



Anti-corruption policy

Preamble

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

Covéa Finance faces multiple corruption and/or influence peddling related risks, in terms of finance, strategy, criminal prosecution, administrative sanctions, security damage, etc.

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

The Chairman and Chief Executive Officers of Covéa Finance are fully committed to the fight against corruption through the adoption of a zero-tolerance policy to address corruption risks, by incorporating the fight against corruption into internal procedures and policies, by involving its management committee and by implementing an appropriate communication policy.

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

1. Objective of the anti-corruption policy

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

In the event of a breach of this anti-corruption policy and other measures taken by Covéa Finance in the fight against corruption, all Covéa Finance employees shall be liable to criminal sanctions but also those provided for in Covéa Finance’s internal rules.

2. Definition of corruption and influence peddling

2.1 Definition of corruption

Corruption involves an act of corruption between two parties: a corrupter and a corrupted party.

It may be public, private, active or passive.

Corruption can be defined as the unlawful proposal, by the corrupter (active corruption):

- at any time, directly or indirectly,
- to the corrupted party who solicits or accepts (passive corruption),
- of any offers, promises, gifts, presents or benefits to themselves or for others,
- for the purpose of carrying out or refraining from carrying out or because they have carried out or refrained from carrying out:
 - an act relating to their duties or office or facilitated by their duties or office, in breach of their statutory, contractual or professional obligations (private corruption),
 - an act relating to their office, mission or mandate, or facilitated by their office, mission or mandate (public agent corruption).

2.2 Influence peddling

Influence peddling can also be active or passive.

It involves proposing or accepting a proposal (passive influence peddling):

- at any time, directly or indirectly,
- (of) any offers, promises, gifts, presents or benefits;
- for the purposes of real or assumed abuse of influence,
- with a view to obtaining distinctions, jobs, contracts or any other favourable decision from an authority or public administration.

3. Sanctions

3.1 Criminal sanctions on corruption

Corruption of public officials

National

- Natural person: 10 years' imprisonment and €1 million fine
- Legal entity: €5 million fine and additional penalties

Outside France

- Natural person: 10 years' imprisonment and €150,000 fine
- Legal entity: €750,000 fine and additional penalties

Private corruption:

- Natural person: 5 years’ imprisonment and €500,000 fine
- Legal entity: €2.5 million fine and additional penalties

3.2 Criminal sanctions on influence peddling

Active:

- Natural person: 10 years’ imprisonment and €150,000 fine
- Legal entity: €750,000 fine and additional penalties

Passive:

- Natural person: 5 years’ imprisonment and €750,000 fine
- Legal entity: €375,000 fine and additional penalties

3.3 Sanctions provided for by Covéa Finance’s internal regulations

Covéa Finance’s internal regulations provide that any employee who has impeded the company’s anti-corruption measures or who is personally guilty of acts of corruption or influence peddling in the course of their duties shall be subject to disciplinary sanctions. The various disciplinary sanctions are described below (10. Disciplinary sanctions).

4. Covéa Finance code of conduct

In accordance with Article 17 II 1° of the Sapin 2 law, Covéa Finance has put in place a code of conduct within its “Policy for managing conflicts of interest and code of ethics” and ensures that each of its employees sign an ethical commitment incorporating anti-corruption measures. These policies and commitments define and illustrate the different types of behaviours that need to be prohibited since they are likely to qualify as conflicts of interest, corruption or influence peddling. These circumstances are specified in Covéa Finance’s internal regulations, which were therefore used for consultation with staff representatives provided for in Article L.1321-4 of the French Labour Code.

5. Whistleblowing system

The Sapin 2 law requires the introduction of an internal whistleblowing system so that reports can be collected from employees relating to the existence of conduct or situations contrary to the company’s code of conduct.

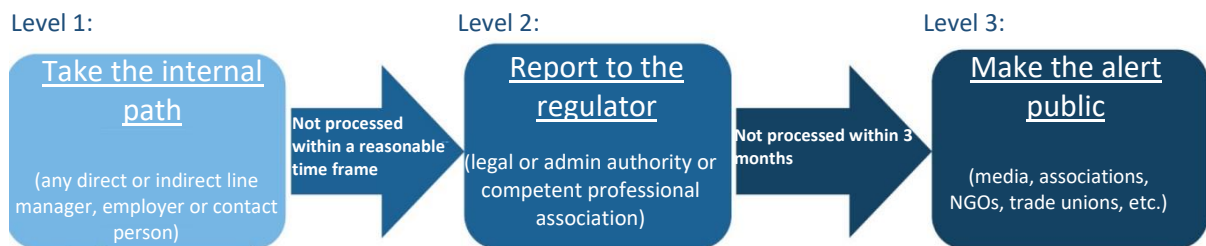
The anti-corruption alert system is in addition to the general whistleblowing mechanisms of Articles 6 to 15 of the law of 9 December 2016, as supplemented by decree no. 2017-564 of 19 April 2017 on procedures for collecting reports issued by whistle-blowers in public or private legal entities or government administrations. This law envisages establishing an alert to collect reports issued by

employees or by external and temporary employees of companies with at least fifty employees.

5.1 Definition of whistle-blower

A whistle-blower is a natural person who discloses or reports, in a disinterested way and in good faith, a crime or offence, a serious and manifest breach of an international commitment properly ratified or approved by France or of a unilateral act of an international organisation taken based on such a commitment, law or regulation, or a threat or serious harm to the general interest, of which they personally become aware.

5.2 Presentation of different levels of whistleblowing



In accordance with the recommendations of the French Anti-Corruption Agency (AFA), the whistleblowing process includes three levels.

The informant is kept anonymous throughout the procedure at Covéa Finance. Similarly, the AMF (France’s financial markets authority) guarantees the confidentiality of the whistle-blower by establishing independent, autonomous and secure internal communications channels.

Level 1:

Any employee who is aware of acts of corruption must report to one of Covéa Finance’s compliance and internal control officers. One of the compliance and internal control officers is responsible for submitting the report to the relevant authorities in complete confidentiality.

Level 2 and Level 3:

In the event of serious, imminent danger or the risk of irreversible damage, or where the information known by the compliance and internal control officer is not processed within a reasonable time, the regulator (level 2) or non-commercial company (level 3) may be referred to immediately. In any other case, the whistle-blower must prove that it is clearly impossible to act otherwise.

5.3 Protection of whistle-blowers

- Protection of the confidentiality of the whistle blower's identity

The disclosure of confidential information is punishable by two years' imprisonment and a €30,000 fine.

- Protection against discrimination

Covéa Finance shall ensure that no employee is sanctioned, laid off, subject to a discriminatory measure, excluded from a recruitment procedure or denied access to an internship or professional training period, for reporting an alert in accordance with the conditions laid down by law.

- Exemption from criminal responsibility

The law also protects a whistle-blower who discloses a secret protected by law, provided that they have complied with the above-mentioned procedure and the disclosure of the secret is necessary and proportionate to the protection of the interests in question. Under these conditions, they shall not incur criminal liability.

6. Covéa Finance's corruption risk map

6.1 Principles of the corruption risk map

In accordance with Article 17 3° of the Sapin 2 law, Covéa Finance has established a corruption risk map. This risk map takes the form of regularly updated documentation designed to identify, analyse and prioritise the risks of Covéa Finance being exposed to external solicitations for corruption purposes.

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

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

Residual risks are low as Covéa Finance:

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

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

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

7.1 Evaluation principle and objectives

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

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

Finally, Covéa Finance has also put in place a procedure for selecting its business partners.

All subcontracting, partnership and service contracts are concluded for a limited period and are regularly put out to tender.

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

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

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

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

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

The entire third party evaluation file will be kept for five years after the termination of the relationship.

7.2 Responsibility matrix for evaluating the integrity of third parties

The responsibility matrix for evaluating the integrity of third parties is as follows:

Participants involved in the evaluation	Function
Operational level	the person responsible for carrying out the evaluation: collects the information and issues an initial assessment;
Head of compliance	supports the operational level by providing their expertise in the most risky cases;
Covéa Finance management	decides on the action to be taken for the most risky cases;

7.3 Consequences of the evaluation

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

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

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

8. Accounting control procedures

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

Before a service is provided, an estimate must be made upstream. After the service is performed, a check is carried out to ensure that the service corresponds to the estimate made. Finally, the approval for payment is signed by a person other than whoever incurred the expense. These various measures are intended to prevent Covéa Finance's accounts from being used to conceal acts of corruption or influence peddling.

9. Raising awareness of the risk of corruption among employees

Under the Sapin 2 law, Covéa Finance has decided to raise awareness among all its employees about the risks of corruption and influence peddling, thereby developing an integrity culture.

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

This training is evidenced by a minimum score which must be achieved in order to be validated. Support will be available at all times. In addition, training must be regularly repeated.

Moreover, the compliance team may carry out specific additional training in certain corruption related areas aimed at specific employees within the company who are particularly exposed to corruption risks. The list of participants is drawn up based on the risk map.

10. Disciplinary regime

In accordance with Article 7° II of Article 17 of the Sapin II law, Covéa Finance has set up a disciplinary regime within its regulations to sanction the company's employees in the event of a breach of the code of conduct.

An employee's wrongdoing may result in one of the following sanctions depending on the situation:

- Verbal or written warning,
- Reprimand,
- Lay-off,
- Transfer,
- Downgrade,
- Dismissal on real and serious grounds,
- Dismissal for gross or wilful misconduct.

The scale of sanctions is set out in Covéa Finance's internal regulations.

11. Evaluation of the implementation of procedures

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

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

In accordance with Covéa Finance's control system, the implementation of anti-corruption procedures will be evaluated at 3 levels:

- The **first-level** control will be performed by operational staff: it aims to ensure that procedures are not circumvented or ignored.
- The **second-level** control will be carried out by continual monitoring: it aims to ensure that the first-level controls have been correctly performed and that the system to prevent and detect corruption works well.
- A **third-level** control is carried out by periodic monitoring. It aims to ensure that the system to prevent and detect corruption complies with the company's requirements, and that it is effectively implemented and regularly updated.

Following the third-level controls, Covéa will prepare a report with areas for improvement.

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