalist system. How do we explain this? Our country is unique in terms of its lack of scientific and technical culture, including at the highest level. Fundamental knowledge is not widely shared outside a small circle of experts. This knowledge deficit encourages the rejection of science and technology and poses a real democratic problem in the sense that French



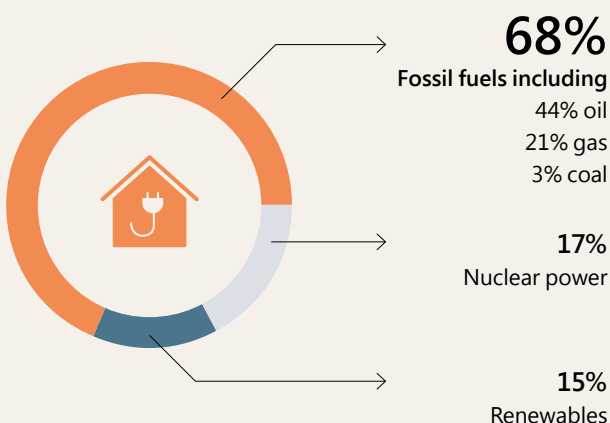
Marc Fontecave

→ A professor at the *Collège de France*, he has held the Chemistry of Biological Processes Chair since 2008. He is director of the Laboratory of Chemistry of Biological Processes, a *Collège de France*-CNRS mixed research unit. A member of the Academy of Sciences at the Institut de France and member of the Royal Swedish Academy of Sciences, he has also been President of the Foundation of the *Collège de France* since 2014.

“The energy transition constitutes an opportunity for fundamental, technological and industrial research. It should prompt us to use our knowledge and develop new initiatives. We need to believe in people’s ability to solve the problems we face.”

PERCENTAGE OF FINAL ENERGY CONSUMPTION IN FRANCE

2019 figures



12 g/CO₂/kWh

of electricity generated.

This is the carbon footprint of nuclear power plants.

vs. 490 g for gas, 704 g for oil
and 802 g for coal (Source: IPCC).

-19%

reduction in CO₂ emissions in France,

between 1990 and 2018 (Source: Ministry of Ecology).

Figures used by Marc Fontecave in his book: *Halte au catastrophisme! Les vérités de la transition énergétique* ("Stop the catastrophising! The truth about the energy transition"), Flammarion, 2020.

people are not in a position to understand in depth the questions that arise from climate change and delegate the choices that need to be made to these very experts.

I would add that climate change concerns the whole world. This is a fundamental point. Whatever France does, which accounts for 1.7% of the planet's greenhouse gas emissions, it cannot change anything on its own. This is not a reason to do nothing; on the contrary. That is why thinking about what action to take and the measures taken need to be coordinated across the globe. At present, greenhouse gas emissions are falling in Europe but increasing everywhere else. Despite these changes, the situation as a whole is still worrying. But the collapse of our societies is not unavoidable.

**You call for an “ecology of knowledge”.
What do you mean by this?**

M. F. — Quite simply, that technological advances exist and that they offer real potential. We need to believe in people's ability to solve the problems we face. If there were no technical progress or innovation, we wouldn't be talking today about energy and/or ecological transition. Even though there is not enough funding for research, which in France was capped at around 2.2% of GDP in 2020, knowledge is progressing, research is advancing and the number of scientific projects is increasing. The energy transition constitutes an opportunity for fundamental, technological and industrial research. It should prompt us to use our knowledge and develop new initiatives. There are a number of subjects to address, such as carbon capture, sequestration and recovery, storage of intermittent energies, developing biofuels, electric vehicles, and even buildings' energy efficiency. At my *Collège de France* laboratory, I am working with the help of young researchers on reproducing the photosynthesis process in order to transform CO₂ into carbon molecules that can be used by industry on a mass scale within the next 10 or so years.

In other words, ecology represents a huge industrial project that can involve young people and help them overcome their uncertainties and anxieties by putting their intelligence and enthusiasm to use. This means putting the emphasis on training researchers and engineers.

What are the most serious solutions at present for limiting the increase in temperatures to 2°C?

M. F. — Although on the basis of current projections, limiting the increase in temperatures to 2°C seems difficult to achieve, two things need to be borne in mind. The first is straightforward: it's not the planet that we need to decarbonise – the idea is ridiculous – but energy. The second is that the energy revolution, which consists of both reducing our reliance on fossil fuels and giving preference to low carbon energies, is based primarily on using electricity. This implies continuing to rely on an energy mix within which nuclear power, which has the advantage of being low carbon, needs to continue to represent a large proportion, alongside solar, wind and hydroelectric power. This means extending the lifespan of our nuclear power plants, building new reactors and maintaining high-level research into fourth generation fast neutron reactors.

What role do businesses, and more specifically insurers, have to play to temper the effects of climate change?

M. F. — The energy transition assumes adapting to climate change, as we will continue to emit CO₂. To try and pretend otherwise is just wrong. There is no such thing as a zero-carbon economy. The rise in temperatures will clearly affect society. It is therefore a matter of working on how we adapt to this phenomenon, which means thinking about things like risk assessment, something that insurers have real expertise in. This could help people and guide their life choices and investments. Information, prevention and advice are absolutely essential. —

Environmental tax: the key factor behind successful energy transition

To effectively combat climate change, the generalised introduction of a carbon price within the European Union, as well as a carbon border tax, are two particularly promising tools. The energy and ecological transition will nevertheless be expensive and current generations will have to agree to make sacrifices to help future generations.

What can humankind expect in terms of climate change?

Christian Gollier — According to the various IPCC* reports, climate change is happening more quickly than we had expected and the resulting effects will depend on the decisions we make today. The second part of its sixth assessment report published in late February 2022 perfectly demonstrates the effects of climate change on communities, with around 3.5 billion people already in a situation of vulnerability, as well as on different parts of the world that will be subject to a number of uncertainties.

It is recognised that the temperature has risen by 1.1°C relative to the start of the 20th century. Furthermore, in the last 30 years, annual greenhouse gas emissions have increased by 50% worldwide. At this rate, the temperature will have risen by at least 4% at the end of the 21st century. The effects of this are catastrophic, with rising water levels, more and more extreme weather events, severe threats to agriculture, biodiversity and ecosystems, certain parts of the world becoming inhabitable, effects on life expectancy, etc. I invite readers to focus more specifically on the conclusions put into perspective by the various experts that have worked on the subject. If there is one thing to note, it's the urgent need to act.

The IPCC reports stress the need to drastically reduce our CO₂ emissions into the atmosphere in order to limit the extent of climate change.

What do you think about the commitments made by businesses and politicians with regard to energy transition?

C. G. — This subject first arose 30 years ago yet it is notable – and deplorable – that we still have our foot on the accelerator, accentuating climate change through what we do and how we live. Why? Economists put forward the idea that when we do something to limit our own CO₂ emissions, 100% of the associated costs are borne by the person, company or country making the effort, but the resulting climate benefit is for others, humanity and future generations. If France, which accounts for just over

* Intergovernmental Panel on Climate Change



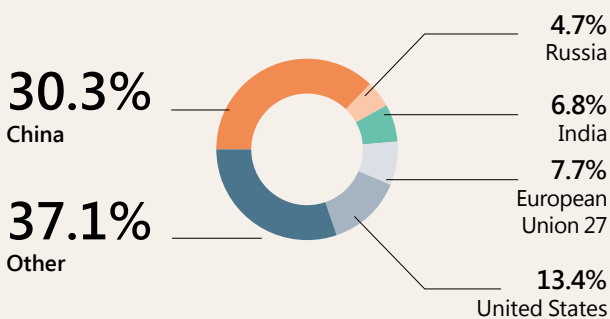
Christian Gollier

→ Christian Gollier holds a doctorate in economics and is Executive Director of the Toulouse School of Economics, which he co-founded in 2007. A professor at the *Collège de France*, he holds the "Together for a Sustainable Future" Chair for 2021-2022. He is President of the European Association of Environmental and Resource Economists (EAERE) and was one of the authors of the 4th and 5th IPCC reports.

"The carbon border tax is an effective way of preventing environmental dumping and putting in place the conditions for healthy and balanced competition. It is an ecological and environmental corrective tool."

WORLDWIDE CO₂ EMISSIONS BY REGION

2019 figures (excluding LULUCF)



(in m tonnes of CO₂)

Source: EDGAR (Emissions Database for Global Atmospheric Research)

€44.60

the amount of carbon tax per tonne of CO₂

since it was frozen by the French government in 2019.

The French law on energy transition for green growth set out a trajectory of steady growth in this climate-energy contribution, with a target of €100 in 2030.

55%

percentage reduction in greenhouse gas emissions

target set by the "Fit for 55" package for 2030

relative to 1990.

1% of the world's CO₂ emissions, initiated a process of rapid transition, the sacrifices asked of French people would be considerable in terms of their finances and wellbeing, but with no apparent benefits for them.

That is why the COP summits never lead to much. Each country's egotism comes first, with everyone waiting for the others to make the effort and pay the cost of the transition.

However, there is some good news. Europe reduced its CO₂ emissions by 25% between 1990 and 2019. Over the same period, emissions increased by 300% in China and by 3% in the United States. The European Union, which has had a carbon market in place since 2005 – primarily for the electricity, manufacturing and aviation sectors – which aims to limit greenhouse gas emissions by means of emissions quotas, increased the price per tonne of carbon from €30 to €90 in 2021. This is a clear incentive to reduce CO₂ emissions.

But this price increase poses considerable problems in terms of social acceptability. This was seen last autumn with the rise in gas and electricity prices, obliging the French government to introduce a "price shield" for fear of a return to Gilets Jaunes-style protests, after which the carbon tax was frozen at €44 per tonne for the transportation sector.

Although the government has sovereign power to impose and generalise the "polluter pays" principle, which gave rise to the idea of a carbon tax, and thereby align private and shared interests, this is not easy to do in practice as it affects companies' competitiveness and, as a result, employment. The steel market, which is subject to fierce international competition, is a good example of this.

If the sector – which accounts for 7% of CO₂ emissions in Europe – were to adopt low carbon production methods, production costs would rise by 30%. In an ultra-competitive market, this would probably mean the end of steel production in Europe, as buyers would get their supplies from elsewhere at more competitive prices.

Faced with climate change and to make the energy transition concrete, you are in favour of the introduction of a carbon border tax in Europe. What would be the conditions for its success?

C. G. — First of all, producers and consumers in Europe need to accept the principle of "polluter pays", which means that anyone emitting CO₂ would pay a single price per ton of carbon emitted. Once we have this uniform pricing system in Europe, which is synonymous with higher selling prices, the competitive

distortions with non-European countries will have to be corrected and a carbon tax introduced for all products coming into the European Union. This is one of the areas covered by the European Green Deal presented by the European Commission on 14 July 2021, with the aim of the European Union achieving carbon neutrality in 2050. It is within this framework that the "Fit for 55" package to reduce greenhouse gas emissions by 55% between now and 2030 relative to 1990 was presented.

The carbon border tax is therefore an effective way of preventing environmental dumping and putting in place the conditions for healthy and balanced competition. It is an ecological and environmental corrective tool. I think that this tax should be set at €150 per tonne today and at €500 in 2050.

Although the energy transition is expensive, can it be something to be happy about?

C. G. — Contrary to what politicians and the media often suggest, that the energy transition is good for jobs, prosperity and electricity bills, the reality is unfortunately much more complex. Deciding to voluntarily make the shift from the energies that have allowed western economies to flourish is likely to be extremely expensive. Decarbonisation using current technologies would lead to considerably higher production costs for all goods and services. In other words, the energy transition requires sacrifices and cannot be pleasant.

We therefore need to invest heavily in research and development to make these technologies financially accessible. The funding provided within the framework of the European recovery plan and the France Relance plan should contribute to this to a significant extent. —

Sustainable finance: a promising tool for achieving carbon neutrality

Sustainable finance – the economic component of the Green Deal, which aims to make Europe a neutral continent in terms of climate by 2050 – carries the promise of reorienting investment towards low carbon activities. However, at a time when the European Commission is putting its new sustainable finance strategy in place, there is still a striking mismatch between supply – which is insufficient – and demand – which is growing.

* Sustainable Finance Disclosure Regulation.
** Corporate Sustainability Reporting Directive.

What does sustainable finance mean exactly?

Anne-Catherine Husson-Traoré — Sustainable finance covers all techniques and practices that aim to incorporate environmental, social and governance criteria, known as ESG, into finance.

This encompasses in particular socially responsible investment (SRI), impact finance, green bonds and green loans. The 2008-2009 financial crisis, the 2015 Paris Agreement and the European Commission's various proposals concerning redirecting financial flows and making finance greener have helped to make sustainable finance a central issue.

At a time when conventional finance is still primarily driven by maximising performance in as short a time frame as possible, sustainable finance is based on a completely different logic.

It assumes investing over the long term and taking other factors into consideration such as the model's sustainability and resilience in the face of the crises we are currently experiencing.

It needs to be able to identify ESG risks, as well as the potential economic and financial effects on the project that the saver wants to invest in.

Why is it still hard for savers to separate the wheat from the chaff when it comes to sustainable finance?

A.-C. H.-T. — Quite simply because it's like the Wild West or some kind of jungle. The definitions, vocabulary and even measurement indicators used vary widely, which creates problems for savers in understanding and identifying what is what. This lack of uniformity is even more problematic as operators who have offered sustainable finance for a long time find it hard to explain how they differ from newcomers who improvise being "sustainable" using slapdash marketing. This is one of the challenges facing the sector.

What sustainable finance labels are used in France and what are they for?

A.-C. H.-T. — There are three labels in France. First of all, there is the general "ISR" (socially responsible investment) label created by the Ministry of Finance in 2016, which focuses mainly on processes.

Greenfin, the green label audited by Novethic, looks at the composition of the portfolio, which needs to invest in businesses with an environmental

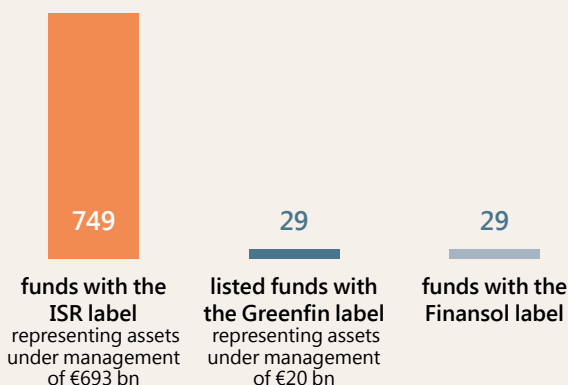


**Anne-Catherine
Husson-Traoré**

→ Journalist Anne-Catherine Husson-Traoré has been General Director of Novethic, Caisse des Dépôts Group's sustainable transformation accelerator, which she co-founded, since 2006. She is a member of the High-Level Expert Group (HLEG) on Sustainable Finance created by the European Commission in 2017.

“In all the surveys, savers say that they are ready to finance the greening of the economy, but there is lack of options for doing so. The challenge therefore lies in making supply fit demand.”

SUSTAINABLE FUNDS IN FRANCE AT END-2021



Source: Novethic, Market Data Sustainable funds France as at 31 December 2021, February 2022.

+€81 bn

increase in inflows into funds with the ISR label in 2021.

Over the same period, funds with the Greenfin label saw an increase in inflows of €5 bn.

€896 bn

amount of assets under management of the 1,186 sustainable funds at end-2021.

This amount has risen by 94% in the space of one year.

purpose. It excludes funds that invest in companies in the fossil fuels and nuclear power industry and in controversial companies.

The Finansol solidarity-based label concentrates on the social aspect of funds and solidarity-based investments. As a result of the Pacte law, as of 1 January 2022, life insurers are obliged to include at least one fund with each of these labels in their ranges of unit-linked policies.

These labels are intended to tell savers that the product meets certain standards and has been assessed by an independent third party. While more than 750 funds currently hold the ISR label, only a few dozen have obtained the Greenfin or Finansol label. Why? Quite simply because the two themed labels are supposed to indicate companies with a really green or really social focus... which are still too few and far between. There is a real mismatch between supply and demand.

Do you think there could be a pan-European label one day?

A.-C. H.-T. — In 2018, a group of high-level experts submitted a report to the European Commission aiming to make European finance sustainable. The solutions proposed included the idea of creating an eco-label for responsible investment funds. Today, listed companies would have to quickly and effectively make themselves greener for funds to be eligible for the eco-label criteria. Before it is launched, this process of “greening” will have to be stepped up. As regards energy, the war in Ukraine could speed things up.

The other key recommendation concerned green taxonomy, which was partly introduced within the European Union in January 2022. The aim of this classification system is to define, on a scientific basis, which activities make it easier to achieve the European Union’s environmental objectives, including carbon neutrality by 2050. This will make it possible to define truly green aspects for both investment portfolios and businesses. For the time being, however, this virtuous circle aiming to direct savings towards these green models is struggling to get off the ground. In all the surveys, savers say that they are ready to finance the greening of the economy, but there is lack of options for doing so. Businesses need to voluntarily change their models to include more recycling, less oil and less plastic waste, for example. Not many of them want to or are in a position to do so.

How does sustainable finance constitute a convincing answer to the climate emergency?

A.-C. H.-T. — By measuring the environmental and social impact of a given activity, sustainable finance needs to lead to a reduction in the most harmful activities, which means helping to reduce CO₂ emissions and cut back on the various types of pollution that are contributing to the loss of biodiversity. It also needs to encourage maximising businesses’ positive impact. EU sustainable finance regulations aim to make this the generally accepted logic by 2025. It sets out a reporting framework to incentivise companies and investors to change model and combine their efforts in order to make the Green Deal a reality and combat climate change. This regulation is made up of various building blocks, including EU taxonomy, the SFDR*, which targets investors, and the CSRD**, which will oblige companies to fully factor in ESG criteria in their overall performance. This is all rather technical. One of Novethic’s aims is to promote and explain this new regulatory framework and the benefits of this transformation.

What are the challenges that sustainable finance needs to address to definitively establish itself in the saver mindset?

A.-C. H.-T. — The first challenge is credibility. Funds need to provide evidence of the sustainability of the investments proposed.

The second challenge is teaching people. Financial advisors need to be able to explain why it’s better to invest in sustainable companies because those that do not take part in the energy and ecological transition are heading for a fall. It is also important for savers to be able to understand how the products proposed factor in their expectations in terms of sustainable finance and ESG priorities.

These two challenges will not only change the saver-financial advisor relationship, but more generally create a real basis for sustainable finance. —

Artificial intelligence: the misconceptions and the reality

A truly groundbreaking technology, artificial intelligence has made huge steps forward in the last 15 or so years, thanks in particular to the progress made in computing power. Artificial intelligence is everywhere and has surreptitiously become part of our everyday lives, resulting in a major anthropological shift in how we live, think and do things.

What does “artificial intelligence” cover exactly?

Jean-Gabriel Ganascia — This term first came into use in 1956. At a summer seminar, a group of American researchers from different scientific backgrounds came together at the University of Dartmouth with the aim of reproducing different cognitive functions such as perception, reasoning and memory with the help of machines. This was a brand new idea at the time. It was called artificial intelligence, a term with a bright future ahead.

After these simulations had been done, they could be introduced into technologies to solve practical problems. This is the second part of the definition. More recently, it is generally regarded among the public as believing that a machine is driven by intelligence. This fantasy lies behind a misconception that makes some people fear that artificial intelligence poses a risk to the future of humankind.

What place does artificial intelligence currently hold in our societies?

J.-G. G. — First of all, we must be aware of the scale of what artificial intelligence currently encompasses. It is able to perfectly reproduce certain cognitive functions by simulating learning, reasoning and understanding.

With hypertext, a memory model, artificial intelligence is central to how the web works; and it is also omnipresent, in processing information, helping with decisions, organising knowledge within IT systems, connected objects, mobile phones, and so on. It is used in almost all industries, including commerce, manufacturing, banking, insurance, transportation, security, police, and robotics. Why? Quite simply because thanks to the power of computers, artificial intelligence makes it possible to process and exploit huge amounts of data – what we call big data – using reinforcement learning techniques or learning using formal neural networks. The potential applications of machine learning and more specifically deep learning are countless.

**Giving meaning to artificial intelligence: for a national and European strategy”, report by Cédric Villani to the French Prime Minister in March 2018.



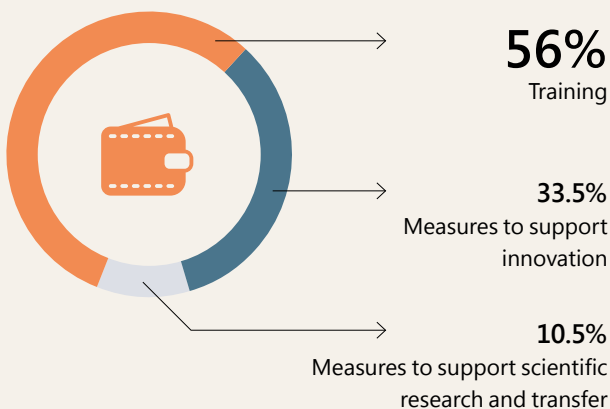
**Jean-Gabriel
Ganascia**

→ A professor at the Sorbonne University, Jean-Gabriel Ganascia researches artificial intelligence at the LIP6 Laboratory of Computer Science. He was Chair of the CNRS Ethics Committee from 2016 to 2021. He has written a number of books on artificial intelligence, including *Servitudes virtuelles* ("Visual servitudes") (Le Seuil, 2022).

"With hypertext, a memory model, artificial intelligence is central to how the web works; and it is also omnipresent, in processing information, helping with decisions, organising knowledge within IT systems, connected objects, mobile phones, and so on."

PLANNED PUBLIC EXPENDITURE IN RELATION TO THE FRENCH NATIONAL STRATEGY ON ARTIFICIAL INTELLIGENCE

(base €1.5 bn)



81

number of artificial intelligence laboratories in France in 2021 ranking France No. 1 in Europe.

€2.22 bn

including state funding of €1.5 bn, the amount that France intends to spend on the second phase (2021-2025) of the French national strategy on artificial intelligence to make the country a world leader in artificial intelligence.

Sources: National strategy on artificial intelligence, France 2030, 2021.

In an increasingly digitised society, artificial intelligence now plays a central part in the business models of major internet companies. While at the outset, their business was based on free services, the idea of monetising audiences has gradually made headway, mainly by means of advertising. This has become less visible over the years but more targeted. This targeting is based on profiling internet users, who are tracked by search engines, so much and so well that they now know all about the habits and interests of anyone who regularly browses the internet. This approach relies on using artificial intelligence techniques and aims to anticipate internet users' behaviours.

What are the current debates among experts surrounding artificial intelligence?

J.-G. G. — I think there are two particularly important aspects to note. The first is scientific, and relates to the convolutional or deep neural networks that emerged around 12 years ago and which have given machines the capacity for self-learning. The question that arises is: will we always work with the same algorithms, which require a huge amount of data, or can the number of inputs be limited? This was an open-ended question. It is a technical but fundamental issue. Likewise, still on a scientific level, there is a question about the ability of neural networks to provide justification of their diagnostics or conclusions, which is very limited at present.

On a societal level, the main challenges concern the holders of data, who have enormous power, giving rise to the question of access and use of such data. The majority of data is currently held by social media sites and search engines, which have a disproportionate amount of economic power. The debate is both ethical and political. It calls for us to ask questions about the role of government, the right to privacy and the monetisation of personal data that are used for commercial purposes by the digital giants.

What will be the place of artificial intelligence in our societies in the next 10 or 15 years?

J.-G. G. — It is difficult to make projections. I would simply say that technology continually surprises us. It never develops quite in the way we had thought. The technological era is a mixed time in that it combines linearity and cyclicity. Technologies are emerging and offer unprecedented promises. But sometimes they disappear because they have not met all the conditions required to succeed, in some cases reappearing at a later date. This is what happened with formal neural networks and digital tablets, for example.

However, even though making projections is difficult, we can rely on the fact that there will be more and more data in the years to come. Data collection will become commonplace and artificial intelligence will be required to interpret these data more and more, for example for ecological transition, food traceability or scientific applications. Their contribution will be significant and will make it easier to understand certain phenomena and make decisions.

Does artificial intelligence constitute an opportunity or a threat for humankind?

J.-G. G. — Both, of course. I will answer by, first of all, stressing that in France and Europe, we tend to be fearful anything new, even though technological development is at the heart of everything that will happen in the future. I think that we need to ask ourselves what we want to do with these technologies and set limits relative to our desires.

Secondly, in 2018, following the report* by mathematician and politician Cédric Villani, France defined a national strategy as part of the France 2030 plan, with the aim of reinforcing research capacity and training and attracting talent. Furthermore, on a European scale, a coordinated artificial intelligence plan was proposed in 2018 with the idea of encouraging excellence in artificial intelligence, using it for the benefit of people and establishing a strategic leading position. This tends to show that this matter is central to international competition and constitutes an opportunity that cannot be overlooked. —

Cyber attacks: facing the threat is no longer an option

Although cyber attacks constitute one of the clearly identified everyday risks, public and private sector operators are not always able to deal with them. That is why the answers, based on cooperation, exchanging information and sharing best practices, are starting to take shape, culminating in the creation of the Cyber Campus in February 2022.

What is the reality in terms of cyber risk today and what forms does it come in?

Michel Van Den Berghe — Cyber risk currently constitutes the first or second-largest risk facing businesses, whereas five years ago it was probably sixth or seventh. What are the reasons for this change? It is mainly due to the very high level of digitisation among businesses, which in the space of a few years have made astonishing advances in this area. This digitisation entails risks: risk of dependence, risk of data loss and the risk of data being seized by a third party. The number of cyberattacks increased fourfold between 2020 and 2021, becoming more and more sophisticated. The 7th annual CESIN* survey on French companies' cyber security shows that in 2021, more than one in two companies was the victim of a successful attack, with major repercussions.

Furthermore, following an attack of this kind, six out of 10 companies reported an impact on their business, such as disrupted production, unavailability of a website or even compromised information. When it comes to small businesses, one in two folds after a cyber attack. The risk therefore needs to be taken very seriously.

These cyber attacks come in three main forms. The first is an attack for financial purposes during which ransomware is used to prevent access to IT systems until a ransom is paid. This is widely used and can be accompanied by blackmail for disclosing data. The second concerns ideological attacks that attempt to delete or change the contents of certain websites in order to misinform, manipulate or assert a claim. Finally, attacks on state reflect the desire to spy or disrupt a country's economic activity as part of a cyber war.

How do these cyber attacks materialise on a technical level?

M. V. D. B. — There are three main techniques. Network saturation attacks, also known as "DDoS attacks", consist of sending a huge amount of data flows to a website, such as an e-commerce site, in order to bring it down or stop it from working. The

* Club des Experts de la Sécurité de l'Information et du Numérique (Club of Experts in IT and Digital Security).

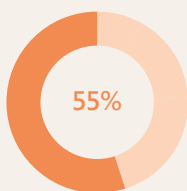


**Michel
Van Den Berghe**

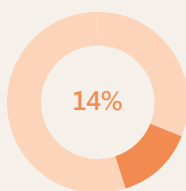
→ Cyber security expert Michel Van Den Berghe became President of the Cyber Campus in August 2021. Prior to this, he was CEO of Orange Cyberdefense for eight years.

“Mass digitisation of society is accompanied by a variety of cyber threats that can come from anywhere at any time. Protecting our identity and our digital information is absolutely vital. This is what cyber security is all about.”

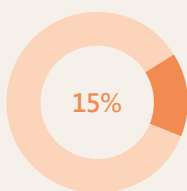
THE RISE OF CYBER INSURANCE



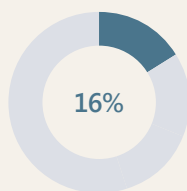
of businesses have taken out a cyber insurance policy **and intend to renew it.**



of businesses have taken out a policy but **are hesitant about renewing it**, in view of the change in prices and reduced insurance cover.



of businesses have not taken out a cyber insurance policy but **intend to do so.**



of businesses **do not intend to take out** a cyber insurance policy.



France is the most severely affected country in the European Union by ransomware.

54%

of businesses state that they suffered at least once cyber attack in 2021.

Sources: Anozr Way ransomware survey, 2021, 7th annual business cyber security survey, conducted by Opinionway for CESIN, January 2022.

website, server or infrastructure can only be used again once the company under attack has paid the ransom demanded, otherwise the disruptions will continue, with major financial losses.

The second main type of attack is cryptolockers. This is malicious software that encrypts all the data on a PC. These data then cannot be accessed without a decryption key, for which the pirate or pirates demand a ransom. A number of big companies have been brought to a complete halt following this kind of attack. It can also target small and medium-sized businesses and even individuals, who do not always have adequate means to protect themselves.

The third form of attack is phishing, which aims to collect financial, banking or personal data in order to usurp or steal someone's identity.

What measures have been put in place to protect public bodies and businesses from cyber risk?

M. V. D. B. — Although cyber risk has been clearly identified by the public and private sector, it is still necessary to raise awareness about what to do to protect against cyber attacks by criminal gangs, hackers and governments. A particular effort needs to be made to inform small and medium-sized businesses about this risk, which they know less about and have little idea of its significance.

The third and most important aspect, I believe, is resilience. It is important to help companies to cope with these attacks, manage crises of this kind and get their IT systems going again. Ways of combating these malicious attacks combine software and hardware, cyber plans and increasingly secure processes, such as two-factor authentication systems. But the fight is never won, with new security flaws detected on a regular basis, for example via home networks as a result of the explosion in working from home.

Cyber attacks are changing form and constantly being reinvented. What threats will we have to face in the future?

M. V. D. B. — These threats follow an attack-defence rationale. The attacker knows what they want and does everything they can to get it. The defender, meanwhile, has to prepare for all possible scenarios and be ready to deal with all kinds of piracy, each time with new anticipations, new measures and new firewalls. The fight is never-ending. Now that everything is digitised, the risks come from everywhere and are always there. This means everyone needs to protect their identity and their digi-

tal information. This is what cyber security is all about! Identity is protected by means such as firewalls, encryption keys, solid applications, proven processes and regular information campaigns.

I would add that we have a lack of cyber security experts in France. 15,000 jobs are currently unfilled. This is a real problem that we will need to solve. With this shortage of skills, it will not be possible to tackle all cyber attacks.

What are the reasons that contributed to the creation of the Cyber Campus, of which you are President?

M. V. D. B. — This project was launched in 2019 by the French President with one main aim: to bring together the main parties involved in cyber security in one place. That is why the Cyber Campus, which opened its doors in February 2022, will receive 1,800 experts from the public sector, private sector, industry, non-profit sector, research and schools.

They will develop synergies, create partnerships and further the skills of the cyber security ecosystem. The common threads of cyber security that emerge will make us stronger together in taking on cyber crime, facilitate the development of innovative projects, support the creation of start-ups and give rise to new vocations. We are the only structure of this kind in western Europe.

What role can insurers play with regard to cyber security?

M. V. D. B. — They play an essential role. Cyber risk is now clearly identified and it is the duty of insurers to raise awareness and pay attention. The products and services they offer to cover this risk are increasingly mature and more and more customised. It is essential that everyone knows that digital data are of value. —



03

Cová 2024 – Growing together

- P. 38** Cová as leader
- P. 42** Cová on the move
- P. 46** Cová committed



Covéa AS LEADER

Being leader means growing in a profitable way, combining winning new customers and retaining existing customers.

It also means demonstrating technical discipline in order to control costs and maintain a high level of customer satisfaction.

What is our aim?

The Group enjoys a solid position in the French property and casualty insurance market, with significant market share in each of its areas of expertise. This standout strength needs to be not only upheld but enhanced. As market leader, Covéa intends to fulfil its duties towards both its customers and the company, and set the tone by offering innovative, useful and effective products.

Being leader therefore means capitalising on these fundamental strengths. It also means taking action to enable the Group to develop and be competitive by means of targeted investment, particularly with regard to digital transformation and cyber security, controlling general costs and making commercial advances in all of its business lines and in all market segments. Lastly, it means having the means to continue to grow in a healthy and lasting way.

What are our priorities?

To maintain its leading position over the long term, Covéa has set itself three priorities. The first consists of growing the portfolio of individual and business customers at a time when competition with bancassurers and insurtechs is becoming fiercer. This focus on winning new customers needs to be rolled out while still protecting the Group’s margins, which is essential in ensuring high quality support over the long term.

The second priority is to make Covéa more profitable in the commercial lines segments, which means keeping an eye



on operating margin and being careful to control risk. This is one of the keys to success for maintaining Covéa’s market share in these target markets and remaining a leading name that members and customers can count on in the long term. Remaining profitable also means growing in the life insurance, health and protection, and legal protection markets, which assumes rolling out targeted measures to ensure customer satisfaction, retain customers and enable them to take out multiple products. Continuing with this priority needs to contribute in a positive way to the Group’s results and keeping it competitive.

+ 600,000

target number of additional individual policies between now and 2024

+ 1.8%

target growth per year in earned premiums, excluding savings, by 2024

OFFERS AND SERVICES

Resounding success for our service platform

→ Four years after going online, Covéa's service platform provides MAAF, MMA and GMF members and customers with 170 partner offers, as well as tools to make significant savings and benefit from advice as a natural extension to its insurance services. Its three main aims are support, prevention and assistance, helping to foster closer relations with policyholders. With over 1.8 million visits in 2021, 175,000 services sold and 130,000 tools used, it has been a clear success. These leads are synonymous with better customer knowledge and help to boost insurance activities.

No. 1

Motor insurance* with 18.2% market share

Home insurance* with 16.9% market share

Legal protection* with 17.1% market share

No. 2 in commercial lines

with 11% market share

No. 4 in individual health insurance

with 4.8% market share

* Including company car fleets.

** Comprehensive home insurance.

Source: Motor, legal protection, commercial lines – France Assureurs. Home insurance: Argus de l'assurance. Individual health insurance: Argus de l'assurance (ranking) and internal source (market share) - 2020 data.

PROXIMITY

Increased presence among our members and customers

→ The local-level approach developed and maintained by MAAF, MMA and GMF with their members and customers constitutes one of the Group's strengths. Based on complementary channels, it combines on a daily basis geographical presence and a relationship-based approach within the framework of human or digital interaction. With 510 points of sale for MAAF, 1,593 for MMA and 311 for GMF, the brands offer their members and customers a high level of availability, with extended opening hours. Thanks to their digital ecosystems, made up of mobile apps and customer areas, they can be accessed 24 hours a day, seven days a week. Furthermore, when exceptional weather events occur, MAAF, MMA and GMF can set up mobile units on site in the damaged area to help members and guide them through the process, either replacing affected branches or supporting the local network. Covéa is also firmly rooted in the local economy via MMA and its Future Entrepreneurs Foundation, MAAF, which works closely with chambers of trade, and GMF, which has close ties with government bodies and local authorities.

CUSTOMER SATISFACTION

Conclusive results

→ With scores ranging from 8.6 to 8.9/10, the Group is clearly hitting the mark in terms of customer satisfaction. These results are based on real-time feedback, with customers receiving a questionnaire the day after being in contact with one of the Group's brands in order to assess their view of their experience. In 2021, 8 million questionnaires were sent out and more than 1 million were returned.

ASSISTANCE

Argus d'Or award for Fidélia Assistance

→ At the 17th Argus d'Or awards, Fidélia Assistance won a gold award in the "Property and casualty insurance – Claims management" category for its Digi'VHR innovation. This solution enables policyholders to request a replacement vehicle, remotely and with full autonomy, if their personal vehicle needs to be towed. This is made possible thanks to a digital interface, with SMS messages sent directly by Fidélia Assistance. This saves time for the customer, as well as for the assistance agent and the rental company.

LIFE REINSURANCE

A new tool for assessing portability risk

→ At the 31st Réavie event, the international meeting of life and personal insurers and reinsurers, Covéa presented an innovative tool for assessing the risk of portability and pricing. When an employee's contract comes to an end, they can continue to benefit from their health and protection cover for a maximum of 12 months without the employer being able to opt out. However, this obligation comes at a cost. The mathematical model presented by Covéa makes it possible to identify and select companies for which this is a controllable risk, while also offering rate reviews covering the risk of additional cost as a result of portability.



LEGAL PROTECTION

Making everyday life easier

→ In an increasingly complex regulatory framework, legal protection helps our customers to better understand their rights and obligations. Its role was accentuated further during the health crisis, with a significant increase in the number of interactions (675,000 calls in 2021, up 10% relative to 2020). Covéa Protection Juridique's customer satisfaction rating also improved, with a score of 8.64/10 compared with 8.49 in 2020.



HEALTH

A broader range of services

→ Faced with the ongoing challenging public health situation, new services have been offered to holders of MAAF, MMA and GMF health insurance policies via our partner Santéclair. The "second opinion" digital service allows policyholders to obtain a second opinion from recognised medical experts in less than seven days in the event of a serious health problem.

With the "Symptom analysis and referral" tool, they can have their symptoms analysed in a few minutes, 24 hours a day, seven days a week, and will be directed towards the relevant health services. Furthermore, a programme to help with buying glasses has also been set up. The MySantéclair app offers quicker and more direct access to Santéclair services.

Throughout the year, Covéa also continued to improve its individual health insurance services, including in particular the expanding reimbursement of complementary medicines, raising the maximum age limit and increasing levels of hearing aid cover.

AFFINITY INSURANCE

Covéa Affinity diversifies its operations

→ Covéa Affinity, Covéa's dedicated affinity insurance partnerships entity, has close to 40 years' experience of creating bespoke white label affinity insurance programmes. With revenue growth of 132% between 2012 and 2021, it is European market leader in mechanical breakdown cover for carmakers and loan protection insurance. Covéa Affinity also works with distributors and is planning to step up its operations in this area in the next few years. In order to achieve its ambitions in terms of growth, diversification and profitability, Covéa Affinity has introduced a new CRM tool that will ensure ease of use and uniformity for users. It will eventually be available to all employees, offering a 360° view.

Covéa ON THE MOVE

Being on the move means keeping abreast of changes in society and our customers' exacting expectations in terms of the products and services we offer and providing a local presence. It also means preparing for the future as best possible by capitalising on the Group's identity as a mutual insurer.



€200 m

amount of investment planned between now and 2024 in digitisation and IT security

What is our aim?

Wanting a “Covéa on the move” means establishing permanent momentum punctuated by priorities, actions and projects to create added value and be of use to members and customers. This means putting the emphasis on digital transformation, digital experiences and automation of low added value tasks, three strengths that are essential to insurance today. This implies permanently adapting the products and services that enable Covéa to meet the needs and expectations of its members and customers and stand out from the competition. Being on the move therefore means modernising while staying true to ourselves, and continually improving how we operate. It also means strengthening the Group’s presence across the entire insurance value chain in order to prepare for the future as best possible.

Lastly, it means putting ourselves in a position to seize new opportunities to distribute our products and services

and reinforcing the Group’s business model by means of a considered diversification strategy.

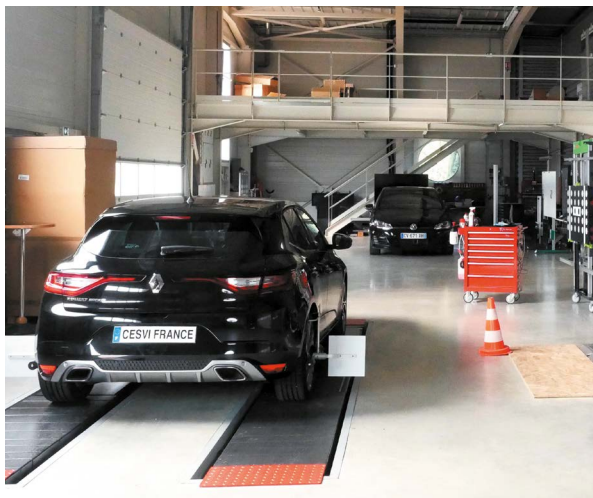
What are our priorities?

Three major projects have been launched to make this need for transformation a reality. The first consists of continually improving how we meet customers’ and members’ expectations by means of cover and services that enhance and customise what we offer, as well as a local human and digital presence offered by Covéa.

It also means adapting to changes in distribution, particularly in motor insurance and comprehensive home insurance, and in turn developing partnerships for distributing our brands’ products and services to policyholders.

Secondly, we need to incorporate reinsurance into our model. This entails two challenges: being able to cover the entire risk value chain at a time when insurable assets are changing, and being more able to stand up to shocks.

The third aim – which relates to the first two – is to make the Group more efficient. This implies greater automation of processes by means of artificial intelligence and robotisation. It also means continuing with our strategic transformation programmes, in particular maintaining a high level of IT systems security. Making this aim a reality also requires making better use of data to improve our commercial, operational and technical efficiency.



MOTOR INSURANCE

Repair instead of replace

→ With the support of its dedicated motor insurance training and research centre Cesvi France, Covéa is planning to take action concerning the cost of car repairs, which tend to rise steadily. The total cost of a repair in 2020 was around €1,620¹ excluding VAT, a year-on-year increase of 6.7%. This price inflation is primarily due to the increase in prices of spare parts, as well as vehicles becoming more sophisticated, with most vehicles now fitted with electronic systems and sensors.

In the light of this trend, which is likely to force insurers to pass this increase on to the amount of premiums paid by policyholders, Covéa has opted for an alternative solution. The Group has decided to train around 2,000 partner experts and mechanics each year.

The aim is to raise awareness about the advantages of repairs rather than opting to replace the damaged part, keep the labour cost down and, in turn, make savings, which can then be passed on to the policyholder. Another significant advantage is that this option favours the re-use of parts as part of the circular economy.

¹ Source: *Sécurité et Réparation Automobiles* (Automotive Safety and Repairs).

16

vehicle studies,
including 8 crash tests in 2021

COVÉA



CLIMATE RISK

Coventéo, a modelling tool to limit claims

→ Climate change will inevitably affect France. The “Climate change and insurance – What are the consequences in terms of claims between now and 2050?” white paper published in January 2022 by Covéa and RiskWeather Tech stresses that extreme events such as flooding, drought and hailstorms are likely to become more severe and more frequent over the next few decades. This is why Covéa intends to put the emphasis on limiting claims relating to natural risks. The Group has developed Coventéo and Covisiomap, two flagship modelling programmes and innovative tools for climate risk management, to optimise crisis management when a major event occurs. In addition, Covéa uses these programmes for better risk assessment, to better take account of uncertainties in setting its rates and tracking portfolios, as well as to select underwriting risks. The Group is also looking to continue to develop prevention, which is set to become a key aspect of adapting the places in which we live to the challenges posed by climate change. With this in mind, Covéa is carrying out a number of experiments, for example to fit homes with watertight doors in flood areas, or limit the effects of drought on clay soils in order to protect homes.



LIFE INSURANCE

Easy partial surrender online

→ MMA and GMF customers can now, as is already the case for MAAF customers, make partial surrenders of their life insurance policies in a few minutes from their customer account. And that's not all. Two new services are to be added to the range of life insurance services on offer by the end of 2022.



CUSTOMER EXPERIENCE

Making life simpler

→ To respond to customers' desire for fluidity and speed, our brands regularly adapt the services they offer and their customer experience. For example, MAAF has updated and simplified its *Tranquillité Famille* protection range, offering six possible combinations as opposed to around 100 previously. This overhaul has also allowed us to fully review the online customer experience. MMA, meanwhile, has adopted a new motor insurance pricing and application system on the mma.fr website. Gone are the "starting from" prices, now replaced by accurate prices given to customers. Finally, since November 2021, GMF has offered its members mutually agreed compensation for all small home insurance claims relating to natural events. This compensation is paid immediately without having to send out an expert, and offers the advantage of settling claims quickly. Clarity, simplicity and efficiency: these are our main watchwords to provide services that appeal to our customers.

INNOVATION

Using artificial intelligence to help with claims

→ In order to speed up repairs of damaged vehicles of MAAF, MMA and GMF policyholders, the Group offers the solution devised by insurtech Tractable via its 2,000 partner repair companies. Using artificial intelligence, on the basis of a photo taken by the repairer or policyholder, it provides a real-time evaluation of the claim and suggests recommended repairs. This faster evaluation will make processing claims simpler and more efficient.

Covéa COMMITTED

Being committed means fulfilling our role with regard to our various stakeholders (customers, employees and society), and allowing them to look ahead to the future. It also means getting involved in important social causes and setting an example.



What are our priorities?

To sustain this level of commitment, Covéa intends, first of all, to support its customers on a day-to-day basis and over the long term. This means being there by their side when it matters, offering advice and high quality products to meet their expectations and needs. The support provided needs to combine a local presence and availability, as well as speed and fluidity in the services offered.

Covéa also intends to cultivate “living and growing together” by means of a proactive human resources policy, which encourages fluidity within the Group and a working environment suited to new needs, as well as high-quality tools that make life easier for teams and make it easier to listen.

Finally, Covéa aspires to play a role in society. This means taking a proactive stance with regard to gender equality, recruiting people with disabilities and striving for a low carbon approach in all the Group’s activities with a view to limiting its impact on the environment.

80 %

minimum target rate of reachability

3 %

target annual reduction in the Group’s carbon emissions

What is our aim?

The idea of “Covéa committed” is about getting involved with all of the Group’s stakeholders: members and customers, as well as society as a whole, not forgetting our own staff. Living and growing together means working steadfastly and determinedly to ensure that individuals and businesses are able to look ahead to the future with peace of mind, knowing that they are covered.

Covéa intends to play this role now more than ever. Firstly, it strives to offer its policyholders the best of digital technology and the human touch, allowing it to harmoniously combine long-term support, advice and managing complex needs.

Secondly, the Group offers its employees support and training schemes and listens to their needs.

Finally, it helps society through inclusive initiatives that provide benefits for society.

COVID-19

Unparalleled support services

→ In 2021, MAAF, MMA and GMF offer their members free home support services in the event of being hospitalised due to Covid-19. The services offered are intended to help to alleviate some of the problems caused as a result. From their first full day in hospital, policyholders receive deliveries of meals and medicines, shopping and help with schooling. Once there is no risk relating to household contact, home services are also offered including help with housekeeping, transport to school and extracurricular activities, and post-hospitalisation transport.



SPONSORSHIP

Preventing health risks

→ As a major sponsor, Covéa helps finance the Clinatéc biomedical research centre endowment fund. This has resulted in the development of the Covéa NeuroTec pioneering exploratory programme into Alzheimer's disease, as well as support for the Brain Computer Interface project, which aims to give tetraplegics back their mobility. The appointment in February 2021 of Thierry Derez, Chairman and Chief Executive Officer of Covéa, as director of the fund and his presence on the strategic committee have further increased the Group's involvement in preventing health risks.

€200,000

donated to *Action Contre la Faim* (Action Against Hunger) following a campaign to collect donations from our employees and directors. Donations matched at 100% by the Group. This support has enabled the NGO to increase the help it offers to people in need on a local level.

PARTNERSHIP

Continued support of France Tutelle

→ Covéa has extended its partnership with France Tutelle, a well-known national charity that provides support for carers, for a further three years. Of the 800,000 vulnerable people who have been placed under court protection orders in France, around 400,000 are cared for and taught by family members.

The partnership, which involves all three of Covéa's brands (MAAF, MMA and GMF), aims to anticipate the consequences of vulnerability and support those who help the people most in need.

It reflects the Group's mutualist values and its aim of contributing to a more inclusive and solidarity-based society.

The main achievements of this partnership include the "French people on vulnerability and court protection of family members" survey, with the results of the second survey published in October 2021.

This is in addition to measures to raise awareness and promote existing schemes to families, producing studies to help understand the social impact relating to vulnerability, and providing training.



Opening of the Sarcelles women's shelter

PARTNERSHIP

Covéa supports *La Fondation des Femmes*

→ For the second year in a row, Covéa has offered its support to *La Fondation des Femmes* (the Women's Foundation), continuing to fund measures to combat violence against women and intrafamily violence. It supports two new programmes: helping non-profit projects to protect women, such as the *Maisons des Femmes* (Women's Shelters), and contributing to awareness-raising events to combat stereotyping and sexism among the general public. This long-term partnership with *La Fondation des Femmes* illustrates the Covéa Group's commitment to helping society and equal opportunity.

+ 600

Covéa employees made aware of street harassment in 2021

ENVIRONMENT

Working with Collège de France

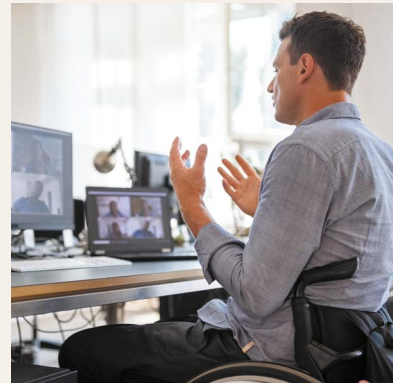
→ Covéa sponsors the "Together for a Sustainable Future" initiative launched by 13 professors at the *Collège de France*, with the aim of understanding issues relating to the environmental and energy transition. This original and ambitious initiative has two main objectives. It entails taking an interdisciplinary approach – spanning subjects such as economics, chemistry, mathematics, law and history – to coming up with a scientific response to climate change. Using certified information and figures, it also consists of encouraging the general public to think about this important issue and improving their understanding. Themed seminars open to everyone will be organised to provide information about the advances made in current research. "Together for a Sustainable Future" also has an annual chair of the same name. As part of the *Collège de France* Foundation, the aim of this chair is to welcome international experts to discuss their work and research. Economist Christian Gollier, founder and director of the Toulouse School of Economics, is the first holder of the Chair for 2021-2022.



EMPLOYMENT

Helping talented young people to become part of active life

→ With 488 staff members on work/study contracts, Covéa has made a concrete commitment to helping young people find employment. This proactive approach is also reflected by the renewal of its partnership with Paris Dauphine-PSL University for another two years. In 2022, the Group intends to take on more than 600 young people on work/study contracts.



DIVERSITY

New disability agreement

→ The Group's new disability agreement, signed for a period of three years, aims to get people with disabilities into employment. This inclusive approach entails, between now and 2023, an ambitious plan to hire 150 people with disabilities by means of a training plan for managers of employees with disabilities and an awareness-raising campaign for all staff members.



DIVERSITY

Gender balance in the workplace

→ With the signing of a new gender balance in the workplace agreement, Covéa has demonstrated its ongoing commitment to promoting women's careers. The Group promotes gender balance as a way of ensuring equal treatment in recruitment, pay, access to employment and training. The agreement aims in particular to increase the proportion of women in managerial positions to 57% by the end of 2023, enhancing training, developing initiatives to raise awareness, encouraging a better work-life balance, and reducing wage gaps by means of a specific financial package.



LOOKING AHEAD

Something new at Institut Diderot

→ Institut Diderot, the independent think tank set up by Covéa in 2009, has appointed philosopher André Comte-Sponville as CEO. Throughout 2021, the institute focused on the theme of "The power of uncertainty: from the need to believe to the desire to act", in the form of debates, publications and videos available to all on the institutdiderot.fr website.

PROPERTY

Property policy to help with energy transition



→ Through its efforts to protect the environment, Covéa intends to help achieve the goals of the Paris Agreement in terms of combating climate change and play a role in the transition towards a more sustainable society. The Group's property policy constitutes an important aspect of its low carbon trajectory. This is reflected firstly by its steadfast commitment to the sustainable renovation of commercial buildings, an area in which Covéa is ranked sixth among the top 10 most committed companies across all industries and all types of building. It is also reflected by its efforts to make its operating facilities more energy efficient and environmentally friendly. For example, Covéa's Niort sites obtained the prestigious BREEAM certification in 2021. This responsible approach also entails reusing materials during construction, building renovation and a waste recycling policy, including the autonomous waste sorting system that allowed for 38 tonnes of waste to be recycled last year at the Montparnasse site.



CSR

Protecting biodiversity

→ In order to improve the impact on biodiversity of its property developments, Covéa has made a commitment alongside 15 other companies to the Biodiversity Impulsion Group (BIG) research programme, developed on the initiative of Gecina with the backing of the *Observatoire de l'Immobilier Durable* (Green Building Observatory). A shared reference framework of metrics and measurement tools will be created to change practices in the property sector, introduce a model that better respects the living world and step up the pace of ecological transition.

ESG

Responsible investment made concrete

→ By signing up to the six Principles for Responsible Investment (PRI) supported by the United Nations, Covéa has made an undertaking to factor environmental, social and governance (ESG) criteria into its investment decisions. The Group has joined a global network of more than 3,000 signatory investors representing assets under management of over \$100,000 bn.



PRÉVENTION

Raising awareness about the dangers of the road

→ Covéa is committed to the issue of road safety. The Prevention Committee, in charge of sharing and coordinating the Group's efforts, supports the development of the CoachAAC mobile app offered by MAAF, MMA and GMF for learning to drive. It is used by 15,000 learner drivers each month. Each of the brands has also rolled out a number of initiatives. MAAF is involved in road safety for young people at apprenticeship training centres, on social media, at nightclubs and at festivals. MMA uses its *La route Zérotracas* ("the zero-accident road") safety campaign (website, apps and social media) and media actions to raise awareness among businesses, vulnerable users and young people, among others. Meanwhile, GMF organises safety days at public sector facilities such as fire stations and hospitals.

* CFA: Centre de Formation d'Apprentis (Apprentice Training Centre).

Printing

It was printed in France on FSC-certified paper. Ink ratio was limited to 50% for four colour printing. Low Energy UV inks do not contain volatile organic compounds (VOCs) and reduce the amount of energy used by machines during production.

Environmental impact

The printer operates the only fully CO₂ neutral production chain in France. The carbon footprint generated through the production and distribution of this report has been entirely offset by purchasing carbon credits to finance reforestation projects.



Covéa — June 2022

Document written and edited by Covéa.

Design & production: WordAppeal / Studio L'Éclaireur.

Photo credits: Cesvi France, Raphaël Dautigny, Fondation des Femmes, Getty Images, PCA-Stream, Photothèque Covéa, Poly, Matthieu Suprin, Seb Jarnot.

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MUTUAL
INSURANCE
GROUP

MUTUAL GROUP INSURANCE COMPANY

governed by the French Insurance Code

RCS Paris 450 527 916

86-90, rue Saint-Lazare - 75009 Paris

www.covea.eu

@groupecovea on    