

UNIVERSAL REGISTRATION DOCUMENT

Annual Financial Report and Integrated Report

2020



KORIAN

In caring hands

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The universal registration document was filed on 20 April 2021 with the AMF in its capacity as the competent authority under European Regulation (EU) 2017/1129, without any prior approval pursuant to Article 9 of said regulation.

The universal registration document may be used for the purpose of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a prospectus and, where applicable, a summary and all the amendments made to the universal registration document. The whole thus formed is approved by the AMF in accordance with European Regulation (EU) 2017/1129.

The universal registration document may be viewed free of charge upon request to the Company as well as on the Company's website (www.korian.com) and the AMF's website (www.amf-france.org).

Historical financial information

Pursuant to article 19 of European Regulation (EU) No. 2017/1129, the following information is included by way of reference in this universal registration document:

- the key figures given on pages 8 and 9 and the consolidated financial statements for the financial year ended 31 December 2019, the notes to the financial statements, the Statutory auditors' report as presented on pages 223 to 280 of the 2019 universal registration document filed with the AMF on 7 May 2020 under number D.20-0452.
- the key figures given on page 8 and the consolidated financial statements for the financial year ended 31 December 2018, the notes to the financial statements, the Statutory auditors' report as presented on pages 224 to 280 of the 2018 registration document filed with the AMF on 25 April 2019 under number D.19-0400.

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.



KORIAN



Message from the Chief Executive Officer

2020 is a year that will go down in history, with the Covid-19 pandemic emerging in February and gradually spreading across all the countries in which Korian operates. The pandemic poses a particular threat to the elderly and those with chronic diseases and has therefore been especially challenging to all those involved in healthcare and elderly care, including Korian and its stakeholders.

As I look back over the year, I wish to begin by sending my warmest thoughts to the residents, patients and Korian's employees who have been affected by the pandemic, and to their loved ones. I would also like to express my gratitude to the families, relatives and all our local partners who have been so dedicated and attentive, even when lockdown measures forced us to place a full ban on visits to their loved ones, with all the pain and worry this caused. Last of all, I would like to pay tribute in particular to all of Korian's teams throughout Europe; their commitment and solidarity have been exemplary in ensuring continuity of care, saving lives and offering protection against an exceptionally contagious virus.

Since the end of February 2020, the entire Group has devoted its efforts to tackling the coronavirus. Like everyone else, we have had to keep moving forward despite the uncertainty caused by the strict requisitions and lockdown measures. We were determined to keep adapting to continually changing circumstances and we learned how to do so in order to support our staff and ensure that our supply chains continued to operate. Having learned that we must now operate under epidemic conditions on a long-term basis, we have implemented a European Vigi-Covid standard. Starting from late December, the entire Group rallied with determination and in close cooperation with the local health authorities to ensure that the first vaccination campaign was a success.

We have, throughout this period, been acutely aware of the profound purpose underlying our corporate mission: provide care and support to ageing and fragile people and their loved ones, respecting their dignity and contribute to their quality of life. We have seen how deeply impactful we can be through our corporate values, our sense of initiative and responsibility, and especially the bonds of trust we create, which are paramount in forming a united front against such an unprecedented situation.

The crisis did not put a stop to the in-depth work started since 2019 on our corporate project "In Caring Hands", the aim of which is to continually improve the quality of our services, strengthen our HR policies, particularly in terms of

social dialogue, qualifying training and quality of work, to diversify and enrich our care pathways in close cooperation with local partners by focusing on digital, and modernising our real estate portfolio.

This extensive project helped us improve many of our ESG metrics in 2020, for instance in terms of customer satisfaction, employee loyalty and career advancement (with 8% of Korian employees now engaged in qualifying training programmes compared to 4% in 2019), local procurement (with over 80% of our purchases now sourced locally) and energy savings.

Despite the crisis, we also pursued our development drive by starting up or acquiring 107 additional facilities across Europe. This will allow us over the coming years to meet growing needs for care services to fragile people, that are expected to double due to an ageing population and the increasing prevalence of chronic diseases.

All this enabled us to deliver another solid economic and financial performance in 2020, with revenue up 7.2% at almost €3.9 billion, an operating margin excluding one-off Covid expenses of 13.6% (just 120 basis points lower than in 2019) and a stronger balance sheet with a debt ratio reduced to 3.

Korian today is a European network with 57,500 employees in 7 European countries caring for over half a million people, whether in our ~1,000 healthcare and medico-social facilities and residences or through our 200 home care networks in France, Belgium and Germany. It is also now a major player in the mental health segment – mental issues are the third cause of chronic diseases in Europe – having taken over Inicea in France and Ita Salud Mental in Spain.

We have been able to accomplish all this thanks to the confidence shown in us by our shareholders. Back in October they subscribed on a large scale to the first capital increase carried out since our listing, amounting to €400 million.

I am deeply grateful and proud of the Group's resilience in 2020, which it achieved with the support of a strong and highly involved governance structure under the chairmanship of Mr. Christian Chautard and then Mr. Jean-Pierre Duprieu who succeeded him in October.

Today, more than ever, we are determined to continue our mission to serve the elderly and fragile people.

Sophie BOISSARD
Chief Executive Officer of Korian

1.

Korian, the leading European care services group for elderly and fragile people

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1.1

PRESENTING THE KORIAN GROUP



- Our mission
- Our values
- Our culture
- Our story
- Our key figures for 2020
- Our geographical locations
- Our activities
- Regulatory context and financing



OUR MISSION INSPIRES US TO ACTION EVERY DAY

and permeates our Corporate Culture

Korian is dedicated to fulfilling the same mission across all of its business lines: to provide care and support for fragile people because of their old age or health condition. Our teams, women and men, are deeply devoted to this mission and are acutely aware of what it requires, in terms of empathy, intimacy, dialogue and professionalism.

Our mission is the cornerstone of our professional commitment. It has provided us with support and guidance during the worst periods of the Covid-19 pandemic.

It permeates our corporate culture and our three core values: Trust, Initiative and Responsibility.

Our mission

“Provide care and support to ageing and fragile people and their loved ones, respecting their dignity and contribute to their quality of life”.

Our values



Our culture

TRUST

exemplified by **transparency, benevolence** and **consideration**

INITIATIVE

fostered by **innovation, commitment** and **courage**

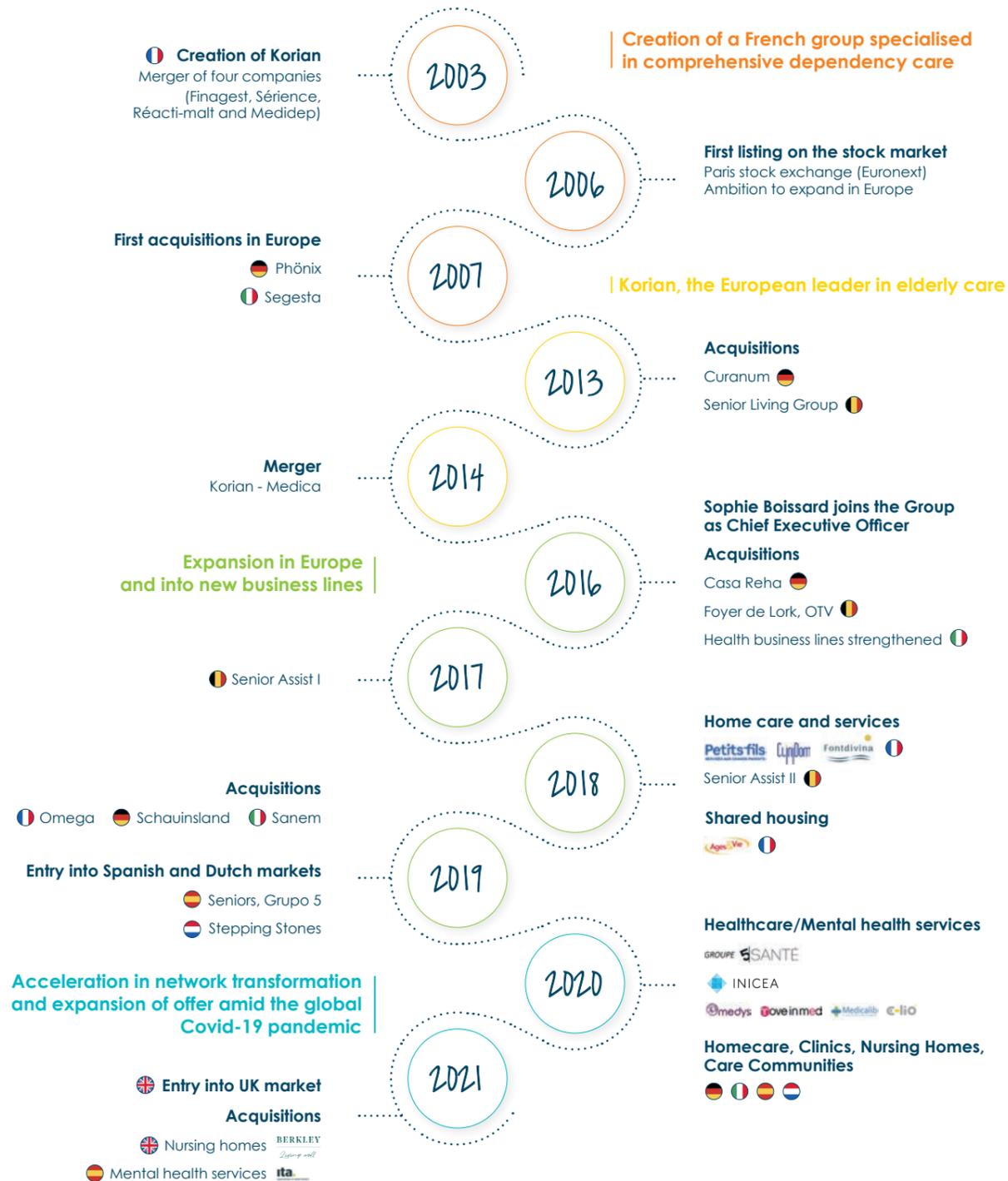
RESPONSIBILITY

fulfilled with **integrity, quality of service,** and an **ability to undertake long-term commitments**



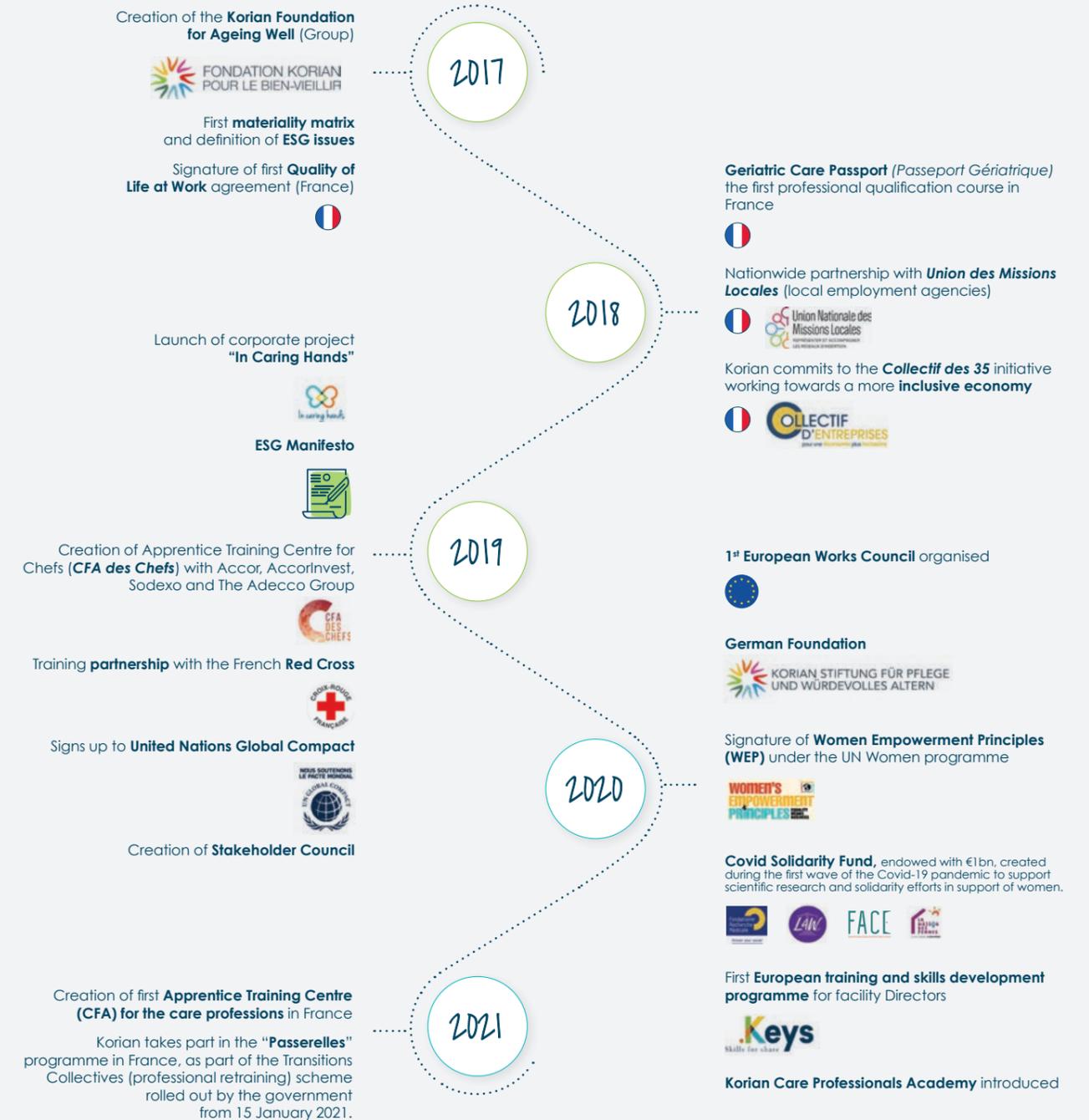
OUR STORY key dates

In less than 20 years, Korian has become the leading European provider of care services for elderly and fragile people.



KEY MILESTONES in our ESG* commitment

Our Environmental, Social/Societal and Governance responsibility is at the heart of our "In Caring Hands" corporate project.



*ESG : Environment, Social/Societal and Governance

2020 KEY FIGURES

Strong financial resilience

Financial data at 31 December 2020, excl. IFRS 16

€3.9bn

(+7.2%)
Revenue

13.6%

EBITDA margin

€65m

Net Profit
Group share

€223m

Operating free
cash flow

€2.7bn

Real estate
portfolio

3.0X

Financial
leverage

KORIAN

4

business lines



7

countries in
Europe

525,000

residents/patients



57,500

employees

of which
82%
women

~1,000

facilities

Non-financial performances testifying
to our commitments in terms of stakeholders

47%

of women hold Top
Management roles

8%

Employees committed to
professional qualification
courses

11%

of sites are
ISO 9001-certified

80%

of purchases
made locally

€1.4m

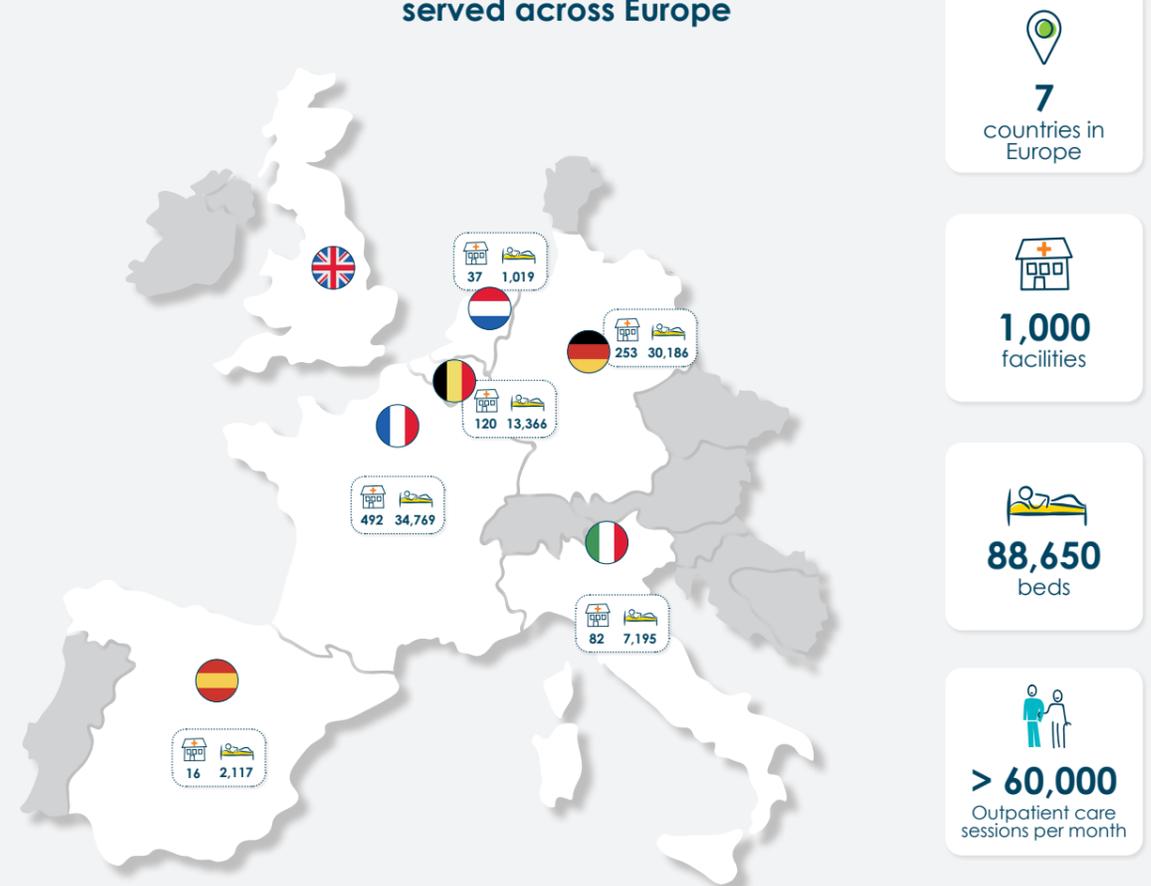
Allocated to
philanthropic initiatives

-6.4%

Energy
consumption

THE LEADING EUROPEAN CARE SERVICES GROUP

for elderly and fragile people

More than 600 local communities
served across Europe

In 2020, the Group pushed ahead with and ramped up the transformation drive started five years ago, with a view to building a European leader in care and support services for the elderly and fragile, in line with its "In Caring Hands" corporate project.

Substantial investments were made to speed up the diversification of our services offering in the medical field:

- specialised post-acute care (respiratory diseases, musculoskeletal system and neurology) helped by a substantial ramp-up in outpatient capacities in France and in Spain;

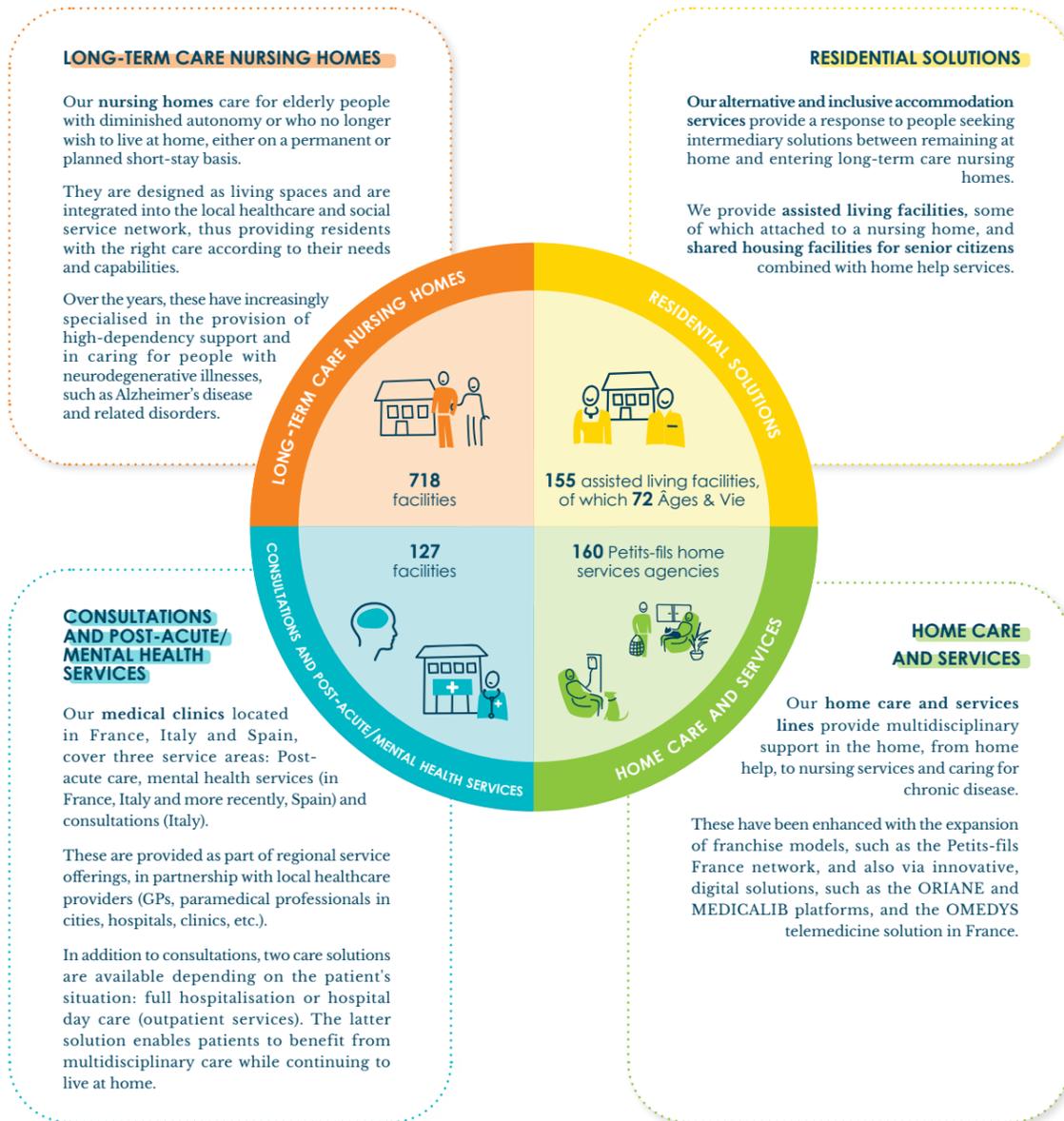
- mental health services, enabling us to gain a foothold in a new sphere of activity;
- digital, with a view to creating comprehensive care pathways underpinned by robust data-sharing platforms.

Meanwhile, in early 2021, we strengthened our geographic footprint in Europe, by:

- entering the UK market, through the acquisition of a network of high-end care homes; and
- doubling in size in Spain, by acquiring the country's third-largest provider of mental health services.

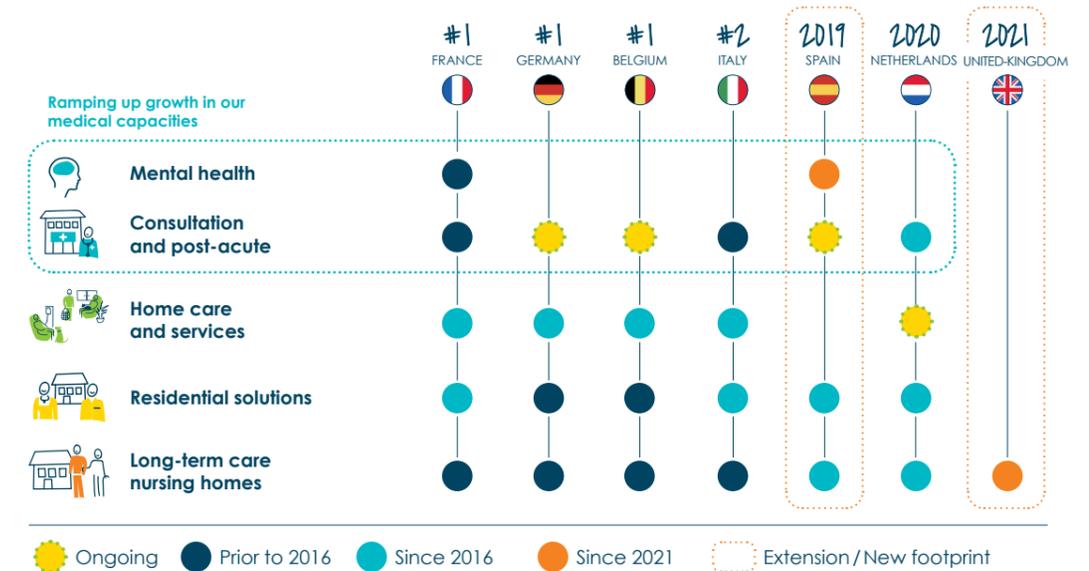
A RANGE OF SERVICES TO SUIT varying situations of fragility

Korian provides a broad range of care and support solutions, not just at its specialised facilities but also at the patient's home, the aim being to provide each family with the care solution best suited to their individual situation.



OPERATING ACROSS THE ENTIRE CARE SECTOR supporting the elderly and fragile in Europe

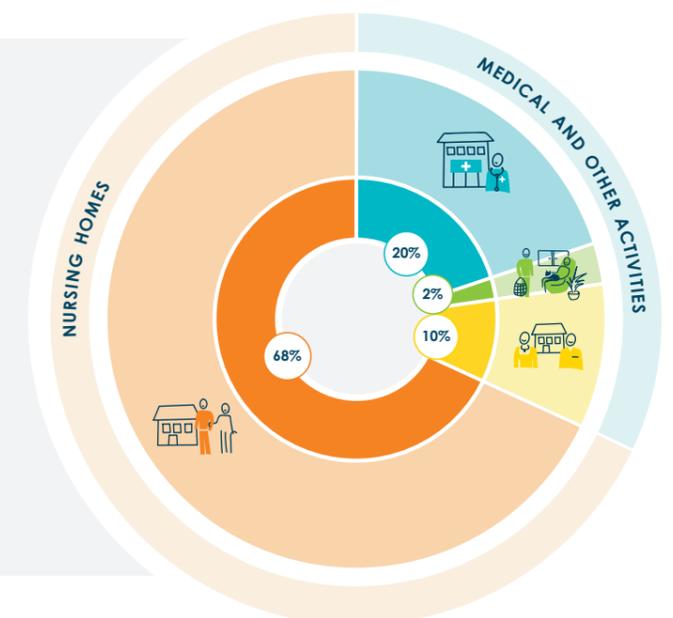
Our corporate project "In Caring Hands" stands on two pillars: a commitment to excellence across all of our business lines in serving care beneficiaries and assistants, and an innovation-driven ambition to ensure that, for all of the living areas in which we operate, we are able to design integrated, multidisciplinary, local care services to support the various situations of fragility that may arise, both as a result of ageing and of chronic diseases, by resolutely focusing on digital and new technologies.



Demographic and health factors have heightened the need to manage situations of fragility as locally as possible.

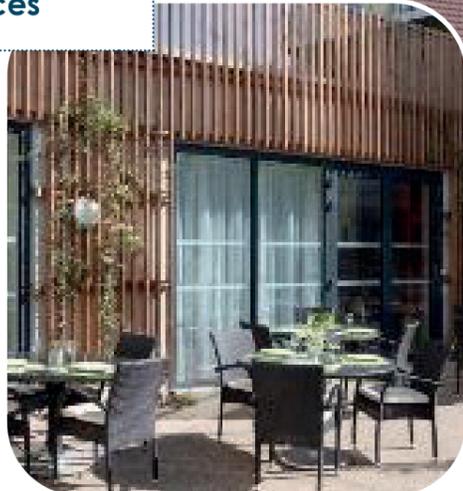
To this end, Korian has set up a single network of 1,000 facilities across seven European countries, enabling it to implement diverse care support solutions.

The expansion in our business portfolio is also evidenced in the breakdown of our revenue. In 2016, nursing homes accounted for 80% of our revenue. In 2020, that share stood at 68%. By 2023, 40% of our revenue will stem from new business activities, which means their share stands to double in the space of seven years.



OUR LIVING SPACES

Inclusive spaces



Les Essentielles assisted living facility, Strasbourg – La Rotonde



Âges & Vie residence – La Rivière-Drugeon - France

Protected spaces adapted to each situation



Gerland nursing home – Lyon - France



Georges Morchain nursing home - Neuville-Saint-Rémy - France



Les Oliviers nursing home – Le Puy Sainte Réparate France

Connected spaces



Wireless scalable home automation system. Castel-Voltaire nursing home - Les Catalaunes, Estela



Korian Les Annaelles and Korian La Cotonnade nursing homes, equipped with Kaspard bedroom fall prevention system

Environmentally-friendly spaces
Reduced carbon footprint



Clinique du Souffle – Le Pontet - France

OUR MEDICAL SERVICES



Post-acute and rehabilitation care clinics

Our post-acute and rehabilitation care clinics provide care for patients after release from hospital or in their home, as medically prescribed.

Located primarily in France and Italy, our clinics offer specialised care services at adapted technical platforms. All have teams of medical staff and paramedics on hand to provide the necessary treatment and comprehensive hospital care to restore patients' autonomy or enable them to continue receiving care as outpatients.

As with all hospital facilities, our clinics are subject to quality and security regulations as overseen by supervisory authorities. They are assessed regularly by the national health authority (HAS in France), which measures the level of quality and safety of care provided.

OUR SPECIALIST FIELDS

Musculoskeletal system, cardiology, neurology, respiratory diseases, geriatrics, severe burns.



Day hospitals

Day hospitals: a solution for outpatient care.

Outpatients at our day hospitals are provided with comprehensive, customised care by a team of specialist doctors (geriatricians, cardiologists, pulmonologists, etc.) and paramedical professionals (physiotherapists, occupational therapists, etc.).

Modern equipment, high-performance technical services: our day hospitals ensure the same quality and safety of care provision as full hospitalisation, while enabling patients to return home in the evening.

Outpatient capacities

590 outpatient places in 2020



Medical consultations

270,000 patients in 2020



Mental health clinics

Our psychiatric clinics are founded on the following core principle: **"Psychiatric care with a human face and patients actively involved in their own care"**.

Whether they require full hospitalisation or outpatient care, all patients are provided with personalised follow-up that is adapted to their illness, through therapy workshops and individual appointments with a psychiatrist, a psychologist and the nursing team.

Our clinics are gradually incorporating new technologies into their organisation structure and protocols. Some hospitals and day hospitals now have electroconvulsive therapy (ECT), also known as sismotherapy, and repetitive transcranial magnetic stimulation (rTMS) units.

They are also in permanent contact with healthcare sector agents (healthcare professionals, psychiatric clinics, hospitals, regional health authorities) with a view to integrating or developing new establishments in response to regional health needs.



OUR SPECIALIST FIELDS

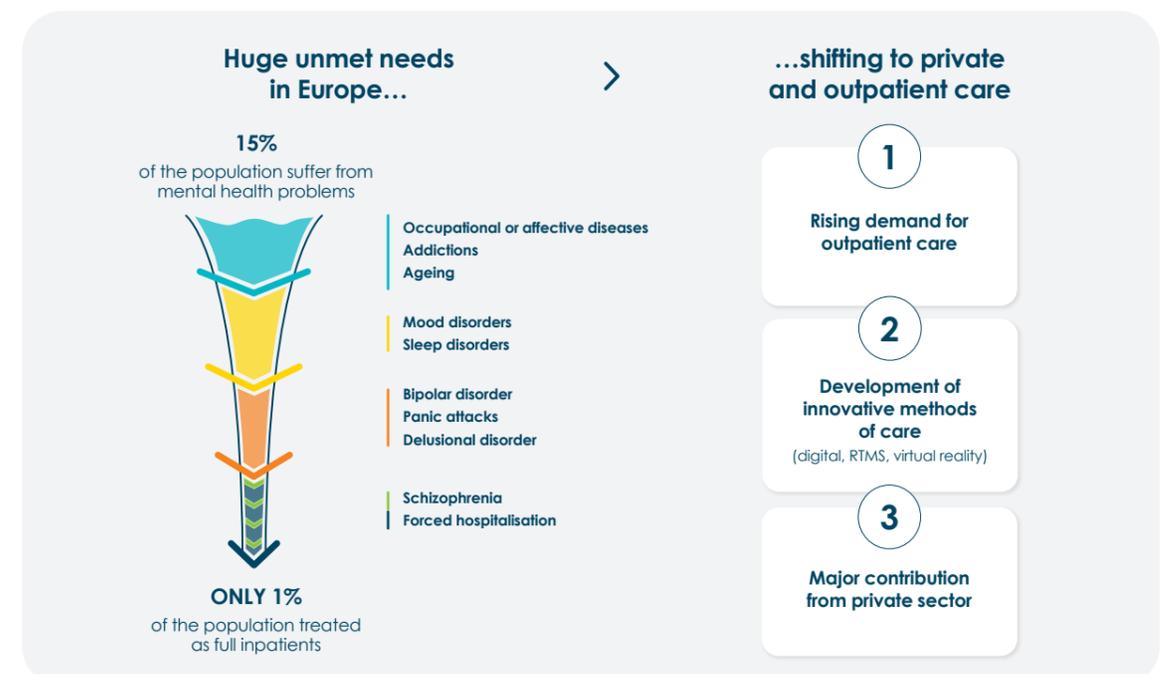
Depression, mood disorders, addiction, nutrition.

Mental health: mounting care needs

Mental illness, from addictions, to mood disorders, eating disorders and more severe psychiatric illnesses, is now one of the leading causes of chronic health problems in Europe.

15% of the European population suffers from one form or other of mental illness and prevalence of these pathologies is expected to continue rising as a result of the ongoing pandemic.

Installed capacity is not enough to meet these needs. Additional outpatient capacities are required to support patients in receiving personalised therapeutic care plans and favour their return home on the same day, to avoid impacting their social and professional lives. Similarly, it is important that multidisciplinary teams be available to better address eating disorders and mood disorders.



OUR MEDICAL SERVICES

Telemedicine

In light of the Covid-19 epidemic, we stepped up the roll-out of our teleconsultation solutions, via telemedicine subsidiary Omedys. This solution notably provided additional medical support for nursing homes by filling in for general practitioners.

Telemedicine/teleconsultation solutions ensure access to medical expertise seven days a week.

This system avoids:

- Unnecessary use of emergency services
- Breaks in the provision of care for chronic diseases.



Teleconsultations allow doctors and residents to connect via synchronous video link using a technical solution, such as a tablet computer or telemedicine cart.

Our teleconsultation solution is available to all of our nursing home residents.

A teleassistant (qualified nurse) takes appointments via an online platform, enabling them to reserve a timeslot with the doctor, prepare the resident for the teleconsultation and note down all the usual vital patient data. During the teleconsultation, the nurse remotely assists the doctor in using connected objects and follows their instructions. When the teleconsultation is finished, the nurse can then access all of the necessary information (medical observations, prescription) directly from the resident's digital records.



Care pathways for COPD patients

Korian, together with specialised subsidiary Move in Med, has developed Patient Targeted Pathways (POP), a new coordinated care pathway for patients with COPD (Chronic Obstructive Pulmonary Disease).

The solution aims to improve the quality of life of patients when they return home. In particular, it seeks to reduce the intensity, duration and frequency of flare-ups during respiratory decompensation episodes, which are typical of COPD.



A specific, individual organisation programme, to follow on from care provided at the clinic:

- The platform provides the patient with an individual daily physical and breathing exercise plan
- A simple weekly questionnaire, concerning the patient's proper use of the programme and their general health, allows the nurse to adapt the plan to suit their needs
- Every month, the nurse calls the patient for a check-up and updates the platform to include all of this information
- A respiratory rehabilitation outcome consultation is held at the clinic three to six months after the patient returns home.

The Patient Targeted Pathway (POP), an innovative, simple and intuitive digital platform



HIGHLY REGULATED activities

Activities involving the provision of care for elderly and fragile people are highly regulated and closely supervised.

The process of obtaining permits or operating licenses and the regulatory frameworks vary between countries and sometimes even between regions of the same country.

The pricing of dependency care facilities is subject to regulation in all European countries. The regulatory framework distinguishes between care and medical expenditure, which are funded by health insurance policies, and accommodation and catering services, which are covered by the resident/patient or by social welfare.

The following chart sets out the regulatory framework applicable to Korian's activities.



The following table summarises the regulations and provisions which govern the pricing and financing of healthcare and medico-welfare activities in each of the countries in which the Group does business:

FRANCE

Activity	Regulations	Pricing	Financial assistance
 Long-term care nursing homes	Licenses delivered jointly by the French regional health agency (ARS) and the <i>Conseil Départemental</i> (county council), valid for 15 years.	Three price components: <ul style="list-style-type: none"> • a care allowance, the amount of which is set by the ARS; • a flat overall dependency benefit, set by the county council; • accommodation and ancillary services, pricing of which is unregulated at entry and reviewed annually by the Ministry of Health 	Care: 35%-funded by the national health insurance system (<i>Assurance Maladie</i>). Dependency: partly covered by the Personal Autonomy Allowance (PAA). Accommodation: potentially covered by means-tested social welfare or individual housing grants.
 Home nursing services	Licence delivered by the ARS.	Fully and directly covered by the national health insurance system.	National health insurance system funding based on medical prescription.
 Assisted living facilities		Two price components: <ul style="list-style-type: none"> • rent, fees charged for shared rental services and for non-individual services provided under tenancy; • fees for individual services provided under a services contract. 	
 Shared residences for senior citizens	Home help and support services provided under license: issued by the council representing the <i>département</i> in which the services are provided.	Two price components: <ul style="list-style-type: none"> • rental expenses and charges • fees for home help and support services 	Costs partly covered by the Personal Independence Allowance.
 Post-acute and rehabilitation care clinics	Licence issued by the regional health Authority (ARS) and valid for 7 years on a renewable basis.	Three price components: <ul style="list-style-type: none"> • healthcare pricing, set by the ARS; • activity-based care allowances (DMA), set by the Ministry of Health; • ancillary services, the pricing of which is not regulated. 	<ul style="list-style-type: none"> • Daily rates (90%) covered by the national health insurance system (rates depend on the service provided and medical billing code). • Activity-based care allowance rates (10%) paid by the national health insurance system (according to the type of illness treated).
 Mental health clinics	Licence issued by the regional health authority (ARS) and valid for 7 years on a renewable basis.	Two price components: <ul style="list-style-type: none"> • healthcare pricing, set by the ARS; • ancillary services, the pricing of which is not regulated. 	<ul style="list-style-type: none"> • Daily rates covered by national health insurance system (rates depend on the service provided and the medical billing code).
 Hospital Home Care	Licence delivered by the ARS.	National rates set by the Ministry of Health.	Financed by the national health insurance system.

GERMANY

Activity	Regulations	Pricing	Financial assistance
 Nursing homes	Nursing homes may be opened simply by obtaining an operating licence from the administrative authorities. <ul style="list-style-type: none"> • To obtain funding from the national dependency insurance agency, a prior agreement must be reached as regards the type, content and volume of services that the facility must provide. • Certain Länder have specific regulations covering the rates charged for individual rooms in long-term care nursing homes, with compliance deadlines ranging from 2018 to 2036. 	Operators are free to negotiate certain components of their rates with the welfare services and/or national health insurance agencies: <ul style="list-style-type: none"> • care provision: all expenses other than hotel services or benefits; • services: all expenses arising from hotel services; • investment: rent and related costs; • training: funding for the training of apprentices. 	Distinguishing between three types of financial assistance: <ul style="list-style-type: none"> • medical and social costs (dependency services, medical care, social services support): covered by national health insurance agencies, according to the degree of dependency. The cost of care is capped and the remaining expenses borne by the patient may be eligible for welfare benefits; • capital expenditure (costs of building or renovating buildings, purchases of equipment, etc.): covered in part by public funding from the Länder or municipalities. The balance is paid for by residents, which may apply for welfare benefits; • accommodation and catering: these are borne by the resident, who can apply for welfare benefits to cover accommodation costs. Facilities can also offer ancillary services which the resident pays for.
 Assisted living facilities/shared housing for senior citizens		Rates freely set by operators, taking market prices into consideration.	
 Home care		The rates for home care services are negotiated with the national health insurance funds in each Länder, based on a catalogue of standard services. The price of any additional services may be set freely by the operator.	Funded by national health insurance System.

 BELGIUM

Activity	Regulations	Pricing	Financial assistance
 <p>Care homes (including care homes for the elderly and nursing and care homes)</p>	<p>An operating licence must be obtained to open a care home. Licences are delivered on the basis of healthcare programmes (quotas are calculated by region and must be approved by the regional authority).</p> <p>A special licence is required to open a nursing and care home (MRS). It is delivered by the regional authority which also monitors and controls facilities under its authority.</p>	<p>Catering and accommodation: the daily rate paid by residents is set freely when a nursing home is first opened. It is then indexed to the consumer price index with a cap on annual increases.</p> <p>Note that any substantial increase in the daily rate beyond this level must be applied for and substantiated, and requires the approval of the regional authorities.</p>	<p>Dependency care was funded by a federal body (INAMI) up until 2019. As of 2019, reimbursements are managed by the country's three regions.</p> <p>Approximately 44% of the daily rate is reimbursed by the social security system.</p> <p>The cost of care is reimbursed in proportion to the resident's degree of dependency and illness (according to the "Katz Index").</p>
 <p>Assisted living facilities</p>	<p>In Flanders, the construction of assisted living facilities is no longer governed by healthcare programmes. Such facilities simply need to be registered.</p> <p>In Wallonia, construction is no longer governed by healthcare programmes either. However, authorisation must still be obtained from the public authorities.</p>	<p>Operators are free to set daily rates when they open a facility, but any changes in pricing are governed by strict regulations.</p>	
 <p>Home care</p>	<p>A nursing assistant certificate is required.</p>	<p>Home care services are regulated by the three regions and may be divided into two distinct groups:</p> <ul style="list-style-type: none"> • services subsidised by the regional government on the basis of a maximum number of care-provider hours; • material interventions, which are paid for with service vouchers. 	<p>Medical care provided at the request of a doctor is almost free of charge to the patient. Costs are reimbursed by the INAMI depending on the type of medical care provided.</p>

 ITALY

Activity	Regulations	Pricing	Financial assistance
 <p>Nursing homes</p>	<p>Opening a nursing home requires authorisation and accreditation with minimum standards established by the federal government.</p> <p>Regional governments may, however, set their own quality standards (which can be more stringent than the minimum threshold).</p>	<p>In-facility health services are provided free of charge by local health authorities (ASL).</p> <p>Nursing home rates break down as follows:</p> <ul style="list-style-type: none"> • care provision: accounting for 30% to 50% of the overall price; • accommodation: accounting for 50% to 70% of the total price. These rates are set by the regional authorities. However, some regions allow operators to set prices freely (Lombardy, Venezia); • supplementary fees: arising from convenience services and borne by the resident requesting them. 	<p>Accreditation must be obtained to be eligible for regional authority funding.</p> <p>Lombardy has introduced a healthcare budgeting system for long-term care nursing homes which must be drawn up annually.</p> <ul style="list-style-type: none"> • Costs of care services, which are fully covered by the local health authorities (ASL). • Accommodation services, which may be paid for by the municipality or mutual insurance companies, depending on the resident's circumstances.
 <p>Specialised clinics</p>	<p>Opening a specialised clinic requires authorisation and accreditation, in keeping with the standards set by federal government.</p> <p>Regional governments may, however, set their own quality standards (which can be more stringent than the minimum threshold).</p>	<p>Prices are set by regional authorities, but operators are free to set the price of convenience services.</p> <p>Any resident requesting such services will be charged a supplementary fee.</p>	<p>The daily rate is covered by the local health authorities.</p> <p>Convenience services are paid for by the patient who requests them.</p>
 <p>Assisted living facilities</p>	<p>An authorisation is required, but there are no specific regulations governing this service.</p>	<p>Operators are free to set their rates.</p>	<p>Funding can only be obtained in certain specific circumstances, for instance for experimental projects.</p>
 <p>Home care</p>	<p>This activity requires authorisation and accreditation.</p>	<p>Each region sets the rates for such services depending on the type of care provided.</p>	<p>They are fully funded by the local health authorities.</p>



1.2

**KORIAN FACES
COVID-19
PANDEMIC**



**Mobilisation,
resilience
and solidarity**



MOBILISATION, RESILIENCE AND SOLIDARITY

2020 was an unusual year on all fronts in an exceptionally difficult backdrop: from March onwards the whole of Europe was hit by an unprecedented epidemic from which the elderly and fragile were most at risk. In the face of such adversity, Korian's women and men showed remarkable devotion to duty, professional conscience and team spirit.

The first wave

Unprecedented measures to fight an unprecedented threat and ensure continuity of care

Amid extreme uncertainty at the start of the pandemic, Korian focused on three key priorities:

- 1 Protecting our patients and co-workers**
- 2 Ensuring operational continuity of care**
- 3 Supporting hospitals and healthcare players at local level, these being saturated and at times overwhelmed by the extent of demand**

ADAPTING THE NETWORK

Crisis management system at European level

- ✓ Securing order and supply chains for PPE (personal protective equipment)

70
Rolling days PPE stock

- ✓ Recruitment cells centralised by country

7,200

Professional staff hired as back-up for facilities from March to December 2020

As of 25 February 2020, Korian introduced a Europe-wide crisis management system involving the reorganisation of its supply chains, its existing suppliers being unable to ship personal protective equipment.

Meanwhile, centralised recruitment cells were set up in each country to support and shore up teams on the ground.

DEFINING COVID-19 PROTOCOLS

"Vigi Covid" Korian's European standard

26 inspection points
Network of Hygiene experts across Europe Training system

Hygiene assessments conducted of facilities rated A/B

99%

by Bureau Veritas
March 2021

In May 2020, Korian established the Vigi-Covid standard at European level. This involved drawing on input from a medical committee, consisting of medical experts, which we put together in March, as well as from leading hygiene advisors and training teams, to ensure the standards could be implemented across our network in Europe.

After establishing these standards, BUREAU VERITAS conducted a hygiene assessment campaign on the entire network to ensure their perfect application at ground level.

SOLIDARITY AT LOCAL LEVEL

Cooperation with hospitals stepped up



1,600
Beds mobilised for Covid-positive patients

5,620
Covid-positive patients cared for in our clinics

During the first wave of the pandemic, Korian made more than 1,600 beds available to local authorities (in nursing homes and clinics), thus providing care and support for more than 5,600 people.

The platform we used to support our own medico-social facilities in France served as a model for the French authorities in rolling out a nationwide geriatric care platform for all sector players.

USING INFORMATION SYSTEMS TO STAY IN TOUCH

Head office and support staff work from home

2,000
people

8,500 families
able to stay connected thanks to our digital application

Accelerated roll-out of internal telemedicine solutions

medys oveinmed

> 10,000 teleconsultations

All of this was made possible thanks to the solid information systems in which we have invested heavily in recent years.

This enabled us to cope with the switch to teleworking across all support functions (more than 2,000 people in Europe) and also roll out communications solutions enabling residents and patients to stay in touch with their loved ones during the very strict lockdowns implemented in the spring of 2020.

We also rolled out teleconsultation solutions, ensuring remote expertise for all of our on-site nursing home teams across Europe.

ORGANISED TO OPERATE SUSTAINABLY in a Covid-19 environment

As of June 2020, Korian prepared for an environment in which the virus would be in circulation for an extended period. This took the form of three main priorities:

1 Introducing routine wide-scale testing at its facilities.

More than 110,000 tests are now conducted on residents/patients, co-workers and outside agents every week.

2 Adapting our protocols to be able to safely treat and receive patients, residents and their loved ones.

Today, new strains of the virus require the highest level of vigilance in terms of respect for preventive measures.

Stronger measures have been implemented across the network, notably preventive stock-building of personal protection equipment, extending safety distances and daily monitoring of potential clusters in the vicinity of our sites.

As concerns daily life at our facilities, the fine progress made with the vaccination campaign and its highly encouraging initial results have prompted country-level managements to ease visiting and outing regulations, in liaison with health authorities.

Our network has always paid close attention to ensuring that social activities and visits are maintained across all our facilities, to ensure quality of life and comfort for residents and patients.

3 Preparing for the first vaccination campaign.

The vaccination campaign started on 27 December 2020 is continuing across the network, in step with the protocols and definitive schedules established with each regional health authority. As at 31 March 2021, more than 81% of our residents and 53% of staff had been vaccinated, with an acceptance rate of 90% among residence and between 55% and 85% among staff.

Note that the acceptance rate among staff is constantly rising, amid encouraging initial reports on the vaccines' side-effects.

New campaigns are systematically being organised to ensure new entrants to facilities are vaccinated. In addition, we have been conducting vaccinations of local populations, according to health authority guidelines and demand.



Creation of a Covid solidarity fund

In April 2020, Korian created a Covid Solidarity Fund, financed by corporate officers, directors and senior management contributions. The fund notably helped support three promising medical research programmes, in partnership with the Korian Foundation and the French Medical Research Foundation (FRM), led by the Institut Pasteur, Inserm and the Paris public hospitals authority (AP-HP).

The fund also provided support for social welfare and societal solidarity programmes to help Korian's staff and carers throughout Europe.

50%
Scientific
Research



50% Social and
societal action



Korian's Covid solidarity fund
€1m



1.3

OUR ECOSYSTEM AND ESG CHALLENGES

- The main demographic and epidemiological trends
- Our materiality matrix
- Our ESG challenges
- Dialogue with our stakeholders
- Our ESG commitments



THE MAIN DEMOGRAPHIC and epidemiological trends

The longevity challenge is without doubt one of the greatest facing the world this century, on a level with that of preserving the environment. By 2030, in less than one generation, Europe will see the ratio of elderly to working people increase from one in three to one in two. The longevity challenge is not just demographic, it is also epidemiological.

The Covid-19 pandemic strengthened our conviction that rethinking the way we care for and support elderly and fragile people is one of the key challenges of this decade. European societies face five major challenges that spur us, as a socially responsible enterprise, to step up our transformation and expand our offer of service.

1 Demographic transition

Provide support in the face of accelerated ageing in our societies caused by the flood of baby boomers reaching old age across all European geographies.

The demographic challenge of ageing populations will be evident over the next 15-20 years as the baby boomer generation turns 65 and over and the number of people aged 85 and over increases sharply. Family solidarity will not be enough to match the sheer breadth of services required.

Increasing number of people aged 85 and over in Europe between 2015 and 2035



NEW NEEDS

Services suited to high dependency situations, notably in terms of logistics
Suitable accommodation and services for fragile but autonomous people

FOCAL POINTS

Quality of treatment and care.
Training and team coordination
Ergonomics and building accessibility

2 Greater prevalence of chronic diseases

Provide long-term support for the increasing number of chronic diseases by ensuring individuals receive care adapted to their illness and enjoy the highest quality of life possible.



In Europe, the number of patients suffering from chronic disease is rising fast, particularly those with neurodegenerative diseases:

80% of over-65s suffer from at least one chronic disease
50% of over-65s from at least two chronic diseases

Doubling in prevalence of dementia, cognitive disorders and Alzheimer's disease between 2017 and 2030

NEW NEEDS

Specialised medical services and coordinated care pathways
Growing needs for outpatient care

FOCAL POINTS

Training our teams to address the diverse range of pathologies
Adapting infrastructures, including digital solutions, to care for all types of patients

3 Changing aspirations among senior citizens

Provide a different and differentiated response to senior citizens' aspirations in terms of care and support, wherever they are cared for and whatever their situation.

New generations of senior citizens have different lifestyles and do not share the expectations of their elders.

70% of elderly people want to continue living at home for as long as possible.

Baby Boomers' top 3 aspirations

1. Maintain an active social life
2. Remain in good health
3. Retain their autonomy



NEW EXPECTATIONS

Extending our offer of services to include alternative accommodation or home-based solutions
Expanding personalised services

FOCAL POINTS

Targeted support according to expectations
Adapting infrastructures, including digital solutions, to care for all types of patients

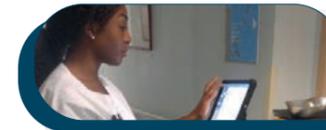
4 Electronic and digital transformation

Digital technology enables us to coordinate teams working at our facilities and also in patients' homes and outside the walls, while ensuring continuity of care remotely.

Appropriate use of health data also ensures we improve the daily provision of care to patients. Finally, the internet of things and home automation as applied to healthcare helps foster a safer living environment for patients and fragile people.

70% of over-65 year olds are hyper-connected (World Economic Forum)

In its report Tech Adoption Climbs Among Older Adults, Pew Research found that at least 58% of adults aged 65 and older say technology has had a mostly positive impact on society, while roughly three-quarters of internet-using elderly people say they go online on a daily basis – and nearly one-in-ten go online almost constantly.



NEW EXPECTATIONS

User comfort and security (communication tools, home automation, fall detectors, etc.)
Improving the work environment for care assistants and quality of service

Creating digital gateways for therapeutic care management (telemedicine, healthcare pathways, etc.)

FOCAL POINTS

Respect personal data protection regulations
Train co-workers
Overhaul IT systems

5 A high level of solidarity

These changes can only be implemented in an environment that guarantees access to new services to the greatest number of people. For that to happen, the cost of services offered needs to be viable in terms of the collective effort made by the local and national authorities' various funding schemes. This is a major factor and one we take into account as a responsible and sustainable player in the care and fragile sector.

Healthcare & dependency budgets in Europe (€bn and % GDP - 2016)



Source: calculated on the basis of 2016 GDP, current health expenditure according to international rules, as estimated by the OECD. Expenditure on long-term healthcare for patients suffering from chronic diseases and requiring constant care and support. This does not include spending on social welfare services, as differences in local definitions and scope can skew comparisons between countries.



NEW EXPECTATIONS

Governments factor in rising dependency levels
Coordination between various retirement planning schemes
Dependency-related spending better insured

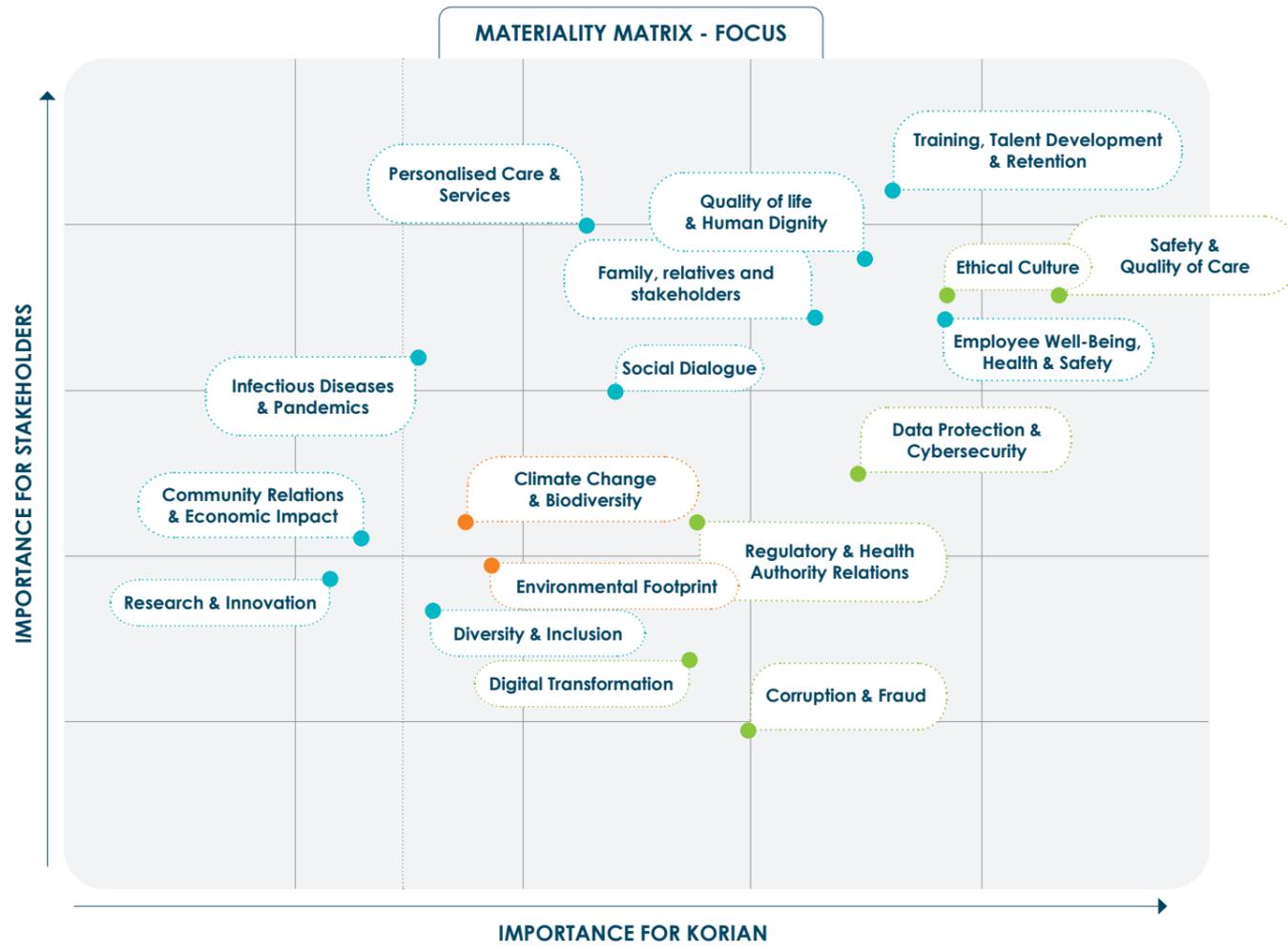
FOCAL POINTS

Change in regulations and pricing
Complexity of practice framework (different regulations for public, private or non-profit sectors)
Regulatory barriers to entry, including the training of healthcare professionals

OUR MATERIALITY MATRIX

a proactive, responsive approach to stakeholders

In 2017, Korian drew up its first materiality matrix to identify the main social, societal, environmental and governance challenges at stake and thus build an ESG strategy.
In 2020, Korian updated its materiality matrix with a view to identifying and prioritising its stakeholders' expectations and its main challenges after three years of expansion and transformation. The systemic impact of the Covid-19 pandemic was also taken into account.



18 material ESG challenges classified in 3 categories

- Environment
- Social/Societal
- Governance

OUR ESG CHALLENGES

Main pillars of our ESG strategy	ESG challenges
1 Provide care excellence whilst ensuring dignity and choice	Quality of life and human dignity • Family relatives and stakeholder engagement • Safety and quality of care • Infectious diseases and pandemics • Ethical culture
2 Be the employer of choice	Employee Well-Being, Health & Safety • Social dialogue • Diversity and inclusion • Training, Talent Development & Retention
3 Contribute to finding innovative solutions for a more inclusive society	Digital transformation • Personalised care and services • Research and innovation
4 Be a committed and responsible local partner	Community relations and economic impact • Regulatory and health authority relations • Corruption and fraud • Data protection and cybersecurity
5 Reduce our environmental footprint	Climate change and biodiversity • Environmental footprint

Korian's contribution to United Nations sustainable development goals



KORIAN has supported the United Nations' Global Compact since 2019. This social responsibility initiative sets out 10 principles in respect of human rights, labour standards, the environment and the fight against corruption.

As evidence of this support, the Group has aligned its commitments with the U.N.'s 17 sustainable development goals (SDGs). A cross-reference table linking the Group's 15 ESG commitments to the Global Compact SDGs is presented in Chapter 3 of this document.

ACTIVE DIALOGUE

Consistent with its mission and the responsibilities incumbent upon it, Korian engages in close dialogue with both its internal and external stakeholders. This dialogue helps identify the main economic, social, societal, environmental and governance issues at stake, while incorporating stakeholders' expectations into strategic considerations and enriching practices. The result is a dynamic process fostering the creation of lasting and shared value.

The Group has pinpointed eight stakeholder categories in its ecosystem that are likely to have an impact on its ESG strategy and activities. The following table summarises the main forms of dialogue held with each category.

Stakeholders	Forms of dialogue	Stakeholders	Forms of dialogue
Elderly and fragile people, relatives and caregivers	<ul style="list-style-type: none"> • Charter of reciprocal commitments • Facility Director, relationship with families • Satisfaction surveys • Digital applications • Customer services • Website and social networks 	Research, innovation and training organisations	<ul style="list-style-type: none"> • Partnerships • Scientific studies • Participation in conferences and seminars
Employees, vocational trainees and their representatives	<ul style="list-style-type: none"> • Induction programme Korian Start, Training courses, Annual review • Satisfaction surveys <i>Kommunity</i> • Internal communications: Intranet, newsletter • Helpline, whistleblowing system • Dialogue with employee representatives and unions 	Health professionals	<ul style="list-style-type: none"> • Consultative committees (on patient/resident well-being and social activities) • Stakeholders councils • Facility medical commissions (for clinics)
Regulators, national and local authorities	<ul style="list-style-type: none"> • Consultative committees • Participation in various local consultative bodies striving for economic and social welfare development at regional level (partnership local employment agencies' federation the <i>Union Nationale des Missions Locales</i>, local jobs and job integration, etc.) 	Economic partners	<ul style="list-style-type: none"> • Supplier Responsible Purchasing Charter • Supplier conventions and tradeshows • Trade associations and professional organisations (Top AFEP)
Civil society, non-profit local/community organisations and NGOs	<ul style="list-style-type: none"> • Korian foundations (scientific studies, boards, etc.) • Theme-based conferences • Press relations (press releases, lunches, site visits, etc.) 	Investors and financial partners	<ul style="list-style-type: none"> • General Meeting of Shareholders • Capital markets day, conferences and meetings with investors and financial analysts, non-financial ratings agencies • Presentations, annual and interim financial reports, press releases, URDs, etc.

After the epidemic reached an initial peak in the spring of 2020, Korian launched a feedback on experience campaign, involving more than 2,000 people across Europe: patients, residents, relatives and close relations, Korian teams, union representatives, stakeholder councils, elected representatives and local partners, and healthcare professionals.

The discussions notably highlighted:

- the gratitude felt by residents, patients and families for the level of engagement and professionalism shown by our teams, and
- the immense commitment demonstrated by the men and women of Korian in fulfilling their mission, including in the face of an unprecedented pandemic.

Gratitude expressed by residents, patients and families

95%

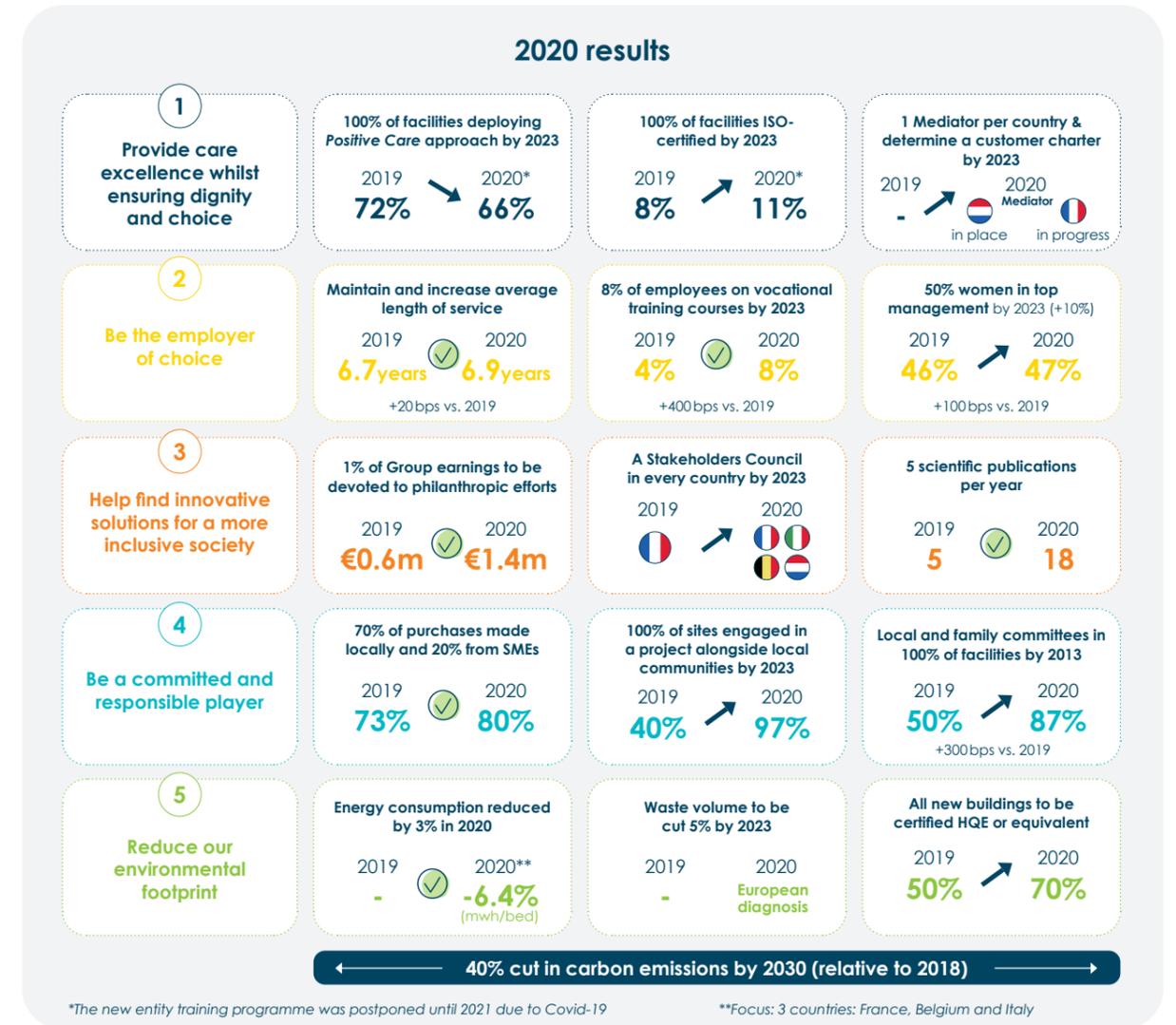
All necessary steps were taken during the pandemic

Professional commitment and team spirit

92%

Commitment and mobilisation of Korian teams in France

15 ESG COMMITMENTS



Non-financial rating agencies recognise Korian's ESG commitment

In 2020, the main non-financial rating agencies upgraded Korian's non-financial performance ratings.





1.4

OUR STRATEGY



- Our corporate project "In Caring Hands"
- Our six priorities

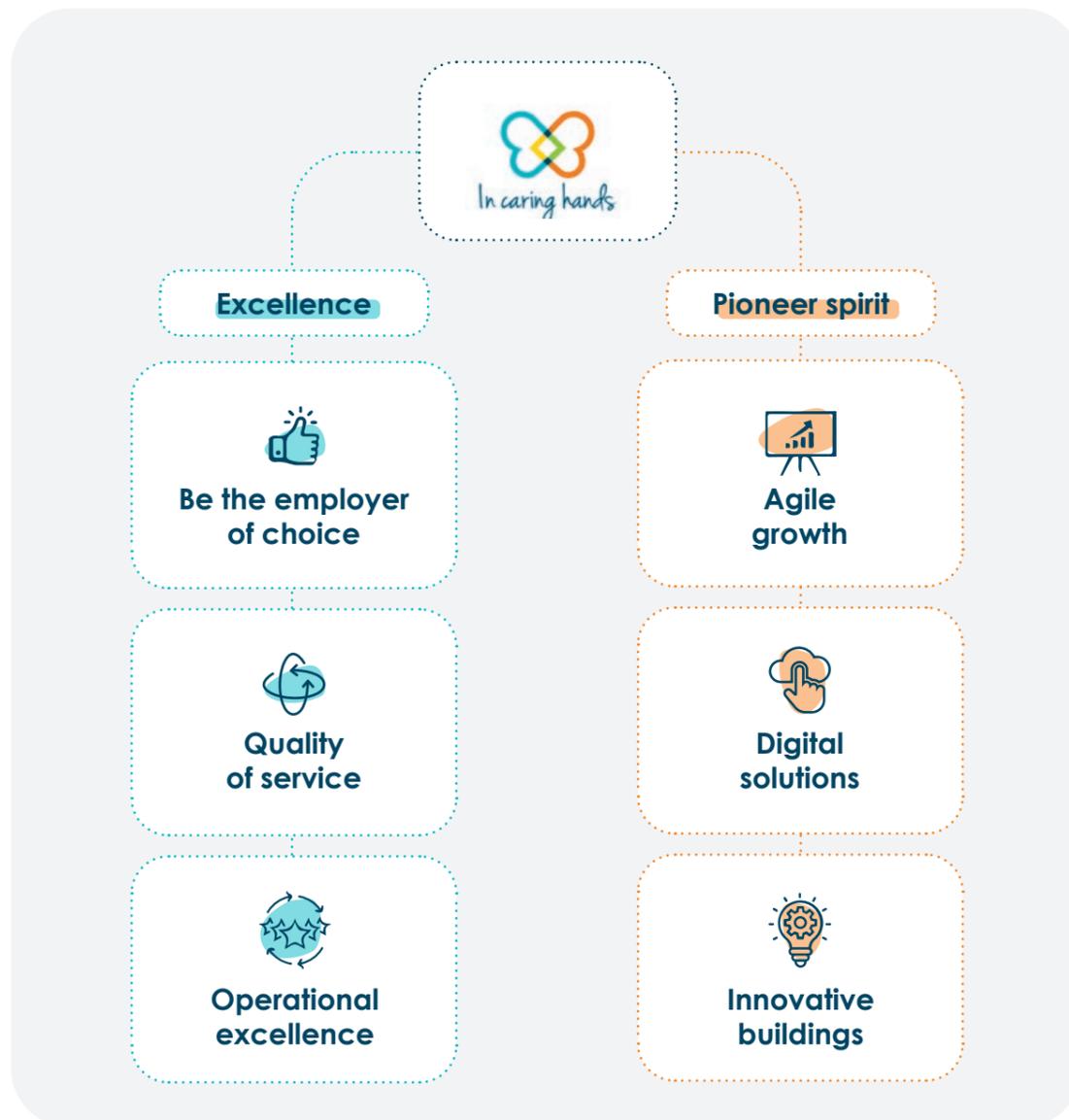


OUR STRATEGY TO SUPPORT *all situations of fragility*

Our corporate project "In Caring Hands" has two strategic aims:

Aiming for operational excellence across all spheres of activity areas to provide the elderly or fragile people, their relatives and carers with quality services, and fostering an innovative spirit to enhance the forms of support and solutions we deploy, notably involving digital technology and rethinking our living spaces and care.

These two aims entail six priorities as presented below.



Excellence



Be the employer of choice

Korian's promise as an employer is an integral part of its ESG strategy and the keystone in its model for the provision of support and care. The goal is to make Korian the employer of choice in its sector.

Quality of life at work is a central tenet of our Human Resources policy, being closely related to the quality of service and support provided to residents and patients.

This pact with employees has four key priorities.

1 An innovative approach to anticipating recruitment needs and hiring

to ensure staffing needs are planned for, operating needs fulfilled and the efficiency of recruitment improved.

Korian's promise as an employer is aligned with its values and company culture, which increases its appeal.

The Group conducts multiple initiatives involving schools, tradeshow and its local ecosystem, fostering positive dialogues with regard to the positive aspects of elderly care professions.

Korian regularly publishes information on the career and job opportunities it offers through various channels, notably social networks.

Are you a caregiver with a passion for care?
We are hiring!



You are a cook with caring hands? Join us!



> 11,000 people

hired on full-time indefinite contracts in 2020 at the Seniors and Healthcare divisions

Petits-fils

4,800 jobs

for carer assistants created since 2008

Ranked 40th

biggest recruiter among French companies (Le Figaro - 2020)

"Passerelles" project in France: an innovative "alternative recruitment" platform

The "Passerelles" project provides workers affected by corporate reorganisation in their company with an opportunity to enter a new profession and gain stable future prospects. This is a natural extension of the host of innovative drives launched by Korian in recent years, aimed at attracting new skills in the care professions amid mounting needs.

Korian and Derichebourg: a partnership to create jobs

Derichebourg Multiservices, one of the leading French providers of services for businesses and local authorities, provides its service workers with the opportunity to attend professional retraining courses if they so wish. After following our 14-month training course in one of our facilities, employees obtaining their qualifications will become full-time care assistants on permanent contracts.

The course will run for the first time in April 2021.

The scheme, which gives services sector employees access to care assistant jobs, was presented to around 30 employees of Derichebourg Multiservices on 7 April 2021. The event was attended by Sophie Boissard, Elisabeth Borne, French Minister for Labour, Employment and Social Inclusion, and Brigitte Bourguignon, Minister responsible for Autonomy.



This project should lead to the recruitment of around 200 care assistants.

2

Provide training in our services and enhance the value of individual expertise to ensure all of our employees have an opportunity to develop their skills, prepare for changing epidemiological trends and improve their employability.

88% of Group employees

were able to attend a vocational training course, either in classrooms or remotely



Korian Academy, the crucible of Group transformation

Each country has a Korian Academy or similar in-house training organisation. These are central to Korian's transformation process as vehicles of the Group's values. By paying close attention to the needs of our business activities, they support us in facing operational challenges and fostering staff development. Korian's vocational training programmes are split into three main categories:

- Regulatory training for all teams (fire safety, first aid, hygiene training for care and kitchen work, etc.)
- "Occupational" training courses
- Cross-cutting training courses (company values, ethics, fundamentals of Korian culture)

Apprenticeship as a means to create new talent pools

Korian launched its first Apprentice Training Centre (CFA) for care assistants in 2020: the CFA for care professionals. The first apprentices were recruited in January 2021 and a total of 200 apprentices are expected to attend training at the CFA from its first year.

Participants will be given conventional training leading to a state-recognised diploma and will benefit from the Korian Academy's digital expertise, with specific modules made available in virtual classroom format by Korian's newly-founded Care Training Academy in Lyon.



Developing professional qualification pathways

In each of its countries, the Korian Academy ensures that all of its employees are able to receive professional development training that recognises and rewards their commitment, enhances their skills, and offers them clear career prospects as part of an inclusive effort.

Path to qualification: Professional development training, rewarded by diplomas or certification (accreditation of prior learning experience, geriatric passport, training of facility directors, s.Keys) and apprenticeship programme. % calculated on the basis of FTE staff of 53,915.

8% of staff following vocational training courses in 2020

Double the targeted rate of 4%

> 2,200 apprentices working for the Group

First company to launch an Apprentice Training Centre in the care sector

Opening of Care Training Academy

(Lyon and Munich)

3 Build a European management culture

to strengthen facility directors' fundamental management skills while developing a common managerial approach based on team work and the Group's values.

In 2020, Korian upgraded its offer of management training such that it now offers an innovative, proprietary European-level training programme for all facility directors, called s.Keys (Skills for change), provided in conjunction with IFG Executive Education.



Three-year training programme
for facility directors

Working on managerial model
Discussion groups, experience sharing

135 hours of training
E-learning/virtual classrooms

Promote a safe and healthy working environment and foster diversity and inclusion to uphold Korian's employee manifesto across all Group countries.

4

A strong commitment to health and safety in the workplace.

In October 2017, Korian became the first company in its sector to sign a Quality of Life at Work agreement in France.

A fair and attractive compensation system.

The agreement is part of a global approach to transparency and employee recognition that takes into consideration compensation factors, social benefits and the general framework proposed by the Group: work atmosphere, career path and personal development.

Diversity and inclusion



82% of our staff are women,
47% of which in Top Management



c. 2,000 of staff have a disability

High-quality dialogue with employees across Europe

Korian maintains a high-quality dialogue with employees, involving meetings at local and central level with deeply involved, committed union representatives, particularly during the first wave of the Covid-19 epidemic.

Following the agreement signed in April 2019, the first European Works Council was set up on 24 June 2020, laying down a working programme focused on safety and security at work and the Group's employee manifesto.

100% of staff are covered by a collective bargaining scheme.



Quality of service

Our first duty is to ensure excellence of care with due respect for each person's dignity and freedom of choice, while helping to strengthen or maintain their autonomy.

That requires a care philosophy based on the individual and their needs, which is the rationale behind our *Positive Care* approach and also involves engaging in constant dialogue with our residents, patients and their relatives and close relations.

Korian regularly conducts surveys among residents, patients and their loved ones with regard to the quality of service provided and their level of satisfaction. By obtaining a better understanding of what is most important to them facilities can determine priorities for action and meet their needs more effectively.

Our annual customer satisfaction survey was conducted across Europe in November 2020.

This year, we gained 400 basis points in our net satisfaction score (NSS), equating to the share of families saying they are highly satisfied or extremely satisfied less the share of families expressing dissatisfaction.



94%
gross satisfaction score
+400 pb NSS vs. 2019

Our home support services network also conducted a survey, on a sample of 1,000 active customers, in September 2020.



Our customers say they like:

98%
The agency's professionalism

96%
Their carer's skills

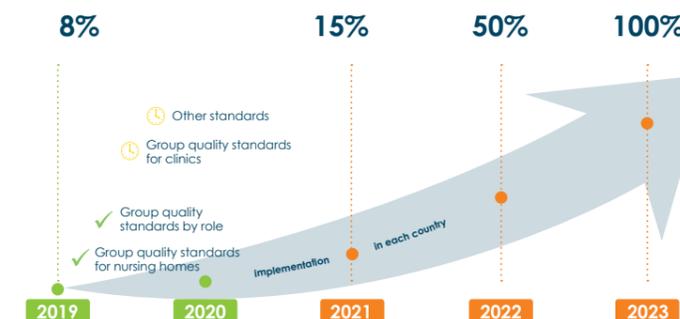
98%
Their carer's soft skills

99%
Their carer's friendly approach



Operational excellence

Quality is also manifested in all spheres of our facility operations, which is why we have set a target to become the leading operator in the care sector to obtain ISO 9001 certification across all our sites by 2023.



11%
of sites ISO 9001-certified
vs. 8% in 2019

Pioneer spirit



Agile growth

In 2020, we worked to enrich our offer of service:

- in residential solutions, rolling out a host of region-centred projects,
- in healthcare, making our network of clinics more specialised, opening additional outpatient capacities, and forming public-private partnerships,
- in the medico-social welfare sector, with the expansion of hospital day care and ramp-up in capacities.

We also developed new service offerings thanks to our targeted acquisition drive, notably in mental health.

Korian is firmly committed to transforming its activity by providing diverse range of locally-integrated services to ensure elderly and fragile people have the best choice of support to suit their situation.



Åges & Vie shared residences for the elderly 72 nursing homes in 2020 (double the 2018 level)



Petit-fils shared residences for the elderly 160 agencies in 2020 (triple the 2018 level)



Alzheimer Stepping Stones - Living communities 37 villas in 2020 (up from 14 in 2019)



Inicea mental health (France) and Ita Salud Mental (Spain) N°3 provider of mental health services in Europe



Digital solutions

The Group is investing in digital to gradually connect all of its facilities, not just internally but also with external agents. This ensures more fluid communications with relatives, and heightened safety for our residents. The digitalisation of its processes also frees up more time for our teams to focus on the quality of care provided, and further improves workplace health and safety thanks to automated or digitised equipment making everyday tasks easier.

The creation of integrated care pathways requires supporting medical interventions and monitoring patients via robust data sharing platforms. We have made targeted investments in this area to give us the ability to engineer such care pathways.



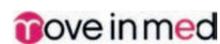
Digital solutions



Digital platform for homecare professionals



Telemedicine



Digital healthcare pathways for chronic diseases



Innovative buildings

Our strategic drive to diversify and expand at local level is heavily supported by the "asset smart" real estate strategy we have been implementing since 2016.

Real estate provides a guarantee of care quality to the benefit of residents and patients and helps create value. The Group's control over its real estate enables it to innovate, adapt our portfolio to new needs and ensure we run welcoming living spaces adapted to their function in each local community.

1 Real estate development

Over the years, we have developed and bolstered our expertise in transforming our existing network to develop new capacities and outpatient care for clinics and rebuild ageing facilities. This has allowed us to create value and constantly reposition our network to ensure the right solution is found for each fragility situation and to best meet healthcare needs.

In spite of the health crisis and lockdown measures, some 72 construction or renovation projects were delivered in 2020, giving us more than 1,500 new beds



Renovations ("BOOST")
Boost programme at Les Tybilles - Meudon



Rehabilitation platforms
Physiotherapy area Monceau Paris - France



Alzheimer's Unit
Espace Snoezelen Monceau Paris - France



Hospital day care / Outpatient care
Creation of outpatient day care capacities 10 places + 12 additional bedrooms Korian Brocéliande - France

2 Design and build

We have established real technical skills in terms of digital design, using Building Information Modelling technology (BIM) and with assistance from start-up Data Soluce. This enables us to plan, design, build and manage our buildings more efficiently (optimisation of deadlines, lifecycle management, etc.) with the aim of achieving the best possible care quality and economic performances.



This initiative is in line with our commitment to reducing our environmental footprint (-40% cut in CO₂ emissions by 2030).

Modular construction also enables us to industrialise our methods and thereby speed up our organic growth and the extension of our network, based on a set of four, well-defined concepts corresponding to the four pillars of our positioning across all of our geographies.

BIM design



- Optimised deadlines
- Efficient cost planning (lifecycle)
- Improving environmental quality

Modular construction



Modular design (Thann): 4 small houses, 1 nursing home, 10 assisted living facilities



1.5

GOVERNANCE INTERNAL CONTROL AND RISK MANAGEMENT



- Governance that serves stakeholders

- Our Board of Directors

- Our General Management Board

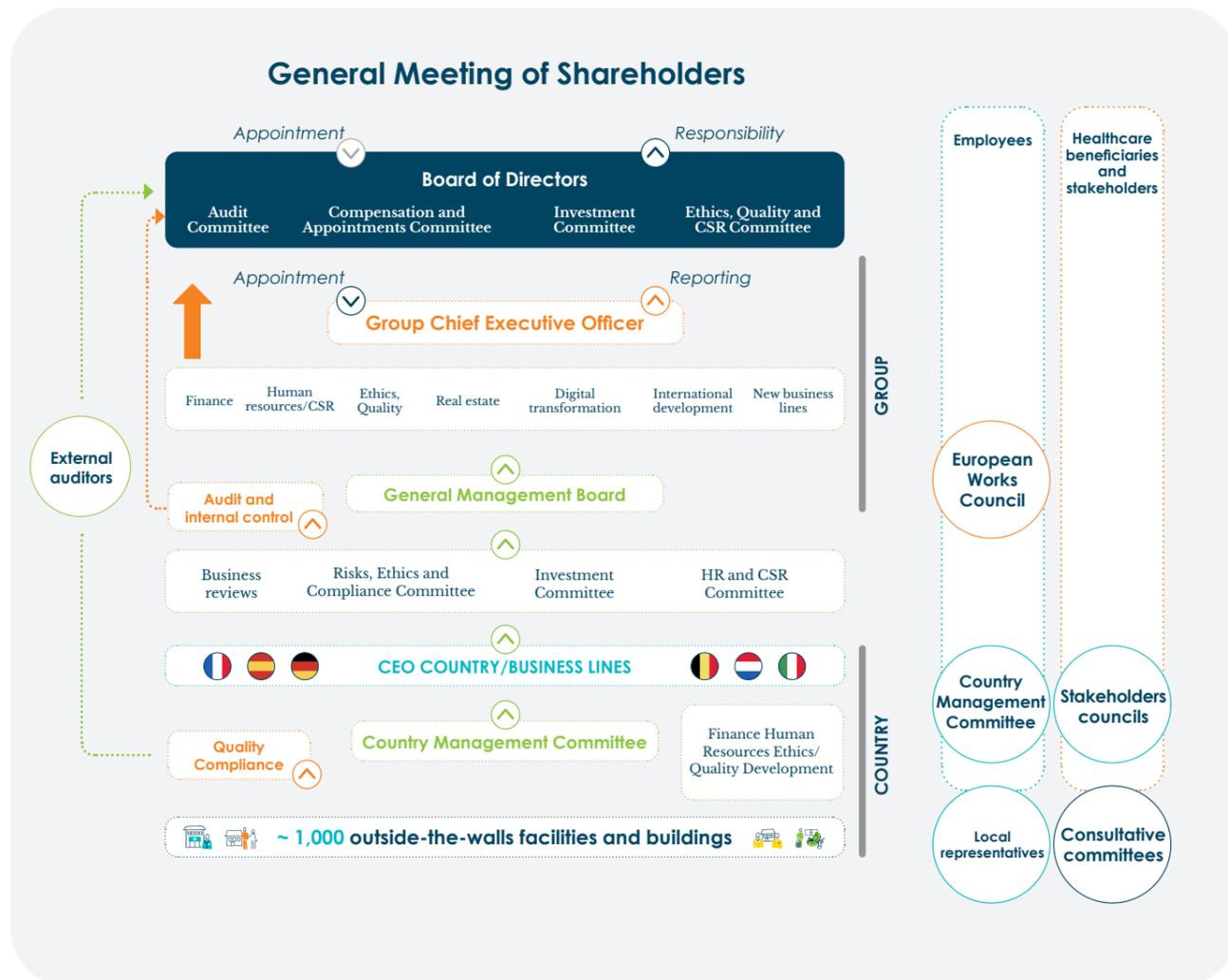
- Internal control and risk management



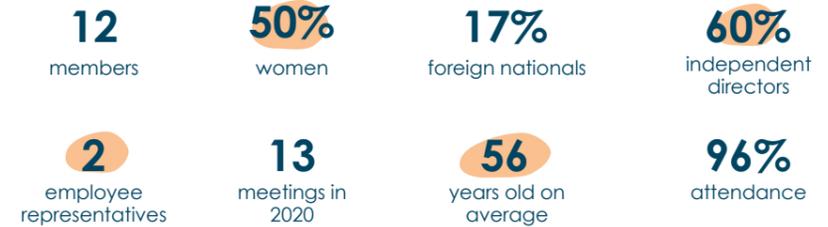
GOVERNANCE THAT SERVES stakeholders

Our strategy draws on active contributions from both our internal and our external stakeholders. The aim is to use this dialogue to build a relationship based on trust and create shared value for our entire ecosystem. The various procedures for escalating information to management together with the rigorous work conducted by the Committees gives the Board of Directors a precise vision of how our operations and strategy are being implemented.

The Group's managerial resources are all bearers of the group's strategic message and of individual targets to our teams.



AN EXPERIENCED, DIVERSE BOARD OF DIRECTORS committed to a strategy of actively listening to stakeholders



Main skills



 Jean-Pierre Duprieu Chairman of the Board of Directors	 Sophie Boissard Chief Executive Officer	 Guillaume Bouhours	 Jean-François Brin	 Françoise Debrus Predica <i>(permanent representative)</i>	 Philippe Dumont
 Anne Lalou	 Marie-Christine Leroux	 Markus Müschenich	 Anne Ramon Holding Malakoff Humanis <i>(permanent representative)</i>	 Markus Rückerl	 Catherine Soubie

I Independent director E Employee representative R Proposal to renew mandate expiring at AGM on 27 May 2021

4 Specialised committees chaired by women

Catherine Soubie Audit Committee	Anne Lalou Compensation and Appointments Committee	Françoise Debrus <i>Permanent representative of Predica</i> Investment Committee	Anne Ramon <i>Permanent representative of Malakoff Humanis holding company</i> Ethics, Quality and CSR Committee
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AN EXPERIENCED GENERAL MANAGEMENT BOARD

representing the Group's main countries



Operations management by Country/Business Line



Sophie Boissard
Chief Executive Officer



Arno Schwalie
Chief executive Germany



Dominiek Beelen
Chief Executive Belgium



Nicolas Mérigot
Chief Executive France



Mariuccia Rossini
Chairwoman Korian Italy



Federico Guidoni
Chief Executive Italy



Bart Bots
Chief International Development Officer



Charles-Antoine Pinel
Chief Strategic Marketing and New Services Development Officer

Group corporate management



Philippe Garin
Group Chief Financial Officer



Rémi Boyer
Group Chief Human Resources and CSR Officer



Didier Armaingaud
Group Chief Medical, Ethics and Quality of Service Officer



Frédéric Durusseau
Group Chief Real Estate and Development Officer



Caroline de Jessey
Group Chief Communications Officer



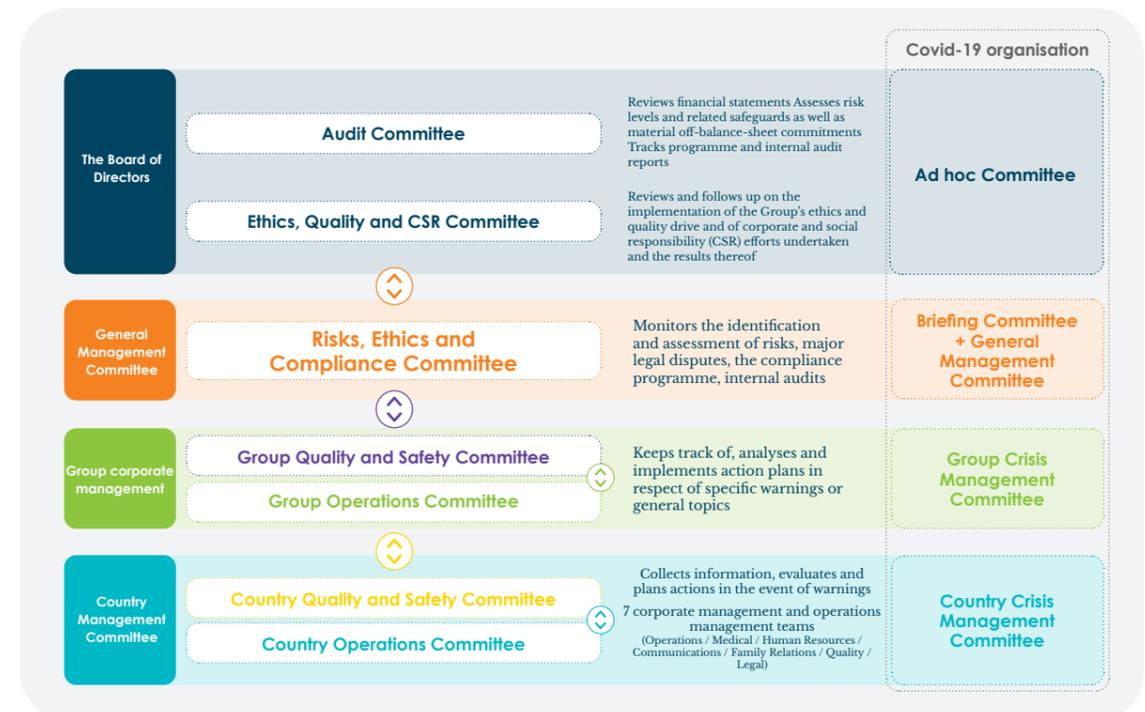
Anne-Charlotte Dymny
Chief Transformation Officer and Executive Secretary of the General Management Board

INTERNAL CONTROL AND RISK MANAGEMENT

Clearly defined governance and internal control process to ensure quality and compliance across the Group

The internal control process is implemented by the Board of Directors, the Group's General Management, the General Managements of the countries in which the Group operates, its operational and corporate management divisions and departments, and its employees.

The main participants responsible for supervising the internal control system are listed below.



The prevention and management of risks are of central importance in the running of each Group facility. This local approach is part of the general quality policy implemented in each country and at Group level, with a view to identifying, quantifying and limiting risks involved in the various dimensions of the company's activity.

A risk map for each business line is drawn up at Group level and updated yearly, and specific action plans aimed at improving risk management are defined and monitored.

Operational risks are managed in a decentralised manner in each region of each country by dedicated teams. The Group has set out its own quality standards and risk analysis and assessment process (see section 2.5.5 of Chapter 2 of this document). It also has a process for reporting and monitoring all incidents and a broad range of risks, enabling to address any such incident at the appropriate level and implement the necessary measures.

The risk map and monitoring process are managed by the Audit and Internal Control Department. The Group also has a Safety and Crisis Management Department, which reports to the Medical and Quality Department.



1.6

**OUR BUSINESS
MODEL**



**Our business model
creates value for all
stakeholders**



Our resources
(31 December 2020)

Financial resources

€3.9bn in revenue
 €1.6bn in cash
 43% cash conversion rate (OFCF/Ebitda)
 €223m in operating free cash flow
 Leverage ratio of 3.0x

Real estate resources

Real estate skill in the service of care provision with **Korian concepts**
 1,000 facilities and 89,000 beds
 24% property ownership rate

Human resources

57,500 employees
 82% are women, of which 47% in Top Management
 2,239 apprentices
 1 European Works Council

Societal resources

2 Foundations (France and Germany)
 1 Stakeholders Council
 €1m in our Covid Solidarity Fund

Environmental resources

Plan to reduce our CO₂ emissions by 40% by 2030
 Buildings with HQE or equivalent certification

5 main demographic and epidemiological trends

Demographic transition



Chronic diseases



Electronic and digital transformation



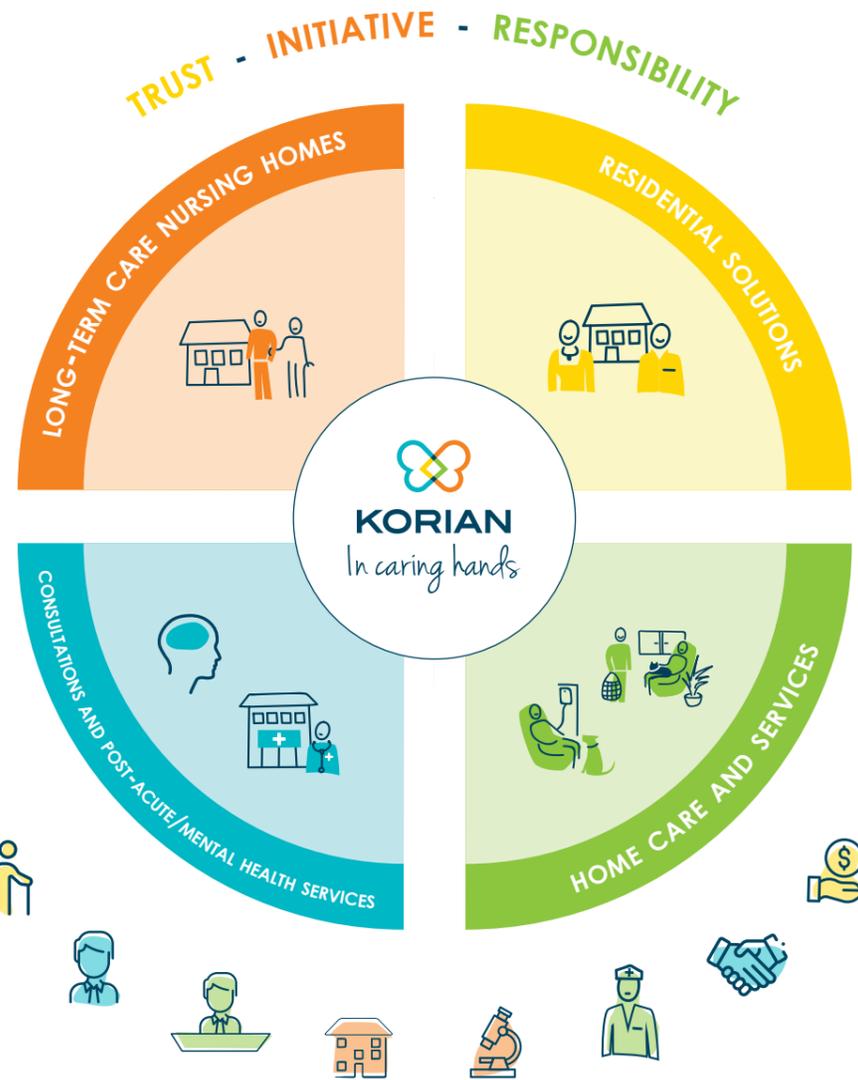
Senior citizens' aspirations



A high level of solidarity



Our business model creates sustainable value for all stakeholders



Our stakeholders

Our mission

“Provide care and support to ageing and fragile people and their loved ones, respecting their dignity and contribute to their quality of life”.

Create value
(31 December 2020)

Financial impact

A total payroll of €2.2bn, up 10.3% despite the crisis
 €199m invested in the existing network
 €530m in financial investments
 €66m in corporate income tax paid
 Proposed dividend: €0.30/share

Real estate impact

€2.7bn worth of real estate in portfolio
 €530m in investments and c. €100m in value created
 72 buildings delivered or renovated in 2020
 1,500 beds from greenfield projects
 10,500 beds in greenfield project pipeline

Human & employee impact

+400 basis points in Net Satisfaction Score among patients, residents and care assistants
 11,000 people recruited
 Average length of service has increased by 6.9 years
 8% (4,500 people) of employees are on vocational training courses
 Creation of the first Apprentice Training Centre for the Care sector in France

Societal impact

€1.4m devoted to philanthropic initiatives
 18 scientific publications locally
 80% of purchases sourced locally
 ESG targets for all Top Management

Environmental impact

-6.4% in energy consumption (France, Belgium, Germany)
 70% of the real-estate projects currently underway are certified HQE or equivalent

5 ESG pillars

- 1 Provide CARE EXCELLENCE whilst ensuring DIGNITY and CHOICE
- 2 Be the EMPLOYER OF CHOICE
- 3 Contribute to finding INNOVATIVE SOLUTIONS for a MORE INCLUSIVE SOCIETY
- 4 Be a COMMITTED and RESPONSIBLE LOCAL PARTNER
- 5 Reduce our ENVIRONMENTAL FOOTPRINT

2.

Risk factors

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The Company continually reviews the risks to which it is exposed and updates its risk map on a regular basis. The risks described below are those that the Company considers, at the date of this report, as potentially having a material impact on the Group, its business, financial position, results or development.

The most material risk factors in each risk category are presented in order of materiality. The Company provides the following information for each of the risks presented below:

- a presentation of gross risk, as it arises during the course of the Company's business;
- a presentation of the control mechanisms implemented by the Company for the purposes of managing said risk

which are based on an accountability system that is defined and formalised at each level of the organisation, in particular through delegations of power and internal policies and procedures.

By applying these measures to gross risk, the Company is able to analyse net risk with the criticality of said net risk assessed based on a joint analysis of two criteria: (i) the probability of the risk materialising and (ii) the estimated scale of its negative (financial and non-financial) impact. A presentation of risk factors by category is summarised in the table below, with the criticality of each risk factor indicated according to a three-level scale: low, medium or high.

Risk category	Risk factor	Criticality of the risk factor	ESG
Operational risks	• Coronavirus (Covid-19) pandemic	High	
	• Treatment and care	High	
	• Reputation	High	
	• Recruitment and employee retention	High	
	• Information systems, cybersecurity and personal data protection	Medium	
	• People safety	Medium	
Strategic risks	• Business development and external growth	Medium	
	• Digital and data-driven transformation	Medium	
	• Property development and construction	Medium	
Legal, ethical and regulatory risks	• Regulations and rates	High	
	• Global warming and environmental damage	Medium	
	• Business ethics	Medium	
Economic and financial risks	• Uncertainty surrounding market conditions following the coronavirus (Covid-19) pandemic	High	
	• Liquidity risk	Medium	
	• Rate risk	Low	
	• Rental expenses	Low	

The list of risks described above cannot be considered exhaustive as the Group cannot rule out the possibility that other risks might materialise in the future and generate a materially adverse impact.

The Group's top priority during the coronavirus (Covid-19) pandemic is to protect its residents, patients and staff, in concert with the health authorities, families and care assistants. Since the crisis began in Europe, each Korian facility has taken appropriate measures and adapted them to changing circumstances to the best of their knowledge based on information available at the time and in strict compliance with the directives issued by the health authorities in an effort to limit the effects on its residents, patients and staff. However, the pandemic is still ongoing and the Group is thus unable to establish a

definitive and conclusive appraisal of all the consequences it might have on its business and more broadly on the economic context as a whole. More details can be found in section 5.1 of this universal registration document.

Some of the risks described in this chapter are associated with social, environmental or governance (ESG) issues. These main non-financial risks are indicated in the tables below with the symbol . Chapter 3 of this universal registration document provides more details about the policies introduced by Korian, particularly as part of its ESG strategy, to identify, prevent and mitigate the occurrence of these risks; it also presents the outcomes of these policies.

2.1 Operational risks

2.1.1 Coronavirus (Covid-19) pandemic

Description of the risk	Policies in place
<p>The coronavirus (Covid-19) pandemic that has swept the entire world since December 2019 is particularly threatening to the elderly and fragile people cared for in the Group's medico-social and healthcare facilities.</p> <p>It also poses a risk to the care assistants and employees working in the facilities for whom remote working is not an option.</p> <p>It was particularly difficult to tackle the pandemic in the first few weeks as access to screening resources was restricted, there was no proven curative treatment or vaccination, and access to the hospital sector and emergency services varied between regions depending on the guidance issued by local authorities.</p> <p>As from June 2020 and throughout the second wave (which reached Europe in autumn 2020), it proved possible to limit the number of severe cases thanks to strict observance of public health protocols and protective behaviours, authorisation to conduct systematic screening, and then the first vaccination campaigns.</p> <p>Variants of the coronavirus (Covid-19) have since appeared, so at the date of publication of this document it is difficult to predict with any certainty how the coronavirus (Covid-19) pandemic is going to evolve.</p>	<p>Under its Covid-19 vigilance plan (Vigi-Covid), Korian set out a new European standard in May 2020 for all its facilities in all the countries in which it operates (long-term care nursing homes and specialised clinics) including best practices in terms of hygiene, traceability and preventive measures implemented during the first wave of the pandemic. It also took care to ensure that its network always had a steady supply of protective equipment (masks, protective clothing, etc.) by building up a permanent stock corresponding to two months of utilisation.</p> <p>Bureau Veritas was entrusted on 1st July 2020 with carrying out a hygiene diagnostics campaign covering all the Group's European facilities, the aim being to ensure that these standards were being properly applied and to help staff implement them. By 1st April 2021, 99% of audited facilities were able to show that they had excellent command of the new standard.</p> <p>The Group also introduced a systematic testing policy in accordance with local regulations and, since late December, has been actively vaccinating the people in its care and its employees as and when vaccines have been made available by the public authorities in each of the countries in which the Group operates. In addition, 81% of our nursing home residents and 53% of our employees had been vaccinated by 1st April 2021, and more than 100,000 screening tests are still being carried out each week throughout the network.</p> <p>At the peak of the 2nd wave, the percentage of residents testing positive for Covid-19 was 4.3%. By 1st April 2021, vaccination campaigns had brought this percentage down to just 0.4%.</p>

2.1.2 Treatment and care

Description of the risk	Policies in place
<p>In 2020, Korian provided care for 525,000 residents and patients either in one of its 1,000 facilities or in their homes.</p> <p>Even though the Group gives absolute priority to the quality and safety of the care and treatment it offers, there are inherent risks to providing care for elderly or vulnerable residents and patients given their frailty or age.</p> <p>These risks may be associated with the following events: non-compliance with treatment or poor quality of care provided (medication errors, inadequate supervision resulting in falls or injury); seasonal epidemic outbreaks (influenza, respiratory infections), which may particularly affect elderly people with chronic diseases, etc. This list of events cannot be considered exhaustive.</p> <p>Such events could have an adverse impact on the activity of the facilities concerned and put them at risk of civil or criminal litigation.</p>	<p>The Group is particularly vigilant when managing the risks associated with the care and treatment it provides, and its approach consists in rolling out the following systematic procedures:</p> <ul style="list-style-type: none"> • formalising and circulating the Group's Medical, Ethics and Quality policies in accordance with ethical and regulatory requirements; • regularly publishing recommended best practices for the directors and staff of the Group's facilities; • adopting a quality management approach in order to provide care in conditions of optimal quality and safety; • training members of staff in the proper procedures to follow when providing care, with a focus on preventing abuse, through personalised or therapeutic care programmes (Korian Positive Care); • carrying out annual theme-based campaigns across Europe to raise awareness; • performing internal audits (such as 360° quality audits) and external audits and conducting self-assessment programmes annually to ensure that best practices are applied properly, risks are managed, and care and treatment pathways are continually improved with full consideration for individuals and regulations. The results of these audits are presented to the Group's Quality and Safety Committee as well as the Ethics, Quality and CSR Committee of the Board of Directors; • maintaining a system for reporting serious adverse events which aims to record each incident in each of the Group's facilities, so as to ensure that appropriate measures are implemented immediately; • implementing a whistleblowing system enabling staff members to report any unethical or irregular practices; • applying crisis management procedures scaled appropriately for each country and for the Group as a whole.

Description of the risk	Policies in place
	<p>Furthermore, the Group takes a zero-tolerance approach to instances of abuse by immediately taking action both to protect the vulnerable person and against those who may be responsible for such abuse.</p> <p>More information on the procedures for handling serious adverse events and on Korian's Positive Care approach is provided in sections 2.5.7.2 and 3.2.4 of this universal registration document.</p> <p>The Group Medical, Ethics and Service Quality Department is responsible for overseeing these policies and for coordinating these measures. Further information on operational risk management can be found in section 2.5.7 of this universal registration document.</p>

2.1.3 Reputation

Description of the risk	Policies in place
<p>The Korian group's activities involve assisting and caring for elderly and/or frail people either in its nursing homes (called EHPADs in France), its clinics or in the person's own home.</p> <p>Given the sensitive nature of the Group's activities, and even though the Group gives absolute priority to the quality of care and treatment provided to its residents and patients, its facilities may be subject to the risk of publicised complaints from residents, patients and families with respect to the quality of medical supervision, treatment and care provided or the accommodation services offered. In addition, although the civil liability of physicians who work as independent practitioners in the Group's facilities covers any risks specific to the work they perform, any such failing on their part could possibly damage the facility's reputation.</p> <p>Furthermore, given the societal challenges raised by an ageing population and the considerable political and social debate the topic has generated in the countries in which Korian operates, the Group may be exposed to controversies on social networks targeting either the elderly care sector in general or the Group in particular. With social networks becoming increasingly influential, the Group could become the target of harmful media coverage or reports spreading inappropriate and/or incorrect information.</p> <p>In light of the crisis resulting from the coronavirus (Covid-19) pandemic, the medico-social sector's increased exposure implies a higher reputational risk.</p>	<p>The Group pays particular attention to the quality of the services provided in its facilities. This quality is upheld by specific standards and procedures, which are regularly updated as part of the Group's quality assurance process and best practices and are distributed to all its facilities. Regular staff training courses are also held. Moreover, regular checks are carried out both internally and externally (self-assessments, care audits, quality audits, etc.) on the quality of service provided (see section 2.1.2 of this universal registration document).</p> <p>Should residents, patients or their families submit any observations or complaints, Korian has a proactive and local communication policy to find rapid and satisfactory solutions to any issues with the assistance of support groups in each facility (Social Life Councils (CVS), or equivalents in other countries) as well as a mediation unit.</p> <p>Where necessary, in the event of prejudice to the honour or reputation of the Company or its employees, the Group reserves the right to take any appropriate action to protect their image and reputation.</p>

2.1.4 Recruitment and employee retention

Description of the risk	Policies in place
<p>Some 57,500 men and women work within the Group each day to care for our most frail or elderly citizens, spanning a whole range of professions (care, hospitality-catering, recreational activities, administration).</p> <p>The Group plans to hire an additional 60,000 people over the next five years in preparation for an ageing population, a broader range of chronic diseases and increasing demand for care for frail and dependent elderly people.</p> <p>However, there is currently a shortage of certain qualified profiles required, especially among caregivers, nurses, doctors and rehabilitation specialists, in most of the countries in which the Group operates; this is due to insufficient public training programmes or sometimes to difficulties in attracting people to such challenging professions. This can lead to localised difficulties among certain Group facilities in recruiting staff as well as high staff turnover rates, especially of qualified care staff, which could affect our ability to maintain the quality of service provided within the Group's facilities. Such situations could also put upward pressure on associated costs.</p> <p>As a result, the Group's ability to operate properly depends largely on its ability to attract, recruit, retain and train its employees.</p> <p>Moreover, any deterioration in the quality of life and working conditions of employees, or insufficient attention paid to their health and safety, could have an adverse impact on the commitment and loyalty of staff and eventually undermine the quality of service provided in the Group's facilities (e.g. more absenteeism and occupational accidents). During the current coronavirus (Covid-19) pandemic, the Group's employees face exposure to the virus.</p> <p>There is also a risk that the quality of labour relations may deteriorate.</p>	<p>As part of its "In Caring Hands" corporate mission (see section 3.1.2 of this universal registration document for more information), the Group has adopted a human resources strategy that focuses on three key areas: building a centralised recruitment system, investing in quality of work and quality of management, and setting up training units geared specifically to the Group's needs. The strategy seeks to position Korian as a benchmark employer in its sector in Europe, and it underpins the other objectives set out in its "In Caring Hands" mission (i.e. operational excellence, in particular to enhance quality of service, innovation and digitalisation) as well as the Group's ESG commitments. These measures have already enabled Korian to obtain the "Top Employer" label in Germany.</p> <p>The human resources (HR) strategy covers eight concrete commitments which are rolled out in each of the Group's countries in the shape of specific action plans and projects. These eight commitments also form part of the ISO 9001 quality standard that is gradually being deployed in all of the Group's facilities and subject to audits by independent bodies.</p> <p>The Group is taking various concrete measures to address the shortage of resources expected in Europe in the future by decreasing its exposure to external recruitment. These measures include:</p> <ul style="list-style-type: none"> • setting up units dedicated to recruitment and to upgrading the tools used by the Group; • reinforcing the employer brand, and simplifying and updating the "candidate pathway"; • renewing Korian's "social contract" in each country, in accordance with the eight HR commitments set out in its "In Caring Hands" project, and revising the wage contract model in France and Germany, as per France's "Séjour de la Santé" public health consultation campaign and Germany's upcoming collective contract to be finalised in the course of 2021; • enhancing health and safety in the workplace by systematically introducing a health and safety policy in each of the Group's countries to enforce the Group Workplace Health and Safety Charter signed by the Group Management Board in late 2019; • offering certification and promotion pathways (8% of FTE staff at end-2020) thanks to an innovative and proactive apprenticeship policy in Germany and France under which the Group launched its own care apprentice training centre in late 2020 along with a chef apprentice training centre in partnership with major contract catering chains; • enhancing quality of life in the workplace, particularly throughout the coronavirus (Covid-19) pandemic crisis when the emphasis has been on the protection, health and safety of staff members and on providing permanent and frequent psychological support at each stage of the pandemic. <p>The "Kommunity" employee satisfaction survey conducted every two years is a way to verify that the HR policies in place are effective and to assess employee engagement. The Company decided in 2020 to conduct a simplified satisfaction survey on an annual basis, called "Kommunity Pulse"; it is to be launched in spring 2021.</p> <p>See section 3.3 for more information on the Group's human resources policy, Kommunity barometer and workplace health and safety policy.</p>

Description of the risk	Policies in place
	<p>Finally, the training provided by the Korian Academy, the Group's in-house training institute, is key to attracting and retaining talent and also assists staff members with applying best practices. Further information on the Group's training policy can be found in section 3.3.3.2 of this universal registration document.</p> <p>See section 2.1.1 of this universal registration document for more information on risks relating to the coronavirus (Covid-19) pandemic.</p>

2.1.5 Information systems, cybersecurity and personal data protection

Description of the risk	Policies in place
<p>Information systems are essential in handling the day-to-day operations involved in managing the data concerning the Group's 57,500 members of staff (pay, work schedule, career management), the administrative and medical records of its ~525,000 residents and patients, its financial flows, accounting data, etc.</p> <p>These systems are used in its day-to-day operations, so a major malfunction could temporarily paralyse the business and impact the quality of service provided. Such a malfunction may have internal causes (obsolete systems, infrastructure not maintained, IT projects not properly supervised, malicious acts, etc.) or external causes (viruses, cybercrime, etc.). In addition, the costs of resuming service and lost revenues could impact the Group's results.</p> <p>In the particular circumstances arising from the coronavirus (Covid-19) pandemic, the Group's IT security teams have noted an increase in attempted cyberattacks and have thus had to reinforce the security of our information systems, incurring additional costs.</p> <p>Moreover, Korian's business requires it to collect and process personal data, some of which are considered sensitive, in particular the health records of its residents and patients. The Group also collects certain personal data that are necessary for its business to function properly (employee data, data required for invoicing, etc.). The Group is subject to the General Data Protection Regulation ("GDPR") which came into force on 25 May 2018, as well as the different regulations governing the processing of personal data and health data applicable in the different countries in which it operates.</p> <p>The loss, theft or unavailability of personal data could create operational difficulties in providing care to the Group's residents and patients and lead to a decline in the quality of care provided. In addition, it could expose the Group to legal action by the persons concerned or the relevant authorities, potentially impacting its reputation and possibly its financial position.</p>	<p>To mitigate the impact of such risks, the Group relies on dedicated expertise within each country's Information Systems Department to safeguard and, insofar as possible, prevent malfunctions in any of its management systems, thereby ensuring business continuity. The work of these departments is coordinated Group-wide.</p> <p>When it comes to IT security, the action taken by the IT Security Officers of each country is coordinated at Group level, and common guidelines have been established to ensure a minimum level of security in each of the countries in which the Group operates. In light of the current lockdown measures, and with the Group's administrative staff working remotely, our IT Security Officers have placed cybersecurity under increased surveillance.</p> <p>Since the GDPR was introduced, the Korian group has reinforced its measures to ensure that its activities comply with regulations governing personal data.</p> <p>In particular, each country has its own Data Protection Officer (DPO); they are coordinated Group-wide by a DPO reporting to the Ethics and Compliance Department. A Group-wide personal data standard has also been established, with separate versions in each country depending on their specific needs and languages.</p> <p>Each item of processed data is recorded in a register, and a preliminary risk analysis and impact analysis is carried out in accordance with the recommendations issued by France's data protection authority (Commission nationale de l'informatique et des libertés – "CNIL").</p> <p>In addition, preventive measures and training programmes are carried out with members of staff to raise awareness of the risks associated with digital technologies and the regulations governing personal data. Specific audits are also performed regularly to assess the security and compliance of systems in place and to deploy any action plans if necessary. The Group has also taken out insurance against cybersecurity risk, with the policy taking effect on 1st January 2020.</p> <p>Finally, the system for reporting serious adverse events aims to record all incidents relating to information systems, cybersecurity and personal data in each Group facility.</p>

2.1.6 People safety

Description of the risk	Policies in place
<p>As public access buildings, the Group's facilities must safeguard the people they care for and comply with current regulations.</p> <p>Setting pandemic risk aside, the main safety risks that may materialise in the Group's facilities are those relating to:</p> <ul style="list-style-type: none"> • building safety (including fire safety and health safety); • the food safety of residents and patients (the Group provided care for 525,000 residents and patients in 2020); • Legionella-type bacteria in the facilities' hot water systems, potentially leading to Legionella-related respiratory illnesses which prove fatal in approximately 11% of cases; • malfunctions in the biomedical systems and equipment used for diagnostic, therapeutic or rehabilitation purposes, which could lead to a mistaken diagnosis or medical incident. <p>The occurrence of incidents resulting from malfunctions in the systems and equipment used by some of the Group's facilities, or the failure to comply with regulations or with the rules of hygiene in the kitchen or during the distribution of meals, could potentially incur the Group's civil and/or criminal liability, result in the suspension of operations, adversely impact its business, financial position and results, and also damage its reputation.</p> <p>See section 2.1.1 of this universal registration document for more information on risks relating to the coronavirus (Covid-19) pandemic.</p>	<p>The concept of safety for all is among the Group's top priorities, and each year it invests the necessary amounts in maintaining its installations (2% of consolidated revenue). Compliance of its installations is verified by independent professionals responsible for controlling and monitoring the maintenance and safety of installations (equipment, buildings, medical devices and systems, etc.).</p> <p>In addition, the Group's internal procedures describe the best practices to follow in terms of fire safety, health safety, food safety, etc., and mandatory training courses are held and followed by its employees. 360° quality audits are coordinated by Korian's internal teams to ensure compliance with rules and best practices, and they are supplemented by periodic systematic external audits performed by certified organisations.</p> <p>Moreover, a system for reporting serious adverse events is in place and aims to record all major technical malfunctions in each Group facility. Should an exceptional situation arise, the Group is organised in such a way as to manage any critical situation by applying crisis management procedures that are calibrated for each country and at Group level.</p>

2.2 Strategic risks

2.2.1 Business development and external growth

Description of the risk	Policies in place
<p>The Group has an active development policy aimed at branching out into new services and regions while continuing to shore up its positions in its long-standing business lines. It is expanding through both organic and inorganic growth by acquiring individual facilities, groups of facilities or equity interests, in particular with a view to diversifying its activities.</p> <p>The Group could be affected if potential takeover targets become more scarce and more expensive on account of sector consolidation.</p> <p>The Group might struggle to integrate any newly acquired businesses or it might fail to develop them as planned.</p> <p>Such risks could impact the Group's performance.</p>	<p>The teams dedicated to the Group's development are notably responsible for constantly monitoring market trends, thereby enabling the Group to position itself on the best opportunities. In addition, the Group's strategy of broadening its offering and diversifying into different regions increases its scope for growth opportunities.</p> <p>The Group has significant experience in developing and integrating newly acquired businesses, which has enabled it to develop a systematic approach and set up an integration process that applies from the start of the acquisition phase and is driven by dedicated multidisciplinary teams to roll out the Group's standards and systems. The process is then monitored extremely closely and presented to the Investment Committee of the Board of Directors each quarter.</p>

2.2.2 Digital and data-driven transformation

Description of the risk	Policies in place
<p>The Group places a great deal of emphasis on its capacity to develop digital solutions that will help it to enhance the client experience, improve ergonomics and quality of care, but also manage the recruitment and career management of its staff members. Digital transformation is necessary as it enables the Group to continue providing quality services, make its facilities more attractive and offer personalised care pathways to all those in its care (whether in its long-term care nursing homes, specialised clinics, assisted living facilities and shared housing or receiving its home care services).</p> <p>These digital solutions imply an overhaul of procedures and professional practices in the Group's facilities, as well as change management and significant investments. Any failure or delay in this transformation could have an adverse impact on the Group's results.</p> <p>They also involve developing specialised expertise in the areas of data analysis and digital technologies.</p>	<p>The Group has launched various projects to transform its operations and thus meet the current and future needs of its residents, patients and their families as well as those of its employees and other stakeholders.</p> <p>To achieve this, the Group can rely on the expertise provided by Korian Solutions, an internal digital agency launched in September 2018, and on the targeted acquisitions it is making in this field.</p> <p>Further information on Korian Solutions can be found in section 3.4.3 of this universal registration document.</p>

2.2.3 Property development and construction

Description of the risk	Policies in place
<p>The Group owns a certain number of its facilities, in accordance with its "asset smart" real estate strategy introduced in 2017 to selectively raise its asset ownership rate. It has achieved this either by purchasing the buildings it operates or by building new facilities. The Group is therefore exposed to the technical and financial issues involved in the construction of newbuilds, such as obtaining building permits, delivering construction projects on schedule, mastering the technical expertise required by such projects and, especially, complying with the latest regulations on building energy performance and environmental footprint, for example.</p> <p>These risks may delay the start of operations or incur additional costs, which could impact the Group's business and results.</p>	<p>To protect itself against these risks, the Group has set up dedicated internal teams responsible for coordinating architects and project managers, handling procedures for obtaining building permits, and overseeing construction work.</p> <p>The Group has also set up a Technical and Environment Department which liaises with each country's Real Estate Department to ensure compliance with the various environmental regulations and standards and with its low-carbon roadmap.</p> <p>Further information on the Group's ESG strategy and low-carbon roadmap can be found in section 3.6.2 of this universal registration document.</p>

2.3 Legal, ethical and regulatory risks

2.3.1 Regulations and rates

Description of the risk	Policies in place
<p>The Group's medico-social and healthcare activities are subject to strict laws and regulations in each of the countries in which the Group operates. In most of these countries, a licence must be obtained to open a medical-social or health facility; they are generally granted or renewed on the basis of procedures conducted by the supervisory authorities to assess and control the quality of the services provided, in accordance with the laws in force in each country.</p> <p>Meanwhile, rates applied in the Group's facilities are generally regulated and include a portion paid by the residents or patients themselves, and a portion for treatment and care that is financed directly or indirectly by public payers.</p> <p>Consequently, any regulatory changes could potentially impact the Group's business model and activity.</p>	<p>The Group conducts a regulatory watch in each of the countries in which it operates in order to protect itself and prepare for any negative repercussions resulting from changes to regulations or pricing rules, and this enables it to anticipate any major changes while ensuring its operations remain in compliance with the law. It is also an active participant in trade union activities.</p> <p>In addition, the fact that the Group operates in several countries and markets and offers a variety of services enables it to limit the risk of regulatory change and thus mitigate the Group-wide impact.</p> <p>Furthermore, its operating licences can only be withdrawn under strictly defined circumstances.</p>

2.3.2 Global warming and environmental damage

Description of the risk	Policies in place
<p>The Group has 1,000 facilities across Europe, so it is essential to manage and control the energy and water they consume as well as the waste they generate.</p> <p>Non-compliance with applicable environmental regulations could result in substantial financial and administrative sanctions and be detrimental to the Company's reputation.</p> <p>In addition, certain major climate events may occasionally disrupt the operations of facilities and impact the quality of care provided to residents and/or patients.</p> <p>Such events could incur the Group's liability, affect its reputation and adversely impact its business and results.</p>	<p>Based on the Group's carbon footprint completed at the end of 2019, Korian established a low-carbon roadmap in 2020 aimed at reducing its greenhouse gas emissions by 40% by 2030. There are five parts to this roadmap, each corresponding to one of the Group's biggest sources of carbon emissions: building energy consumption, purchases of goods and services, food purchases, transportation of employees, and waste management.</p> <p>A Group Technical and Environment Department was set up in early 2020 to coordinate the roadmap, and a Group Environment Committee consisting of environmental experts was also set up to oversee action plans and share best practices in terms of improving carbon impact. The low-carbon targets were first factored into top management's objectives in 2020 and will be incorporated more widely in 2021. Furthermore, campaigns aimed at raising awareness of energy and waste reduction are being carried out in each of the Group's countries.</p> <p>Further information on Korian's environmental policy can be found in section 3.6 of this universal registration document.</p> <p>The facilities comply with their applicable legal and regulatory obligations and have adopted a series of measures aimed at protecting themselves against such events and taking action if they do occur. The crisis management system and business continuity plans include solutions such as installing generators in the event of a power outage as well as measures to safeguard people, including transferring them to other facilities if necessary.</p> <p>To deal with heat waves, for example, Korian's facilities have installed thermal insulation solutions (air-conditioned rooms and/or portable air conditioners, blackout blinds, etc.), and the managers overseeing caregivers have also set up protocols and training courses on issues such as hydration and the prevention and treatment of dehydration which focus on identifying and paying special attention to individuals at risk during such events. In 2020, the Group stepped up its "air-conditioning" programme and extended it as part of its "Boost" room renovation plan in France.</p>

2.3.3 Business ethics

Description of the risk	Policies in place
<p>The Group employs 57,500 people spread over more than 1,000 facilities in 7 different countries, and it works with over 35,000 suppliers and partners. Moreover, some of the Group's employees interact with policymakers or public bodies. Despite the Group being vigilant, practices that are not consistent with its charters and policies (especially its Ethics Charter, gifts and hospitality policy and responsible procurement policy) could damage the Group's reputation or even incur its liability if anti-corruption legislation is breached.</p> <p>The Group is subject to Act N° 2016-1691 of 9 December 2016 on transparency, the prevention of corruption and the modernisation of the economy (the "Sapin 2 Act"), article 17 of which requires setting up a system to prevent and detect acts of bribery and influence peddling that may be committed within the Group. If the Group were to fail to comply with this law, or if an act of corruption were to occur within the Group, legal proceedings could be brought against the Group's companies and they could receive financial sanctions.</p>	<p>The Korian group condemns all forms of corruption and influence peddling, be they active or passive, private or public.</p> <p>The Group's commitment to tackling all forms of corruption risk and promoting an ethical and responsible business environment has prompted it to draft the following documents and set up the following procedures:</p> <ul style="list-style-type: none"> • a corruption risk map in order to identify risk scenarios and introduce control mechanisms accordingly; • a Group Ethics Charter laying the foundations for the values and conduct expected of the Group's employees and stakeholders; • a Group gifts and hospitality policy; • a responsible procurement policy signed by the Group's suppliers; • procedures to assess third parties; • e-learning modules to raise employee awareness of the Group's ethical commitments, particularly in the areas of corruption and influence peddling; • specific accounting procedures incorporated into the Group's internal control standards; • a whistleblowing system via a secure external platform accessible by all staff members; • particularly close attention paid to corruption risks in internal audits. <p>A Group Ethics and Compliance Department was set up in November 2020. This department is responsible for rolling out the programme and oversees any internal investigations conducted following alerts received through the whistleblowing system.</p>

2.4 Economic and financial risks

Given the nature of its business (which operates largely with a fixed cost base) and its expansion drive (which requires sizeable investments), the Group may be exposed to risks relating to inflation, liquidity and volatility in financing conditions.

The Group has set up various sources of funding that are described in note 8 to the financial statements.

The Group's total net indebtedness amounted to €2,839.8 million at 31 December 2020 (excluding lease liabilities) and its average debt maturity is four years.

2.4.1 Changing market conditions following the coronavirus (Covid-19) pandemic

Description of the risk	Policies in place
<p>Setting aside its public health repercussions, the coronavirus (Covid-19) pandemic is also having a major impact on many of the world's economies and on the ability of many companies to conduct their business, largely because of the series of restrictions imposed by public authorities to contain the spread of the virus, the successive waves of the pandemic, and the variants of the virus that have emerged. However, with vaccination campaigns being gradually rolled out and protective measures being applied, there is a possibility that macroeconomic conditions will improve over the course of 2021.</p> <p>In Korian's case, the Group's business depends on regulations governing the healthcare and medico-social sector and on associated third-party funding; so given the current coronavirus (Covid-19) crisis, and assuming it triggers a lasting recession, the Group's business climate could be impacted, although it is difficult at the date of publication of this document to measure the full consequences.</p> <p>In addition, business activity in the Group's facilities has diminished because some of them have partly closed (especially day care centres in medico-social facilities and out-patient services in healthcare facilities) and it is difficult to take on new residents during the current health crisis. While not at all comparable to the current pandemic, previous epidemic outbreaks and heatwaves have shown that business activity in facilities may decrease for periods of about 18 to 24 months.</p> <p>In the medium and long term, this coronavirus (Covid-19) pandemic could result in changes to healthcare standards and procedures aimed at preventing similar epidemic or pandemic outbreaks. The pandemic may also affect expectations among the public and potential residents of elderly care facilities, which could change the way in which the dependency care sector is structured.</p> <p>More information is available in section 5.8 of this universal registration document.</p>	<p>As described in section 2.1.1. of this universal registration document, the Group is monitoring developments in the coronavirus (Covid-19) crisis very closely and has introduced a significant number of additional procedures to protect its residents, patients and staff.</p> <p>As regards a potential reduction in government funding in the medium term, the Group believes its activities are essential in ensuring continuity of care for the population and complementary to the care provided by public facilities; they will therefore remain priorities in the years to come in each of the countries in which the Group operates.</p> <p>In the short term, the Group (like all other companies in the sector) has received financial compensation to offset the loss of activity experienced during the various waves of the epidemic and has thus been able to maintain its care capacity.</p>

2.4.2 Liquidity risk

Description of the risk	Policies in place
<p>The Group has the backing of its various banking partners and has diversified its sources of funding, but it remains exposed to market conditions and to the market's assessment of its credit quality whenever it needs to raise funds.</p> <p>The situation on the financial markets today shows that a company's access to liquidity can be affected by factors that have nothing to do with the financial strength of the company itself.</p>	<p>Korian has set up a centralised cash management system for the Group via a cash pooling arrangement that allows for optimal use of its resources. Fund raising with banks or on the financial markets is also centralised, the aim being to plan for future funding requirements and to diversify the sources and costs of funding. Korian may, nevertheless, occasionally authorise its subsidiaries to obtain financing from outside the Group, in particular for real estate projects.</p> <p>The Group carefully manages any fluctuations in its cash requirements, whether for its operations or for its growth, on the basis of its available cash capacity as well as its access to the short-term (€300 million Neu CP programme) and long-term credit markets. The Group also benefits from a revolving credit facility as part of its syndicated loan agreement, which remains undrawn at the date of this report.</p> <p>The Group's indebtedness at 31 December 2020 is described in note 8.2 to the financial statements.</p>

2.4.3 Rate risk

Description of the risk	Policies in place
<p>Interest rate risk:</p> <p>The Group partly funds its growth and investments, including its real estate projects, by issuing bonds and is thus exposed to the risk of an increase in interest rates.</p> <p>In general, real estate debt is taken on at fixed rates for leases or mortgages. For other debt, the choice between a fixed rate or variable rate depends on the type of debt instruments concerned as well as market conventions, or may be chosen deliberately by the Group in relation to its policy for managing interest rate risk.</p> <p>The Group is therefore exposed to eurozone interest rate risk, impacting on the variable portion of its current debt and on its future refinancing and fund-raising arrangements.</p>	<p>Korian has a policy of actively monitoring and managing the risk of interest rate fluctuations based on its projected net debt position after factoring in the execution of its business plan.</p> <p>The Group has financial instruments to hedge against this risk and uses standard derivative instruments (interest rate swaps, swaptions, caps and floors). The average maturity of its derivative hedges is more than four years.</p> <p>Furthermore, the Group has significantly increased the share of fixed-rate debt in its debt structure in 2020, mostly by issuing long-term debt to provide a natural hedging effect. Its average debt maturity now stands at 5.7 years, not counting its short-term debt which was offset by its available liquidity at year-end. Factoring in the interest rate hedges already in place, approximately 80% of the Group's gross borrowings are at fixed rates and its net borrowings are 100% hedged.</p>
<p>Inflation rate risk:</p> <p>The risk of higher inflation is closely linked to interest rate movements. It is not a material risk for the Group because, although it is exposed to higher wages and costs, its revenue should also rise in line with inflation. The effects of rent inflation and indexation on the Group's expenses is addressed in section 2.4.4 of this universal registration document.</p>	<p>Its interest rate risk hedging structure, which includes hedging instruments and fixed-rate debt, decreases gradually over time.</p> <p>When hedging instruments are taken into account, financial expenses at the balance sheet date would vary by the following amounts in response to a change in market interest rates over one year:</p> <ul style="list-style-type: none"> • a 0.5% increase (50 basis points) in the yield curve would increase the Group's financial expense by €1.7 million; • a 0.5% decrease (50 basis points) would increase the Group's financial expense by €3.4 million. <p>These details also appear in note 8.1 to the financial statements.</p> <p>As its bank and bond financing arrangements evolve, the Group adapts its hedging structure to keep it aligned with its debt profile, in accordance with the Group's prudent financial management policy.</p>

2.4.4 Rental expenses

Description of the risk	Policies in place
<p>The Group operates 1,000 facilities across several European countries, three-quarters of which are leased. Its cumulative lease liabilities recognised in the balance sheet at 31 December 2020 totalled €3.7 billion. The Group is therefore exposed to the risk of an increase in its rental expenses, which would be detrimental to its profitability. The Group's rental expenses might rise if a lease has to be renewed or because of rent indexation clauses in its lease contracts.</p> <p>In each of the countries in which the Group operates, rents are indexed to indices specific to the country and linked either to the rate of inflation, consumer prices or a specific business sector (e.g. the rent increase benchmark rate for long-term care nursing homes). A sharp rise in these indices could affect the Group's profitability if they become decorrelated with the Group's ability to pass this increase on to its prices.</p>	<p>Risks relating to building leases are managed by the Group Real Estate Department, which is responsible for all asset management aspects relating to the building portfolio.</p> <p>Rental expenses increase only moderately as indices rise on account of the underlyings of these indices; this was particularly true in 2020 as a result of the crisis created by the coronavirus (Covid-19) pandemic. In addition, these increases sometimes apply only above a certain threshold (e.g. in Germany) or only to a portion of the rise in the index. The active real estate management policy has enabled the Group to minimise the number of leases indexed to the more volatile indices, such as the construction cost index (ICC) which corresponded to only about 12.5% of the Group's French facilities by the end of 2020. The Group's rental expenses increased by 2% as a whole in 2019 and by 1.2% in 2020.</p> <p>In order to manage the risk of rents increasing during lease renewals, the Group has introduced active lease management procedures in each country based on a precise analysis of each lease and notably the occupancy cost ratio (rents / EBITDAR), the expiry date and any renewal clauses, the aim being to arbitrate between different sources of funding upstream of the process.</p> <p>Over 80% of leases in Germany and Belgium are due to expire in more than five years' time and most have renewal clauses based on the last indexed rent. Leases run for an average of 19 years in Germany and 22 years in Belgium.</p> <p>In France, legal rent control mechanisms apply to over half of the Group's leases; the Real Estate Department has also developed a systematic lease renegotiation policy, bearing in mind that many of its leases are contracted with institutional landlords with whom the Group has long-standing business relations.</p> <p>In Italy, most of the Group's leases offer the possibility of renewal on the same terms as the previous lease. The Group also takes an active and forward-looking approach to managing its leases.</p> <p>Last of all, the Group raised its full ownership rate of its facilities further from 22% in 2019 to 24% at the end of 2020.</p>

2.5 Internal control and risk management

The Group drafted and implemented its internal control and risk management procedure based on the recommendations set out in the AMF's reference framework (entitled "Reference Framework on risk management measures and internal control" – the "**Reference Framework**").

2.5.1 Definition and objectives of internal control

Internal control refers to all the processes in place within the Group that help it to manage its business activities with rigour and efficiency and to control its risks.

More specifically, the purpose of internal control is to:

- ensure compliance with laws, regulations and the Group's values;
- ensure accounting and financial information is reliable and accurate;

- protect the Group's assets and reputation;
- ensure targets are reached;
- prevent and detect fraud and irregularities.

The internal control system seeks to provide reasonable assurance, though not an absolute guarantee, that these objectives are met.

2.5.2 Internal control environment

Internal control is based on a centralised structure with a policy of delegating powers and responsibilities to the Group's operational and functional departments. In particular, the Group ensures that:

- its strategy and operational goals are clearly communicated;
- optimal guidance is provided to assist individuals in their work, particularly by spreading best practices;

- its employees have the skills and resources they need to perform their work. To this end, the Human Resources Department in each country in which the Group operates has assessment, periodic monitoring and training procedures in place;
- processes are monitored.

2.5.3 Scope of internal control

The internal control system is applied to Korian and to all companies within its scope of consolidation.

Monitoring systems are in place for the purposes of operational control. These systems are described in detail in the section below on internal control systems.

2.5.4 Participants in internal control and risk management

The internal control process is overseen by the Board of Directors and implemented by the Group's General Management, the General Managements in the countries in which the Group operates, its operational and functional divisions and departments, and its employees.

The main participants responsible for supervising the internal control system are listed below.

2.5.4.1 Board of Directors and Audit Committee

On behalf of the Board of Directors, the Audit Committee oversees the effectiveness of the internal control and risk management systems and reports back to the Board.

Its responsibilities are defined in the Board's of Directors' internal regulations and described in section 4.1.3.3.1 of this universal registration document.

2.5.4.2 Group Chief Executive Officer

The Group's Chief Executive Officer defines the principles underlying the internal control system and ensures that it is implemented, particularly with the help of the internal committees she has set up, which include the Group's main functional managers, and through dialogue with the General Managements in the countries in which the Group operates.

2.5.4.3 Group Risk, Ethics and Compliance Committee

The Risk, Ethics and Compliance Committee is responsible for monitoring risks, ethics and compliance, and is chaired by the Group's Chief Executive Officer. This committee meets once a month and is responsible for reviewing and monitoring:

- the Group's main risks and the process for updating its risk map;
- the Group's main legal disputes, which are consolidated for all countries by the Group's functional departments;
- the results of internal audits;

- implementation of compliance plans (primarily with respect to corruption and the GDPR) and preparation for any major legislative amendments;
- warnings issued via the Group's internal whistleblowing system.

2.5.4.4 Group Quality and Safety Committee

This committee is responsible for monitoring the application of Korian's care standards and for supervising preventive safety measures. The committee is chaired by the Group Chief Medical, Ethics and Service Quality Officer and meets every two months to review and monitor:

- all assessments, be they internal (360° quality audits) or external (certifications, external controls, etc.);
- the systems in place for the purposes of prevention and care safety, building safety (fire safety, maintenance and the water supply network), food safety and workplace safety;
- prevention and security procedures (malicious acts, violence and/or abuse).

It reports to the Group Risk, Ethics and Compliance Committee.

2.5.4.5 Group Finance Department

The Group Finance Department is notably responsible for the quality and accuracy of the accounting and financial information produced by the Company and its subsidiaries. The units within this Department are specialised by business line so as to ensure more efficient output:

- in each country, separate teams are responsible for the facilities' accounting and management control;
- at Group level, the units comprise, in particular, the Treasury and Financing Department and the Financial Control Department, which includes the consolidation teams.

2.5.4.6 Corporate Secretariat

The Corporate Secretariat includes:

- **the Group Legal Department**, which coordinates and oversees the legal departments in each country and is tasked with safeguarding the Group's interests and ensuring the security of its operations by providing support, advice and expertise;
- **the Group Insurance Department**, which is tasked with ensuring that the Group's risks are adequately insured;
- **the Board of Directors' Secretariat**, which transfers relevant information to the Board of Directors and its committees.

2.5.4.7 Group Tax Department

The Group Tax Department monitors any changes to applicable tax regulations and oversees the Group's tax risks, with the help of local Tax Departments where necessary.

2.5.4.8 Group Internal Audit and Control Department

The Group Internal Audit and Control Department is responsible for the following:

- **internal audits:** implementing the audit plan approved by the Audit Committee and drafting recommendations aimed at improving risk management, compliance with internal control procedures, overall compliance and overall performance;
- **internal controls:** drafting and updating internal control standards, and organising the self-assessment campaigns carried out within the Group;
- **risk management:** coordinating the Group's risk mapping exercise, which includes recording and assessing major risks and associated action plans;
- **integration:** monitoring and coordinating the integration of newly acquired businesses.

The Internal Audit and Control Department reports to the Group Finance Department and presents the results of its work to the General Management, the Group Risk, Ethics and Compliance Committee and the Audit Committee of the Board of Directors.

2.5.4.9 General Managements in the countries in which the Group operates

Assisted by their local Finance Departments, they are responsible for applying the Group's procedures, supervising financial performance and approving financial statements within their respective subsidiaries.

2.5.4.10 Finance Departments in the countries in which the Group operates

The Finance Departments in the countries in which the Group operates are responsible for verifying accounting and management data as per the Group's instructions, and for preparing the statutory financial statements.

2.5.4.11 Group Medical, Ethics and Service Quality Department and Quality Departments in the countries in which the Group operates

These departments are important participants in the internal operational control process. They are very closely involved in the risk management policy and quality assurance process applied in the Group's facilities.

They are governed by the Medical, Ethics and Service Quality Department, and their duties consist primarily of:

- helping to define and improve the quality assurance process across Europe;
- ensuring a quality-driven policy is applied;
- assisting the operational departments with implementing and monitoring their quality assurance processes and risk management systems;

- ensuring regulatory watch and keeping relevant documentation in the areas of quality and risk management, as well as monitoring any changes to certification and assessment procedures;
- assisting with the development of training aids, procedural monitoring, information gathering, assessments and performance indicators, as well as procedures and protocols;
- performing controls, carrying out reviews, analysing risks and performance, implementing action plans and monitoring implementation of the Group's policies;
- preparing and supervising compliance programmes (anti-corruption, duty of vigilance, data protection, etc.).

2.5.4.12 Group Security and Crisis Management Department

The Security and Crisis Management Department reports to the Group Chief Medical, Ethics and Service Quality Officer and coordinates the assignments and procedures involved in the prevention of security incidents on behalf of the Group. It works with the operational departments to monitor and analyse any adverse events and to promote measures aimed at preventing and tackling malicious acts within the Group's facilities.

The Security and Crisis Management Department participates in the Group Risk, Ethics and Compliance Committee and the Group Quality and Safety Committee where it presents regular updates on adverse events as well as any measures taken or planned to reinforce the Group's security and incident management procedures.

2.5.4.13 Group Ethics and Compliance Department

The Group Ethics and Compliance Department reports to the Group Chief Medical, Ethics and Service Quality Officer, and is responsible for:

- working closely with the operational and human resources departments to ensure observance of the

Group's values and rules of conduct, which form the basis of the bond of trust that exists between the Group and all its stakeholders;

- helping to ensure that ethics are taken into consideration throughout the Group and providing guidelines and advice accordingly;
- working closely with the General Managements in each country to ensure that the business ethics and especially the anti-corruption aspects of the compliance programme are fully taken on board;
- working with the Group DPO and DPOs appointed in the different subsidiaries and countries to ensure that the personal data entrusted to us are afforded permanent protection.

2.5.4.14 Regulatory Departments in the countries in which the Group operates

The heads of these departments ensure that facilities comply with their regulatory obligations, in particular by providing assistance in their relations with the supervisory authorities and by monitoring compliance with the contractual objectives defined with these authorities.

2.5.4.15 Information Systems Departments in the countries in which the Group operates

Each country in which the Group operates has an Information Systems Department with the aim of safeguarding and, insofar as possible, preventing any management tool from malfunctioning, thereby ensuring business continuity. The work of these departments is coordinated at Group level.

2.5.5 Risk mapping and management

The map of the Group's main risks is updated each year using a hybrid approach that is both bottom-up (to incorporate the perspective of operational staff members in each country) and top-down (representing the point of view of the Group's General Management and functional departments). The risk mapping exercise includes an assessment of the criticality of each major risk in terms of its impact and probability of occurrence, making it possible to calculate a gross risk level. The risk management mechanisms in place are then factored in, making it possible to assess a degree of criticality or net risk level. Action plans based on this residual risk level are implemented to reduce risk criticality.

Potential impacts are analysed based on a series of financial and non-financial criteria, which makes it possible to extract the non-financial risks that are used to prepare the non-financial performance report (see chapter 3 of this universal registration document).

Once the Group's risks have been mapped, the map is discussed and validated by the Group General Management Committee before being presented to the Audit Committee. The process is updated each year.

The next step is to transpose the risk map to each business unit, and specific action plans aimed at improving risk management are defined and monitored amid efforts to continually improve the Group's risk control procedures.

2.5.6 Internal control systems for accounting and financial information

The Group is organised in such a way as to increase the speed and reliability of its procedures for producing financial information.

2.5.6.1 The Book of Rules

The Book of Rules is a document prepared for members of top management and includes all the key rules and principles that apply within the Group.

2.5.6.2 The internal control framework

The Internal Audit and Control Department deploys and maintains a common internal control framework for the entire Group. This framework covers the main processes involved in preparing accounting and financial information but also in preventing fraud and corruption.

An annual self-assessment campaign on the key internal controls described in this framework is carried out each year in the functional departments of each country in which the Group operates. The feedback obtained is used to assess whether internal control procedures are adequate and effective within each subsidiary and, if necessary, to define action plans that ought to be implemented.

2.5.6.3 Monitoring and controlling operational management

The operational management control unit reports to the Finance Department of each country. Its role is to monitor the operational performance achieved by facilities and support functions relative to the targets assigned to them.

► Budgeting process

Each year, a budget is adopted for each facility and each functional department on the basis of guidelines issued by the General Managements and Finance Departments in each country. These budgets are prepared on the basis of a general outline common to all facilities and produced by the operational management control unit, which reviews and then consolidates the budgets for each country.

This work is then reviewed and consolidated at Group level by the Group Financial Control Department.

The budgeting process also includes an update during the course of the year with the production of three forecasts based on the financial information generated, thereby making the accuracy of financial forecasts more reliable.

► Reporting

Each month, the operational management control unit produces a report that is sent to the Facility Directors, Regional Directors and Operations Departments of each country, as well as to the General Managements of each country.

This report monitors key financial indicators such as revenue, occupancy rates, average accommodation rates, major expenditure items (particularly wages and salaries), trade receivables, cash flows and investments. Any deviations from the budget or forecasts and any

changes from the previous period are identified, analysed and explained. This report is then presented to the Group's General Management by the General Managements, Finance Departments and main functional departments of each country at a formal meeting called the Business Review.

At the same time, the Group Financial Control Department produces a consolidated monthly report based on each country's management control information input into the Group's information system. This report is also presented to the Group's General Management each month, and corrective measures are taken if necessary.

2.5.6.4 Preparation and control of financial information

The Group publishes half-yearly financial statements at 30 June (consolidated) and annual financial statements at 31 December (individual and consolidated), as well as quarterly revenue figures.

The preparation of consolidated financial information is overseen by the Group Financial Control Department, which reports to the Group Finance Department and is responsible in particular for the following:

- circulating accounting and financial principles in the form of a manual, the "Korian Reporting and Accounting Manual";
- preparing precise instructions, including a detailed schedule, which are forwarded by the Group Financial Control Department to the subsidiaries before each consolidation exercise;
- sub-group consolidation;
- using a single information system deployed in all the Group's subsidiaries.

In addition, the consolidated subsidiaries prepare a letter of representation addressed to the Statutory Auditors in which the Managements of the consolidated subsidiaries confirm the accuracy and completeness of the financial information submitted for the purposes of the consolidation exercise.

2.5.6.5 Debt and cash management

Debt and cash management are overseen at Group level. The Chief Executive Officer submits a funding strategy to the Audit Committee and the Board of Directors. New credit facilities may require the prior authorisation of the Board of Directors, depending on the governance rules applicable.

The Company's available cash, whether from these credit facilities or from the generation of positive cash flows, can be made available to its subsidiaries through current account or inter-company loan agreements, in particular to finance subsidiaries' growth operations. Nevertheless, foreign subsidiaries may occasionally take out local bilateral loans subject to the prior approval of the Group Finance Department and/or Board of Directors depending on the governance rules applicable.

In addition, the Group has set up a centralised system for managing means of payment in the administrative head offices of each country in which the Group operates. This therefore keeps payments made by operational sites to a minimum.

Lastly, the Group has a daily cash pool arrangement with its main banks. The consolidated monthly cash positions of each country are supervised by the Group Finance Department.

2.5.6.6 Internal control procedures associated with growth operations and commitments

All investment and divestment decisions are subject to the approval of an internal committee, either the International and Strategic M&A Committee for any investments in a new country or above a certain threshold, or the Group Investment and Commitment Committee. The permanent members of these committees are the Group Chief Executive Officer, the Group Chief Financial Officer, the Group Chief Real Estate and Development Officer, the

International Development Director, the Group Chief M&A Officer and the Corporate Secretariat.

Furthermore, the Investment Committee, a specialised committee of the Board of Directors, is responsible for reviewing and issuing an opinion, prior to the Board of Directors' decision, on all significant investment and divestment transactions, as described in greater detail in section 4.1.3.3.3 of this universal registration document.

2.5.6.7 Internal control for information systems

An efficient IT organisation is essential to guarantee that all accounting and financial information published is relevant and reliable. The Group thus implements and maintains mechanisms that safeguard its information systems.

Existing applications are regularly adapted or may be changed altogether to remain consistent with the Group's requirements. Such changes ensure that information flows are better managed and more secure.

2.5.7 Operational risk management and internal control systems

2.5.7.1 "Governance" applied to operational risk management

To coordinate its Medical, Ethics and Quality policies, the Group relies on a Medical, Ethics and Service Quality Department whose duties include establishing an official quality and operational risk management policy and defining guidelines for the Group-wide medical policy, in compliance with ethical principles and standards and with the regulations in the countries in which the Group operates. This Department is also tasked with supervising the quality assurance process set up in each country, ensuring that practices are standardised, and managing and centralising the results of external or internal quality audits conducted in each of the Group's facilities.

Supervision is carried out primarily by the following committees, chaired by the Group Chief Medical, Ethics and Service Quality Officer:

- a Group Quality Committee comprised of the quality managers of each country and a Group Medical Committee made up of medical representatives, both of which were set up in 2017. These committees meet each quarter to assess how well the Medical, Ethics and Quality policies are being applied, share best practices and thus improve procedures Group-wide and in each country;
- a Group Quality and Safety Committee responsible for ensuring that Korian's standards are applied and for monitoring its preventive measures in the areas of safety and security.

In addition to these committees, the Group Quality Department oversees all the national quality managers in each of the Group's six countries, particularly through monthly updates to review performance and manage ongoing projects.

2.5.7.2 Serious Adverse Events (SAE) procedures

In accordance with the health regulations applicable in the countries in which it operates, the Group defines a Serious Adverse Event as being any internal or external event that might threaten a facility's service continuity or be detrimental to the quality of care provided to its residents or patients or to the safety of its employees.

In each country in which the Group operates, all serious adverse events are to be reported by the Facility Director to their supervisor, with whom they will decide on which level to handle the event. The SAE procedure includes various classification levels: SAEs involving personal health, SAEs involving safety, SAEs involving the operation of facilities, and SAEs that pose a threat to the public and/or the Company's media image. Depending on the seriousness of the event and the level at which it is to be handled, a local, regional, national or Group-wide crisis unit may be set up in accordance with the crisis management procedure.

The SAE procedure is a process for handling incidents but also for improving risk prevention as each adverse event report is added to a database used to establish possible corrective measures. In addition, SAEs are consolidated and classified weekly at Group level on the basis of 14 criteria common to all countries.

This process is also defined in conjunction with the various supervisory authorities in order to ensure that the appropriate information is submitted (a description of the event itself and of the precautionary measures in place and/or planned), in accordance with applicable regulations.

2.5.7.3 Ethics of care, prevention and management of sector-specific risks

The Group has pursued efforts to make its ethics approach more coherent, improve its identification and prevention of all levels of risk inherent in its activities, and enhance the overall quality of its practices and the services it provides to those in its care (residents and patients).

The Group's Positive Care policy focuses on individual needs and expectations and aims to provide care to residents and patients in conditions of optimal quality and safety. This approach is key to improving our processes and resolving any potential issues.

The policy is part of the Group's drive to always show proper care and respect and thus improve risk control upstream through preventive action. The policy is monitored by a specialised committee of the Board of Directors, the Ethics, Quality and CSR Committee. A whole variety of training programmes are prepared by a dedicated department and made available to ensure that the Group's ethical principles are applied on a day-to-day basis.

2.5.7.4 Quality Assurance Process

The Quality Assurance Process is established across Europe by the Medical, Ethics and Service Quality Department in cooperation with the quality departments in each country; each quality department ensures that the Group's quality policy and operational risk management procedures are implemented and followed, while factoring in any specific features of local regulations.

The Quality Assurance Process involves producing and deploying a set of rules, policies, procedures and best practices which are compiled together in quality manuals accessible by each of the Group's facilities. In addition, quality audits are performed by qualified and

independent internal and external teams in each of the countries in which the Group operates in order to ensure that the process is applied properly.

Meanwhile, prevention programmes are also drawn up to deal with the main issues, such as the prevention of epidemics, the use of medication, the safety of residents and patients, the risk of infection, abusive behaviour, and personal data protection. These programmes are promoted and organised in ways specific to each facility.

In addition, plans to obtain ISO 9001 certification for the entire Group are now underway with a common framework being established Europe-wide. The framework sets out Korian's standards, which adhere to the ISO 9001 standard and are described where applicable in the Group's country-specific quality manuals (in France, for example). The framework is already available for the Group's long-term care nursing homes, non-psychiatric clinics and all its support and management services. Operational processes for its home care activities are currently being prepared and should be finalised sometime in 2021.

The aims underlying this approach are as follows:

- to standardise the quality of Korian services in all its countries and business units;
- to obtain certification for Korian's network from an external organisation;
- to encourage and facilitate the sharing of best practices with a view to making improvements on a continual basis.

The project is an extension of initiatives being undertaken in Italy, Spain and the Netherlands, where facilities are certified at the latest three years after being integrated into the network.

The first facilities in France, Belgium and Germany will be certified in 2021.

The entire network of long-term care nursing homes and non-psychiatric clinics will be certified by the end of 2023, and each new facility will be certified within two years of being integrated into the network.

As far as psychiatric clinics are concerned, a review will be carried out in 2021 with a view to certification taking effect between 2022 and 2024.

2.5.8 Insurance and risk coverage

2.5.8.1 Coverage of sector-specific risks

The Group's policy is to align its coverage limits with the replacement value of its insured property or, in the case of liability coverage, with an estimation of Group-specific risks and of reasonably foreseeable sector-specific risks.

The Group has taken out insurance policies in each of the countries in which it operates covering its civil liability, the risk of property damage and, where applicable, the risk of business interruption and the risks relating to its vehicle fleet within the limits of the excesses and thresholds defined in its policies.

The Group has set up a joint insurance programme for the countries in which it operates, the aim being to optimise its level of coverage and policy limits; France, Germany and Spain have adhered to the programme so far.

The Group's other countries, which have their own local insurance programmes, will gradually be incorporated over the coming years.

For the construction projects it carries out as project owner, the Group takes out policies covering structural damage, its liability as a property developer and comprehensive worksite liability.

In addition, the first four countries in which the Group began operating (France, Germany, Belgium and Italy)

are covered by a cybercrime insurance policy covering any incidents and malicious acts affecting Korian's information system as well as any breaches of confidentiality relating to personal data. The countries into which the Group has moved more recently will be incorporated into this policy gradually over the coming years.

2.5.8.2 Directors and officers liability insurance

The Company has taken out insurance to cover the civil liability and criminal defence of its directors and officers arising from personal breaches of duty committed in the course of their work for the Group. This insurance covers company officers, de facto managers and any individuals sued on the grounds of a professional breach of duty committed in the course of administrative, managerial or supervisory activities carried out with or without a formal mandate or delegation of power.

In an effort to streamline the number of insurance policies it takes out, the Group's new insurance policy also includes crisis management, which used to be covered in a separate policy.

Moreover, the Group's insurance cover has also been extended to include Group-specific situations.

3.

Environmental, social and corporate governance

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This chapter reports on the social, societal, environmental and governance policies implemented.

In addition to the principle non-financial challenges and risks identified and the policies implemented to address them, it also sets forth the Group's main ESG commitments for 2023 as part of the corporate project "In Caring Hands".

The non-financial performance report meets the regulatory requirements (articles L. 225-102-1 and R. 22-10 II of the French Commercial Code) governing the publication of non-financial information on social, societal and environmental matters.

In 2019, Korian signed on to the United Nations Global Compact and, in this framework, it will present its advances and accomplishments through an annual report. Korian also works actively on 15 of the 17 United Nations Sustainable Development Goals.

A cross-reference table is given in chapter 8 of this document.



A word from Mr Rémi Boyer, Group Chief HR & CSR Officer

The Environmental, Social and Corporate Governance ("ESG") integrity of businesses was tested more than ever during the Covid-19 pandemic. Thanks to the extraordinary dedication of all the Group's employees, in 2020 we were able to further develop and instil the responsible ESG strategy presented in September 2019 with our corporate project, "In Caring Hands", and to work on the 15 non-financial key performance indicators that underpin the Group's commitments to its stakeholders.

The Group has progressed on all these indicators, especially in the realm of human resources, social inclusion and the low carbon road map which has now been defined. The internal management of ESG performance was strengthened with a more prominent role given to oversight bodies at the Group level and the systematic integration of non-financial performance in monthly performance reviews and in the targets set for Group managers. There has been increased communication, both internally and externally, about Korian's ESG efforts to make our commitments to responsibility and sustainability tangible to all our stakeholders.

Thus, against the unique backdrop of the Covid-19 crisis, the Group succeeded in reinforcing and enriching its dialogue with all stakeholders which, along with the results of the feedback survey carried out in June 2020, culminated in a comprehensive update to their expectations in the ESG materiality matrix.

Similarly, the Covid-19 pandemic led to the creation of the "Korian Covid-19 Solidarity Fund", which made it possible to offer more assistance to residents and care assistants in the form of epidemiological research and support for the women of Korian. Now the Group can draw on its network of 1,000 facilities in Europe, as well as its foundations, to carry on its tradition of responsible initiatives in the regions where it operates.

Lastly, all these actions have improved our dialogue with investors and with non-financial rating agencies, enabling us to make significant advances in our ratings and to finalise our first private investment, "EuroPP", whose performance criteria are 100% aimed at sustainable development.

Building on this new foundation, Korian intends to continue rolling out all its ESG projects in all its countries so that all the women and men who work for Korian feel like they have a stake in the Group's ambitious plans.

*Rémi Boyer
Group Chief Human Resources and CSR Officer*

3.1 Deploying an ESG strategy that advances the Group's social mission

3.1.1 The meaning of Korian's ESG commitment

The social and societal nature of Korian's business means it plays a special role in society that is backed by the heightened sense of responsibility felt by all the company's staff to meet the major challenges arising from the ageing of the European societies in which the Group operates.

A mission closely tied to societal challenges

Korian's corporate mission goes to the heart of the challenges facing society:

“Provide care and support to ageing and fragile people and their loved ones, respecting their dignity and contribute to their quality of life.”

This profoundly societal calling, which informs the Group's values, is the core tenet of the corporate project, “In Caring Hands” and is brought to life by Korian's 1,000 facilities in Europe, which are well rooted in their communities and in touch with the social and environmental realities of their countries. We are proud of our mission to work closely with the most fragile and the elderly with the sole aim of honouring their personal dignity and enhancing their quality of life within a continuum of individual and collective ethical responsibilities.

3.1.2 A model that creates sustainable value for all stakeholders

To address the challenges posed by extreme old age, the chronic diseases that come with it and the need for long-term assistance, Korian focuses on a balanced growth model founded on the joint contributions of internal and external stakeholders.

This model relies, first and foremost, on Korian's employees who demonstrate their unflinching commitment to the most fragile people on a daily basis, as they have done since the onset of the coronavirus (Covid-19) pandemic. The consequences of this pandemic have highlighted the resilience of the Group and the common values shared by all. The sustainable growth model is also driven by the support of shareholders, who provide Korian with the resources to invest and expand over time, and the support of all its partners in the public, non-profit, and private sectors, as well as the financial partners, suppliers and investors who have worked with the Group for years in local communities to achieve a model of shared value creation.

Working toward an open and inclusive society is one of the main forces advancing the effort to forge this balanced growth model to build social and economic momentum in local communities.

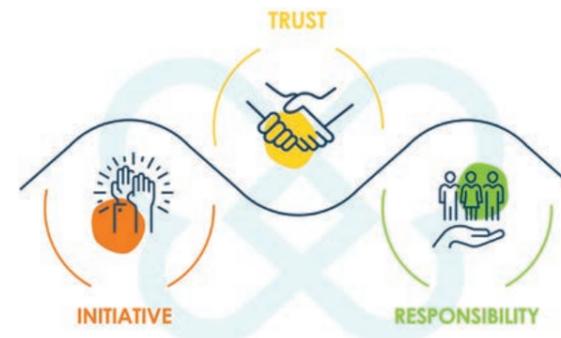
This approach is incorporated in the business model presented in chapter 1 of this Universal registration document.

The Covid-19 pandemic confirmed and cemented the close connections between Korian facilities and the

communities whose inhabitants they serve. Throughout Europe, local stakeholders organised solidarity actions to support Korian sites and their staff members. At all the Group's facilities, there was a new level of appreciation for the importance and proximity of healthcare. This increased awareness was reinforced by the unparalleled commitment and heightened sense of values shown by the teams serving residents and families who were themselves rudely tested through the entire epidemic. More broadly, the Covid-19 crisis brought more attention and prominence to the notion of corporate social responsibility, giving Korian sites a more active and more visible role to play in the local caregiving chain and in the specific role they play within healthcare communities.

Company values that embody the Korian culture

Korian's ESG strategy stems above all from the company's values and culture: they were a major source of strength in confronting the Covid-19 pandemic and the extreme uncertainty it caused, especially during the first wave. Based on the lessons learned during this trying experience and to commemorate the numerous showings of solidarity and support that came with it, Korian has decided to make Trust its first value and to link it to Initiative and Responsibility, which have guided the Group's decisions and actions until this point.



THREE VALUES THAT EMBODY THE KORIAN CULTURE

These values are inseparable: a long-term relationship with our stakeholders is built on a permanent **bond of Trust**, is renewed continuously through a **sense of Initiative**, and is sustained by **Responsible decisions**.

These fundamental values shape the KORIAN culture and translate into a series of observable behaviours and attitudes that reflect the Group's DNA and that guide the actions and decisions of every man and woman to fulfil the Group's mission each day:

- **Trust** is earned through **transparency**, **benevolence** and **consideration**;
- **Initiative** grows through **innovation**, **passion** and **courage**;
- **Responsibility** is demonstrated through **integrity**, the **quality of our services** and the **sustainability of our decisions**.

To bring these values to life each day, a major project is under way throughout the Group to establish concrete definitions of the attitudes to adopt or favour at Korian and those to avoid, with practical examples. This “handbook” will be incorporated in all the trainings offered by the company and in the operational and managerial rituals practised by facilities and teams.

As part of this project, the Group is also shoring up its Ethics Charter and will adapt its communication tools so that they instil in everyone a shared understanding of all these actions and decisions, in keeping with the “In Caring Hands” corporate strategy.

3.1.3 ESG Strategy, challenges and non-financial risks

An ESG strategy built into the business plan

Korian's social and environmental strategy is deeply rooted in its mission and fully embedded in the strategic vision carried forward by the entire Group through the corporate project “In Caring Hands”.

This project, which launched in September 2019, simultaneously aims to work toward excellence in all the Group's business lines and, in a pioneering spirit, to develop its ability to innovate and diversify its care facilities to be able to cover all needs and situations as regards fragility and chronic disease.

It is a bond of trust between Korian, its employees and all its stakeholders.



A bond of trust and mutual commitments with all Korian stakeholders

The "In Caring Hands" corporate project is rooted in the Group's values and has been embraced with pride and enthusiasm throughout the Korian network in Europe.

"In Caring Hands" is what motivates us each day to continuously boost quality and diligence and to innovate even more to serve the men and women entrusted to our care by their family members and loved ones. It is a bond of trust nurtured by mutual commitments: between Korian and its care assistants, between Korian and its care recipients, as well as between Korian and its employees and between Korian and its stakeholders, without which it would be impossible to build or transform.

Driven by a single vision: **in the spirit of excellence and innovation, with "In Caring Hands"**, Korian has become the European expert in caring for elderly and fragile people, with a diversified range and solutions adapted to all the needs found in each of our local communities.

Korian's corporate project "In Caring Hands" was launched in September 2019 at the European level with the aim of making the Group the trusted partner of care recipients and caregivers.

Korian is a profoundly human group, a community of endearing, deeply committed men and women who provide assistance and care each day, who give a lot, but also get a lot from the people they look after. This engagement is a strength that lives in each of us, in every country, alongside those for whom we provide care."

Sophie Boissard
Chief Executive Officer

In France, "In Caring Hands" reviews began at the end of 2020 in all sites, in conjunction with the teams in the field. The goal is to enable employees to better understand and buy into the corporate project and ensure the consistency of all the actions taken. These one-day reviews are conducted by a trained, multidisciplinary team in the presence of the site's managers. They amount to an in-depth examination of the tangible fulfilment on the ground of the commitments made to the residents, patients and employees of Korian. These "In Caring Hands" reviews will also be rolled out to all the other countries where the Group operates.



Image: In Caring Hands review "facilitators" in training at the Caregiving Academy in Lyons. These facilitators will then fan out to Korian medico-social facilities in France to conduct audits with the site management teams.

The five pillars of the ESG strategy

Korian defined the five pillars of its ESG strategy in 2019. These components are integrated as a manifestation of Korian's desire to contribute positively to society everywhere the Group operates and to meet the legitimate needs of its numerous stakeholders.

THE 5 PILLARS OF KORIAN'S ESG STRATEGY

- 1 Provide **CARE EXCELLENCE** whilst ensuring **DIGNITY** and **CHOICE** for all
- 2 Be the **EMPLOYER** of choice
- 3 Contribute to finding **INNOVATIVE SOLUTIONS** for a **MORE INCLUSIVE SOCIETY**
- 4 Be a **COMMITTED** and **RESPONSIBLE LOCAL PARTNER**
- 5 Reduce our **ENVIRONMENTAL FOOTPRINT**

Minor adjustments were made to these pillars in 2020 to take under consideration the lessons learned from the Covid-19 experience and the update materiality matrix.

THE 6 BUILDING BLOCKS OF THE CORPORATE PROJECT "IN CARING HANDS"



A road map supported by 15 quantifiable and measurable ESG commitments

To clarify its responsible actions and commitments to its stakeholders, the Group has defined 15 quantified ESG commitments for the five CSR pillars described below. For each of them, it has defined medium-term objectives, most of which are to be met by 2023.

These macro-indicators, which are monitored by the Group CSR Department in consultation with all countries and the Group's corporate management, line up with the primary international non-financial reporting standards (such as SASB, GRI and SDGs) and make it possible to measure the improvements in ESG performance while illustrating the advancement of the strategy implemented. They are presented to the financial community with the publication of annual earnings, at talks and in individual meetings with investors, including those focused on SRI⁽¹⁾. These macro-indicators are divided into sub-indicators for more precise operational tracking by business segment and are summarised in monthly reports that are presented in quarterly or monthly activity reviews.

ESG commitments widely disseminated throughout the company

The ESG commitments are incorporated in the annual targets of each business line and distributed all along the management chain. They are also built into the long-term performance action plans for Top Management⁽²⁾.

Thus, for the long-term variable compensation awarded to the Chief Executive Officer, members of the Group Management Board and Top Management under the 2020 performance action plan, 10% of the total is based on two ESG criteria (percentage of women in Top Management and percentage of staff enrolled in certification programmes) (see section 4.2.2.3 page 245 of this document).

In 2021, for the first time, four major non-financial criteria will be included in the objectives assigned to managers, from the Chief Executive Officer to Facility Directors:

1. Continuously improve the net customer satisfaction score as a direct contributor to the quality of services Korian provides to its clients and to families;
2. Increase the number of ISO 9001-certified sites, in keeping with the 2023 road map which aims for 100% ISO 9001-qualified sites and a target of 15% sites certified in 2021, instilling a culture of quality in the Group as verified by an ISO standard;
3. Improve quality of life in the workplace, as measured by a "composite" HR indicator covering the percentage of staff enrolled in a professional certification programme, reductions in absenteeism and staff loyalty as measured in particular by the average tenure of Group employees;
4. Reduce energy consumption that is tracked in the low carbon road map with a planned decrease of 2% in 2021.

(1) Socially Responsible Investment.

(2) Senior management of the Group's support and operational departments who report directly to members of the Group Management Board.

In addition, the weight of non-financial criteria in the variable compensation paid to the Chief Executive Officer for 2021 as proposed to the General Meeting of Shareholders, would be raised to 25% and 20% respectively for annual and long-term variable compensation (see section 4.2.1.1 page 229 of this document.).

Key ESG results in 2020

In 2020, the Group stayed on track with its 2023 ESG road map and even pulled ahead of schedule for some commitments, despite the unique challenges of the Covid-19 crisis. These commitments and the resources mobilised to fulfil them are described later in this section. It is worth noting that there was also significant progress in human resources with:

- an increase in average employee tenure (by more than 20 basis points versus 2019) for the first time in five years;
- a decrease in employee turnover by 2.1 points (to 20.2%) compared to 2019; and
- the achievement by 2020 of the 2023 goal to double the number of employees enrolled in qualifying training programmes, namely 8% of FTEs, mainly thanks to expanded access to apprenticeships and continuous training in France and Germany.

In addition, the Group also made progress in defining its low carbon road map to achieve a 40% reduction in greenhouse gas emissions by 2030 in line with the commitments set forth at the end of 2019.

THE 5 PILLARS OF KORIAN'S ESG STRATEGY

STRATEGY	THE 15 ESG COMMITMENTS FOR 2023	2019 RESULTS	2020 RESULTS
1 Provide CARE EXCELLENCE whilst ensuring DIGNITY and CHOICE	"Positive Care" deployed to 100% of facilities	72%	66%*
	ISO 9001 certification of 100% of facilities	8%	11%
	One mediator per country and definition of a Client Care Charter	-	In place in Netherlands In progress in France
2 Be the EMPLOYER of choice	Reinforce average tenure	6.7 years	6.9 years
	8% of staff in professional certification programmes	4%	8%
	50% of women in Top Management (+10%)	46%	47%
3 Contribute to finding INNOVATIVE SOLUTIONS for a MORE INCLUSIVE SOCIETY	1% of Group net result dedicated to philanthropic actions	€0.6 M	€1.4 M
	One Stakeholder Council in each country	France	France, Italy, Belgium, Netherlands
	5 scientific publications per year	5	18
4 Be a COMMITTED and RESPONSIBLE LOCAL PARTNER	70% of purchases made locally and 20% from small businesses	73%	80%
	100% of sites engaged in a project with their local community	40%	97%
	Local Community and Family Committees in 100% of facilities by 2023	50%	87%
5 Reduce our ENVIRONMENTAL FOOTPRINT	3% reduction in energy consumption in 2020	-	- 6.4% (MWh/bed)**
	5% reduction in residual waste production	-	European diagnostic completed
	All new buildings certified HQE or equivalent***	50%	70%



* Training programmes in new entities have been postponed to 2021 due to Covid-19.
** Energy: Electricity, natural gas, fuel oil, propane. Scope: France, Belgium, Italy.
***The data reported in 2019 and 2020 correspond to the share of HQE and equivalent real estate projects in the pipeline.

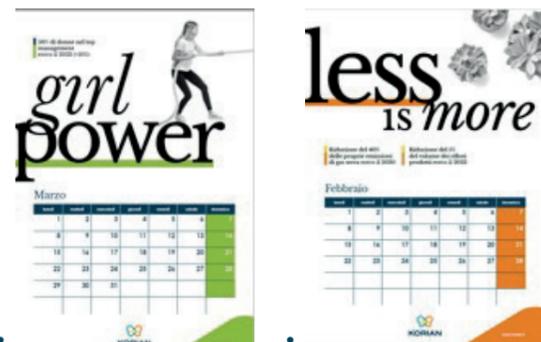


Image: In Italy, an annual calendar distributed to all sites reminds staff of the Group's 15 ESG commitments.

Financing aligned with 3 of the 15 main ESG commitments

Korian's ESG priorities are fully integrated in the company's financial strategy. A Finance-CSR Committee meets each quarter to measure progress in this area.

In June 2020, Korian became the first company in the sector to carry out a private bond placement (Sustainability Linked Euro PP) in the amount of 173 million euros based entirely on non-financial performance criteria with a maturity of eight years; an additional issue (tap) of 57 million euros was completed on 6 October 2020, bringing the total amount of the bond series to 230 million euros.

Marking a new milestone in the roll-out of the Group's ESG strategy, this private offering was structured around three of the principle ESG commitments it made at 2023 horizon,

confirming investors' confidence in Korian's ambitious and its non-financial objectives for 2023:

- as regards quality: achieve ISO 9001 certification for all its facilities;
- as regards employees: double the proportion of staff members participating in professional certification programmes to 8%; and
- as regards society: reduce its direct and indirect CO₂ emissions.

Depending on the extent to which each of those targets are met, the interest rate on the notes may be increased or reduced by up to 20 bp. If the interest rate is increased, half of the increase will be allocated to internal compensatory measures and/or paid to one or more external partners (such as associations or NGOs), with the other half being paid to investors.

The fulfilment of the commitments described above will be checked annually by an independent third party appointed to review the Group's Statement of Extra-Financial Performance.

"Sustainability Linked Euro PP" private offering

Attainment of 2020 ESG objectives

KPIs	2020 objectives	Results and notes	Achievement
ISO 9001 certifications	Have at least two pilot facilities certified by the end of 2020 from a list of 836 certifiable facilities operated by the Group at the close of 2019	At the end of 2020, the Group attained a certification rate of 11% of all of its ISO 9001-certifiable facilities. Of the list of 836 facilities included in calculating the goal, the percentage was 8% in 2019. The efforts made by the teams during the Covid-19 pandemic were focused primarily on reinforcing health and safety protocols to maintain the quality and continuity of care given to residents and patients. Because of the many lockdown measures applied within the Korian network in Europe, it was not possible to organise the certification programme for the pilot sites. However, some sites which had begun the certification process before the crisis were able to participate in remote audits and validate their certification after an on-site review conducted after the first wave of the pandemic. This resulted in an increase in the number of Group sites having ISO 9001 certification.	<input checked="" type="checkbox"/>
Employees enrolled in qualifying training programmes	Have at least 5.5% of employees enrolled in certification training programmes during the year, with a minimum of 4,125 people.	At the end of the 2020, some 4,348 employees account for 8% of the Korian workforce, were enrolled in certification training programmes, doubling the figure for 2019. Given that the defined goal was met three years ahead of schedule, the Group is setting a new target of 10% of all employees enrolled in certification training programmes by 2023.	<input checked="" type="checkbox"/>
Reduction of CO ₂ emissions	Reduce CO ₂ emissions by 3% for the France-Belgium-Italy scope compared to 2019 emissions levels (which were 1.9 tCO ₂ eq/bed for those three countries plus Germany).	The Group's energy consumption in 2019 amounted to 8.7 MWh/bed, or 1.9 tCO ₂ eq/bed. In 2020, the Group's energy consumption totalled 8.1 MWh/bed, for 1.8 tCO ₂ eq/bed, a decrease of 5.1%. For the restricted scope of France, Italy and Belgium, the Group lowered its energy consumption by 6.4% between 2019 and 2020. That works out to 8.4 MWh/bed, or 1.6 tCO ₂ eq/bed.	<input checked="" type="checkbox"/>

3.1.4 Materiality analysis: a proactive approach through listening to stakeholders

Korian conducted its first materiality assessment in 2017, to identify the highest priority social, environmental, and societal issues and ensure that the ESG strategy would correspond to stakeholder expectations. In 2020, the Group updated its analysis to identify and prioritise the needs of its stakeholders and the most important issues relating to the effects of the Covid-19 pandemic.

Methodology

To account for the consequences of the Covid-19 pandemic in its processes, Korian organised a feedback exercise with all the stakeholders (see section 3.2.1 *Management of the Covid-19 crisis*) in its European network at the end of the first wave.

There were nearly 2,000 respondents, including patients, residents, their friends and family, Korian staff members and trade union representatives. Many discussion groups were held in all the Group's countries of operation. An external firm analysed and categorised the information, then supplemented it with the perceptions of investors and the media. Qualitative interviews were conducted

with the Group's key executives, namely the Chairman of the Board of Directors, the Chief Executive Officer, the members of the Group Management Board (including country directors) and the main corporate departments at the Group.

This process helped refine the mapping of Group stakeholders and identify the priority objectives according to their ESG impact, in connection with Korian's mission, ESG strategic pillars and non-financial risks as set forth in chapter 2 of this universal registration document. These priority issues were then weighted from the point of view of the Group's stakeholders and from Korian's point of view.

This materiality matrix converges with the five pillars of the ESG strategy and with the analysis of non-financial risks (see below) to identify the areas which Korian should prioritise in light of the needs of its internal and external stakeholders.

This update to the identification and ranking of stakeholder expectations supplements the work carried out by several bodies stood up by the Group. These bodies are part of a transverse approach to ESG governance, which was reinforced in 2020 (see section 3.2.3 in this document).

Updated materiality matrix for 2020



Some of the challenges intensified in 2020 compared to the previous matrix, especially HR matters and quality of life in the workplace for employees, as well as the quality of Korian's services for residents and patients. This matrix resonates especially with the Group risks matrix which

also flags HR matters (especially the risk associated with recruitment) and quality of life in the workplace as some of the most vital issues, along with care and treatment. Cross-referencing the Group risks with ESG risks will ensure more robust risk management through the ESG strategy.

Key ESG challenges

Pillars of the ESG strategy	Key ESG challenges
1 Provide care excellence whilst ensuring dignity and choice	Quality of life and human dignity • Family, relatives and stakeholder engagement • Safety and quality of care • Infectious diseases and pandemics • Ethical culture
2 Be the employer of choice	Employee Well-Being, Health & Safety • Social dialogue • Diversity and inclusion • Training, Talent Development & Retention
3 Contribute to finding innovative solutions for a more inclusive society	Digital transformation • Personalised care and services • Research and innovation
4 Be a committed and responsible local partner	Community relations and economic impact • Regulatory and health authority relations • Corruption and fraud • Data protection and cybersecurity
5 Reduce our environmental footprint	Climate change and biodiversity • Environmental footprint

Stakeholders (1) identified

Because maintaining a dialogue with stakeholders is of critical importance, Korian had to find new methods of engaging with them, which were tried out during the epidemic. The Group's facilities in every country revisited how they interact with stakeholders and strengthened their ties with certain key actors, including local governments, regulatory authorities, local and national media outlets and, of course, care assistants and friends and family. Some countries adopted new, more direct and more specific ways of engaging with stakeholders. Relations with employee representatives were also reinforced during

the crisis. In France, for example, Economic and Social Committees met more frequently to share up-to-date information about the evolution of the pandemic and, at the Group level, a European Works Council was formed in June 2020. In all the countries where it operates, the Group maintained ongoing communication with local governments, regulatory authorities, the media and trade unions throughout the pandemic. This confirmed the key role of Korian facilities in their local ecosystems and, at the national scale, the importance of the part played by Stakeholder Councils, which are now up and running in four of the Group's seven countries (France, Belgium, Netherlands and Italy).

(1) The definitions and scope of the stakeholders are given in the URD glossary (Chapter 8).

A BROAD ECOSYSTEM OF STAKEHOLDERS



The definition and scope of action of each stakeholder group were revised in 2020 and are described in the table below:

Stakeholder	Definition and scope
Fragile people, relatives, close relations and caregivers	Residents, patients, beneficiaries of services - in particular the elderly or fragile - as well as their families, close relations and caregivers.
Employees, vocational trainees and their representatives	Employees, interns, apprentices and any person in training, as well as employee representatives and trade unions.
Regulators and national and local authorities	Regulators as well as national, regional and local authorities in connection with the Group's activities; elected officials and their representatives, as well as relevant trade associations and professional organisations.
Civil society, community organisations and NGOs	Civil society - particularly non-profit, local and community organisations, non-governmental organisations (NGOs) and volunteers who interact with the Group at a national, regional or local level, as well as specialist media outlets.
Research, innovation and vocational training organisations	The Korian Foundation, state-of-the-art university or hospital medical research facilities and innovation centres dedicated to health and longevity issues, as well as training institutions that deliver accredited degrees, qualifications or continuous education.
Health professionals	Community of internal and external healthcare professionals who interact with the Group, patients, residents, recipients of services, as well as relatives, close relations and caregivers; including medical general practitioners and specialists, healthcare workers, nurses, psychologists, physiotherapists, dieticians, psychomotor specialists or pharmacy professionals, etc..
Business partners	Suppliers and subcontractors, architects, real estate market participants, including construction companies.
Investors and other financial partners	Shareholders and holders of other equity debt securities and instruments issued or guaranteed by the Group or any of its subsidiaries; banks and other financial institutions, as well as financial analysts, credit or sustainable rating agencies.

ESG challenges and management of non-financial risks

As part of its risk management process, Korian also analysed its most significant risks to identify those which have a social, environmental or labour dimension and are likely to affect the Group, its activities, its performance, its stakeholders or the environment. The methodology employed to identify the risks, as well as descriptions of them and their corresponding management mechanisms, are described in chapter 2 of this document.

The table below summarises the primary non-financial risks identified through the Group risk assessment, the policies and actions implemented and the key performance indicators (KPIs).

The remainder of this chapter describes the policies and actions put in place to manage the main non-financial risks, but also to seize the shared opportunities for contribution with stakeholders that come along with these social, environmental, and societal issues, supported by the performance indicators implemented and the objectives set forth in the framework of the Group's ESG commitments.

Pillars of the ESG strategy	Non-financial risks and sub-risks identified	Policies and actions put in place	2020 Key Performance Indicators (KPIs)	Chapter 3 reference
1 Provide care excellence whilst ensuring dignity and choice	Coronavirus (Covid-19) pandemic (§ 2.1.1)	Epidemic vigilance plan Vigi-Covid plan (European standard) Hygiene diagnostic - Bureau Veritas Crisis management procedures	Percentage of facilities rated A or B by Bureau Veritas for the Hygiene diagnostic: 99%	§ 3.2.1
	Treatment and care (§ 2.1.1) Risk of infection or seasonal epidemic Risk of medication error Risk of patients/residents straying from facilities Risk of suicide Risk of malicious acts	Ethics, Medical and Quality policies implemented through Positive Care Action plans deployed to prevent risks related to medication error, individuals straying from a facility without staff knowledge, suicide and malicious acts Items relating to all quality manuals and Health and Safety policies Serious adverse events (SAEs)	Roll-out of <i>Positive Care</i> : 66% of the network	§ 3.2.4.2
			Frequency of serious adverse events: 0.29 per 10,000 days spent in a facility	§ 3.2.3.2
			Satisfaction rate among families of nursing home residents and patients in specialised clinics: 94% general customer satisfaction rate (NSS at 60%, up four points versus 2019)	§ 3.2.2.1
			360° Quality Audits: 90% of facilities certified A or B	§ 3.2.3.2
			Percentage of facilities with ISO 9001 certification: 11% of facilities certified	§ 3.2.3.3
	Reputation risk (§ 2.1.3) Risk of complaints lodged by patients or families Risk of poor communication resulting in negative media coverage Risk of non-compliance with regulatory requirements Risk of reputational damage linked to the Group's social, societal or environmental impacts	Ethics, Medical and Quality policies Crisis management procedures Items put in place to foster a dialogue with residents, patients and families Managerial actions to raise awareness among staff members Items relating to the action plan put in place to address customer complaints Mediation		
	People safety (§ 2.1.6) Risks associated with the building safety Risks associated with food safety Risks associated with the development of Legionella bacteria Risks associated with malfunctions in biomedical systems and equipment	Action plans implemented to ensure food safety and building safety and to guard against the risk of malfunctions in biomedical systems and equipment		

Pillars of the ESG strategy	Non-financial risks and sub-risks identified	Policies and actions put in place	2020 Key Performance Indicators (KPIs)	Chapter 3 reference
2 Be the employer of choice	Human resources management (§ 2.1.4) See below for details by sub-risk	Human resources policies and roll-out of the eight HR commitments of the "In Caring Hands" project Measures taken to foster employee loyalty, retain talent, build skills, promote well-being at work, maintain the social dialogue and promote diversity and equality	See below for details by sub-risk	
		Risk associated with the shortage of skilled labour Risk associated with retaining talent and increasing employee loyalty	Strategic resources planning for each country in the short, medium and long terms; quantification of needs and definition of new strategies to acquire talent (training/diversification and retention of staff); qualifying training programmes and skills development; implementation of a talent management process Implementation of a three-year dedicated training programme for Facility Directors Creation of dedicated centralised hiring centres during the Covid-19 crisis to recruit the reinforcements needed Establishment of a dedicated office in France to recruit specialist physicians Systematic analysis of reasons for absenteeism and turnover Redesign of the employer brand as part of "In Caring Hands" Plan to improve workplace quality of life	Turnover rate: 20.2% (in decline) Average tenure: 6.9 (on the rise)
	Risk associated with training and skills development	Training strategy: Expansion of Korian Academy offerings in each country Doubling of qualifying training programmes in all countries	Number of hours of training given (face-to-face training and e-learning): 535,805 hours Employees enrolled in qualifying training programmes: 8%	2020 training data, page 123 § 3.3.3.3
			Risk associated with employee well-being and working conditions	New organisations to prevent and manage health and safety in the workplace in all countries Workplace Health and Safety policy at the Group level and in each country Negotiation of a workplace health and safety agreement in France; working group formed at the European Works Council to focus on workplace health and safety Renewal of the Quality of Life at Work agreement in France
	Risk associated with the social dialogue	Reorganisation of the social dialogue with discussion and feedback groups Renewal of the social dialogue in France and Germany Implementation of feedback and discussion platforms to interact with employee representative organisations and trade unions in each country Creation of a European Works Council in June 2020 and initiation of its work plan to address workplace health and safety and Korian's social policies Review of the pandemic crisis with trade unions New social dialogue schedule common to France, Belgium and Germany	European Works Council Percentage of workforce covered by a social dialogue arrangement or collective agreement: 100%	§ 3.3.4.2.1

(1) Permanent staff. Overall absenteeism (permanent and non-permanent staff) was 12.3%.

Pillars of the ESG strategy	Non-financial risks and sub-risks identified	Policies and actions put in place	2020 Key Performance Indicators (KPIs)	Chapter 3 reference
2 Be the employer of choice	Risk associated with diversity and equality challenges	Reactivation of the Korian Women Leaders Club Development of inclusion and gender equality policies Target percentage of women in Top Management shared throughout the company Renewal of agreements and policies on the employment of disabled workers at the Group	Percentage of women on staff: 82% Percentage of women in Top Management: 47%	§ 3.3.4.4.1
	Digital transformation (§ 2.2.2)	Action plans implemented to roll out digital solutions	Number of teleconsultations completed in France: more than 8,831 teleconsultations	§ 3.4.3.2
3 Contribute to finding innovative solutions for a more inclusive society	Risk of impact on patient and resident comfort caused by a delay in digitalisation	Risk of impact on Group human resources management caused by a delay in digitalisation		
	Business ethics (§ 2.3.3)	Items relating to actions taken to promote business ethics Ethics Charter, Group gifts and hospitality policy, Responsible Purchasing Charter, procedures to assess third parties Whistleblowing system: secure external platform open to all employees	Deployment of the Ethics Charter to 100% of Group sites and systematic communication to new employees 100% of Top Management has completed the e-learning on preventing corruption	§ 3.7.1.1 § 3.7.1.2
4 Be a committed and responsible local partner	Challenges associated with responsible purchasing	Purchasing policy Responsible Purchasing Charter	% local purchases: 80% % approved suppliers in Europe assessed by ECOVADIS: 55%	§ 3.5.3 § 3.6.2.5
	Inadequate control over the supply chain (pollution, accidents, failure to observe human rights)		% approved suppliers in Europe having signed on to the Responsible Purchasing Charter: 75%	§ 3.6.2.5
	Information systems, cybersecurity and data protection (§ 2.1.5)	Action plans implemented/ strengthened to reinforce cybersecurity (security policy, Group insurance, etc.) Group policies relating to information systems management GDPR compliance guidelines used to ensure the protection of personal data (including medical information)	Prevention, awareness and training actions arranged for 390 "personal data" officers ⁽¹⁾	§ 3.7.2
5 Reduce our environmental footprint	Real estate development and construction (§ 2.2.3)	Technical and Environment Department and Real Estate Department in each country	Percentage of HQE and equivalent real estate projects in the pipeline: 70%	§ 3.6.2.3
	Global warming and environmental damage	Environmental regulations and standards	Energy consumption (natural gas, electricity, fuel oil): France, Belgium and Italy scope: 8.4 MWh/bed (-6.4% versus 2019), or 1.61 tCO₂ eq/bed	§ 3.6.2.3
	Poor management of energy and water consumption and volume of waste generated at facilities (§ 2.3.2)	Carbon footprint Low carbon road map defined for 2030	Water consumption: 54.5 m³/bed	§ 3.6.2.3 § 3.6.3.2
	Risk of environmental damage: carbon emissions, biodiversity impact and waste management (including hazardous waste) Risk of poor preparedness for major climatic events	Measures put in place to limit the environmental impact on activities, effectively reduce the Group's carbon footprint, limit Korian's impact on biodiversity, reduce and recycle waste, and protect residents from major climatic events such as heat waves.	Ratio of infectious chemical waste quantity per site: 2.53 ⁽²⁾	

(1) Data consolidated since 2018. Scope: France, Italy, Belgium.
(2) Scope: France, Belgium, Italy, Spain.

PARTICIPATION IN THE UNITED NATIONS GLOBAL COMPACT



WE SUPPORT

"Since 2019, KORIAN has been committed to the social responsibility initiative spearheaded by the United Nations Global Compact and its 10 principles focusing on human rights and labour, environment and anti-corruption standards. "

As such, the Group is contributing to the UN's 17 sustainable development goals (SDGs). A cross-reference table linking the Group's 15 ESG commitments to the Global Compact and SDGs is presented below.

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Pillars of the ESG strategy	Korian commitments	Sustainable Development Goals and Targets
1 Provide care excellence whilst ensuring dignity and choice	Roll-out of Positive Care to 100% of facilities	 3.4: Promote mental health and well-being  9.1: Implement quality, reliable, sustainable, and resilient infrastructure to support well-being, with a focus on affordable and equitable access for all
	ISO 9001 certification of 100% of facilities by 2023	 9.1: Implement a high-quality infrastructure that is reliable, sustainable, and resilient  9.1: Establishment of quality, reliable, sustainable, and resilient infrastructure to support well-being, with a focus on affordable and equitable access for all
	One mediator per country and a Client Care Charter in all facilities by 2023	 17.17: Encourage and promote effective public-private and civil society partnerships
2 Be the employer of choice	Maintain and increase average tenure (currently 6 years)	 3.4: Promote health and well-being at work  8.8: Promote safe and secure working environments for all workers and ensure all workers are protected
		 11.2: Provide access to safe, affordable, accessible, and sustainable transport systems for all
	8% of staff enrolled in a qualifying training programme by 2023	 1: Reduce precarious employment  4.4 and 4.7: Promote learning and develop the skills of all

Pillars of the ESG strategy	Korian commitments	Sustainable Development Goals and Targets
2 Be the employer of choice	50% of women in Top Management by 2023 (+10%) Signature of the UN Women's Empowerment Principles in November 2020 as part of the European social dialogue	5.1, 5.2, 5.5: Fight discrimination against women, eliminate all forms of violence against women 8: Promote a decent job for all 10: Reduce inequalities and facilitate mobility and migration
	3 Contribute to finding innovative solutions for a more inclusive society	Devote 1% of Group net profit to funding philanthropic endeavours
One Stakeholder Council in every country by 2023		8.3: Promote innovation and local entrepreneurship 9.2: Promote sustainable industrialisation that benefits all
4 Be a committed and responsible local partner	70% of purchases made in a Group country (20% increase in purchases from SMEs)	9.5: Bolster scientific research, as well as public and private innovation 8.3: Promote innovation and local entrepreneurship 11.3: Enhance inclusive and sustainable urbanisation and capacity for participatory planning and management 11.a: Support positive economic, social, and environmental links between urban, peri-urban and rural areas
	100% of sites engaged in a project with their local community by 2023	16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels
5 Reduce our environmental footprint	A Social Life Council at each site by 2023	7.3: Improve energy efficiency 9.3 and 9.4: Use resources more rationally and employ environmentally friendly processes 11: Improve air quality
	3% decrease in energy consumption in 2020	13.2: Integrate climate change measures in policies and strategies 15.1 and 15.5: Ensure the conservation, restoration, and sustainable use of ecosystems 17 and 17.19: Enhance policy coherence for sustainable development; take advantage of existing initiatives to establish sustainable development progress indicators
	5% reduction of waste volume by 2023	3.9: Reduce exposure to air, water and soil pollution and contamination. 12.3 and 12.5: Reduce food waste and all waste 17: Partnerships to meet goals
	100% of new buildings certified HQE or equivalent starting from 2020	9: Quality, sustainable, and resilient infrastructure 10: Enhancement of sustainable urbanisation 11: Adaptation to climate change 11.7: Provide universal access to green and public spaces, especially for older persons and persons with disabilities 13.2: Integrate climate change in policies

ESG commitments recognised by non-financial rating agencies

Korian has deployed its ESG strategy across the entire Group to all departments and policies. This cross-functional approach is supported continuous improvement and communication initiatives that honour the principles of

transparency, rigour and relevance. These efforts have paid off for Korian with increases in the scores received from the main non-financial rating agencies.



The Korian group maintains an ongoing dialogue with non-financial rating agencies and, to this end, it regularly organises events with actors involved in socially responsible investing (SRI). The Chairman of the Board of Directors also participates in this dialogue by attending annual road shows. The Group has observed a certain convergence among non-financial rating standards and is lobbying for the definition of clear rules and norms. These should be

internationally applicable, but adapted to each sector to take into account the specific characteristics of our business lines and the unique social situations of the different regions of the world. The Group believes that the 15 ESG commitment indicators established in February 2020 and their underlying sub-indicators match up well with international non-financial rating standards, especially those used by the SASB for health and caregiving.

3.1.5 Organised governance at all levels

To deploy its strategy to pursue sustainable development and make positive contributions to an inclusive society, the Korian group has established an ESG management structure.

Within the Group Management Board, the Group Chief Human Resources and CSR Officer is in charge of implementing the ESG strategy with the support of a dedicated department that works cross-functionally to ensure that all levels of the Group are involved, including the facilities, which effectively maintain vital close ties with the various local stakeholders.

Regular reports are given at the bimonthly meetings of the Group Management Board.

This organisation complements the actions and monitoring carried out by several cross-functional bodies created by the Group:

- Korian Stakeholder Councils, which are being formed gradually throughout the Group, as in France (since September 2019), Netherlands and Belgium, meet regularly at the impetus of the Country Directors;

- The Korian Foundation for Ageing Well In France (created in September 2017) and the new Korian Foundation in Germany (created in February 2020);
- the network of ESG ambassadors appointed in each Group country to apply the Korian ESG strategy, to track the performance of non-financial indicators and to promote the sharing and harmonisation of best practices between countries; the
- the support provided by corporate departments (Human Resources, Quality, Real Estate, Purchasing, Operations and Investor Relations) through their contribution to and participation in dedicated subject-specific operating committees that meet quarterly.

The CSR Department is tasked with overseeing sustainable development actions and ensuring they are coherent with the United Nations Sustainable Development Goals and the Global Compact, which Korian signed on to in 2019.

PILLAR 1 OF THE ESG STRATEGY

PROVIDE CARE EXCELLENCE WHILST ENSURING DIGNITY AND CHOICE

COMMITMENT 1

Deploy **Positive Care** to **100%** of facilities by 2023

COMMITMENT 2

100% of facilities **ISO 9001 certified** by 2023

COMMITMENT 3

One **mediator** per country and a Charter of **Mutual Responsibilities** in all facilities by 2023

2020

▼

66%

versus 72% in 2019

11%

versus 8% in 2019

A mediator appointed in Netherlands and one in the works in France

AS PER THE KORIAN ESG MANIFESTO - WHAT WE OFFER TO OUR RESIDENTS AND PATIENTS

"Our foremost responsibility is to provide care excellence whilst ensuring dignity and **choice** for all and **strengthening or maintaining autonomy**; this is achieved through a care philosophy that begins with the person and their needs and respects their expectations – that is the *Positive Care* approach.

- It is also attained through the capacity to support care recipients and caregivers in choosing the care solution that is right for them.
- Freedom of choice for fragile persons and their families requires the progressive development within living areas of a diversified range of service and support solutions and the deployment throughout the network of a **Resident and Patient Care Charter** to ensure that all Korian teams have the know-how and have been trained to assist residents, patients and families.
- The autonomy of our residents and patients is supported by our **Positive Care approach** which emphasises the abilities and wishes of residents and patients and includes a wide array of non-drug therapies. Each of the Group's sites is receiving training on this approach, which was developed in France and Italy, with the goal of on-boarding 100% of sites by 2023.
- The promise of irreproachable quality in all our sites will be measured through the implementation of the ISO 9001 quality standard with the objective of **certifying 100% of sites by 2023**. Some 15% of sites will be certified at the first stage in mid-2021, then 50% of sites in 2022 and 100% of sites certified in 2023. The "360° quality" vision will be complemented by the integration of quality measures and initiatives aimed at residents/patients, families and employees in a joint approach that guarantees operational excellence."

3.2 Providing care excellence whilst ensuring dignity and choice

The In Caring Hands bond of trust is founded on twin pledges to residents, patients and employees, in the form of eight specific commitments that comprise the Korian

road map, which each country can use as the basis for adapting each commitment item according to feasibility and specific local characteristics.

we are all committed

8

KORIAN commitments

for a successful customer experience

- ✓ Customised **assistance** from initial contact
- ✓ Friendly, suitable **living spaces**
- ✓ Personalised, quality **care**
- ✓ Healthy, tasty **cuisine**

- ✓ **Activities** and social interactions that are respectful of everyone
- ✓ **A home** with an outward focus
- ✓ **Services** that simplify and improve everyday life
- ✓ **A committed team** at your side

3.2.1 Management of the Covid-19 crisis

During the crisis, Korian had two pre-eminent concerns: to ensure the safety of its residents and patients and the continuity of their care whilst communicating constantly with their families and friends, and to protect its employees.

Starting from 25 February 2020, in light of the emerging epidemic in northern Italy, the Group drew up plans for a crisis management structure at the European scale. A health and social crisis unit was set up at the Group level, then transposed to each country. The unit was led by the Group Chief Medical, Ethics and Quality Officer and met on a daily basis for the full duration of the epidemic. The Group was compelled to reorganise its supply circuits, as its regular vendors were no longer able to supply the Group with personal protective equipment because of the requisition measures taken by government authorities in different countries and the interruption of deliveries from Asia. In parallel, centralised hiring centres were set up to support and reinforce the teams on the ground. The Group succeeded in deploying significant reinforcements to the sites affected by the epidemic (more than 7,200 back-up

staff mobilised during the epidemic). Korian was also able to quickly define its own Covid-19 standards at the European level by consulting with all its hygiene correspondents and with high-level medical experts from outside the Group who were convened in a dedicated medical committee. The staff testing procedures were defined from the start of the pandemic and the Group took the necessary steps to make tests available throughout the health crisis: more than 110,000 tests are performed each week across the European network.

The entire Group rallied together and never wavered over the course of the epidemic. Maintaining a daily link with the facilities was essential to support the teams and to maintain the continuity of procurements despite the lockdown. The network's resilience also got a boost from the active involvement of the various employee representatives. In recognition of their extraordinary efforts, the Group paid one-time bonuses to 49,000 employees, or 85% of the total workforce, in connection with governmental mechanisms to distribute and fund bonuses.

The Omedys digital platform acquired in late 2019 was put to work, enabling teleconsultations across more than 50% of the French network during the crisis. This much lauded solution will be expanded to the whole network by the end of the year, some two years ahead of the initial timeline. Campaigns to show support for caregiving personnel were organised everywhere, such as "Grandy's solidarité" in France. This original initiative proposed an innovative platform for care assistants working in other regions to find lodging, with the support of partners like Accor hotels, Louvre Hôtel, Addagio Apparthotel and Foncia.

The upgrades made to the Group's information systems since 2016 made the transition to teleworking smooth for over 2,000 staff working in support functions throughout Europe, including during the strict lockdowns imposed in spring 2020. The measures taken enabled families and loved ones to stay in touch with patients and residents in Korian nursing homes and clinics. Applications such as Famileo in France and remote communication solutions like Skype and Teams were used everywhere to preserve the vital link between residents and their families. Care assistants and activity leaders also invented a host of other innovations.

Starting from May 2020, the Group had enacted an organisational model to support ongoing operation in a Covid-19 world. To this end, in June it defined a European Vigi-Covid standard that incorporated all the best practices relating to hygiene, traceability, prevention and treatment put in place during the first wave of the epidemic. The Group then worked with a network of hygiene correspondents in every country and every facility to deploy the standard. A series of special Covid-19 trainings was created for all employees.

To verify that these new standards were being applied, hygiene diagnostic campaigns were conducted by Bureau Veritas between July and December 2020. Overall, 99% of the facilities audited were certified excellent or very good in their application of these new hygiene standards comprising 26 strictly defined control points. These new standards are now incorporated in the ISO 9001 certification process for all facilities.

Confronted with a pandemic of unprecedented proportions, the Group took all necessary measures and implemented procedures in line with the recommendations of its Medical Committee throughout its entire European network. Thus, it helped to ensure continuity of service and quality of care in spite of the virulence of the virus.

On the basis of the 2020 excess mortality statistics published by INSEE for all long-term care nursing homes (LTCNHs) in France, the Korian long-term care nursing home network posted an excess mortality rate of 20% , whereas the average for all LTCNHs located in the same local communities was 27%.

In addition, campaigns were initiated in June 2020 to gather feedback from the Group's employees, residents, families and external stakeholders to identify the lessons

learned from this health crisis and inform action plans to be implemented in the coming months. As part of the effort, IFOP conducted a survey of 612 families covering 82% of the Korian nursing home network in France between 8 and 12 June 2020. This survey showed that 92% of respondents were satisfied or very satisfied with the quality of care and the quality of information provided during the Covid-19 crisis.

Beyond its caregiving mission, the Group also demonstrated its commitment to local communities and its solidarity with the regional chain of care.

The Group made more than 1,600 beds (nursing homes, clinics) available to local authorities in France to cope with the pandemic during the first wave, which made it possible to assist and treat over 5,600 patients.

Finally, the Covid-19 pandemic accelerated the adoption of telemedicine practices and remote consultations and conversations to support all nursing home staff across Europe. Thus, the Group managed to speed up access to its recent telemedicine acquisitions, including Omedys.

By the time this document is finalised, the Group will have fully completed the first round of vaccinations for all its residents and a majority of caregiving personnel and will be able to participate actively in the vaccination effort in all the regions where it operates. Lastly, all treatment protocols have been adapted to safely accommodate and care for patients and residents. This entails strict adherence to prevention measures, reorganisation of patient treatment pathways and awareness raising with visitors and close relations so that everyone can protect themselves and others from the spread of Covid-19.

Maintaining and strengthening connections with families

During the first wave of the epidemic, which was accompanied by the extremely strict lockdown measures adopted by authorities in every European country, the Group ensured that in each country there would be communication channels to encourage patients and residents to stay in touch with their families and friends:

- each facility was invited to send frequent updates about daily life and the activities offered and to enable the organisation of regular video-conferences and interactions with the families of residents and patients when in-person visits were not possible;
- in France, this contact was facilitated by the Korian Générations social network, which is now deployed to every facility and can be used to regularly (daily for some) post resident news and photos so their families can continue to keep up with them;
- in each country, a telephone line and dedicated email address were created for families with loved ones in a Korian facility to answer questions and intervene in the event of difficulties.

In France, it was later decided to maintain the organisation put in place during the lockdown with the creation of a permanent Family Relations Manager position in each nursing home. The employees in this role receive special training to enhance their capacity for listening and support.

Furthermore, to respond to the distress expressed by some families during the first wave of the epidemic, the Group set up mental health support groups with the assistance of external psychologists. Thus, if families felt the need to speak about or discuss (anonymously or not) more personal or private matters, there were psychologists available to listen. The same support system was made available to the care teams and any Group employees who wished to use it.

3.2.2 Listening to residents, patients, and their families

Korian regularly measures the satisfaction of residents, patients and their families vis-à-vis the quality of services provided. By obtaining a better understanding of what is most important to them, facilities can determine priorities and meet their needs more effectively.

3.2.2.1 Results of the European resident/patient satisfaction survey

Each year, the Group carries out an extensive survey of residents, patients and their families in its countries of operation. The aim of these "SatisfaKtion" surveys is to conduct a detailed analysis at the facility level, understand how customer satisfaction can best be improved and determine the best practices that need to be deployed throughout the network. These surveys also nurture a culture of continuous improvement.

The surveys are conducted across the medico-social network once a year, and all year round in post-acute and psychiatric care facilities, when the patient is discharged, as required by law. Residents, patients and their families are asked about key aspects of the support provided by Korian: care, listening and information, setting, bedroom, catering, activities, relationship with the staff, and so on.

In 2020, owing to the health crisis and the restrictions in place in the countries where the Group operates, the scope of the study was adjusted.

The study took place in November 2020 and targeted the families of nursing home residents and clinic patients in five countries (France, Germany, Belgium, Italy and Netherlands).

On top of the organisational measures at facilities, each country also has a Corporate Family Relations Office in charge of providing assistance and resolving complaints submitted by beneficiaries of care or their family or friends.

Each country is also working on Client Care Charters which will be rolled out as they are completed. These charters will go hand in hand with the implementation of mechanisms to provide mediation between families and the Group, not just to smooth over any conflicts arising from a misunderstanding or lack of transparency surrounding the treatment of residents and patients, but above all to instil a culture of trust between residents, their families and the Korian teams, in line with the Group's values.

Respondents received an email containing the questionnaire or a link to the online survey platform. The questions addressed care and treatment and communication between the facilities and families.

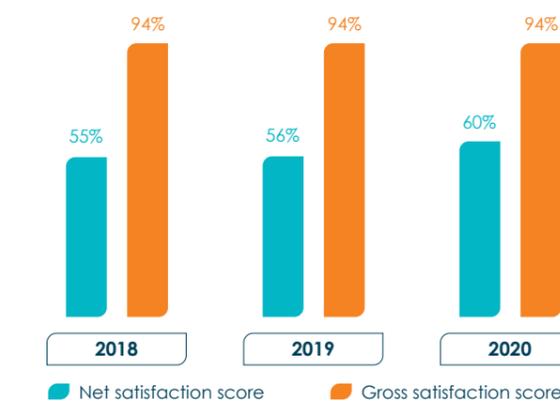
The response rate was 42% for nursing homes and 61% for clinics.

To enable comparisons against the results of studies carried out in previous years, the scores were recalculated for a comparable scope (category of persons surveyed).



2020 net⁽¹⁾ satisfaction score: 60%, up 400 basis points versus 2019

2020 gross⁽²⁾ satisfaction score: 94%, stable versus 2018 and 2019



(1) Net satisfaction score: "Extremely satisfied" and "very satisfied" scores minus "not very satisfied" and "not satisfied" scores.

(2) Gross satisfaction score: "Extremely satisfied", "very satisfied" and "somewhat satisfied" scores.

3.2.2.2 Engaging with families

The people closest to a person with a chronic or progressive disease are often faced with difficulties and doubts, and are at risk of exhaustion and isolation. Giving them support and assistance, to the extent they express their need for it, is an integral part of the mission fulfilled by the facility staff.

Thematic events and lectures – to commemorate Alzheimer's Day, for example – are organised regularly to enable caregivers to access useful information and talk with expert practitioners.

In Italy, an Alzheimer Lab was developed to enable families and professionals to immerse themselves in the experience of an Alzheimer patient so they can better understand the needs associated with the disease and educate and/or train them on the support and assistance methods required. A "Tour of Italy" is organised each year to raise awareness around Alzheimer's disease.

Finally, the Group's facilities are dedicated to using legally required bodies such as Social Life Councils and User Relations Commissions to further the dialogue with residents, patients, their family and friends and local stakeholders. In 2020, some 87% of Korian's sites in Europe had these types of structures, reflecting an increase of 300 basis points versus 2019. These entities played an essential role throughout 2020 in adjusting the protective measures to put in place, fine-tune visitor and screening policies and, more broadly, keep families informed.



3.2.3 Delivering total quality

Respecting individual residents and patients, their dignity, and their desires are the fundamental care principles that underlie the service provided in Group facilities and inspire its ethical approach to care.

3.2.3.1 Instilling a total quality culture throughout the Group

The Covid-19 epidemic underlined the need to intensify the Group's efforts to instil a total quality culture by pursuing its ISO 9001 certification plans, which are already under way, and being rolled out to all countries of operation. Drawing on the past, successful experience of Italy as regards ISO certification and integrating the Group's most recent achievements in Spain and Netherlands, the Group can now capitalise on the lessons learned in the different countries in deploying ISO standards (which applies also to ISO 14001 in Spain and Netherlands) to implement a shared quality method and common standards to the whole Group. A stand-alone Group Quality Department was created in late 2019. In addition, the Group Medical, Ethics and Service Quality Department in 2020 led efforts to write and define the main processes and sub-processes necessary to meet Group standards which now apply to all countries and make it possible to begin conducting certification audits against a common benchmark. These standards pertain directly to ESG processes and indicators, which clears the path for progress in implementing the ESG strategy in all Group countries.

Lastly, a Group quality policy was drawn up in 2020. It incorporates the new ISO 9001 certification objectives, quality projects to upgrade the measurement of customer satisfaction, harmonisation of 360° audits against Korian standards and the company's new values. It will be launched in 2021.

3.2.3.2 Disseminating best practices and preventing risky behaviours

The implementation and coordination of ethical reflection tools and actions in the Korian group's countries is the responsibility of its Quality and/or Care teams. They are also responsible for checking that facilities observe quality standards and best practices and for the close monitoring of all complaints, especially those which may have ethical implications (pertaining to abuse, pain management, etc.).

Supervision at country and Group levels is based in large part on the weekly reports submitted and harmonised at the European level which cover serious adverse events (SAEs). Depending on the country, these reports also meet the requirements of local health authorities. Every event is qualified in an identical manner based on its category (technical care, abuse and so on) and the level of impact and severity.

The regular reporting is used to analyse each SAE and to collect feedback so that best practices can be communicated and to support the continuous improvement of quality of care.

Since 2018, in addition to the campaigns conducted at the country level, joint sensitisation and prevention campaigns have been deployed at the European level to cover five major topics: proper medicine usage, patient safety, hygiene, infection risk prevention and benevolence.

The frequency of serious adverse events directly linked to patient and resident assistance or care-giving remained low: in 2020 they amounted to 0.29 SAE per 10,000 days spent in a facility versus 0.33 in 2019.

► Internal and external quality audits

Korian conducts 360° quality audits on a regular basis to assist its teams in identifying and applying preventive or corrective actions according to the level of risk identified, strategic goals and the resident/patient needs identified.

Internal quality audits are conducted at least every two years in each facility by dedicated teams, in addition to the self-assessment practices managed by the facilities themselves. These audits aim to:

- check that the facility's operations comply with the requirements laid down by standards and regulations ;
- check the application of the "Korian Essentials" pertaining to quality;
- verify that all procedures are defined, known, understood, and applied within the facility; and
- confirm best practices and identify avenues for improvement to help the facility advance.

A new Group procedure was defined in 2020 and will come into force in 2021. It harmonise practices and organises monitoring in accordance with the Korian standards defined in the framework of ISO 9001 certification. Following on these assessments, the facilities will be rated at one of four levels from A to D.

In 2020, 90% of the Group's facilities⁽¹⁾ were rated "A" or "B"; in France, 96% of all the facilities⁽²⁾ audited were rated "A" or "B".

External quality audits may also be carried out, depending on the country, by independent organisations to assess all medical procedures, follow-up services, patient file quality and participation by user representatives. The patient is the focal point of the approach, which takes under consideration quality and risk management and the patient's rights, care pathway, case management and medicinal treatment.

In France, all Korian clinics are certified by the National Authority for Health, which awarded a level A certification (certification with zero reservations or recommendations) to 71% of facilities and a level A or B (with suggestions for improvement) certification to 99% of facilities. In Germany, the Medizinischer Dienst der Krankenversicherung (MDK) Health Insurance medical department does similar audits and has given a level A or B rating to 98% of Korian's facilities (nursing homes).

3.2.3.3 Being the first 100% ISO 9001-certified care network in Europe by 2023

Excellence means making it a priority to improve the technical quality of care that we provide to residents and patients.

Building on the momentum generated in Italy and Spain, to continue working toward harmonised practices and an established uniform quality standard for the entire European network, Korian has decided to commit to an ambitious multi-year programme with the goal of earning ISO 9001 certification for all its facilities by 2023. Thus, Korian is the first enterprise in its sector to commit to this approach, which will apply to all its activities. Korian's goal is to attain operational excellence combining service quality and resident and patient satisfaction.

In 2019, the Group focused on defining the first European standard for the network of long-term care nursing homes. Pilot programmes began in the last quarter of 2019.

At 31 December 2020, 11% of facilities were ISO 9001 certified compared to 8% in 2019.

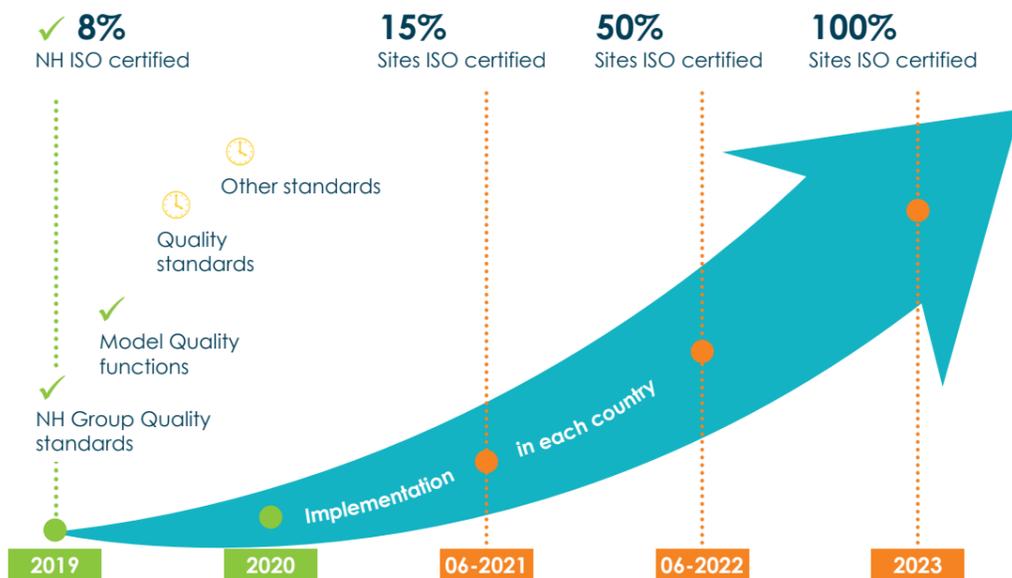
In Italy, Spain and Netherlands, 100% of Korian facilities that are more than two years old have ISO 9001 certification. All new facilities that join Korian are presented for certification no later than the third year following their integration in the Group.

The goal is that 100% of facilities in Europe will have ISO 9001 certification by 2023.

(1) Audits completed for 693 facilities (long-term care nursing homes and specialised clinics), as at 31 December 2020.

(2) Audits completed for 364 facilities (long-term care nursing homes and specialised clinics), as at 31 December 2020.

TIMELINE FOR ROLL-OUT OF ISO 9001 CERTIFICATION IN EUROPE.



3.2.4 Encouraging freedom of choice through *Positive Care*

Using non-drug therapies at its starting point, Korian developed a comprehensive approach called *Positive Care* that aims to centre all therapeutic programmes around the person – regardless of their physical and cognitive capacities – and their aspirations.

3.2.4.1 Positive Care

Our commitment is to do whatever it takes to help individuals become and remain as autonomous as possible, in accordance with their personality and wishes. That is why Korian spent years developing its unique and innovative approach: *Positive Care*. It is a common attitude and outlook that unites all our employees.

The *Positive Care* approach was originally inspired by the work of the famous Italian doctor and psychologist, Maria Montessori. It is based on a positive clinical approach, rooted in the belief that individuals should be viewed in a positive, holistic light and encouraged to maintain their capacity to do things alone, rather than focusing on their illness and dependency. This mindset translates into behaviours and practices that combine expertise and soft skills, where the care recipients play an active role in living a meaningful life. *Positive Care* means supporting others while respecting their choices, their dignity, and their need for privacy. Thus, *Positive Care* is the beating heart of the company's service promise. It is organised into several actions that are always focused on the individual's goals.

► Developing a personal plan

In nursing homes, each individual's needs, capacities and wishes are assessed on a regular basis. To facilitate this exercise, Korian developed a remaining capacities scorecard designed by a group of experts including psycho-motor therapists, occupational therapists, psychologists and caregivers. It is used to illustrate the functional, sensory, cognitive (communication, memory and orientation) and social and domestic capabilities of the individual, which leads to a more accurate assessment of his or her needs. A multidisciplinary team uses the scorecard, which provides invaluable assistance in drawing up the individual therapeutic programme covering four aspects:

1. leisure and entertainment;
2. domestic and social activities;
3. non-drug therapies and approaches; and
4. medical and medicinal therapy.

► A variety of cultural and social activities in nursing homes

Korian activity staff design, organise and facilitate pleasurable social activities that are consistent with the facility's development plan and the social life plans of the elderly. The aim is to improve their quality of life in accordance with their wishes and abilities.

Although each facility determines its own activities policy, Korian recommends a large selection that encompasses the needs of all residents. There are various types of activities, including cultural, creative, manual, relational, recreational, and physical options. Long-term care nursing homes organise trips and intergenerational events with stakeholders in the local community.

► Domestic and social activities

Cognitive stimulation requires a reassuring environment that is easy for residents to understand and navigate, which stimulates their intuitive memory. The Korian group's long-term care nursing homes are progressively installing small, specially-designed care units with a quiet lounge for resting, a dining area with a therapeutic kitchen, and two entertainment rooms and collective living spaces that are designed and arranged to meet the specific needs of people suffering from Alzheimer's or similar diseases. These areas are open to the outdoors and feature special lighted paths, while also offering the protection of 24-hour surveillance.

The teams are trained in alternative and non-drug therapies and organise appropriate activities "just like at home" that consist mainly of games and domestic tasks, such as laundry, housework, and gardening.

► Non-drug treatments are prioritised in the strategy to preserve capacities

Korian's programme to maintain and develop capacities and prevent frailty combines several enjoyable approaches and non-drug therapies. This individualised programme addresses three aspects:

1. maintaining physical and motor capacities – essential skills to preserve the ability to get around unaided, prevent falls, and ensure a comfortable daily life – with a programme of physical activities designed to maintain verticality and balance;
2. a cognitive skills assessment comprising two different programmes:
 - a cognitive stimulation programme, or memory workshops, for people with mild to moderate impairment, and
 - a cognitive restoration programme focusing on procedural memory, for people with moderate to severe impairment; and
3. the prevention and treatment of psycho-behavioural disorders often associated with cognitive problems. In these cases, Korian supplements the cognitive restoration programme with meditation-based behavioural therapy and multi-sensory therapies.

In France, 96% of Korian homes have received NDT training ⁽¹⁾ (five days of training per facility) and been supplied with tools to enable the implementation of the three therapeutic methods: cognitive, behavioural and functional. In Germany, 61 new facilities rolled out the

Positive Care approach in 2020, adding to the 137 sites where the programme was already in practice. It is built around seven fun and complementary activities such as the memory tablet, the journey through memories using a camera, the "KorianFit" sensory game and "Formacube". The approach is also widely deployed in the Italian medico-social network and was introduced to Spain in 2020.

► Medical and medicinal therapy

In Korian facilities, medications are dispensed under physician supervision in accordance with the recommended best practices developed through research projects carried out under the aegis of the Foundations to dispense the right dosage to residents and patients and to optimise the treatment-efficacy/wellness equation. Korian staff regularly speak with the self-employed practitioners who work at the facilities to encourage them to embrace some of these recommendations and practices.

3.2.4.2 Deployment to facilities

The Group's Medical, Ethics and Quality Department has been deploying the *Positive Care* approach to all Korian facilities in Europe since 2018.

In 2020, the Covid-19 epidemic forced the temporary suspension of the roll-out plan, especially to facilities that had been recently acquired by the Group.

Therefore, as at 31 December 2020, 66% of the Group's long-term care nursing homes and clinics had implemented the *Positive Care* approach.

► Employee training on Positive Care

Positive Care training is a fundamental component of the Korian curriculum; it is adapted to each country according to their use of non-drug therapies.

The Group systematically provides training on the following subjects which are closely connected to the caregiving professions:

- **Positive Treatment:** The "Positive Treatment, Ethics and Care for All" programme (which makes the acronym BEST when written in French) was created in France in 2011. This fun training reflects the Group's commitment to taking care of its residents, patients and staff. It ensures that each employee adopts the right attitude to provide benevolent care. In Italy, quality assurance specialists receive two days of training on how to detect abusive treatment in medico-social facilities and monthly follow-up and assessment indicators are in place at each facility.
- **End-of-life care:** In Belgium, medical care teams receive special training on how to deal with end-of-life issues with the Advanced Care Planning and Euthanasia programme. This training course is delivered by the coordinating doctor and covers the relevant laws, requirements and procedures and guides staff through

(1) Non-drug therapy.

the essential process of discussing the resident's end-of-life needs and desires (such as what questions to ask, when, and how.).

- **Well-being at work:** In Germany, France and Belgium, employees may also receive training in workplace wellness to improve communication with colleagues and the families of residents, manage stressful situations and conflicts more effectively, and prevent musculoskeletal disorders ("MSD") and burnout.

► **Healthy and tasty menus to enhance quality of life for residents and patients**

Serving good is also a priority for Korian. This is especially important for residents, patients, and their families and plays a substantial role in their well-being. Because it serves nearly 80 million meals each year in Europe, Korian ensure that it provides its residents and patients with food service that is enjoyable, family-oriented and delicious.

The Korian catering offer in France aims to deliver a pleasurable and convivial dining experience. "Home-style cooking" is provided and meals are prepared on site using unprocessed seasonal products and traditional recipes. Facility chefs are assisted by culinary experts, regional catering advisers and dieticians who are specialised in health and nutrition for the elderly. Menus are planned over a period of five weeks and are updated each season in accordance with the availability of food products and seasonal recipes. These menus must comply with a nutrition plan that is established by qualified dieticians. The recommended nutritional criteria are observed and are validated whenever menus are updated.

In partnership with L'Atelier des chefs, Korian provides an online platform available to all chefs in France that includes advanced skills sessions and a monthly interactive cooking show. It also unites the community of Korian chefs by providing them with an innovative platform to communicate and share best practices while staying abreast of recent events within the Group. A community of "ambassador chefs" was created in France to suggest new recipes and organise a menu competition judged by a panel of residents and patients. Residents play a vital role in crafting and rating the menus prepared for them.

Moreover, as part of the low carbon road map, the Group is analysing and updating its menus in connection with standards and recommendations issued by specialised agencies and, in France, with the "Maison Gourmande et Responsable" initiative. This work will lead to menus featuring products with lower CO₂ emissions generated in part (but not entirely) by the transport of food products.

As part of the partnership launched in 2017 with Gault et Millau, the Group continued its pursuit of accreditations in France. To date, 75 sites have earned the distinction, marking a 44% increase over 2019 and solid progress in spite of the epidemic. The Gault&Millau experts conduct a comprehensive audit that uses 245 criteria to measure the quality of the culinary experience (including the preparation of fresh produce, cooking techniques, texture and taste), service (table preparation, tableware, table linen, etc.) and the overall dining environment. Facilities which meet these criteria for excellence are awarded the Gault&Millau seal, which is valid for a one-year period indicated in a certificate which is displayed in the facility.



Image: Gault et Millau seal awarded in September 2020, despite Covid-19, to the long-term care nursing home Villa Saint-Antoine in Chesnay, France. (photo of the chef and the accommodation/catering manager)

Although the Gault&Millau seal is only offered in France, Korian's ELISA facility in Ulm, Germany (Baden-Württemberg) was recognised by the Residenz Kompass guide which honours the best assisted living facilities in Germany. The Seniorenresidenz Elisadichterviertel facility, which opened in 2020, was also included in the prestigious guidebook. Only 20 assisted living facilities in all of Germany have been listed in the guide.

In some German and Dutch facilities, and in the Ages & Vie network, residents who wish to do so can participate directly in meal preparation, from choosing menus and shopping at the market to cooking the food, depending on their culinary interests and skills. This approach will be rolled out to new facilities developed by Korian throughout Europe.

► **A high-quality living environment**

Korian's Boost Plan begun in 2017 has accelerated its plans to refurbish, extend and transform its network - throughout Europe and especially in France. Nearly 3,000 rooms at 30 facilities have now been renovated in under three years. By the end of 2021, more than 40 sites and 4,200 rooms will have undergone a full renovation while the sites were occupied. New concepts have been designed and created for bedrooms and shared areas to upgrade the amenities and services available, and in doing so, increase the satisfaction of patients, residents, and families. It is worth noting that these renovations are carried out with supplies and products purchased in France and made from environmentally sustainable materials.

The aim is to create a pleasant atmosphere that is conducive to Korian's *Positive Care* approach, so that residents enjoy a friendly and familiar environment that stimulates or compensates for their capacities. In this respect, special attention has been paid to the size and layout of shared areas and bedrooms, the selection of materials to be used, lighting, colours, furniture and decoration, while also incorporating astute ways of helping fragile residents to find their way around.

For example, the Les Tybilles facility in Meudon (photo below), near Paris, received a silver medal from the long-term care nursing home awards after the building was totally overhauled in 2020. Described as "refined" and designed with residents' comfort in mind, it boasts numerous living spaces, several lounges, a physiotherapy room, a hair salon, a terrace and a large garden, with a tasteful interior décor.



Les Tybilles long-term care nursing homes - Meudon (92 - France)

In Italy, the "San Giuseppe" facility in Rome was fully renovated to create a familiar environment for residents diagnosed with neurodegenerative illnesses. It is meant to remind them of the city or town where they used to live while offering a full range of care and treatment services.



San Giuseppe facility - Rome (Italy)

PILLAR 2
OF THE ESG STRATEGY

BE THE **EMPLOYER** OF CHOICE

COMMITMENT 4
Maintain and increase
average tenure

6,9 years
+ 20 pb versus 2019

COMMITMENT 5
8% of staff enrolled
in **qualifying training**
programmes by 2023

2020
8%
+ 400 pb versus 2019

COMMITMENT 6
50% **women in Top**
Management by 2023 (+10%)

47%
+ 100 pb versus 2019

AS PER THE KORIAN ESG MANIFESTO - BE THE EMPLOYER OF CHOICE

"Be the employer of choice" is our priority, to offer a rewarding work setting for the Group's 57,500⁽¹⁾ employees (82% of whom are women and 57% of whom are care staff) in their daily activities, throughout the year, to maintain a constantly high level of care quality.

The main tactic is to **strengthen the social contract** that binds us to our teams by ensuring they have a **safe, healthy work environment**, by **reducing workplace accidents and the resulting absenteeism**, by helping to **improve permanent employment** through **more stable work organisations, better needs-based recruitment planning and enhanced employee loyalty**, everywhere in Europe. This vision also requires a managerial model embodied by **our Facility Directors and their teams, who are the cornerstone of the network**.

In concrete terms, our commitments are to:

- **Maintain or increase average employee tenure.**
- Invest in qualifying training.
- Increase **the number of women who are senior managers to reach a 50% ratio.**

We will measure the progress of all these HR schemes through our employee commitment questionnaires which, since 2020, are sent out annually.

Furthermore, the **quality of the social dialogue** is a priority for us.

(1) By convention, we add to the 51,893 registered permanent employees in countries the staff not registered as permanent in Germany (i.e. 5,377 contracts), which yields a total of 57,270, rounded to 57,500 for two reasons: first, in Germany non-permanent contracts are, for the most part, long-term contracts, which differs from practices in other European countries (e.g. fixed-term contracts in France); and second, to determine the number of representatives assigned to the European Works Council per 1,000 employees, it was agreed with the German representatives that the calculation should include long-term, non-permanent contracts that contribute to permanent operations at the sites.

3.3 Be the employer of choice

3.3.1 Korian Human Resources policy

The Human Resources policy, which is incorporated in the Group's ESG strategy is the linchpin of the Korian care and assistance model. Quality of life in the workplace is an integral part of the "In Caring Hands" project because it is closely tied to the quality of service given to residents and patients.

The ongoing ageing of the European population and the steep rise in chronic diseases linked to age call for profound changes in how we care for elderly, fragile and dependent individuals. These changes will affect work organisation, occupational health and prevention and ongoing professional development for the Group's personnel.

In this context, the challenges of boosting the appeal and recognition of careers in the silver sector and senior

autonomy, are strategic priorities for Korian, which works closely with the authorities in various countries.

The main thrust of the "In Caring Hands" project is to strengthen the bond of trust with all Korian employees to follow on the commitments made to residents, patients and families, and in keeping with the Group's values and ESG strategy to build on the common foundation of delivering excellence to residents and patients.

The Korian employer promise is grounded in the three Group values of Trust, Initiative and Responsibility. This promise is expressed through eight concrete commitments which are included in the ISO 9001 certification benchmark.

8 commitments to excellence

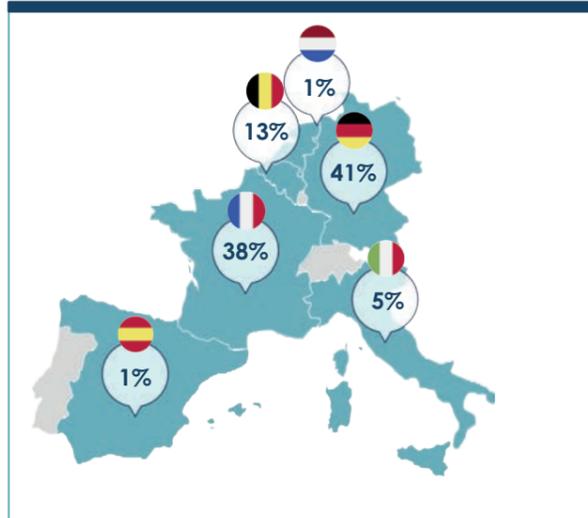
In caring hands

8 KORIAN commitments
for a quality employee experience

- ✓ I belong to a supportive professional community.
- ✓ I am welcomed and supported throughout my career at Korian. My managers are available and willing to listen.
- ✓ I know my responsibilities and my schedule. I am trained for my position and I have access to development resources.
- ✓ I work in an environment that keeps me safe and healthy at work.
- ✓ I am recognised for who I am and what I do, and I have a good work-life balance.
- ✓ I can advance at the Company and I am aware of professional development opportunities and career pathways.
- ✓ I am familiar with the breakdown of my compensation and with the benefits that reward my contributions.
- ✓ I am an active player in the Company strategy.

we are all committed

57,500 EMPLOYEES ACROSS 6 COUNTRIES
BREAKDOWN OF WORKFORCE BY COUNTRY



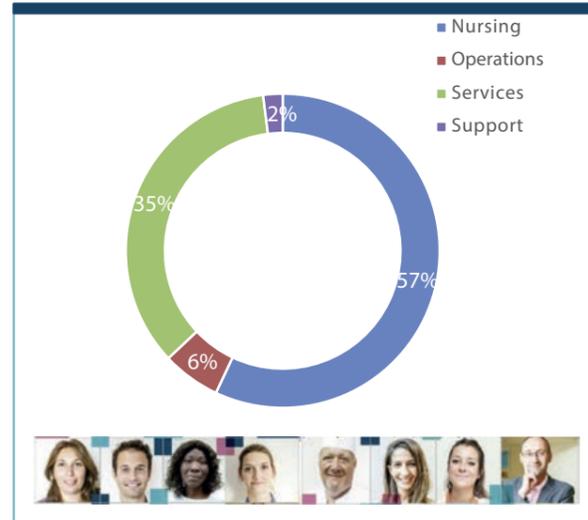
Four major priorities to strengthen the social compact

Driven by the commitments set forth in the "In Caring Hands" project, the Group has identified four strategic priorities for the human resources policy:

- **strategic recruiting**, to anticipate staff planning needs, ensure operational needs are met and improve the effectiveness of hiring in line with the requirements and activities of the Group's facilities;
- **ongoing professional development**, to increase employability through qualifying training programmes with an emphasis on apprenticeships and internal promotions and the creation of Korian training centres;
- **quality of leadership**, to promote the Korian Management Way" and to improve the quality of management with the launch in 2020 of the first dedicated training at the European level for Facility Managers, "s.Keys" ("Skills for Share");
- **the promotion of a safe and healthy work environment, diversity and inclusion**, at all levels of the enterprise and through the reinforced Korian social contract in all Group countries.

These actions are backed by high-quality labour relations supported at the local and corporate level by active employee representatives. This social dialogue was strengthened and given a new dimension with the lessons learned from Covid-19 and the effective implementation of the first European Works Council in the sector.

MORE THAN 50 PROFESSIONS ACROSS THE GROUP
CARE/NURSING STAFF: 57%

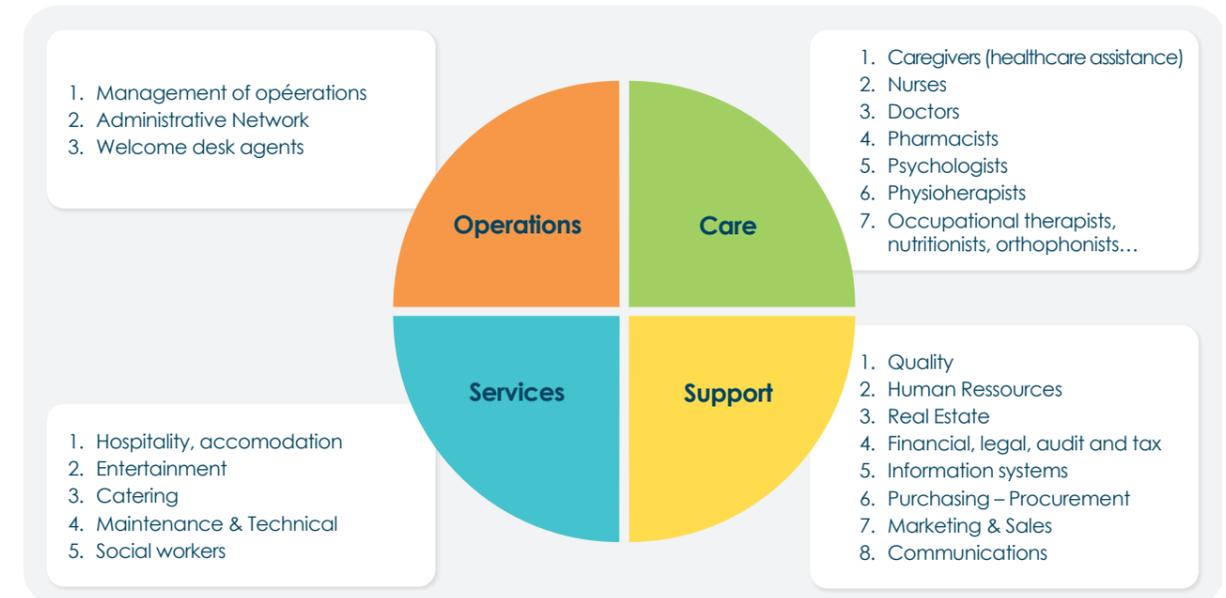


Attracting talent to the Group's key occupations

Jobs at Korian are not like any other jobs: they are demanding, vital and profoundly human positions imbued with robust values as demonstrated during recent events.

Each day, the women and men of Korian have a very unique responsibility, that is both noble and challenging: caring for the elderly, the fragile and their families at crucial moments in their lives.

The Group fulfils its mission through the work of four main business lines (Care, Operations, Services and Support Functions) which encompass some 50 different occupations. They are the people who guarantee the quality of service provided to residents and patients.



Against a backdrop of strong growth and a shortage of available resources, the Group has implemented a strategic jobs and skills planning policy so that it can better anticipate its hiring needs.

The OECD estimates that 1.2 million nurses and caregivers will need to be hired in Western Europe by 2025, of which 480,000 are linked to an increase in healthcare demands caused by demographic changes and 720,000 are linked to attrition. However, the existing training systems can only cover 60% of those needs, resulting in a deficit of approximately 100,000 care assistants per year between now and 2025 (excluding home care). In 2018, the Korian group made a commitment to develop its own qualifying training solutions, by relaunching apprenticeships in France and Germany and working with public and private partners to promote occupational retraining.

To complement its efforts to diversify its recruiting channels, Korian defined an ambitious HR action plan to foster employee loyalty. This plan aims to strengthen the "Korian social contract" in each country through remuneration, work organisation, workplace safety and quality and professional advancement. The fundamental changes to the human resources policy have delivered promising initial results: **for the first time, overall turnover was down in 2020 to an average of 20.2% for the Group**, a 2.1-point decrease compared to 2019.

The Group is also quite active in developing the skills of its employees and aims to have 10% of its staff in training by 2023. In 2020, some 4,348 employees (8% of the workforce) were enrolled in a certification training programme (2,267 in France and 1,903 in Germany). A large portion of those programmes were apprenticeships (482 in

France and 1,745 in Germany). The remainder consisted in validation of acquired experience trainings ("VAE" in France and "Wegebau" in Germany), degree-conferring curricula (such as supplemental university diplomas for physicians) and the "s.Keys" training organised for all Facility Directors in Europe which was given to 536 managers in 2020.



The Korian group was awarded the "Top Employer" distinction for Germany in 2020. This honour has been awarded annually since 1991 by the "Top Employers Institute", a worldwide leader in the certification of working conditions. With more than 23,000 employees, Korian Germany is one of the biggest private employers in the elderly care sector in Germany and the first to receive this distinction. The award is based on a rigorous review of human resources policy comprising 360 questions about seven key HR processes and conducted by the Top Employer firm, whose assessment process is in turn audited by a third party.

With a score of 71.4 points, Korian Germany stood out thanks to the implementation of clear and transparent HR processes, especially as regards the induction of new employees and its training policy, values and leadership.

Other Group countries are also embarking on the Top Employer certification process.

3.3.2 Needs planning, new hiring approaches and effective induction

Working at Korian offers the ability to practice a wide variety of trades at the heart of communities near the employees' own homes. A job at Korian also means performing to a high level of excellence that is conveyed through the Group's values. Finally, it brings the opportunity to build a rich, progressive career with professional certifications.

3.3.2.1 Korian, a company that is hiring

Korian is actively promoting its professions to deal with extensive recruitment needs in a highly competitive market brought about by the intensifying growth in demand for assistance for elderly and fragile persons, regardless of their level of autonomy, and by the labour shortage in certain high-demand positions, such as nursing assistants and cooks.

In 2020, despite the Covid-19 epidemic **the Group recruited 11,118 employees under permanent contracts**, which was even with 2019 levels and in line with the stated 2020 objective of 12,000 new hires to keep pace with its growth trajectory and the reinforcement of the operational structures within its networks. The Group continued its efforts to build on the Korian social contract by working toward a minimum rate of 80% permanent jobs. In 2020 it exceeded that goal with 83.4% open-ended contracts by systematically offering this contract type to the short-term employees at its sites.

Home care, driven in large part by Petits-Fils in France, mobilised more than 1,600 personal carers in 2020. The need for these service providers, who work directly for their elderly clients, is expect to surge in the coming years.

Thus, the total number of employees counted at 31 December 2020 on permanent contracts was nearly 57,500 ⁽¹⁾, of which 82% were women.

Faced with what is becoming the biggest challenge for all participants in the care sector - attracting and hiring - the recruitment teams were reorganised and increased in all Group countries to effectively meet the needs of Korian's sites.

IMPLEMENTATION OF DEDICATED HIRING CENTRES TO RECRUIT DURING THE COVID-19 EPIDEMIC

The HR teams in Europe were tirelessly during the Covid-19 crisis to set up centralised hiring centres for each country in order to support and reinforce the staff on the ground. Between March and December 2020, thanks to the creation of special recruitment teams in each country, the Group hired 7,200 people on non-permanent contracts to lend a hand to the European network's personnel.

3.3.2.2 Attracting talent by teaming up with trusted partners

Korian is boosting its appeal by promoting an employer image and promise that reflect its values and company culture.

The proliferation of initiatives involving schools, job fairs and the local ecosystem (partners, interns, work-study participants and so on) is raising awareness about the appeal of careers in the silver sector and attracting skilled professionals and degree holders.

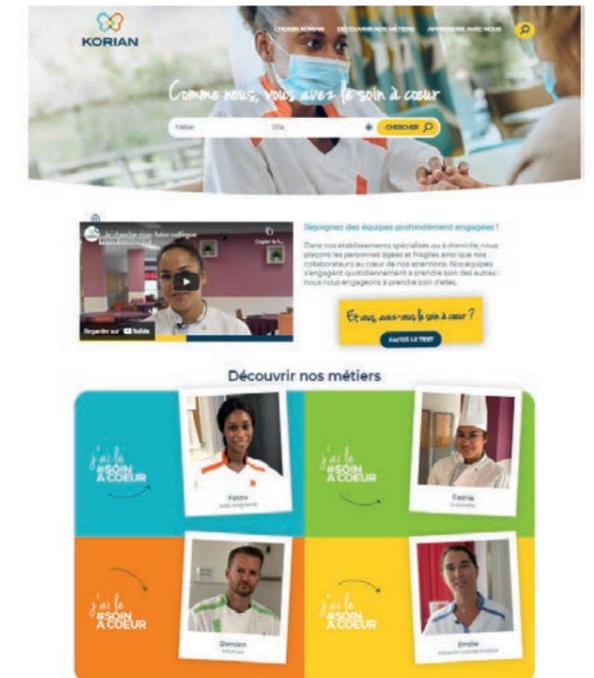
The Group communicates regularly about its employment and career opportunities through different channels, including social media.

KORIAN'S NEW JOB SITE IN FRANCE: RECRUTEMENT.KORIAN.FR

The user-friendly site is easy to view on a smartphone and was designed to simplify the process for applicants as much as possible.

Its innovative features include a geolocation function that finds vacancies available within 10 to 20 kilometres of the job seeker's home. Alerts can be configured for a given occupation and region.

The website also showcases the Korian policy on induction and ongoing professional development. There is a special section on apprenticeships and internships. Applicants can even watch employees discuss their trades in a series of videos.



PASSERELLES

New hiring approaches: the "Passerelles" project in France is an innovative platform for "alternative sourcing"

The "Passerelles" project is supported by the Transitions Collectives mechanism created by the French government to assist the former employees of companies that had to adjust their staff sizes in the framework of agreements on the management of employment and career paths ("GEPP"). The beneficiaries can switch trades by enrolling in a 14-month qualifying training programme, at the conclusion of which they receive a nursing assistant certificate and a full-time permanent employment contract.

This occupational retraining involves an immersion in one of our facilities, which also enables our personnel entering the second half of their career to take on a new role that leverages their professional experience by becoming mentors.

Korian expects this project will allow it to hire at least 200 nursing assistants, covering about 16% of its needs for this position.

3.3.2.3 "Korian Start": the induction programme for new hires

For Korian, the quality of the induction process for new employees is as important as welcoming and caring for our residents and patients. That is why our HR and operational teams pay close attention to ensure this process goes smoothly, because it is now clearly established that employee turnover is highest in the first 6 to 12 months after recruitment.

Individualised induction programmes are organised in all countries with multiple variations depending on the country. They last several days, including one or more days of induction at the head offices of Group subsidiaries, along with immersions at "teaching sites". For example, the "Korian Start" programme in France is designed for new directors and managers at the head office to enable them to understand how the Group is organised, learn about the different jobs in each facility, meet with corporate staff, familiarise themselves with the Company's main functions and appropriate the Group's values.

(1) By convention, we add to the 51,893 registered permanent employees in countries the staff not registered as permanent in Germany (i.e. 5,377 contracts), which yields a total of 57,270, rounded to 57,500 for two reasons: first, in Germany non-permanent contracts are, for the most part, long-term contracts, which differs from practices in other European countries (e.g. fixed-term contracts in France); and second, to determine the number of representatives assigned to the European Works Council per 1,000 employees, it was agreed with the German representatives that the calculation should include long-term, non-permanent contracts that contribute to permanent operations at the sites.

It also affords an opportunity to share experiences and encourage intergenerational discussions among skills communities.

This key programme, which is central to the Korean employer promise, had to be adapted in 2020 to account for the pandemic. As a result, it was fully digitalised in most of the countries where the Group operates. It has been

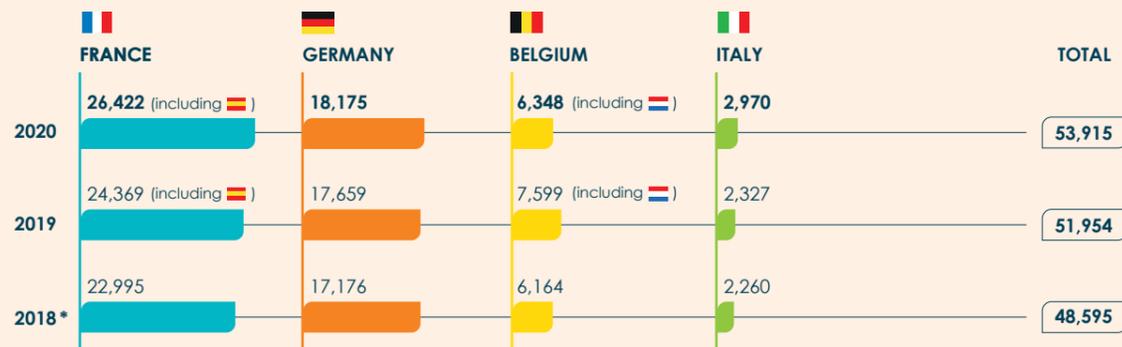
a great success with new employees and has already been extended in some locations to other regional management functions. It will be further developed in 2021 in all the Group's countries and leveraged as a resource to communicate and build buy-in, especially as regards the new company values.

2020 WORKFORCE DATA ON GROUP HEADCOUNT

The total Group headcount for 2020 was 53,915 employees in Full-Time Equivalent (FTE), versus 51,954 in 2019.

The total number of employees on permanent contracts at 31 December 2020 was almost 57,500⁽¹⁾.

BREAKDOWN OF WORKFORCE BY GEOGRAPHICAL AREA (FTE, PERMANENT AND NON-PERMANENT)



* France only and Belgium only.

BREAKDOWN OF WORKFORCE BY CONTRACT TYPE AND BY GEOGRAPHICAL AREA (PERMANENT AND NON-PERMANENT STAFF AT 31 DECEMBER 2020⁽²⁾)



(1) By convention, we add to the 51,893 registered permanent employees in countries the staff not registered as permanent in Germany (i.e. 5,377 contracts), which yields a total of 57,270, rounded to 57,500 for two reasons: first, in Germany non-permanent contracts are, for the most part, long-term contracts, which differs from practices in other European countries (e.g. fixed-term contracts in France); and second, to determine the number of representatives assigned to the European Works Council per 1,000 employees, it was agreed with the German representatives that the calculation should include long-term, non-permanent contracts that contribute to permanent operations at the sites.

(2) Workforce at 31 December 2020 including staff on non-permanent contracts: Total 62,232 (52,270 permanent and 4,962 non-permanent).

NUMBER OF HIRES (PERMANENT CONTRACTS)

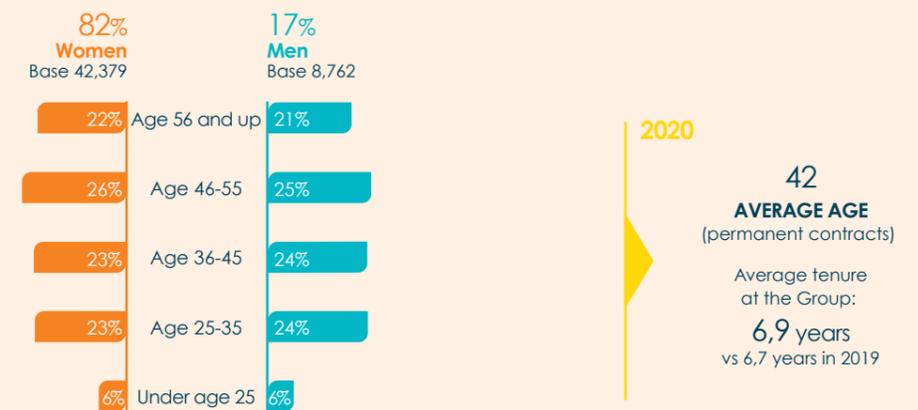


* France only and Belgium only.

NUMBER OF DEPARTURES (PERMANENT CONTRACTS)



AGE DISTRIBUTION⁽¹⁾ (TOTAL PERMANENT STAFF)



(1) Korian's age distribution is expressed as registered staff (permanent contracts) in the following scope: excluding new 2020 acquisitions in France and excluding home care activities in Belgium for a base of 51,141 registered employees on permanent contracts.

3.3.3 Korian, a company for learners

Training is an essential link in Korian's employment commitment for many reasons: the variety of jobs involved, the types of expertise required, the growing demands of families, the intensifying expectations for quality of care and service, and the ever increasing average ages of residents and patients welcomed into the Group's facilities, which results in continuously changing pathologies.

Korian's training strategy has two objectives: give all its staff the ability to build their skills through training sessions (including e-learning), throughout the year to meet the evolving needs of elderly and fragile persons; and enhance their expertise with professional certification pathways and degree programmes to bolster their employability.

In 2020, despite Covid-19, the Group's staff were able to complete trainings in person and remotely, which attests to Korian's sustained and ongoing efforts on this topic (see training data table on p. 123).

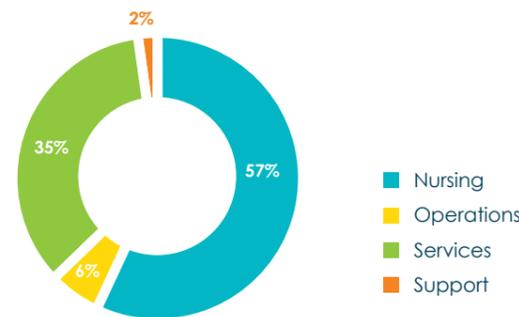
3.3.3.1 Working with skills communities to train and develop

The communities and function-specific groups forming in all Group countries help promote a sense of belonging and pave the way for personalised support.

Each learning community is meant to refocus and allow staff to share best practices at the country level, reflect on changes to their jobs and the new skills that will be required from each function and, finally, define the resulting training needs. There are now six broad job-specific communities in the Group, which exist in different forms: culinary community, activity leaders, nurse community, physician community (led by "doctor ambassadors"), psychologist community, technical and maintenance manager community, and the various medical specialities in the Group resulting from its recent reinforcements, especially in the field of mental health.

In addition, Technical Business Line Committees meet quarterly at the European level, convening the company's main business lines, such as Quality, Human Resources, Real Estate and Development, Finance, and Medical.

BREAKDOWN OF MAIN GROUP FUNCTIONS



3.3.3.2 Caregiving Academies: key contributors to the Group's transformation, the development of the profession and the promotion of Korian values

Korian Academy was created 16 years ago in France and expanded to the European scale in 2019. These internal training structures expand the skills and knowledge of the Group's employees by contracting with external trainers and specialists. These professionals are selected for their expertise in such fields as nursing, physiotherapy, occupational therapy, psycho-gerontology, and the law. Korian Academies offer training programmes that can lead to promotions: functional expertise, qualifications and certifications, validation of acquired experience (VAE), management support, and so on.

In 2020, the Group continued enhancing the role of the Korian Academies, by making them instrumental in the company's transformation as vectors of the Group's values. The Academies are responsive to the needs of the different functions so they can rise to the operational challenges faced by the company whilst developing its staff. Thanks to the Covid-19 epidemic, the Korian Academies converted their training catalogues into digital offerings to hew closely to employees' requirements and enrich the range of qualifying training programmes. Now each Group country has its own Korian Academy⁽¹⁾ or a similar internal training body.

In response to mobility limitations and to new uses, digital trainings were reinforced with e-learning modules that can be accessed via the Group's electronic platform, Talents K. These in-person and remote training solutions enable the Group's employees to expand their knowledge, acquire new skills and learn new methods.

The pace of digital training was ramped up significantly in 2020 because of the pandemic. In total, 24,311 digital modules were developed, making up 18,290 hours of digital training.

The content provided comprised regulatory training, function-specific training and training in the Korian fundamentals. The training catalogues are updated each year by the country academies in consultation with the business functions. In 2020, the Korian Akademie in Germany set up a training steering committee whose members represent the Group's main operational functions. In France, dedicated training committees were created for post-acute and psychiatric care activities. These bodies overseen by the France Medical Department provide guidance and priorities for annual training plans.

3.3.3.3 Developing professional qualifying pathways

The Korian Academies in each country make sure the Group's employees can receive useful professional development training that recognises and rewards their engagement, enhances their skills, and offers them a clear career path in a spirit of inclusiveness.

➔ **At the end of 2020, 4,348 employees were enrolled in a qualifying training pathway⁽¹⁾, representing 8.1% of the workforce**, versus 4% at the close of 2019. The goal initially announced for 2020 was 5.5%, with the 8% target set for 2023. Because the Group succeeded in doubling the figure three years ahead of schedule, the objective for 2023 has been raised to 10%. As a reminder, this metric is one of the three performance targets included in the June 2020 issue of the "Sustainability Linked Euro PP" private offering.

The qualifying pathways depend on each country and on the classification and procedures for earning diplomas. The trades practised at Korian are regulated and, in most cases, are subject to government-recognised training credentials.

► Encouraging the validation of acquired experience

Each year, the validation of acquired experience (VAE) mechanism enables more than 300 employees in France to obtain a diploma. In the midst of the health crisis in 2020, Korian adjusted and maintained its support for employees pursuing a VAE diploma, but the traditional graduation ceremony could not be held.

Employees who wish to do so may earn the diploma or certificate which matches their professional experience. The skills employees have gained over the years are recognised just as if they had been acquired through an equivalent training programme. Any employee is eligible, provided he or she has at least two years of full-time work experience in a position that is relevant to the Group (state-accredited nursing assistant, socio-educational assistant, cook, etc.) and for which there is a corresponding diploma⁽²⁾.

In France, the 76% of nursing assistants who sit the VAE exam receive a passing score, which is more than twice the national average of 30%. This success rate is attributable to the individualised support provided to nursing assistants and to the role of training tutors. The Group's goal for France is to double the number of VAE certificates earned to reach a cruising speed of 400 per year. This achievement pays homage to the extraordinary dedication of the men and women who choose to pursue professional development outside their working hours.

The German equivalent of France's VAE is called "Wegebau" and is overseen by the federal employment agency to offer the same type of professional certification pathway.

(1) Finalisation under way for Spain and Netherlands.

(1) Qualifying pathway: Professional development programmes such as trainings that culminate in a diploma or certificate (validation of acquired experience, Geriatric Care Passport, s.Keys training for Facility Directors) and apprenticeships. % calculated on the basis of a workforce of 53,915 FTEs.
(2) The definitions can be found in the glossary at section 8.3 in this universal registration document.

► National recognition in France for the Geriatric Care Passport, the first certified training course in geriatrics for care assistants

Developed entirely by Korian Academy in France and offered to Group employees since 2017, this 193-hour innovative curriculum focuses on the specialised skills needed by care assistants working with the elderly. It seeks to improve the quality of care and assistance provided to residents and patients.

The Geriatric Care Passport covers four subject areas: the elderly person's care and well-being, therapeutic programmes and continuity of care, stimulating the elderly, and everyday care and support. The certification exercises are carried out online and in real life.

Since its creation in 2016, some 7,000 employees have enrolled in the Geriatric Care Passport curriculum and completed at least one of the 13 training modules. In 2020, a total of 826 staff began the programme and 60 of them finished two-thirds of the content, which was suspended in some facilities because of the epidemic.

Owing to the need to adapt to the health situation and meet the demand for digitalisation, the Geriatric Care Passport has been fully redesigned and streamlined. It now encompasses 160 hours of training, including 18 hours of e-learning and a mix of face-to-face training and online classes.

► Apprenticeship to create new talent pools

To meet recruitment and training needs at a time of labour shortages in professions that are being depleted because of diminished appeal, Korian has chosen apprenticeship as a way to train workers in its core jobs with a heavy emphasis on nursing assistants and cooks.

The Group is working actively to update its organisations, continuously improve the quality of life in the workplace and boost its employees' skills. It is critical for Korian and for the entire business sector to promote and showcase careers in the silver sector and to bring young workers on board. These young apprentices are mentored by our managers, who enrich and support the educational experience by imparting their know-how, in keeping with Korian's values.

Apprenticeship allows us to recruit and retain the employees of the future, cultivating a pool of potential diploma and certificate holders steeped in the Group's values and supported by a community of mentors.

At the end of December 2020, the Group had 2,239 apprentices, of which 1,744 in Germany and 482 in France. The Korian group also participates in the French government's PAQTE programme to develop training, apprenticeships and "career introduction" internships for young people entering the workforce, along with inclusive purchasing.

In Germany, where apprenticeship was already well established (it accounted for over 10% of Korian's FTEs at the end of 2020), a new apprenticeship initiative called "Generalistik" was introduced in 2020. The programme made sweeping reforms to the training of apprentices, in particular by requiring one mentor for 10 apprentices. To help orient young German apprentices to the caregiving professions, the Korian Foundation in Germany initiated research on student motivations vis-à-vis apprenticeships in partnership with the University of Coburg. This work is needed because the "Generalistik" programme is "generalist" by design and focuses on all the healthcare trades.

OPENING OF THE FIRST KORIAN HEALTHCARE APPRENTICESHIP TRAINING CENTRE IN FRANCE

Based on its successful experience with the Red Cross to open Korian-specific training classes in the autumn of 2019, the Group launched its first apprentice training centre ("CFA") dedicated to the nursing assistant role, the healthcare apprentice training centre. This external apprentice training centre relies on the Nursing Assistant Training Institutes ("IFAS") dispersed throughout France to support the development of apprenticeships that align with the realities of each

local job market. The first apprentices to study at the centre were recruited in January 2021 and this new structure expects to welcome 200 apprentices in its first year. They will complete the regular coursework that confers the state-issued diploma, and will also benefit from the digital expertise of Korian Academy with specific modules offered as virtual classes taught from the newly opened Caregiving Academy in Lyons.

Image: On 26 January 2021, Sophie Boissard opens the first Korian healthcare apprentice training centre, alongside French Minister of Labour, Mrs Elisabeth Borne; Deputy Minister in Charge of Autonomy, Mrs Brigitte Bourguignon; and Mr Thibaut Guilly, High Commissioner for Employment and Business Engagement.



Sophie Boissard, Chief Executive Officer of the Korian group, greets new apprentices.



The Korian Caregiving Academy in Lyons offers an innovative digital curriculum that includes escape games and virtual and augmented reality experiences. The cutting-edge training resources were developed with several young businesses to introduce Korian apprentices to workplace health and safety. The academy gives learners access to virtual classes,

rapid MOOCs and the expertise of start-ups recently acquired by Korian, such as Omedys.

Korian Italy is working on plans for a dedicated school for nursing assistants and carers to cover the entire sector (long-term care nursing homes, clinics, home care, etc.) that will open in 2021.

Image: The escape room at the Korian Caregiving Academy in Lyons enables apprentices to become familiar with the movements and techniques to employ when assisting fragile residents



FRANCE'S CFA DES CHEFS: THE FIRST MULTI-COMPANY APPRENTICE TRAINING CENTRE DEVOTED TO COOKING AND CATERING

Announced in March 2019, the CFA des Chefs opened its first trainings in September 2020 in three job markets: Ile de France, Marseille and Lyons.

This multi-enterprise CFA is the first of its kind in France. It was created with the goal of restoring the appeal of the culinary sector, which is lacking in both skills and labour, especially for young people, by offering professional certification programmes in the hopes of serving as a gateway to employment. In addition to raising awareness and respect around catering services, the creation of this CFA enables the enterprises themselves to define the educational content and to adapt it as needed.

The CFA des Chefs was formed with Accor, AccorInvest, Sodexo and The Adecco Group to promote careers in cooking and catering, where there is a shortage of labour and skills, and to provide a high-quality education rooted in shared values and a commitment to giving young apprentices the ability to choose the trade that suits them best. Despite the challenges of the Covid-19 epidemic, the apprentice training centre succeeded in enrolling 200 apprentices (43 for Korian) in its first class and was able to organise partially remote theoretical training modules.



► **Building a European managerial culture in tune with the Korean spirit**

Management has an essential and fundamental place in daily operations at Korian because of the geographic dispersal and variety of its sites, each of which operates in a specific environment. The purpose of the managerial culture is not just to ensure that the Group's values are shared and applied by everyone, but also to instil the fundamentals of Korian management at all sites by sharing a common management culture based on "In Caring Hands". This will help everyone to feel supported and developed by managers so they can deliver the highest quality of care and service to our residents and patients.

In 2020, Korian updated the managerial training offer in consultation with IFG Executive Education to develop an innovative, exclusive, and proprietary training programme at the European scale for its Facility Directors. Called "s.Keys" (Skills for Share), its purpose is to provide a single framework for action common to all Facility Directors in Europe.

→ "Driving with s.Keys", a quarterly newsletter, is distributed to all Facility Directors in Europe to update them on the programme's progress and to strengthen the bonds within the community of directors.



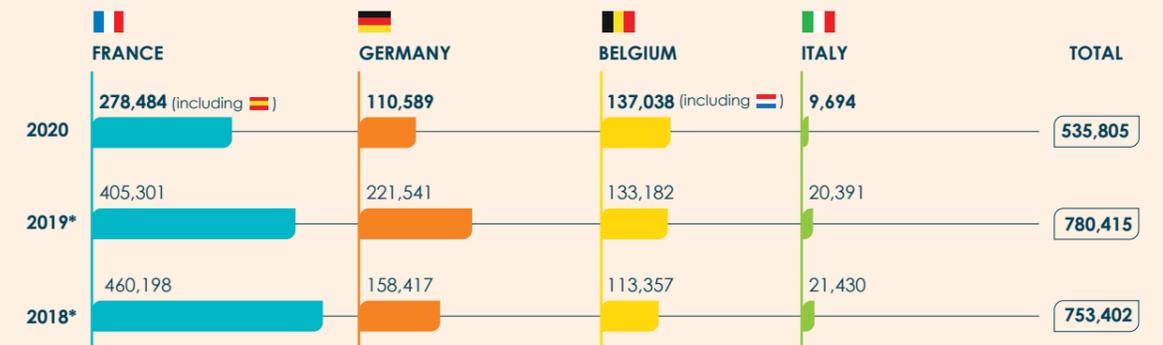
"s.Keys" (Skills for Share) is a three-year programme focused on leadership development and the role played by the Facility Director in a setting which requires managing multiple stakeholders. There are 135 hours of training over three years, offered as a blended learning experience with e-learning modules, coaching, virtual workshops and co-development group sessions. Together, these activities will play a part in creating the "Korian Management Way", namely a "Korian way" of managing which will help stabilise and consolidate the teams and the local management culture. The programme starts with a self-assessment and a personality test completed with a professional coach. After that, the first year is devoted to management and values as the directors produce a joint management charter. In the second year, the emphasis is on care innovation. Finally, the third and final year of the programme is dedicated to managing stakeholders and preparing a professional project, all of which leads to certification for a portion of the training. The first edition began on 16 September 2020 with a digital European kick-off. There are currently 720 Facility Directors enrolled in the program in the five countries where Korian operates.

3.3.3.4 Promoting the Korian leadership culture: the Korian Management Way

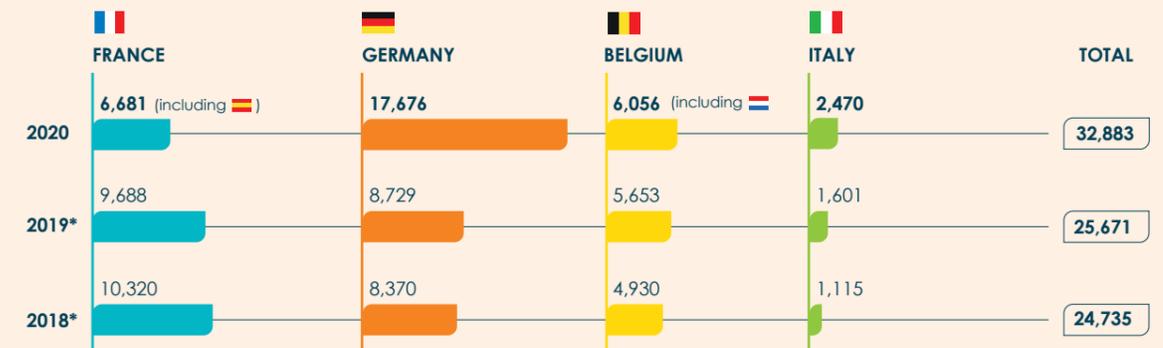
Facility Directors and their management teams lay the foundation for the quality of service provided to patients and residents, for team unity and for the work environment. Facility Directors have important responsibilities, with a scope of management covering 50 to 60 FTEs depending on the site and average revenue of €3 million to €4 million per year for a long-term care nursing home and nearly double that for specialised clinics. This is why, for several years, Korian has structured training courses that enable its managers to strengthen their fundamental management skills while developing a common managerial approach that is based on teamwork and Korian's values. In addition, the Group offers a full complement of technical training programmes to assist managers with taking on a new position and with all aspects of facility management.

2020 TRAINING DATA

NUMBER OF HOURS OF TRAINING



NUMBER OF EMPLOYEES WHO RECEIVED TRAINING IN PERSON



* France only and Belgium only.

NUMBER OF EMPLOYEES ENROLLED IN CERTIFICATION TRAINING (FTE)



The number of in-person training hours plummeted in 2020 because of Covid-19, but this drop was offset by an increase in e-learning modules and the accelerated digitalisation of the Group's training catalogues.

3.3.4 Protecting the health and safety of teams

Employees' quality of life, health and safety are a priority in the Group's Human Resources approach and one of its managerial pillars.

The Group knows that its teams perform jobs that require constant commitment, each and every day, to the needs of residents and patients in order to maintain continuity of care and high quality of service. Several recent reports, such as the one by former French Minister of Labour Myriam El Khomri, demonstrated the accident-prone nature of the caregiving industry compared to other sectors.

Just as the women and men of Korian care for residents and patients, Korian has made it an absolute priority at

the Group scale to protect the physical and mental health of every employee, a promise that lies at the heart of the "In Caring Hands" corporate project. Indeed, as a pre-eminent employer in the sector, Korian seeks to implement innovative and committed policies to prevent accidents and instil a culture focused on workplace health and safety in all its facilities throughout Europe. To this end, a dedicated working group was formed under the European Works Council at the end of 2020 and has begun tackling the challenge. The Group can also lean on the Group Workplace Health and Safety Charter signed by the Group Management Board in late 2019, which has been transposed to each of the Group's countries:

Our mutual commitments to workplace Health and Safety "We care for others on a daily basis. Let's care for ourselves as well."

We are aware that our professions are unlike most others: our teams must be committed - day in and day out - to meet the needs of our residents and patients as fully as possible. We realise this often leads employees to risk their own health, and we do not accept this situation.

Just as we take the care of our residents and patients seriously, we have made preservation of the physical and mental health of each of our employees an absolute priority for the Group. This commitment is at the heart of the company project known as 'In Caring Hands'.

It is our responsibility to care for those who care for others.
We are convinced that **collective awareness is vital to our success.**

In future, three main principles will guide our actions in the area of workplace health and safety:

1. Prevent high-risk situations by promoting awareness and setting up best practices training, in partnership with all actors involved and with a commitment to strengthening collective vigilance.
2. Support our more vulnerable employees and care for those who care for others on a daily basis.
3. With the help of active policies and suitable arrangements, encourage our people to remain in work throughout their careers at Korian.

Concretely, we are committed to setting up the following actions:

- **Diffuse a culture of workplace health and safety throughout the entire Group** with the help of professional teams working closely with our facilities to prevent occupational risks,
- **Encourage working conditions that are good for employees' health**, and deploy across the entire Group the sustainable solutions needed to improve working conditions on the ground:
 - by listening to employees at each of our facilities, to encourage a participative approach by making time for discussion and supervision;
 - by deploying suitable equipment and making workstations and working environments more ergonomic;
 - by setting up a community of go-to people for Health and Safety issues, and clearly identifying those people at each of our facilities;
 - by promoting best practices to prevent health risks, so they are shared by all.
- **Empower employees to take responsibility for their own health and safety** within the company.
- **Assess our occupational risks** regularly, monitor indicators and steer action plans to improve practices and define areas for development.
- **Encourage our people to remain in work** by creating systems to encourage internal mobility.
- **Include the assessment of professional risks** in all construction, renovation and investment projects, to ensure the sustainability of our approach.

If all levels of company management are involved and committed to the daily workplace health and safety of all teams, then we can reduce the number and gravity of workplace accidents and occupational illnesses, and care for those who care for others.

The finalised Charter on Workplace Health and Safety.

3.3.4.1 A strong commitment to health and safety in the workplace

When Korian signed a Quality of Life in the Workplace agreement in France in 2017 with most of the trade unions represented in the company, it became the first enterprise in its sector to do so.

By formally defining a national plan on health and safety at work, this agreement seeks to enhance the teams' working conditions and provide better support to staff members who encounter difficulties reconciling their work and home life.

The Group's roadmap is guided by three main principles:

1. Prevent risky situations by deploying initiatives to sensitise and train on best practices, in conjunction with all persons concerned, and by reinforcing collective vigilance;
2. Support fragile employees and care for those who provide care on a daily basis; and
3. Encourage job retention thanks to active approaches and appropriate systems all along the professional pathway at Korian.

In concrete terms, the Group is committed to taking the following actions:

- Disseminate a culture of workplace health and safety throughout Korian with support from our Professional Risk Prevention staff in close consultation with our facilities;
- Promote working conditions which are conducive to employee health and, throughout the Group, deploy permanent solutions to improve working conditions in the field:
 - by listening to employees at each of our facilities, to encourage a participative approach by making time for discussion and supervision,
 - by deploying suitable equipment and making workstations and working environments more ergonomic,
 - by setting up a community of go-to people for Health and Safety issues, and clearly identifying those people at each of our facilities, and
 - by promoting best practices to prevent health risks, so they are shared by all;
- Empower employees to manage their own health at the company;
- Evaluate occupational risks on a regular basis, monitor indicators and supervise action plans to update practices and define avenues of improvement;

- Encourage job retention by creating appropriate systems to promote internal reclassifications; and
- Integrate occupational risk assessment in all our construction, renovation, and investment projects to sustain these initiatives.

The Group aims to reduce work accidents and occupational illnesses and care for its carers through the daily engagement and involvement of its managers at all levels and for all teams. At the start of 2020, the Group set up "Acciline", a database to track workplace accidents in France that gives all Facility Directors the indicators they need to track accident data within their teams. There are similar platforms elsewhere, along the lines of the Economed solution in Germany. All the Group's countries have implemented monitoring of accidents and near-misses, as in Spain, for example, where a detailed analysis is performed after each accident and distributed to all the facilities.

► Taking care of those who take care

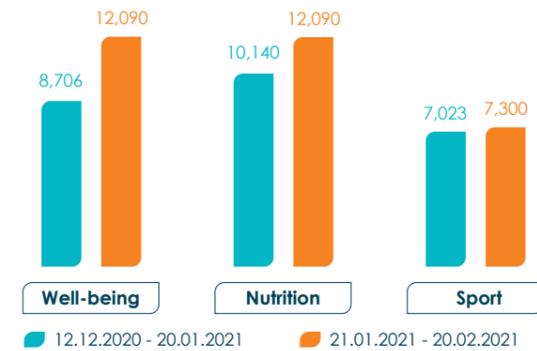
A dedicated Workplace Health Department was formed in France in 2019; it is headed up by a new Health and Quality of Life in the Workplace Manager who oversees five prevention specialists. The professional risk prevention specialists support the facilities to ensure the implementation of preventive actions and to help facility staff be more effective in taking workplace health into consideration.

A PRAP 2S⁽¹⁾ officer was named at each site; these officers promote a culture of prevention among their co-workers. To further structure this prevention approach, negotiations were begun in late 2020 with employee representatives to draft the first agreement in the sector to address health in the workplace and occupational risk prevention.

All countries have reinforced their prevention and health and safety monitoring systems in accordance with legislation in force in each country. In Italy, for example, the management of workplace safety is tightly regulated. It is founded on an employee protection and prevention scheme involving multiple stakeholders (Quality, Medical Prevention, Human Resources, Management, etc.) that is implemented at each site under the authority of the Real Estate function. Meanwhile, in 2020 the Group rolled out a new digital application in Germany called "Humanoo" that was an instant success with nearly 4,000 log-ins. The app seeks to improve employee health through daily tips and suggestions.

(1) PRAP 2S: Prevention of risks connected to physical activity in the health and social sector, training for healthcare professions that empowers workers to prevent risks specific to their profession.

HUMANOO PROGRAMMES IN GERMANY



Number of programmes offered to facility staff through the Humanoo digital app in Germany, organised into three themes: well-being, nutrition and sport.

► Preventing work accidents and occupational illnesses

Korian is especially focused on preventing accidents, assessing occupational risks, and managing work-related stress in all Group countries.

Korian encourages its staff to adopt healthy movements and postures to prevent the risk of occupational illness and accidents. Specific courses are offered to all employees on how to improve comfort and safety when lifting and assisting patients and how to reduce musculoskeletal disorders (MSDs), as well as work-related stress, in conflict situations, for example

In Belgium, the Occupational Health Department has run special programmes at all facilities on stress management (meditation, breathing, yoga, etc.), road safety, and respect in the workplace.

Throughout all of Europe, ergonomists are involved in the planning phase of renovation and construction projects and in the definition of purchasing policies for equipment such as patient lifts and electric beds.

The table below shows the average frequency rate and severity of work-related accidents involving employees on indefinite-term contracts in 2020.

WORK ACCIDENT FREQUENCY AND SEVERITY BY COUNTRY

Frequency rate	France	Germany	Belgium	Italy	Spain	Total
2018	85	N/A	29	68	N/A	N/A
2019	80	19	33	38	N/A	52
2020	94	20	28	31	51	57

(excluding Netherlands, which will report starting from 2021)

Severity rate	France	Germany	Belgium	Italy	Spain	Total
2018	3.37	N/A	0.64	1.16	N/A	N/A
2019	3.38	0.02	0.69	0.64	N/A	1.81
2020	3.99	0.61	0.60	0.52	0.82	2.16

In 2019, the methodology for calculating frequency and severity rates was reviewed and expanded with all countries to converge on the international definitions of frequency and severity rates explained in the note on methodology and arrive at the Group's first report with harmonised metrics across countries. Another milestone was reached in 2020 with the adoption of the new method for calculating the denominator, which is now based exclusively on hours actually worked rather than theoretical hours as was the case until now. This new calculation method explains the increases in frequency and severity rates. It should be noted that the modes for

reporting accidents with lost time vary across countries according to the different accident reporting and compensation systems in each country.

The Group is aware of the high accident rates in the medico-social and health sectors in the countries where it operates. As such, it intends to work actively to prevent risky situations and better protect the health of its staff. Action plans have been drawn up in all its countries to lower the number of accidents with lost time and to instil in each country a culture of workplace health and safety. Korian is committed to reducing work accident frequency and severity rates gradually under an organised approach.

Given the unique context of the health crisis, the Group moved swiftly to protect its employees and provide the personal protective equipment needed. The Group set up mental health support units and programmes in all countries according to the degree to which the sites were exposed to the epidemic. Hotlines, specialised training led by psychologists and HR support units were offered in all the countries so that no employee would go unaided if they were dealing with personal or group distress stemming from the sudden emergence of the virus and its extremely invasive effects. Handbooks offering health and safety guidance for employees during the Covid-19 period were also made available to staff.

Image: The "Coaching for heroes" programme set up in Belgium gave each employee the ability to call an external expert or psychologist on a voluntary basis to seek individual or group support.



ABSENTEEISM RATE PER COUNTRY (PERMANENT WORKFORCE)

	France	Germany	Belgium	Italy	Spain	Netherlands	Total
2018	8.8%	7.4%	12.2%	3.2%	N/A	N/A	N/A
2019	10.0%	5.2%	11.6%	7.4%	N/A	N/A	8.3%
2020	12.3%	15.9%	18.9%	6.2%	8.4%	8.9%	13.9%

On the whole, absenteeism in the healthcare sector remained higher than in other sectors because of the exposure and burden of the caregiving trades, but Korian's absenteeism rates were lower than the industry average. In France, for example, studies show that absenteeism in healthcare, all facilities and all sectors combined, is about 18% and rising each year. The Korian group is not immune to this trend, but has contained it thanks to proactive efforts to analyse the causes and draw up action plans. Absenteeism is multi-faceted and comprises four categories of work stoppage: commuting accidents, workplace accidents, lost time due to ordinary, non-occupational illness and lost time due to occupational illness. The accidents are handled by welfare systems varies from one country to the next and can also have an impact on absenteeism rates depending on the period of stoppage reimbursed.

The overall absenteeism rate ⁽¹⁾ at Korian in 2020 was 12.3% on average for the Group. The Covid-19 pandemic prompted a large number of precautionary, short-term absences.

Absenteeism has a destabilising effect on work organisation and the provision of care.

All the Group's countries have implemented action plans to reduce absenteeism. Tackling it with managerial approaches is essential, whether these practices entail more predictable work organisation and adapted scheduling or individual and group support for employees. Nevertheless, working conditions – particularly as regards workplace health and safety – are also decisive in short-term absenteeism. Therefore, a dedicated working group was created under the European Works Council to share observations and further explore this topic, to ensure the

key components of the Korian social contract and the eight HR commitments are a reality.

Two specific actions have been taken in the last two years:

- permanent local organisations were strengthened in order to handle one-off absences internally; and
- a profit-sharing agreement based on reductions in absenteeism was finalised.

► Supporting our staff

Korian strives to uphold the values of availability, attentiveness, and communication to give its employees all the support they need each day. In France, a Social Services Department offers employees a confidential, impartial place to get information, advice, and guidance, regardless of the problem at hand:

- social or family issue: pregnancy, birth, death, separation, domestic violence, caring for a family member losing their independence, etc.;
- financial worries: help with managing a budget, consumer debt, contacting creditors, etc.;
- health problems: sick leave, disability, part-time work on health grounds, incapacity, impairment, etc.;
- career status: retirement, promotion or transfer, job retention, etc.;
- lodging assistance: request for social housing, loan, back-rent, preventing eviction, etc.;
- exercising one's rights: Family Allowances Fund, social security, administrative situation, etc.; and
- preparation of informational materials: guides for parents and care assistant fact sheets.

In 2020, the social services department was contacted by 2,151 employees in France.

(1) Permanent and non-permanent staff.

In parallel, employees in France may call an anonymous, confidential hotline that is open 24/7 to talk, get moral support and gain perspective on a difficult situation they are going through or were witness to. There is a regular reporting process for professional and personal risk factors. The hotline received calls from 120 employees in 2020, compared to 60 in 2019.

Whenever a serious incident or event occurs at a facility, this hotline may be supplemented with the organisation of support groups. Such groups are co-facilitated by a Korean psychologist and a social worker trained specifically in this technique.

In Spain, an occupational risk assessment was conducted at all sites. The supplemental health insurance scheme monitors absenteeism in the workplace and can even perform medical examinations if there are lags in the public health system. Each site also has a Health Committee whose members include employees and Company representatives.

In Belgium, the "PETRA" fund, backed by the company, helps families facing a personal crisis to get through emergency situations.

3.3.4.2 Reinforcing well-being and quality of life at work for Korean teams

Especially in the caregiving trades, professional fulfilment, well-being at work and the work-home balance are the keys to a healthy, pleasant work environment, which favours employee retention.

The five action areas identified are:

1. stepped-up vigilance on work conditions and quality of life in the workplace;
2. a strong commitment to diversity;
3. individualised training paths;
4. individualised induction programmes; and
5. updates to our work organisation.

3.3.4.2.1 A strong social dialogue

The employee-employer dialogue is a core component of the Korean human resources approach. Because of the diversity of our teams, our multiple geographic regions, and the nature of and conditions under which we do our jobs, it is imperative that we maintain an ongoing, substantive social dialogue. Our labour relations are rooted in the Group's values of listening to and supporting our staff, in mutual respect and in the quest for pragmatic, appropriate solutions that always seek to equitably satisfy the different stakeholders. In all the countries where it operates, the Group promotes open, high-quality labour relations supported by management and attentive to employee representatives at every level of the enterprise. Its actions in this area adhere strictly to laws in force and take a proactive stance to further strengthen the Korean social contract whenever possible.

During first phase of the Covid-19 pandemic, employee representatives were deeply involved at every stage of the health crisis. In France, Economic and Social Committees met more frequently – sometimes weekly – to reassure the teams about personal protective equipment and the preventive health measures taken. In the same spirit, after the first phase of the pandemic, labour unions and employee representatives were invited to review the events to identify the lessons learned from the health crisis and to continuously reinforce the social dialogue. A seminar was held at the end of the summer in 2020 to sketch the outlines of a renewed employer-employee dialogue and to define a programme for joint training and labour negotiations, which is now in progress.

In the other countries where the Group is present, particularly Belgium and Germany, the crisis was an opportunity to strengthen ties with labour organisations through more frequent meetings and the exploration of points of view on the health situation. Germany set up its first central coordination body to harmonise working conditions at the national level.

All employees are covered by a collective bargaining scheme.

ORGANISATION OF INDUSTRIAL RELATIONS BY COUNTRY

	Spain	Italy	Netherlands	Belgium	Germany	France
Existence of a collective agreement on compensation	Yes	Yes	Yes	Yes	Yes	Yes
Type of agreement: sector-wide and/or company-wide agreement	Sector-wide	Health sector	Sector-wide	Sector-wide	Sector-wide	National, sector-wide and company-wide
% of employees affected by a collective agreement	100%	100%	100%	100%	~100%	100%
Signatory labour organisations	CC.OO	CGIL, CISL, UIL	All	All	Ver.di (for some local agreements)	UNSA, CFDT
Other collective agreements	No	Company-wide agreement on social benefits under negotiation	No	No	Negotiations in progress with Ver.di on a rates agreement for the care sector in an additional facility	Other existing agreements: <ul style="list-style-type: none"> • Social dialogue agreement • Pre-election agreement • Collective savings (renewal pending in 2021) • Collective performance agreement • Profit-sharing agreement (signed in November 2020) • Agreement to promote the employment of disabled workers (renewed in December 2020) • Health and safety, quality of life in the workplace, gender equality (to renegotiate in 2021)

In accordance with the agreement signed in April 2019 and following on negotiations begun in 2018, the first European Works Council in the Group's sector was established by the Group's Chief Executive Officer on 24 June 2020. It agreed to a work plan for the years 2020 and 2021 with an emphasis on workplace health and safety and improving the Korean social contract. The Group continues to strengthen its ties with European labour organisations, such as the EPSU (European Federation of Public Service Unions) with which the health sector is affiliated. The EPSU assisted Korean in creating its European Works Council, on which it holds a seat. More recently, the Group moved to work more closely with UNI-Care, the health branch of the international union federation UNI Global Union.

Lastly, in 2020 Korean decided to join Global Deal, an initiative backed by the French Ministry of Labour that brings together large corporations, trade union federations and institutions with the aim of promoting an international social dialogue.

3.3.4.2.2 A fair, attractive compensation scheme that upholds the Korean social contract

The Korean compensation scheme is a key element in deploying the company's strategy. It addresses several challenges: attracting and retaining talented employees, involving them in the company's overall success, ensuring competitive compensation packages relative to its markets of reference and guaranteeing fair financial recognition by promoting commitment and individual performance.

The priorities of this compensation scheme are to offer employees fair overall compensation packages and recognise their professional commitment.

The compensation scheme is driven by the "In Caring Hands" corporate project and by the commitments made to employees, including the Company's social contract (co-optation bonus, mentoring bonus). It is part of a global approach to transparency and employee recognition that takes under consideration compensation elements, social benefits and the general framework proposed by the Group: work ambiance, career path and personal development.

There is a global compensation scheme in all the countries in which Korean operates. It consists in a base salary defined according to the local market and collectively negotiated pay scales in each country, variable compensation for certain managerial staff (the details of which vary by country and function), and social benefits in line with the laws and practices of each country. In 2020, the Group took stock of the social benefits schemes in each country. During the health crisis, the digital platforms used to access social benefits were improved, particularly in Belgium and Italy.

In France, the compensation mechanism is supplemented by an employee savings scheme that is pegged to certain Group objectives.

In all countries, the compensation scheme is adapted to local situations, such as tension on the labour market or local regulations on refinancing health expenditures. Korean harmonises its compensation plan at the local level to treat its employees fairly in a motivating environment. It is reviewed regularly with labour partners, in accordance with local laws.

The health crisis sparked inequalities in Europe owing to the so-called "Covid bonuses". Only Germany, France and – to a lesser extent – Belgium paid special bonuses to

their on-site caregiving and operational teams affected by the health crisis. In France this was supplemented by an extraordinary rise in the fixed wages of carers under a mechanism called "Ségur Santé" which worked out to an additional 9% on a full-year basis. A "Covid bonus" was paid to 4,000 employees in Europe in 2020.

For the sake of illustration, the "Ségur Santé" effect as applied to the French salary tables (resulting from mandatory annual negotiations) gives the following average salary for a French nursing assistant in 2020:

Image: Salary tables for nursing assistants and nurses in France

SALARY TABLE FOR NURSING ASSISTANTS IN FRANCE

ESU tenure ⁽¹⁾	monthly salary
< 2 years tenure	1,700 euros
	1,906 euros (including SEGUR)
≥ 2 and < 3 years tenure	1,750 euros
	1,956 euros (including SEGUR)
≥ 3 years tenure	1,800 euros
	2,006 euros (including SEGUR)

(1) ESU: French Economic and Social Unit (ESU) to which Korian France employees belong, excluding new activities (Ages & Vie, Petits-Fils, etc.).

SALARY TABLE FOR NURSES IN FRANCE

ESU tenure ⁽¹⁾	monthly salary
< 2 years tenure	2,170 euros
	2,376 euros (including SEGUR)
≥ 2 and < 3 years tenure	2,230 euros
	2,436 euros (including SEGUR)
≥ 3 years tenure	2,300 euros
	2,506 euros (including SEGUR)

(1) ESU: French Economic and Social Unit (ESU) to which Korian France employees belong, excluding new activities (Ages & Vie, Petits-Fils, etc.).

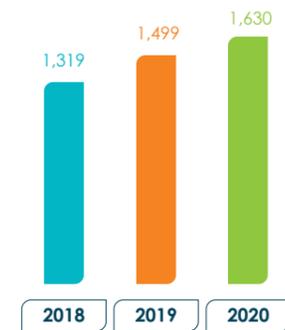
Similarly, all the salary tables were updated in Germany to harmonise them within each region and to enable the Facility Directors in charge of hiring teams to more easily understand the Korian remuneration policy in Germany. This initiative coincided with a recasting of social benefits and work cycles and was discussed with employee representatives.

Lastly, the Group's compensation systems adhere to gender equality and diversity regulations and goals in all the countries where it operates.

Korian ensures that pay raises and compensation associated with promotions are allocated equitably to the Company's men and women in all its countries. The "fairness ratio", namely the gap between the lowest mean

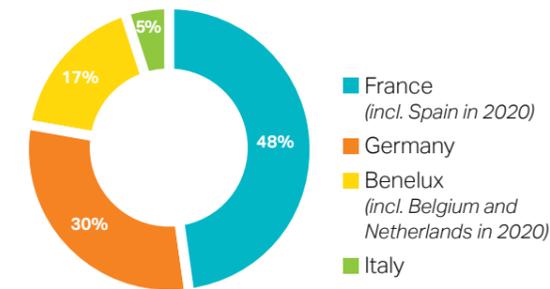
or median salary and that of the Group's Chief Executive Officer, is also presented in the compensation report found in section 4.2.2.4 of this universal registration document.

CHANGES IN GROUP COMPENSATION BY PAYROLL



The change in compensation between 2019 and 2020 expressed in total payroll across the whole Group was an 8.7% average increase. This reflects not just growth in the Group's workforce, but the ongoing payroll efforts made during the health crisis.

BREAKDOWN OF GROUP PAYROLL BY GEOGRAPHICAL AREA



3.3.4.3 Kommunity: Korian's very own social barometer

The "Kommunity" employee satisfaction survey has been conducted every two years since 2015 among all Korian staff. The results, which are monitored country by country, were presented in the 2019 URD published in 2020. In 2021, "Kommunity" will be converted to a shorter, annual survey called "Kommunity Pulse" and aimed at all employees, including those working on fixed-term contracts. For the first time, a Net Promoter Score indicator will be included in the survey. Starting from May 2020, nearly 1,000 employees were contacted as part of the "RECOVERY" feedback process to identify the key learnings of the first phase of the health crisis. The results underlined the company's impressive resilience, driven by its values and the protection of its teams. In France, discussion groups

and dedicated seminars were organised with trade unions to look at the lessons learned from an employee point of view and to co-develop a joint work plan to renew the social dialogue (see § 3.2.1)

Finally, the "s.Keys" (Skills for Share) training programme designed for all the Group's managers enabled Facility Directors to work on how to better take into account team dynamics and work groups during an epidemic.

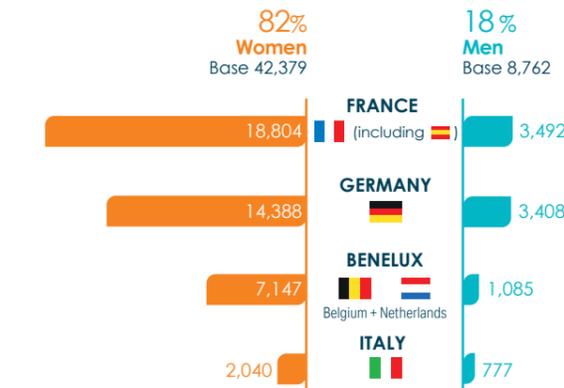
3.3.4.4 Committed to promoting equality, diversity and inclusion

Korian's teams are impressively diverse. The Group is pleased to have more than 100 different nationalities represented among its operational staff. Because the Group is convinced that this diversity goes hand in hand with progress, innovation and wealth, it makes respect and consideration for others a key component of its managerial practices and employment actions.

3.3.4.4.1 Teams enriched by their diversity

Korian facilities are in the heart of local communities and women represent 82% of its workforce, which comprises diverse backgrounds, nationalities, and ages, especially in care and service roles.

BREAKDOWN OF EMPLOYEES BY GENDER AND BY COUNTRY PERMANENT WORKFORCE AT 31.12.2020



At the end of 2020, women accounted for 47% of Top Management, for an increase of 100 basis points compared to 2019.. The target of 50% women in Top Management by 2023 is one of the Group's 15 ESG indicators. Korian's gender balance in management has been frequently recognised and rewarded in various forms. Honours in France have included the First Prize for Equality (SBF 80 category) and the Equality Prize (Health Facilities and Services category) awarded by the Zimmermann index⁽¹⁾ in conjunction with Ethics & Boards and the Institut du Capitalisme Responsable which measures equality in SBF 120 French stock market companies. Since 1st March 2019, it has been mandatory in France to publish a multi-criteria professional gender equality index⁽²⁾.

(1) A French diversity index developed by the former parliamentarian Marie-Jo Zimmermann.

(2) The professional gender equality index stipulated in the "Freedom to choose one's professional future" law of 5 September 2018, is published on the company's website: <https://www.korian.com/fr/pourquoi-travailler-chez-korian>.

Korian is also a member and co-founder, with the "Fondation Agir Contre l'Exclusion" (FACE), of the first network of European companies committed to preventing violence against women, alongside Kering, Carrefour, SNCF, OuiCare and L'Oréal. Information campaigns and in-person and online training programmes continued in 2020 to prevent and provide support. A micro-learning module on fighting sexist behaviours is available to employees. Furthermore, a dedicated campaign was organised in the spring of 2020 with the FNSF and FACE to address the surge in violence against women during the Covid-19 epidemic because of the lockdown.

Most of the Group's countries participated in the programme, especially Spain and Italy, which are developing emergency housing solutions for women.

The European Works Council also devoted a work session to this issue in 2020.

The rights and working conditions of women are an integral part of the European social dialogue. In 2021, the members of the European Works Council received a day of training on this topic, with a special emphasis on violence against women. In 2020, the Chief Executive Officer of Korian signed the WEP (Women's Empowerment Principles) at the plenary session of the European Works Council. Thus, the Group pledges to continue advancing the social dialogue by tackling the health and safety of women in the workplace, ensuring equal access to training and promoting and measuring gender equality policies in the countries where it operates. The signing of the WEP was accompanied by the formalisation of a three-year partnership agreement with UN Women France, attesting to Korian's long-term commitment.

Korian signs the Women's Empowerment Principles defined by the United Nations Global Compact and UN Women.



Fanny Benedetti, Executive Director of UN Women France (on the left), Claude Vausenat, Secretary of the Korian European Works Council (middle), and Sophie Boissard, Chief Executive Officer of the Korian group (on the right)

3.3.4.4.2 Korian's Disability Mission

For Korian, the Disability Mission project is not just about hiring disabled people in France but is part of an overall approach toward employee integration and retention.

In 2020, Korian renewed its agreement on the employment of disabled workers with its labour partners in France. Among the provisions of the agreement is the commitment to hire 300 persons with a disability over the next three years, 60 of whom will be work-study participants. In addition, the agreement pledges to support at least 200 workers with job retention or retraining plans.

Korian partners with several vocational rehabilitation centres and works to include interns with a disability interns as part of their certification programmes. "Job

dating" events are organised each year to meet potential candidates.

Italy has some regional agreements for the employment of disabled workers. All countries comply with the national legislation in this regard.

The law in Spain requires enterprises to ensure that at least 2% of their headcount are disabled, a target met by Korian. In the same vein, a partnership has been formed with the company ILUNION, a specialised job placement centre for disabled workers.

At the close of 2020, the Group had 1,956 employees with a disability, or 4.56% of the Group's permanent FTE workforce.

The agreement also includes measures pertaining to parenting and has brought in a maternity booklet outlining the rights of information women. Furthermore, a new guide was published in 2019 to support employees who have lost a loved one. In the other countries, the Group complies with local laws and regulations to prevent all forms of discrimination. If necessary, discrimination matters may be referred to specialised external organisations.

In addition, to help promote women to key positions and to management, under conditions of equal skill and equal access, all lists of candidates being considered for such roles must include at least one woman, especially when naming senior managers. A Korian "Women's Club" was formed in March 2019 to encourage diversity within the Company and create opportunities to share best practices for recognising and promoting women at the Group. The Korian Women's Club is now up and running as an integrated network of women managers at the Group. It has implemented a work plan in response to the epidemic and the attendant crisis. The goal to have 50% of women in Top Management positions will better reflect the gender composition of the Company and ensure that executive management tracks are as accessible to women as they are to men. Furthermore, the company continuously monitors legislative amendments relating to gender equality within management bodies, particularly in France and Germany, and has set up a tracking indicator in all countries with corresponding action plans.

A plan to promote equality and combat harassment in the workplace and sexual harassment has been deployed to facilities in Spain.

Finally, in 2017 Korian signed a Commitment Charter with the gay rights group L'Autre Cercle in France to promote the inclusion of lesbian, gay, bisexual, and transgender (LGBT) people. By adhering to the Charter, Korian guarantees an equal opportunity environment that respects all forms of diversity, in regard to both colleagues and the residents and patients at the Group's care homes. This will be largely achieved by running training courses and awareness campaigns among managers and teams.

To this end, a micro-learning module to raise awareness around this issue was posted online. Along the same lines, Korian Germany signed a Diversity Charter in March 2019 at an event attended by top managers from Germany and France.

As part of the Kommunity social barometer survey in 2019, Korian employees were asked about their perception of equal treatment in terms of gender, age, religion, ethnic origin, sexual orientation, and disability potential. On average, more than 80% of employees in all five countries where the Group operates said they were satisfied, for all items.

In 2019, Korian Germany signed on to a Diversity Charter, joining over 3,000 enterprises, including Daimler, Deutsche Bank, Deutsche Telekom and BP.

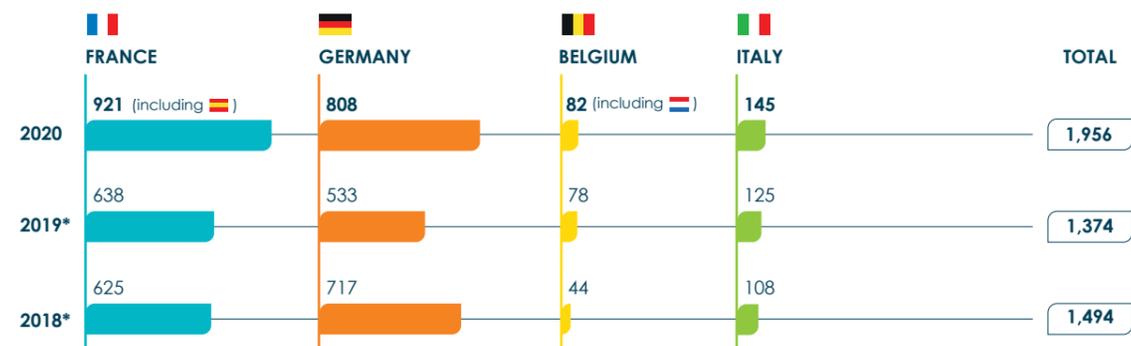
In Belgium, a programme devoted to diversity in the care professions was undertaken in Greater Brussels in 2020 to take into account the specific social and sociological characteristics of the region. It included a study on adapting care practices to cultural differences at Korian sites in consultation with families in the neighbourhoods concerned. A preliminary project was launched at the Bellevue site in Brussels, in close collaboration with the Turkish community. In addition, the HR diversity policies in Belgium were reinforced in the four areas of analysis and improvement: recruiting and selection, HR policies in general, and internal and external communications, starting with focus groups including employees aged 26 to 45 with disabilities or very limited skills.

As a whole, the results achieved in 2020 were encouraging, in spite of the worldwide pandemic:

- employees under permanent contracts accounted for more than 83% of the workforce;
- the turnover rate dropped from 22.3% in 2019 to 20.2% in 2020; and
- average tenure is now 6.9 years versus the previous figure of 6.7.

All the workforce data pertaining to the Group's headcount for 2020 appears on pages 116 and 117.

EMPLOYEES WITH A DISABILITY (FTES)



* France only and Belgium only.

The figure for Germany was much lower in 2019 compared to 2018. This is due partially to the fact that the country's certificates recognising disabled workers must be renewed every two years and only some of the certificates had been collected when the books were closed on 31 December. However, the approach to welcoming, recognising and developing disabled employees in Germany has not changed and aligns fully with the Group's HR diversity mechanisms.

3.3.4.4.3 For equal treatment at all levels

Korian prohibits any discrimination based on age, gender, sexual orientation, health, ethnic origin, nationality, political opinions, or religious beliefs. The recruitment, management and professional development of staff are based on the principle of equal opportunity: performance, career potential and personal skills are essential criteria for career advancement and pay raises. The Group believes that diversity is a valuable asset and endeavours to reach all professionals in its sector through its recruitment policy.

In France, the Quality of Life at Work agreement signed in October 2017 includes provisions on equal job opportunities for women and men, guaranteeing that:

- job offers are presented equitably in a gender-neutral manner to men and women;
- all job applications are treated equally (all Facility Directors are provided with a guidebook on recruitment);
- all employees have equal access to promotion and new job opportunities based on skill requirements;
- men and women receive equal pay for the same level of responsibility, education, ability, professional experience, and number of work hours; and
- part-time employees are paid proportionally as much as full-time employees.

PILLAR 3 OF THE ESG STRATEGY

CONTRIBUTE TO FINDING INNOVATIVE SOLUTIONS FOR A MORE INCLUSIVE SOCIETY



AS PER THE KORIAN MANIFESTO - CONTRIBUTE TO FINDING INNOVATIVE SOLUTIONS FOR A MORE INCLUSIVE SOCIETY

"Our expertise in the field of caring for elderly and fragile individuals entrusts us with a unique role in society and in caregiving services.

The **Korian Foundation** for Ageing Well conducts fundamental research and experiments in conjunction with a network of academic and scientific partners in **four areas of interest: maintaining independence, prevention** as an active tool to preserve independence, the **social utility of the elderly**, and **solidarity**, especially toward women on low incomes and youth from disadvantaged neighbourhoods. In line with these topics, Korian participates actively in the "collectif des 35" French enterprises which

are jointly committed to a programme to create employment opportunities for young workers through apprenticeship and continuing education and to provide job placement assistance.

Concretely, in the coming years:

- We wish to continue supporting scientific research and our goal is to support at least **five publishable research projects**, through our Foundation network.
- We pledge to set up a **Stakeholder Council** in each country, in addition to France.
- We pledge to set aside at least **1% of our annual net profit** for research and philanthropic pursuits."

3.4 Contributing to finding innovative solutions for a more inclusive society

3.4.1 Changing the way society views old age through Korian's Foundations



Seeking to expand avenues of exploration in the search for techniques to cope with the revolution in the ageing process, Korian created the Korian Corporate Foundation for Ageing Well in September 2017, which was joined in early 2020 by an equivalent Korian Foundation in Germany. The actions of the Korian Foundation for Ageing Well advance three goals:

- support and participate in scientific research work to develop and assess new therapeutic approaches;
- conduct social studies to change attitudes about ageing and encourage society to have a more inclusive vision of the elderly, regardless of their physical condition, age, or family status; and
- support social and technological innovation in the service of ageing well.

Inspired by the positive reception of the Foundation's work in France, Korian decided to also set up a foundation in Germany. It began operating at the start of 2020 under the direction of Elisabeth Scharfenberg, a former member of the Bundestag with a background in the care sector who is known in Germany for her expertise on care matters. The objective of the German foundation is to undertake innovative projects and initiatives in the field of care and assistance for the elderly. The first priority is to focus on training and developing care personnel and optimising their working conditions. The idea is to raise awareness on the caregiving profession and to change public perception, leading to greater recognition for care assistants and concrete solutions to enhance their working conditions.

3.4.1.1 Two Korian Foundations for Ageing Well

Through the actions of its two Foundations, and thanks to galvanising projects that involve the elderly and care and service professionals, the Group aims to educate the public, change how society views the elderly, support professionals in their work and strive to include the most fragile members of society.

Inclusion means enabling all persons, regardless of their characteristics, to be a full member of society and its organisations.

In France, under the aegis of its Scientific Committee, which is chaired by the sociologist Serge Guérin, and comprises researchers, academics, practitioners, caregivers, designers, and heads of associations, the Foundation focuses on the following action areas:

1. the impact of robotics and artificial intelligence on quality of life for residents, patients, and care professionals;
2. recognition of careers in the care sector;
3. solidarity and inclusion, especially with women, youth from disadvantaged neighbourhoods and people who are fragile and isolated; and
4. support for senior independence.

With the grants allotted in 2020 to its Foundations and the direct contributions made to non-profit associations and research organisations, such as the Foundation for Medical Research in France and the Korian Covid-19 Solidarity Fund created in May 2020, the Group spent 4% of its net profit on philanthropic endeavours, which is twice the target figure laid out in its ESG commitments. This support homed in on three areas of activity:

- medical research, especially on neurodegenerative diseases and Covid-19;
- job placement and retention for young workers; and
- advocacy for women in fragile situations.

3.4.1.2 Scientific research and social studies conducted by the Korian Foundation

To continue supporting scientific research, Korian has defined the goal of supporting at least five publishable research projects per year. To enrich the public discourse and advance ideas and knowledge, the Foundation itself, among other actions, conducts scientific research and supports programmes implemented under scientific collaborations with its academic partners. Four articles stemming from research work carried out by the Korian Foundation in France were published in 2020 in peer-reviewed scientific journals:

- “No impact of a prescription booklet on medication consumption in nursing home residents from 2011 to 2014: a controlled before-after study” (2020-08-03) - DOI: <https://doi.org/10.1007/s40520-020-01670-5>.
- “Telemedicine in nursing homes during the COVID-19 outbreak: A star is born (again)” (2020-05-27) - DOI: <https://doi.org/10.1111/ggi.13934>.
- “The impact of street clothes among caregivers on residents with dementia in special care units: The STRELO study” – (2020-02-11) - DOI: <https://doi.org/10.1111/jocn.15210>.
- “Preparing the transition to long-term care institutions: a cross-sectional study and cluster analysis of characteristics linked to the place of residence” (2020-12-04) - DOI: <http://dx.doi.org/10.14283/jnhrs.2020>.

Three posters were presented at the JASFGG ⁽¹⁾:

- Evaluation of the use of traditional and new instruments to determine participation in geriatric clinical trials: potential of the EVIBE scale ⁽²⁾.
- How do persons over the age of 65 in Europe feel about their own utility and Ageing Well? Analysis of social representations based on a European transverse study.
- The use of indicators to manage medication risks improves the quality of prescriptions in nursing homes.

At the initiative of the Group's Chief Executive Officer, a Korian Covid-19 Solidarity Fund was created in spring 2020. It was funded with contributions voluntarily deducted from the remuneration of corporate officers, board members and General Management. The one million-euro fund give equal support to scientific research projects on Covid-19, in conjunction with the Foundation for Medical Research:

- AntiCoV project: Antiviral approach to SARS-Cov-2.
- CORIPLASM project: using convalescent plasma from Covid-19 patients to treat Covid-19.

and to solidarity projects benefiting Korian employees:

- starting from 2020, assistance to the Maison des Femmes in Saint-Denis founded by Dr Ghada Hatem-Gantzer at the Saint-Denis Hospital to house women who are survivors of sexual and social violence. Korian became an active member of a “Maison des Femmes” network in France;

- other charitable actions were backed outside France, such as the robust support for Doctors Without Borders in Belgium during the crisis directly at sites and the backing of NGOs working on neglected diseases in Germany (Kindness for Kids) or the contributions to the PETRA fund in Belgium, with matching of voluntary employee donations to provide assistance to employees dealing with accidents or other personal traumas.

The Korian Foundation focused its attention in 2020 on the utility and inclusion of the elderly, the impact of artificial intelligence and robotics on the quality of life of the elderly and caregivers, and supporting Korian's care assistants and women, as well as persons who are fragile and isolated.

► New research programmes launched in 2020

These aim to support care professionals in updating their practices, especially in the context of the *Positive Care* approach rolled out to Korian's homes and clinics. The work programme includes:

- Fragile individuals and artificial intelligence, conducted in partnership with Catholic University in Lyons, with the goal of proposing an ethical and legal approach to frame the responsible development of artificial intelligence in applications aimed at fragile elderly people. The Foundation in Germany also kicked off a Franco-German research programme on artificial intelligence applied to risk prevention and resilience for caregivers with a consortium convening private actors such as Fraunhofer, Kompai Robotics and the DAN Institute, as well as academic actors like Chemnitz Technical University;
- Launch of a CIFRE thesis in partnership with Strate and Nîmes University on “How can AI and robotics contribute to better positioning of caregiving staff?”
- Launch of a study with Socium University in Bremen, Germany, on caregiver tasks and work cycles in relation to the skills acquired and implemented.
- Evaluate the utility of teleconsultations in the framework of psychiatric monitoring of caregivers.
- Determine which internal organisation factors would encourage the emergency of epidemic hot spots in long-term care nursing homes, in partnership with University of Versailles St Quentin and the APHP.

- The Scientific Committee at the Foundation is chaired by the sociologist Serge Guérin, and comprises a variety of members who can provide broad insights into scientific and social research to foster better inclusion of elderly

and fragile persons in our societies. The Scientific Committee includes geriatricians, psychiatrists, care practitioners, patient and resident representatives, and qualified Korian team members.

Image: the ecosystem of scientific research partners working with the Korian Foundation in France



► Social projects

Study on Old Age and the living environment: This study consisted in more than 50 individual interviews conducted in France, Belgium, Italy and Germany with elderly persons living in their own home or nursing homes, professionals, elected officials and members of associations that work on issues relating to old age. The objective was to compare viewpoints and experiences to paint a picture of the ties that connect the elderly to their environment. The results, which were released in January 2020 during a Korian Foundation roundtable, formed the basis of the relevant section in the 2020 questionnaire used for the European Barometer on Ageing Well published in September 2020.



The Korian Foundation is launching “Once upon a time: caregivers”, the second edition of the podcast series “Senior Voices”. As the professionals who care for the elderly were more exposed than ever on the front lines of the epidemic, Sophie Pillods, who produced these

podcasts, set out to interview nursing home residents who once worked in the care sector. Their generation saw the radical transformation of medicine with the arrival of new drugs, vaccines, supplemental tests, the advent of private hospital rooms and more. Ten people ranging in age from 76 to 96 agreed to come along for the trip down memory lane: Dany, Christiane, Suzanne, Olga and Anne-Marie (nurses); Mimi (hospital clerk); Marcelle (cardiologist); André (general practitioner); Daniel (physiotherapist); and Simone (nursing assistant). They each share emotional memories that evoke their dedication, their bonds with patients and the act of providing care and treatment. This eight-episode series serves up portraits of these individuals and explores their thoughts about how their professions changed.

Support for the “EHPAD'ons Nous!” festival In spring 2020, the I2ML foundation, a partner of the Korian Foundation, launched its first music festival, “EHPAD'ons Nous!”, with support from the Regional Health Agency of Burgundy-Franche-Comté. Designed to forge social connections, the festival took place in 11 long-term care nursing homes in the Burgundy-Franche-Comté region from 21 July to 5 August 2020. Then, in December of the same year, it travelled to seven Korian long-term care nursing homes in Ile-de-France. The festival was a precious opportunity to bring a new activity to Korian facilities and to promote local artists so that residents could experience culture, which plays a vital role in these trying times. And because culture is synonymous with sharing, the festival also had a digital component: it was broadcast in real time on the EHPAD'ons Nous! Facebook page to maximise the number of people who could get in on the fun.

(1) Annual gathering of the Société française de gériatrie et de gérontologie (the French Geriatrics and Gerontology Society).

(2) A tool developed by the Korian Foundation for Ageing Well to assess well-being in the dependent elderly.

Second white paper from the Korian Foundation: "Yes, the elderly are useful!": Inclusion through social utility is a major research topic at the Korian Foundation for Ageing Well. With this second white paper, "Yes, the elderly are useful!", the Korian Foundation presented all the projects and analyses carried out over two years on the central theme of the utility of the elderly. This included a sociological study conducted in 2018 by sociologist Stéphane Hugon, the third European barometer on the topic and a summary of the best practices and initiatives implemented by professionals in the field in local communities, culled from the morning sessions organised around this subject throughout France and Belgium in 2018 and 2019.

Finally, the Korian Foundation renewed its partnerships with associations that help young people from disadvantaged backgrounds find work in an effort to change the way younger generations perceive careers in the Silver Sector and to draw in new talent:

Building on the joint arrangement begun in 2018 with **United Way L'Alliance**, the Korian Foundation continued its support of the Défi Jeunesse programme aimed at supporting 15,000 middle school students by 2020 to prevent school drop-out. The programme's toolbox includes introductory internships at clinics and nursing homes and mentors to help with developing a career plan. In 2020, against the backdrop of a highly unfavourable health situation, 18 middle school students were hosted for internships to work with the elderly at Korian facilities;

In June 2020, Korian and its partner, the Foundation for Action Against Exclusion ("FACE"), conducted a survey at nine facilities with nearly 350 staff members to identify the problems they encounter in their daily lives, such as housing, exercising their rights, transport, and child care.

3.4.2 Supporting research and innovation for care practices

The Korian Foundation has a resolutely outward focus on its environment and ecosystem, and regularly holds debates and roundtables that contribute actively to advancing society's perception of ageing.

This initiative emerged in 2019 as part of the partnership signed between Korian France Santé, the Korian Foundation and the University of Paris to build skills and strengthen collaboration in the fields of research and training.

Dr Fariba Kabirian (Geriatrician and Medical Director of Korian France) and Professor Elena Paillaud (professor and practitioner in geriatrics, Department Head at HEGP) designed the scientific agenda for the day:

- A lecture on screening for fragility in elderly subjects diagnosed with cancer, given by Professor Paillaud and Dr Cudennec.
- A debate on prostate cancer screening in elderly subjects was facilitated by Drs Caillet and Geisse, with expert input from Professor Mongiat-Artus.

Two priority issues emerged: exercising one's rights and accessing healthcare. Following on this survey, workshops took place at several pilot facilities to help employees better understand their rights. These forums were led by regional FACE clubs and the Korian Foundation. The objective was to determine the relevance of setting up concrete local solutions relating to the priority issues identified. These actions were assessed in January 2021; as a result, it was decided that the actions were helpful and would be developed across the network starting in 2021. This effort led the Group to undertake its first partnership with the association LawyersForWomen. The collaboration will establish legal help desks at the pilot sites to answer the many administrative and personal questions that the women of Korian must contend with in their daily lives.

In Germany, the Foundation is making care assistant well-being a priority, with actions to help care employees improve their personal health in the workplace and at home. Several such projects were rolled out in 2020, along the lines of "Palate Care", a campaign developed with the Coburg Cooking School and several other partners, including Charity Hospital in Berlin and Heidelberg University, to share tips and recipes with care staff so they can prepare health and taste meals during and after work. Similarly, the self-care and self-perception project ("AussZeit istZeit") developed with the University of Giessen, Primavera Life and other institutional partners in Germany under the auspices of the Ministry of Health of Bavaria offers online modules to help care professionals improve their nutrition, mental health, stress management and ability to relax with "health breaks". Yet another example is DigiRehab, a digital prevention scheme for care assistants that originated in Denmark. It is offered by the insurer BKK-BVU and is being tested at several Korian sites in Germany.

- Dr Ghebriou gave feedback on the implementation of telemedicine in oncology.
- Three workshops were held to examine clinical cases related to skin cancer screening (Dr Zehou), treating cancer pain (Dr Escourolle-Peltier) and palliative care in elderly subjects (Dr Abitbol).
- Drs Boudou-Rouquette and Pamoukdjian presented the latest developments in geriatric oncology.

Twelve informative posters were displayed for participants and submitted to the jury. The jury awarded prizes to the two most accomplished posters:

- Treating pain in elderly patients with Tramadol drops – Dr Michelet Petrakian, Physician at the Korian Valdonne Clinic.
- Optimising the G8 screening tool in elderly cancer patients: a study of the ELCAPA-07 cohort – Claudia Martiniez-Tapia, Research Engineer to University of Paris East-Créteil, Henri-Mondor Hospital.

In Germany, several scientific articles were published, including one by Professors Sirsch and Gnass from the University of Osnabrück on pain management in the care sector. Korian also supported the publication of several scientific articles in Italy:

- Inappropriate use of antiplatelet agents for primary prevention in nursing homes: An Italian multicenter observational study 2020-06-22 - DOI # 10.1111/ggi.13984.
- Drug prescriptions in nursing home residents: an Italian multicenter observational study 2020-04-20 DOI # <https://link.springer.com/article/10.1007/s00228-020-02871-7>.
- Overuse of proton pump inhibitors in nursing homes: An Italian multicenter observational study 2019-11-25 DOI # 10.1002/pds.4963.
- Evaluating the appropriateness of elective surgery: The case of spinal fusion (arthrodesis) 2020-09-10 DOI # 10.1177/0951484820952331.
- Comparison between drug therapy-based comorbidity indices and the Charlson Comorbidity Index for the detection of severe multimorbidity in older subjects. DOI # 2020-09-15 <https://doi.org/10.1007/s40520-020-01706-w>.

In addition, an anthology was published under the auspices of Korian Italy and Medical Director for Italy Aladar Ianes in December 2020 on "Informed consent: between bioethics and the law".

Korian Foundation France roundtables



9th Korian Foundation roundtable on the topic "Caregiver even in the nursing home?" led by Serge Guérin, Chairman of the Scientific Committee.

The five roundtables scheduled by the Foundation throughout the year brought together healthcare professionals, policy makers and institutions to debate ageing-related issues facing society and the Company:

- 30 January: The elderly in the city;
- 23 July: Covid behind closed doors – accounts from care assistants;
- 9 October: These regions that live in us and the elderly who live in them;
- 13 November: Shifting our perception of mental health; and
- 18 December: Building community in a nursing home.

More than 1,000 people joined us live via social media and 6,800 people watched recordings of the events.

Other Korian research initiatives

Korian also supports research on Alzheimer's disease and related disorders. Korian partners with the France Alzheimer association and was present at the France Alzheimer Village on International Alzheimer's Day which is held on 21 September every year. More specifically, Korian funds the charity's support scheme for family caregivers, which offers services such as discussion groups, one-to-one support, relaxation sessions and training. In Italy, the Group supports the communication and research efforts of numerous local and national associations: *Federazione Alzheimer*, *Amici del Centro Dino Ferrari*, AIMA, and so on. Korian has also created a dedicated "Stop Indifference" website (www.spezialindefferenza.it) that provides important information on the difficulties encountered by Alzheimer's sufferers and their loved ones as well as useful advice.

Mariuccia Rossini, the President of Korian Italy, is very involved in the world of academic research in Italy and in France. For example, she sat on the jury of the 2020 Master's in health and social care at Bocconi University. Korian also partners with this university on its "Dai un senso al profitto" social impact project.



Alzheimer Laboratory – A journey into the disease (Italy)

This lab comprises 400 square metres in which a path recreates the sensations experienced by Alzheimer's patients to help others better understand their needs.

It takes about **30 to 40 minutes** to complete the path, which is divided into stages. After starting inside the "emotional rooms", the journey continues with "A mindful home", a more practical section illustrating how to adapt home environments to the needs of Alzheimer's patients with tips and tricks on lighting, colours, and furnishings. In 2019, this project was captured in a 3D film that can be viewed using Oculus VR.

3.4.3 Investing in digital innovation

Digital innovation, a key component of the Korian strategy, is a major driver of transformation in which the Group is investing more and more. The Group's pioneering approach will enable it to reinvent the care and support professions in the coming years. This head start will position the Group as a trusted provider of quality services throughout the health pathways of residents and patients, both before and after they are treated in clinics and long-term care nursing homes.

Digital innovation will transform Korian in two essential ways:

- adaptation of how facilities (clinics, long-term care nursing homes, assisted living facilities and shared housing for seniors) operate to improve the daily experience for residents and patients, the work environment for employees, and the quality of service; and
- capacity to create true care networks, outside our walls, to help people in their homes and build bridges with medical care.

To accelerate and support the Group's digital transformation, in 2018 it created Korian Solutions, a digital agency tasked with:

- defining and deploying the Korian digital strategy;
- improving quality of life for seniors and enhancing the quality of service provided by our teams each day; and
- developing and redesigning functional processes, especially in Korian's new business lines.

The main projects completed in 2020 were aimed at:

- strengthening the connection between families and residents by acquiring a stake in the company Technosens which produces the "e-lío" box that, among other things, supports video calls directly from a television set;
- continuing the "K'loT" (Internet of Things) project with the installation of home automation systems in new facilities and some existing facilities;
- deploying telemedicine to all our facilities thanks to Omedys, a start-up acquired in 2019; and
- digitalising certain care pathways thanks to an electronic day hospital solution. This digital tool enables patients to stick to their care and rehabilitation pathway at home with support from the digital service provided by MoveInMed, an e-health start-up in which Korian became a majority shareholder in 2020.

3.4.3.1 Improving quality of life for care recipients and for caregivers

► Digital transformation of medico-social facilities

Korian Solutions rolled out K'loT, an ambitious project to gradually connect all Korian facilities to one another and to all the Group's stakeholders, in particular through the installation of digital systems.

These digital solutions can:

- Make everyday life easier through residential automation with features such as centralised room controls.
- Make building access more secure and prevent residents falling in their rooms or common areas. In Germany, the Linder application was introduced to 100 facilities in July 2020. This app can specifically assess the fall risk of each resident and make recommendations about the ability to prevent and avoid falls by constantly enriching health data and 3D modelling systems.
- Improve quality of life in the workplace with an employee app: video connection when call buttons are used, centralised patient information, ability to communicate with family.



A connected room.

► Continuity and preservation of social connections

Building on the Korian Générations application, which launched in 2017 in partnership with Famileo, Korian wanted to go even further in promoting communication between residents and families, especially in light of repeated lockdowns (8,500 log-ins to the app in 2020). Thus, Korian acquired a majority stake in Technosens, a leading provider of digital solutions for long-term care nursing home. Korian wants to leverage the e-lío ecosystem from Technosens to offer all its residents a video-conferencing system that runs on their television set that can also be sued to send messages and photos.

► Digitalising home care

To facilitate the monitoring of persons receiving care at home or upon discharge from a clinic and to promote effective communication amongst the health professionals treating them, Korian entered into an innovative partnership with Medicalib, taking a minority equity interest in the start-up. Korian plans to work with an extensive network of self-employed nurses in 1,200 communities to deepen its roots and offer local solutions to streamline care pathways.

3.4.3.2 Bolstering efficiency and making more time each day

Digitalisation also enables Korian's employees to free up more time to focus on the quality of care and to further improve workplace health and safety thanks to automated or digitised equipment and processes that bring more ease to everyday tasks.

► Developing telemedicine

In 2020, against the backdrop of the Covid-19 pandemic, Korian harnessed the resources of Omedys, the start-up it had acquired in 2019, to speed up the deployment of telemedicine to all its French facilities. Over 10,000 teleconsultations have been performed since 2019. Of these, 8,831 took place in 2020 in areas located in healthcare deserts and in Korian's medico-social facilities in France, offering more convenience for residents and a higher quality of care and treatment.

► Digitalising care pathways

Korian France clinics innovated in November 2020 with the launch of a digitalised pathway for select day hospitals: the e-HDJ pathway. By offering an alternative to in-person treatment with supplemental in-home services, it enables patients who cannot travel regularly to clinics to complete their rehabilitation at home. This option is currently available to rehabilitate patients with illnesses such as chronic obstructive pulmonary disease (COPD) and employs the solution provided by MoveInMed, a start-up in which Korian became a majority stakeholder in 2020. The innovative solution opens the door to digital treatment for other chronic diseases.

► Digitalising functional processes

Faced with the Covid-19 health crisis and the need to report copious amounts of information each day, Korian Solutions set up quick and flexible reporting tools both to ensure the reliability of data and to free up time for staff to focus on medical and caregiving tasks. These advances were made possible in part to the groundwork laid in previous years, especially the widespread use of tablets by the medical care team.

3.4.3.3 Supporting innovative projects with the "Korian Innovation Hub"

Korian Innovation Hub is an online platform where innovative in-house and external projects can be submitted, centralised, and aided as a way of championing and promoting innovation in the elderly care sector. This platform is aimed at businesses, from start-ups, sole traders and small- and medium-sized enterprises (SMEs) through to big corporate groups, and Korian employees who want to submit an innovative project on the following topics:

- improving quality of life for homes care staff;
- enhancing the role of the elderly and their social relations;
- the Internet of Things for the resident/patient pathway; and
- rehabilitation solutions and innovative technical resources.

PILLAR 4 OF THE ESG STRATEGY

BE A COMMITTED AND RESPONSIBLE LOCAL PARTNER

COMMITMENT 10

70% of purchases made in a Group country & 20% more from SMEs

80%
of purchases
versus 73% in 2019

COMMITMENT 11

100% of sites engaged in a project for their community by 2023

2020
97%
of sites engaged
versus 40% in 2019

COMMITMENT 12

A Social Life Council at each site by 2023

87%
of sites
versus 50% in 2019

AS PER THE KORIAN MANIFESTO - BE A COMMITTED AND RESPONSIBLE LOCAL PARTNER

"Our expertise in the field of caring for elderly and fragile individuals entrusts us with a unique role within the **local communities** where we operate: we believe that we play a very active role in the regions as a creator of stable, sustainable and inclusive employment and as participants in local public health policy.

Our facilities are woven into the fabric of society because of the nature of our work, our in-house and mobile care teams, and the local interactions they spark between generations. Many Korian facilities are deeply involved in the life of their communities through

associations and tangible projects, and through the Social Life Councils set up to foster a dialogue between city government, care centres, and families. Our facilities also contribute to their local economies.

Mindful of this role, we have made the following commitments:

- 100% of sites engaged in a project for their community;
- Social Life Councils at 100% of sites; and
- at least 70% of purchases of goods and services done locally and at least 20% from SMEs."

3.5 Being a committed and responsible local partner

3.5.1 Communicating transparently with all stakeholders and local authorities in each country

Korian facilities are rooted in their communities and outwardly focused. They have a positive influence on local socio-economic development and strengthen the connections between generations.

3.5.1.1 Stakeholder Councils to give the Group insights on the social challenges of ageing

On 17 October 2019, Korian stood up its Stakeholders Council, the first in the industry. It is chaired by Dr Françoise Weber, the retired Deputy Director of the French Agency for Food, Environmental and Occupational Health & Safety (ANSES). This independent council is a forum for discussion and analysis. Its 14 members are tasked with giving Korian insights on the key challenges facing the Company and social issues around ageing. It holds at least two plenary sessions per year. The Council members include resident, patient and senior representatives, such as Marie-Françoise Fuchs, founder of the Old'Up association for the elderly; Jacques Dessene, resident and Chairman of the Social Life Council at a nursing home; and Alain-Michel Ceretti, President of Le Lien, an advocacy group for patients and healthcare users; physicians and care professionals, including Jérôme Vandekerkhove, a rehabilitation manager and secretary of the Korian Central Works Council; experts in planning, living environments and uses, such as Jean-Paul Viguier, an architect and urban planner; Jean-Philippe Arnoux, Vice-President for the Silver Economy and Accessibility at Saint-Gobain; and researchers like Julien Damon, sociologist and associate professor at Sciences Po.

During the Covid-19 crisis, the Korian Stakeholder Council met four times and formed an advisory and discussion body that proved very useful in dealing with the many challenges – ethics, health, HR – that the operating staff faced, especially during the first wave of the epidemic. The Council also received the weekly Covid-19 update prepared by the Group Medical Department. Several opinions were issued about the lockdown and family visits, patient treatment, communication to the general public, ISO 9001 and changes in the Group's catering offer.

A Stakeholder Council was also formed in Belgium in 2020. Its members include an ethics expert and philosophy professor at Ghent University, a physician specialised in health economics, a representative from one of Belgium's largest temporary employment agencies that is very familiar with the Korian employer brand, a physician from the University of Leuven who specialises in treating neurodegenerative diseases and, lastly, the manager of an alternative housing centre in Brussels.

Netherlands has a National Family Council which convenes about 15 families alongside a team of four representatives.

Furthermore, in Germany, Spain and Italy, the Group works with foundations whose governance bodies include representatives of the main stakeholders.

3.5.1.2 Regulatory practices

The European elderly care sector in which the Group operates is tightly regulated and closely monitored. This means that operators maintain ongoing and multifaceted relations with health authorities and regulators.

In accordance with regulations, all facilities respect the rights of residents and patients and, to this end, are encouraged to formalise their ethics approach.

In France, facilities mainly take their cue from the recommendation of the French National Authority for Health ("HAS"): "Ethical considerations in social and medico-social facilities and services". This 2010 recommendation seeks to foster dispassionate and objective thinking on ethical issues within a department or facility. Adapted to the sector's specific requirements, ethics is understood to be an overarching reflection on the meaning and role of care provision and on the potential benefits for residents, patients, families, and employees.

One of the HAS recommendations is to set up an Ethics Committee in each facility to guide the development and implementation of this ethical reflection. The chairs of these Ethics Committees are encouraged to invite experts from the local community to attend meetings to ensure the independence and plurality of views that are essential for constructive dialogue and objective decision-making. Residents, patients, and representatives of family members' interests (notably via the Social Life Councils and User Relations Commissions) can also participate in these meetings. User guides have been created to address certain topics where the ethical stakes are high. The control points included in all audits and in the ISO standards give the Group concrete assurance that the rights and fundamental freedoms of its residents and patients are honoured, which is also a tenet of the United Nations Human Rights Principles and the SDGs mentioned in Section 1. Finally, the work initiated in August 2020 to redefine Korian's values, which is being gradually rolled out to the entire Group is an opportunity for all countries to revisit their ethics approach in light of the lessons learned from the Covid-19 crisis. These efforts will continue throughout 2021.

In Germany, the Ministry for Families, Senior Citizens, Women and Youth set up the *Pflege-Charta* ("Care Charter") to set forth the rights of dependent persons. It recommends establishing an Ethics Committee or examining real-life situations and practices at meetings led by trained employees. Awareness-raising and self-assessment

materials are also made available to "Charter owners" within the facility, who are considered Quality Assurance managers.

In Spain, the *Organo de participación del mayor* meets twice a year, convening five residents and the management of each facility for an open discussion.

3.5.2 Strengthening our social and economic commitments at the local level

Korian plays an active role in the economic and social development of the communities in which it operates. Designed to provide a complete living environment, Korian's facilities are accessible, encourage socialisation and promote the values of proximity, solidarity, and civic engagement.

Being involved in the community means doing our part to boost local development, helping to enrich the ecosystem and to weave a vibrant tapestry of local jobs, partnerships, family bonds and intergenerational connections.

Ages & Vie offers seniors shared residences that play a part in creating these regional roots in rural areas. These shared residences are inclusive solutions located in the hearts of

small towns and neighbourhoods, near healthcare centres, local shops, schools, and associations, which allows the elderly to remain in a familiar environment. Thanks to their welcoming environment, they make it easy to stay in touch with friends and family. The homes are connected to their communities and house multiple generations under one roof; in some facilities personal carers live with their families in separate apartments on the upper floor. This creates a dynamic, intergenerational setting for senior residents. From the start, the Ages & Vie concept was designed and developed in partnership with local governments. It closely matches the needs of mayors looking for an innovative solution that creates jobs in line with the expectations of their constituents.



Image: local sourcing for the Ages & Vie site in Saint-Léger sur Dheune, France



At the request of the seniors resident at Ages & Vie in Saint-Léger sur Dheune, France, a new local farmer has been added to the list of approved suppliers for the shared residence facility: La Chèvrerie des Trois Sources in Chaudenay will sell its goat cheese to the site. There are two Ages & Vie shared senior residences in France's Saône-et-Loire department: one in Saint-Léger-sur-Dheune and another in Marmagne. These intimate, multigenerational environments offer individuals who are no longer able (or no longer willing) to live on their own a calm, safe setting with personalised support, including 24-hour staff, help with morning and bedtime routines, personal care, laundry service, activities and meal preparation. (See image).

3.5.2.1 Supporting local employment

A new facility can be a big boost to the local economy. In addition to creating stable jobs that cannot be relocated, the maintenance and operation of a new facility increase the local consumption of goods and services. For example, in France, a long-term care nursing home and a specialised clinic with 100 residents and patients respectively create between 60 and 120 non-relocatable jobs, depending on the facility. Korian ensures that these jobs comply with the regulatory standards of the French Social Action and Family Code and the Public Health Code.

For example, Petits-Fils, the specialist in home care services for the elderly, ranks among the top 50 companies that are hiring the most in France.

In 2020, Petits-Fils, the specialist in home care services for the elderly, ranked number 40 on the list of the companies that are hiring the most in France (ranking published by Le Figaro).



Image: "Gemeinsam für den guten Zweck" ("Together for a good cause"). Mühlenhof ghuas in Vellmar: Facility Director Sabina Holzenleuchter and her team started a campaign to support the homeless and persons in crisis over the winter by giving them a small wooden house where they could gather and seek refuge.

3.5.2.2 Facilities that remained open to the broader community despite the Covid-19 crisis

Despite the health crisis and the severe restrictions imposed by health authorities, especially during the lockdowns, Korian maintained close communication around its sites. First, there were the daily shows of public support from neighbours, as well as spontaneous acts of kindness by local associations, such as the many concerts and artistic events organised outside the windows of nursing homes that were on lockdown. Many associations and local groups cheered on care assistants by offering gifts like bouquets of flowers or "small kindnesses that lifted the spirits of caregivers on a daily basis. In return, Korian's sites stood in solidarity with families and neighbours and many charitable and supportive initiatives took place over the course of 2020.

Under normal circumstances, there are many associations that support the efforts of the Korian group's long-term care nursing homes. The assistance, activities, and entertainment they contribute make them highly appreciated by both residents and their families. They encourage socialisation, communication and the sharing of personal experiences among residents, help maintain their mental and physical capabilities, and also provide information, training and support to families. Thanks to them, long-term care nursing homes are able to offer such things as exercise and cultural activities, beauty treatments, contact with younger people, and discussion groups for caregivers. In 2020, the Group conducted a survey of sites across Europe, which revealed that 97% of its facilities were engaged in a community development project. These initiatives may be undertaken with local associations or national NGOs that have partnerships nearby. In some cases, the outreach work consists in bringing in neighbours, middle schools, high schools, university students and others to foster intergenerational interactions. There will be a more in-depth survey in 2021 to formalise and enhance these local efforts to promote inclusiveness through employment, local purchasing and more.

In a normal year, most Korian sites host several hundred interns of all types, such as "career introduction" internships or internships required by a secondary, post-secondary or apprenticeship programme. The Group's sites develop close ties with local schools that train nursing assistants, nurses, culinary staff and so on to anticipate and facilitate hiring and involve the facilities in the local educational ecosystem. The 2020 health crisis prevented the Group's sites from hosting interns, except for apprentices.

In France, the Group has a joint arrangement with the association Education L'Alliance to offer "career introduction" internships for young people from disadvantaged neighbourhoods. Several Group facilities, such as Les Merlettes in Seine-Saint-Denis, go beyond this initial commitment to further their engagement with nearby middle and secondary schools by holding intergenerational events.

The Group also takes part in the French government's PAQTE programme to encourage and develop "career

introduction" internships, apprenticeships, training and inclusive purchasing from SMEs and micro-enterprises. Many of these actions take the form of regional "speed dating" days.

At Christmas, 34 Italian long-term care nursing homes benefited from the charitable campaign "I Nipoti di babbo natale" which delivered nearly 1,000 gifts to elderly residents.

3.5.3 Promoting local and inclusive purchases

Whenever possible, Korian favours local sourcing to contribute to the regional economies and reduce its environmental impact.

→ In 2020, the Group made 80% of its purchases from companies operating in the same country as the buying facility (local purchase), exceeding its goal of 70%.

In France,

- 83% of expenses are incurred with suppliers based in France;
- 75% of the food purchased is grown or produced in France; and
- 20% of orders are placed with SMEs and micro-enterprises.

In Belgium, masks and individual protective gear were sourced locally from a manufacturer that started up production not far from the Group's Belgian head office in Kontich. The quality of the masks was good, as was the price, demonstrating that competitive local production is possible in Europe. The company was able to deliver 100,000 units per month. Along the same lines, residents in Belgium also enjoy specially designed chairs that are made locally.

In France, the Group is actively working with its partner Sodexo to include increasing amounts of local produce in food purchases.

These local sourcing indicators are now tracked in all the Group's countries and are reflected in the table summarising Korian's 15 ESG commitments.

The Group is a member of the French "Collective of 35 enterprises for a more inclusive economy". The collective's goal is to promote the inclusion of companies and population groups with limited access, visibility and resources to find employment in the economic and social ecosystem. The Korian Procurement Department meets regularly with SMEs and micro-enterprises, some of which are also social enterprises.

Since late 2019, Korian has been working in France with three companies that give work to individuals who are recovering from personal injuries or trauma or have restricted access to the job market for other reasons. These enterprises secured €900,000 in construction contracts in 2020 and the Group aims to eventually give them 5% of its renovation business. The work includes improvements to private rooms, common areas and staff workspaces. The employees, who are always supervised by a mentor, perform tasks such as painting, floor installation and lighting.

The idea is to give these companies a chance to interact with large corporations and understand how they work in order to build a business relationship and to enable persons with disabilities or job placement challenges to find their place in a local ecosystem. In the same spirit, Korian participates in the annual trade event organised by AFEP which showcases the best and most innovative start-ups in all sectors, which helps the Group improve its offer and quality of service. Generally speaking, the Korian group plays a proactive and responsible role in the inclusive initiatives backed by national, regional and local governments. It is not unusual for the Group's employees themselves to be involved in their local government or community associations.

PILLAR 5 OF THE ESG STRATEGY

REDUCE OUR ENVIRONMENTAL FOOTPRINT

<p>COMMITMENT 13</p> <p>3% drop in energy consumption in 2020</p>	<p>COMMITMENT 14</p> <p>5% reduction in waste volume by 2023</p>	<p>COMMITMENT 15</p> <p>100% of new buildings⁽¹⁾ certified HQE or equivalent starting from 2020</p>
<p>-6,4%</p> <p>(MWh/bed)</p>	<p>2020</p> <p>European diagnostic</p>	<p>70%</p> <p>versus 50% in 2019</p>
<p>← Low carbon energy roadmap finalised →</p> <p>40% carbon emissions reduction by 2030 (versus 2018)</p>		

AS PER THE KORIAN ESG MANIFESTO - REDUCE OUR ENVIRONMENTAL FOOTPRINT

"We have nearly 1,000 sites in Europe which thoroughly cover both rural and urban regions. As a result, buildings and constructions have an **environmental and carbon footprint** that must be controlled through the optimisation of water and energy consumption and a proactive waste management approach.

In 2019 we conducted a Group carbon audit, which serves as a starting point for understanding all the aspects of our carbon impact.

Based on that audit, we are drawing up a roadmap that enables us to work toward a **40% reduction in greenhouse gas emissions by 2030** and the COP target of -1.5°, through two key action items: optimising the energy consumption of our assets and limiting our waste production.

An initial objective to **reduce energy consumption in 2020 by at least 3%** in France, Belgium and Italy has already been defined and achieved.

To this end, a Group Technical Unit was formed under the Group Real Estate and Development Department to steer improvements in the levels of greenhouse gases emitted by the Group's real estate.

In addition, sensitisation programmes are being deployed throughout the Group to raise awareness on food waste, energy and waste management and better ways to address the carbon impact of business trips.

Our objectives are to:

- reduce the carbon footprint of the Group's real estate portfolio by 40% by 2030;
- reduce the volume of residual waste produced by 5% by 2023; and
- earn HQE (or equivalent) certifications for all new constructions built from 2020 onward⁽²⁾.

(1) Certified or certifiable.

(2) Real estate projects that are certified or eligible for an "environment" certification in the 2020 development pipeline.

3.6 Reducing our environmental footprint

With its ambitious environmental approach, Korian is pledging to reduce the carbon impact of its operations,

improve waste management at its facilities and construct buildings that are more environmentally friendly.

3.6.1 Adopting a systematic approach to environmental management

Korian pledges to improve the energy and environmental performance of its 1,000 sites in Europe and along its entire value chain, not only to comply with European regulatory standards, but to fulfil its duties as a company committed to preserving the environment. This approach comprises four areas for action:

1. Identify Korian's priority environmental challenges

The Group takes under consideration the significant environmental risks identified through its risk assessment exercises (see sections 2.3.2 and 3.6.2.1) and the expectations of internal and external stakeholders vis-à-vis these issues, which are presented in our materiality matrix (see section 2.3.2); it also monitors French and European environmental requirements on a continuous basis.

In addition to the energy audits and waste management diagnostics performed regularly at its facilities, Korian carried out a comprehensive carbon audit of all its activities in 2019, the results of which are given in section 3.6.2.1. This assessment, which is published on the ADEME website (<https://www.bilans-ges.ademe.fr/fr/bilansenligne/bilans/index/siGras/0#page-bilans>) was used to define a roadmap that enables the Group to work toward a 40% reduction in greenhouse gas emissions by 2030, in line with the 1.5°C scenario in the Paris Agreement.

It is also worth noting that, since 2019, Korian has been committed to the *French Business Climate Pledge* put forward by the French employer federation MEDEF, alongside 99 other French companies. The signatories reaffirm the need to change course as a group by accelerating R&D innovation with investments in low carbon solutions to bring about a dramatic decrease in greenhouse gas emissions (GHG) on Earth.

2. Formally define the Group's environment policy and country action plans to achieve the stated objectives

To prioritise the creation of the Group's low carbon roadmap for buildings, workshops were held throughout the year in 2020 with all the country real estate departments to define macro-level action plans for each country. These meetings provided a forum for discussing best practices amongst communities of technical experts and tackling environmental issues of mutual interest with a transverse approach.

A Group Environment Committee, overseen by the CSR Department in connection with the Group Environment

and Technical Department, meets each quarter to share experiences and monitor the progress of projects. It convenes technical experts, energy specialists and environmentalists from each country, who work to define the environmental policy, set annual objectives, draw up country-specific road maps and measure the progress made.

The environmental policy implemented and results of the action plans or diagnostics are described in this section.

3. Fully integrate environmental goals in staff operations

Korian trains and sensitises its employees on the reduction of water and energy consumption and better waste management. The Group's environmental demands are also conveyed to building maintenance service providers and other external suppliers.

In France, Korian took part in the "CUBE 2020" challenge organised by IEPEB (French institute for building energy performance). The one-year challenge homed in on one goal: reduce energy consumption by use. As the only participant from the healthcare sector, Korian enlisted 20 facilities to compete with the approximately 180 buildings registered in all. The purpose of the project is to highlight simple, everyday actions and to make lasting changes in the behaviours of residents, patients, families, and employees – whether they are care assistants, head chefs or maintenance staff. The initiative did not achieve the impact expected, due to the health crisis.

In 2020, the Korian facility Les Buddléias cut its energy consumption (Kwh) by about 15% compared to its historic levels (2019, 2018, 2017). The Group is inspired by the encouraging results of this experience to continue pursuing this type of action to reduce its environmental footprint.

In Germany, all Korian sites received a comprehensive awareness and training kit to teach positive actions to reduce energy and water consumption. The new Energy Performance Department produced five videos and webinars on the topics of heating, ventilation, lighting, water use and large electric appliances. The role of site technicians was reinforced and "water and energy correspondents" were named.

During the health crisis, facilities in Italy were encouraged to pay even closer attention to their electricity consumption, which carries a heavy CO₂ toll. In response, 33 Korian facilities redoubled their consumption monitoring efforts, leading to a 3.5% decrease in electricity usage.

4. Assess the effectiveness of actions taken with a dedicated environmental governance structure

The environmental indicators are reviewed by the European Environment Committee.

Since 2020, the Group Technical Director, who works in the Group Real Estate and Development Department, has spearheaded the reduction of the Group's environmental footprint by putting in place standards and action plans

and monitoring Korian's environmental performance in close cooperation with the countries and the Group CSR Department.

On the strength of these improvements and the actions taken in 2020 to reduce its environmental footprint, the Group aims to implement an environmental management system (EMS) in 2021 to formalise its environmental policy. Following the example of Spain, which has eight ISO 14001-certified facilities, in time Korian plans to roll out the requirements of such a standard to all its countries.

3.6.2 Effectively and definitively reducing the Group's carbon footprint

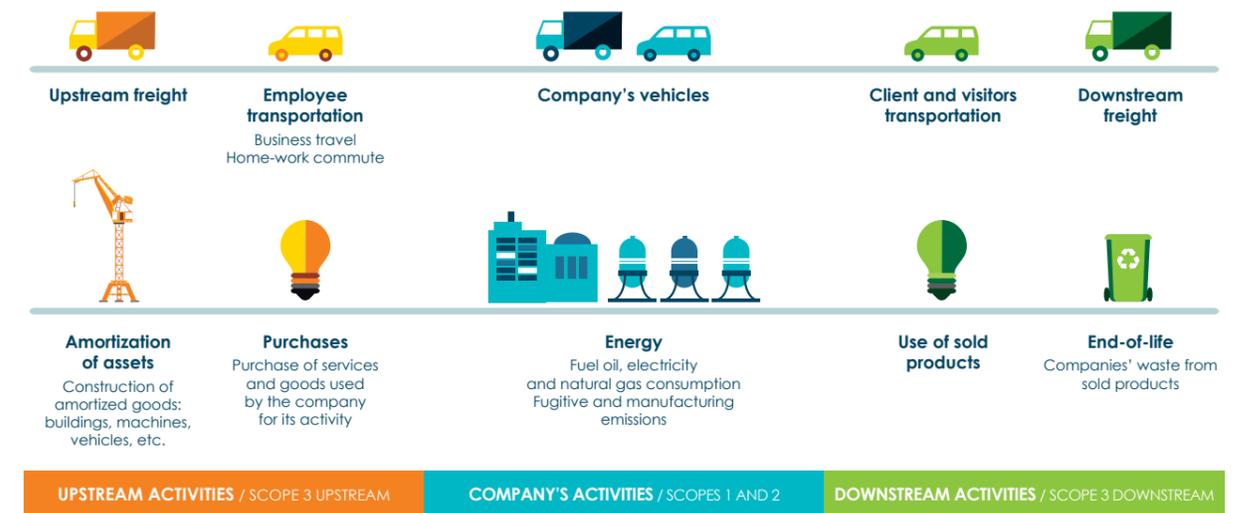
3.6.2.1 Results of Korian's 2019 carbon audit

To identify the most significant contributors to its CO₂ emissions, in 2019 the Korian group carried out a carbon audit along its full value chain in France, Germany, Belgium and Italy with the independent firm Carbone 4. This carbon audit analysed all sources of greenhouse gas emissions generated directly or indirectly by Korian, upstream and downstream of its activities (Scopes 1, 2 and 3 under the GHG Protocol ⁽¹⁾), to determine the most relevant internal and external concerns for the Group.

► Scope of carbon audit

The scope of work covers the entire value chain of the Korian group, namely Scopes 1 and 2 (the Group's own operations) and Scope 3 (upstream and downstream) based on 2018. The raw energy consumption data are converted into metric tons of CO₂ equivalent.

PRIMARY SOURCES OF EMISSIONS IN A CARBON AUDIT



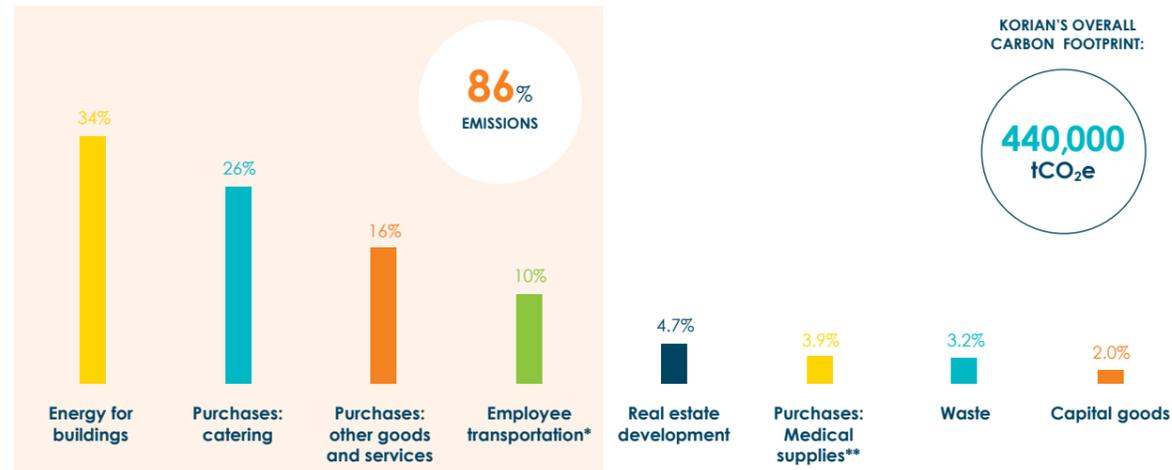
(1) According to the GHG (Green House Gas) Protocol: Scope 1: "direct emissions from sources owned or controlled by the reporting entity"; Scope 2: "indirect emissions from consumption of electricity, heat or steam necessary to manufacture products or power the operations of the reporting entity"; Scope 3: "other indirect emissions, linked to the supply chain (upstream) and to the use of goods and services over their life cycle (downstream)".

► Consolidated results of the 2019 carbon audit

The results of the 2019 carbon audit showed that Korian had generated 440,000 metric tons of CO₂ equivalent, which amounts to the volume produced by an average

city of 45,000 inhabitants or 0.1% of the total carbon emissions of a country like France. These figures served as the basis for the low carbon road map established for Korian's real estate assets and a waste reduction road map whose goal is to reduce carbon emissions by 40% by 2030.

BREAKDOWN OF KORIAN'S CO₂ EMISSIONS (BASED ON 2018 DATA)



* The transport of the service providers is not included.
** Emissions from medical supplies include incontinence supplies manufacturing and its freight.

In particular, one of Korian's ESG commitments for 2020 was a 3% reduction in its fossil fuel-related emissions⁽¹⁾ (Scopes 1, 2 and 3) as part of a continuous improvement approach. This will put it on the path to lowering its greenhouse gas emissions by 40% between now and 2030.

→ **Korian far exceeded that target in 2020 with a 6.4\$ reduction in its energy consumption⁽¹⁾.**

3.6.2.2 The Korian low carbon path to 2030

Three key actions were identified to meet the carbon reduction target:

1. Decrease energy consumption and shift the energy mix toward low-carbon energy sources, reduce CO₂ emissions linked to purchasing, institutional food services and staff transport.
2. Reduce the volume of food and non-food waste produced, in close collaboration with suppliers.
3. Design and transformation of real estate assets.

The Group began by focusing on its biggest source of emissions: the energy consumed by its buildings, which accounts for 34% of CO₂ emissions. The road map defined in 2020 and approved by the Group Management Board will curb CO₂ emissions by 37% in all the Group's countries by 2030.

In parallel, the Group also turned its attention to catering, which is its second-largest source of emissions CO₂ (26%), and to employee transport (10% of total CO₂ emissions). The road maps for these work programmes will be finalised in 2021. A European waste diagnostic was completed for five countries (France, Germany, Belgium, Italy and Spain). It resulted in the definition of an action plan in early 2021 with clearly defined targets to reduce volume in cubic metres and improve recycling rates by major waste stream.

These initiatives will supplement the overall road map to help reach the goal of reducing greenhouse gas emissions by 40% between now and 2030.

3.6.2.3 Energy and building design

Korian hosted 525,000 residents and patients in 2020 – more than double the 2016 figure – at its 1,000 sites in Europe comprising over 4 million m², so the amounts of energy required for their accommodation and care has a significant impact on the Group's environmental footprint. This line item alone accounts for more than one-third of the Group's CO₂ emissions. The aim, therefore, is to optimise the resources used without compromising the well-being and comfort of the residents, patients or employees. As such, when examining technical specifications for new construction sites, the Group prioritises the consideration of energy consumption reduction and decarbonisation goals

to ensure that 100% of its buildings are certified to a high environmental quality standard, such as HQE in France or its equivalent in other countries.

The low carbon road map centred on improving the energy efficiency of buildings, was co-developed with the CSR Department, the Real Estate Department and the Group's six countries (France, Germany, Belgium, Italy, Spain and Netherlands) to ensure compliance with the regulations of each nation.

This road map sets forth several tangible operational goals:

- Reduce the use of carbon-intense energy sources such as fuel oil and encourage low-emissions energies with an emphasis on renewable energy.
- Install heating systems that use less energy and boosts building energy efficiency.
- Obtain environmentally sound certification for new real estate projects (HQE, DGNB, BREAM, LEEDS, etc.).
- Raise awareness on eco-friendly actions in facilities (energy savings by use).

1. Reduce energy consumption

→ **In 2020, the Group's energy consumption⁽¹⁾ was 588,019 MWh, down 5.04% compared to 2019, or 8.05 MWh/bed or 1.88 tCO₂ eq./bed.** This result was achieved thanks to various measures, especially the use of energy savings certificates and country-level technical plans that called for purchasing "green electricity" through renegotiated supplier contracts, energy audits in Spain (leading to a 3.5% drop in consumption), updated monitoring systems and so on.

In France, 12% of maintenance capital expenditures were used to make buildings more energy efficient, 5.5% of which came from energy savings certificates. The bulk of the work entailed sealing hot water circuits (88 facilities targeted), façade insulation, water-saving devices, and conversions of heating systems to clean energy. The rest pertained to replacing technical equipment, such as water boilers, external carpentry, patio insulation, etc.

To present figures that are more representative of its environmental impact, Korian plans to adopt a new methodology for calculating its energy ratios in 2021 and will ultimately publish a metric per m². Indeed, given the Group's operations and the strong growth in the out-patient and service sector, a measurement by square metre is undoubtedly more representative and more relevant.

The diagnostics performed in 2020 pinpointed the usage categories that demand the most energy.

While this breakdown may contain some differences owing to the geographic positioning of the countries, heating/cooling and water heating are still the major categories of energy use.

In the last few years, Korian has been refitting its facilities with 100% LED lighting.

Monitoring and managing water and energy consumption

Throughout Europe, Korian is deploying procedures and tools to centrally monitor and manage the water and energy consumption of its facilities to optimise these resources and reduce waste.

Monthly readings are taken automatically at every site in Europe to track water and energy consumption. In France, for example, energy consumption is now measured nearly automatically with Deepki equipment, which covers all French sites.

Energy consumption is also measured automatically in Spain thanks to the "Electricitysequency" platform and the smart meters installed at 60% of sites. These two connected systems make it possible to analyse electricity consumption on a monthly basis. In 2021, 100% of Korian's sites in Spain will be equipped with smart meters to facilitate the measurement and analysis of energy data. Energy data centralisation platforms are in the pilot phase in Italy and Germany and could be rolled out in 2021.

Dashboards are then compiled and analysed at a centralised level by a network of regional asset managers in France and Italy, or by head office staff in Germany and Belgium. The role of these teams is to use their operational experience and technical expertise to interpret these data and changes to them, determine which facilities are consuming the most energy, and propose targeted action plans for each one.

Ratios per square metre or number of beds are applied to identify Korian facilities with excessive consumption which require immediate or medium-term actions. For example, by defining a consumption ratio of 60 cubic metres water per bed per year, in accordance with the recommendations of the French Agency for the Environment and Energy Control ("ADEME"), staff can repair leaks, adjust toilet flush settings and reduce automated landscape watering systems.

In 2021, a new software platform called "Energisme" will be implemented in all the countries of the Korian group. The platform specialises in processing energy and environmental performance data, which will make it easier to collect and consolidate energy data for all Korian's European sites and, therefore, facilitate their management.

Streamlining equipment use

In collaboration with its contractors, Korian is continuously optimising its heating, ventilation, and air conditioning installations (room temperature regulators, timer settings, etc.), as well as its lighting (low-consumption bulbs.)

(1) In MWh/bed for a scope of three countries: France, Belgium, Italy.

(1) Energy consumption in MWh: electricity, natural gas, fuel oil/propane for France, Germany, Belgium and Italy scope.

Each year, the Real Estate Management Department issues a National Maintenance Plan for all sites that includes environmental actions, which the real estate asset managers adapt in accordance with each facility's requirements. Technical Managers and maintenance technicians, who are responsible for executing the plan, are asked to carry out the maintenance actions indicated and to record their progress in a logbook and in a new computer-assisted maintenance management software program deployed to France in 2019.

In Belgium, Spain and Italy, some facilities have benefited from energy audits, renovation and insulation work and energy-savings equipment and materials that include, for example, new water heaters, insulation, low-energy light bulbs and solar panels, all of which was funded and carried out by a specialised engineering firm.

Most countries in the Korian group have energy savings certificates as required by environmental regulations.

Training and sensifising employees

Educational posters and other informational materials are distributed to the Group's facilities to encourage the eco-friendly habits that have the biggest impact on reducing water and energy consumption and improving waste sorting at its sites. The Group's goal is to highlight simple, everyday actions and to make lasting changes in the behaviours of residents, patients, families, and employees – whether they are care assistants, head chefs or maintenance staff.

In France, all technical managers, maintenance technicians and asset managers receive annual training on water and energy management.

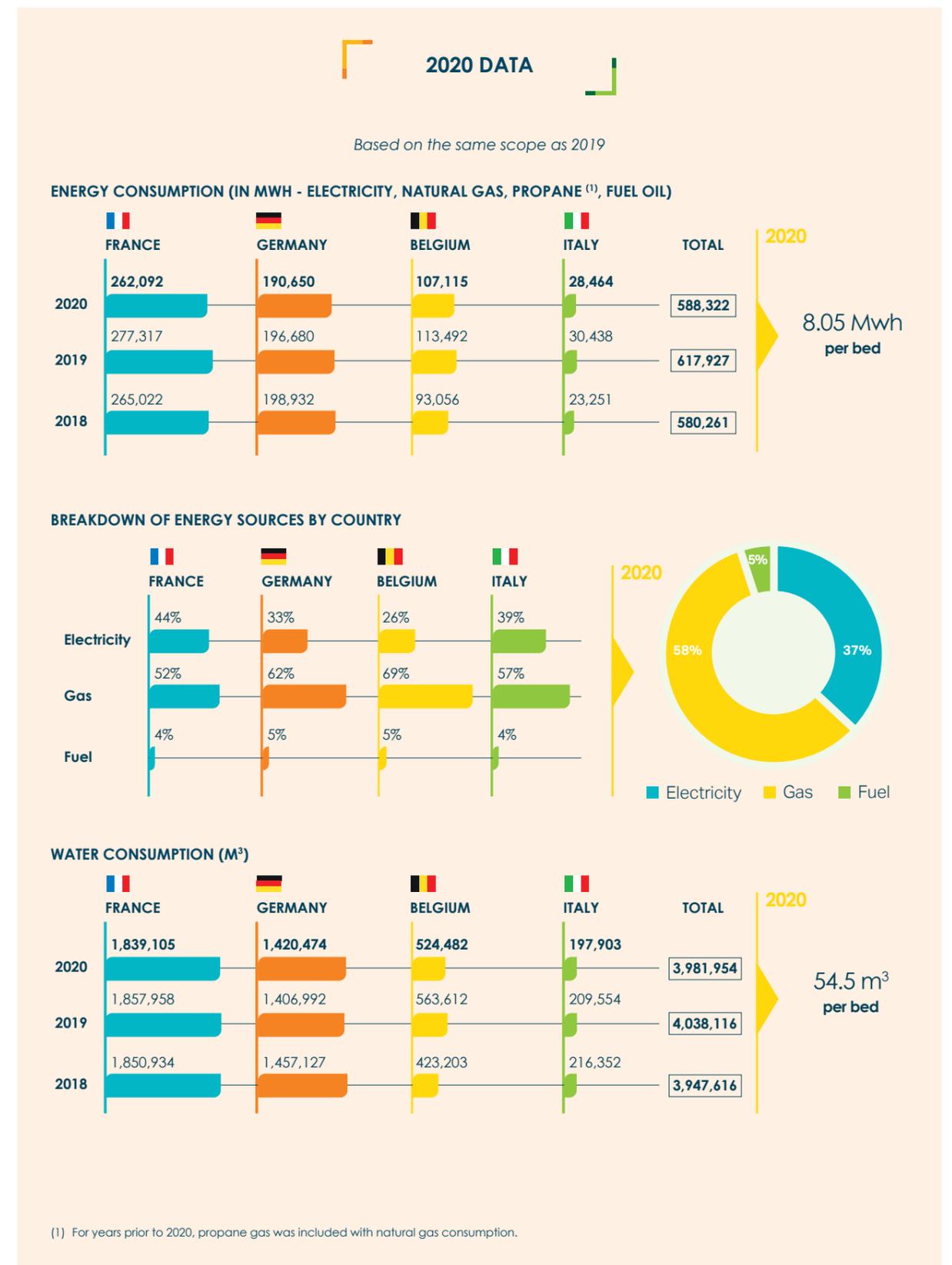
In September 2020, the German teams introduced an awareness-raising campaign featuring posters and webinars to educate as many people as possible about the importance of saving energy.

With the 2021 launch of the low carbon road map for building energy usage, extensive investments will be made to renovate and replace equipment. At the same time, the technical teams are stressing the importance of savings by use to galvanise facilities and remind employees about the vital contributions of eco-friendly habits and proper equipment maintenance.

► **Reducing the environmental footprint of buildings**

The graphs below show energy consumption (i.e. natural gas, propane ⁽¹⁾, electricity and fuel oil) and water consumption in France, Germany, Belgium, and Italy. The number of beds ⁽²⁾ is based on the number of facilities included in the dataset.

(1) For years prior to 2020, propane gas was included with natural gas consumption.
(2) 73,050 beds.



Based on the same scope as 2019 (four countries: France, Germany, Belgium, Italy):

→ In 2020, energy consumption (electricity, natural gas, propane, fuel oil) was 588,322 MWh, down 5.04% compared to 2019, or 8.05 MWh/bed which amounts to 137,177 tCO₂ equivalent (1.88 tCO₂ eq./bed).

The Group largely exceeded its 2020 objective to reduce energy consumption by 3% within the limited scope of France, Belgium and Italy. On this basis, the 2020 energy consumption figure came in at 397,672 MWh, a decrease of 6.4% compared to 2019, or 8.4 MWh/bed which amounts to 76,161 tCO₂ equivalent (1.61 tCO₂ eq./bed).

→ The Group's water consumption in 2020 totalled 3,981,964 m³ for the same scope as in 2019, which translates to 54.5 m³/bed, down 1.4% compared to 2019.

As part of its continuous improvement process, in 2020 the Group expanded the scope of energy data collection to six countries (France, Germany, Belgium, Italy, Netherlands, Spain) and to all the energy sources used within its facilities (electricity, natural gas, propane, fuel oil, biomethane, wood, district heating networks).

→ Consequently, for this new scope, the Group's overall energy consumption in 2020 was 730,724 MWh. This equates to 163,686 tCO₂ eq.

2. Shift the energy mix toward low-carbon energy sources

To reduce its carbon footprint, the Group is working to shift its energy mix toward decarbonised energy sources:

- by decreasing its exposure to the use of fossil fuels (such as natural gas and fuel oil) or by gradually eliminating these energy types;
- by favouring lower-carbon energy sources such as electricity or connecting to urban district heating networks; and
- by developing renewable energy systems.

In Spain, for example, 43% of the Group's facilities have installed solar panels.

3. Optimise the environmental quality of new building projects

The construction of buildings now accounts for 4.7% of the Group's carbon emissions. That figure will continue to grow in the coming years in light of Korian's plans to develop greenfield construction projects.

Therefore, controlling the environmental impact of our real estate assets and new construction is a crucial tool for all the Group's internal and external stakeholders. France is quite active in this field thanks to BIM (body information modelling), a platform developed by the start-up Data Soluce. This digital design solution makes it possible to incorporate all the planned energy consumption by a building at the design stage to better understand how to use materials within a life cycle management framework.

Finally, Korian has committed to obtaining HQE or equivalent certification for all new construction projects starting from 2020.

→ As at 31 December 2020, 70% of real estate projects in the development pipeline were eligible for an environmental certification, including 100% of Ages & Vie projects, which meet the criteria for the "NF Habitat HQE" seal.

Illustration: Bemina-SONDRIO building in Italy



In Germany, a budget has been set aside for DGNB certification for all new buildings constructed from 2021 onward. The German standards KfW55 or KfW40 will serve as the basis for demonstrating environmental certification eligibility.

3.6.2.4 Catering: delivering pleasure whilst preserving the environment

With over 80 million meals served each year in Europe, Korian is committed to providing its residents and patients with food service that is pleasurable, family-oriented, delicious and mindful of the planet's resources.

► Local, seasonal ingredients

Korian supports local farming and is committed to reducing greenhouse gas emissions linked to the production and transport of agricultural raw materials used to prepare meals in its facilities.

To do this, the Group offers "home-style cooking" with dishes prepared on site using unprocessed seasonal products and traditional recipes suited to local tastes. Menus are planned over a period of five weeks and are updated each season in accordance with the availability of food products.

These menus must comply with a nutrition plan that is drawn up by qualified dieticians in accordance with nutritional recommendations. In France, facility chefs are assisted by Sodexo culinary experts, regional catering advisers, and dieticians who are specialised in health and nutrition for the elderly.

Korian also works with Sodexo in France to promote local sourcing of food ingredients. As a result, 82% of our purchases are produced or grown in France and 98% of our bakers are small local businesses with 97% local distribution.

► Reducing food waste

Korian educates the catering staff in its facilities on environmentally friendly practices to use in the kitchen and food waste reduction strategies. "Haltogaspi", a food waste campaign, was carried out by the Catering and Accommodation Department in 2020. It was aimed at a sample group of chefs in France and sought to identify areas of waste while raising awareness on the issue of organic waste (also known as biowaste). Building on that campaign, additional studies are being carried out in 2021 as part of the effort to analyse how food services can contribute to reducing greenhouse gas emissions.

Furthermore, 24 Korian facilities in France took part in the "Maisons Gourmandes et Responsables" initiative organised by SYNERPA, FNAQPA and several other groups and federations to effectively reduce food waste in long-term care nursing homes. According to this study, for all the sites that completed the self-diagnostic, food waste is generally estimated to be 150 grams per person per meal, based on leftovers in the plate. The study notes this comes out to about 10 metric tons per year per facility and six

metric tons for the Korian sites in the sample group. By our calculations, that accounts for 9% of all waste generated annually per site in France. Sites that participate in the programme receive two years of personalised assistance from ADEME that results in real savings which can be reinvested to improve the quality of catering and prevent malnutrition. Thanks to the 2019 carbon audit, the issue of food waste is now fully integrated in Korian's greenhouse gas reduction targets. In addition, all French sites are now bound by the obligation to sort biowaste and set up a waste recovery system.

France's EGALIM law of 2 October 2018 stresses the safety and environmental and nutritional quality of the products purchased and consumed. The objectives of the law are to use 50% so-called quality and sustainable products (of which 20% are organic), to encourage local or fair-trade purchases, to diversify protein sources and propose more vegetarian menus, to gradually eliminate single-use plastics and, finally, to reduce food waste. A comprehensive diagnostic is being carried out in France by the Catering and Accommodation Department to deploy the necessary action plans.

The Group's other countries are also implementing programmes to reduce food waste, which is one of the objectives laid out in the Group's low carbon road map.

3.6.2.5 The Group's responsible procurement policy

Korian involves its suppliers and service providers in reducing CO₂ emissions linked to the transport, use and end-of-life of the products and services employed by the Group in its facilities.

► The Responsible Purchasing Charter

In line with Korian's Ethics Charter, the Responsible Purchasing Charter outlines the commitments that Korian asks all its suppliers to fulfil, as well as the commitments it makes to its suppliers, in regard to environmental impact. This Responsible Purchasing Charter is translated into five languages and is now included in all contracts and invitations to tender and will gradually be signed by all suppliers listed by the Group in Europe. In 2020, 75% of Korian's approved suppliers in Europe – and 84% in France – had signed on to the Responsible Purchasing Charter.

► Applying environmental criteria to supplier selection

Korian has defined precise specifications to describe its CSR and environmental protection commitments and priorities: reduction of packaging and deliveries, product composition and use, waste recovery to promote the circular economy and so forth.

The technical specifications set forth in all calls for tender systematically include environmental criteria. Korian's current and future suppliers are asked to describe how their products and services will enable the Group to honour its ESG commitments and thus reduce indirect greenhouse gas emissions linked to procurements.

▶ **Assessing the environmental practices of suppliers**

The Group works with the independent platform ECOVADIS to assess the CSR (and thus environmental) practices of its suppliers. At the end of December 2020, 271 suppliers had been assessed using the ECOVADIS platform, which corresponds to 55% of approved suppliers in Europe and 92% in France.

The average environmental score of assessed suppliers was 51.1 out of 100, versus an average of 42.9 for the sector. Korian will work with its key suppliers whose environmental practices were rated below 45 by the platform to develop action plans.

3.6.2.6 Employee transport

With 57,500 employees throughout Europe at the end of 2020, the work-home commute accounts for 10% of indirect emissions for the Group. It is also a key challenge for Korian to manage vis-à-vis its employees.

▶ **Limiting business trips**

Korian is seeking to implement a more environmentally friendly travel policy to reduce the carbon footprint of business trips, for example by instating a requirement to

3.6.3 Reducing and recycling waste

Korian is progressively rolling out a waste management policy to all its facilities to reduce the quantities generated by its activities and to improve the sorting and recycling of its waste streams.

3.6.3.1 Korian's waste management and circular economy strategy

As a line item, waste accounts for 3.2% of the Group's greenhouse gas emissions. Korian's objectives are to optimise the waste recovery circuits for each stream (household waste, biowaste, cardboard, paper, etc.) and to support the facilities which generate the highest amounts of waste.

▶ **Identifying the main waste streams**

In France (2018) and Germany (2019), Korian conducted a study with the French start-up "Take a waste" to analyse the cost and volume of waste generated by the Group's facilities and to understand the staff's sorting practices. A total of 50 sites were audited to obtain a more accurate

use trains for all trips under three hours and encouraging conference calls and video-conferencing.

Furthermore, Korian is gradually optimising its vehicle fleet for all countries: it is authorising models based on their CO₂ emissions to promote the use of vehicles that consume less energy. As a result, the car policies for France and Germany were revised in 2020.

The health crisis and the resulting teleworking arrangements for corporate functions, including "smart working", in Italy led to significant reductions in CO₂ emissions attributable to the head office staff: 1,700 metric tons of CO₂ saved, which is 50% of all emissions associated with the head office. In the same spirit, significant efforts were made at administrative and support sites in Germany and Italy to limit printing on paper and the use of colour printers.

▶ **Reducing work-home commutes**

The Group is developing a "Mobility plan" for its head offices and sites with more than 50 FTEs in France to discourage the use of personal vehicles and encourage alternative transport modes, in accordance with French regulations. In addition to promoting teleworking and partially funding public transportation passes, Korian now pays a mileage reimbursement to employees who cycle to work.

A more extensive project was undertaken in 2020 to study the work-home commute of employees at facilities, especially those in rural and peri-urban areas with limited public transport solutions.

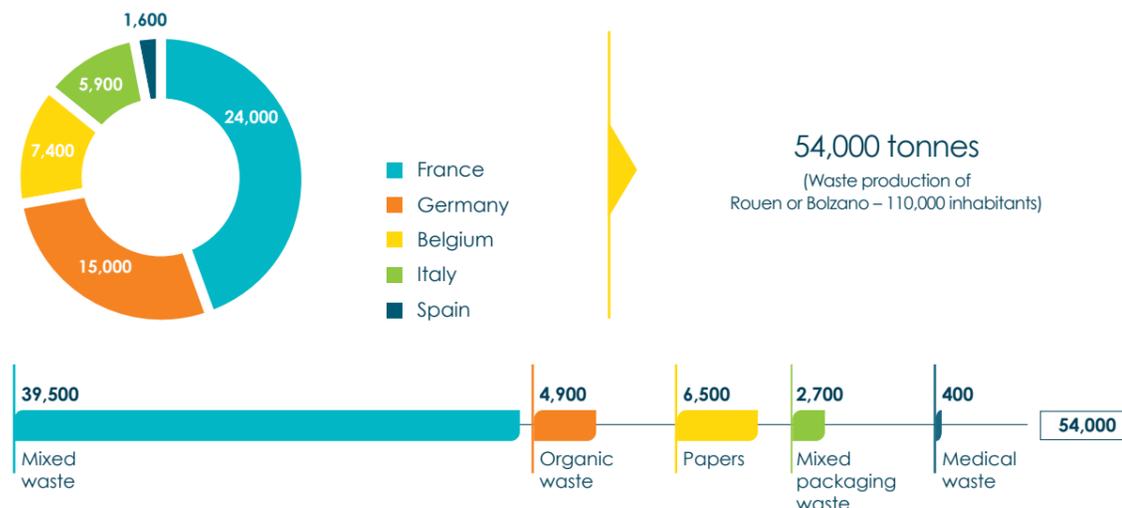
vision of on-site waste management and to identify concrete optimisation solutions.

In 2020, this diagnostic was expanded to three other countries in Europe (Belgium, Italy, Spain).

The results of the analysis identified six priority waste streams and their respective shares in total waste: household waste (75% of which is used protective gear), biowaste (generated from on-site meal preparation), bulky items (furniture and medical equipment), medical waste from activities with risk of infection, cardboard and paper (high volume of deliveries). The results obtained more recently with the expansion of the diagnostic to Belgium, Italy and S Spain in 2020 quantify the share of each waste stream in the total volume. The purpose of this diagnostic was to identify the Group's overall waste footprint and establish a benchmark for a waste road map.

This comprehensive analysis of the Group's production of all types of waste showed that Korian generates 54,000 tonnes of waste each year, which is equal to the amount of waste produced by a city of 110,000 inhabitants such as Rouen (France) or Bolzano (Italy).

The following chart shows the average breakdown of waste generated at facilities by stream:



▶ **The waste road map**

This road map has three goals:

- Finalise plans to come into regulatory compliance.
- Reduce waste volumes.
- Set up and improve waste sorting.

This road map ensures Korian's ongoing waste management collaboration with "Take a waste". It also enables the Group to commit to specific objectives to reduce its waste and improve waste flows in all its countries, in order to achieve the target set by the Group's General Management in 2019 to reduce its residual waste by 5% between now and 2023.

Korian has identified the following operational action items:

- **Upstream of its activities (procurements)**
 - Purchase products with reduced packaging
 - Purchase eco-friendly/eco-designed products
 - Sensitise suppliers about reduced-packaging products
 - Sensitise suppliers about products with more responsible packaging
- **Downstream of its activities (waste end-of-life)**
 - Develop and standardise waste sorting at all sites
 - Educate employees on eco-friendly habits
 - Opt for waste incineration rather than landfills

▶ **Supporting facilities that are struggling**

By performing these diagnostics, Korian can gradually build dashboards to track the facilities' performance on waste management indicators. Using ratios, Korian identifies the

sites generating large volumes of waste and helps them prioritise their actions, such as renegotiating contracts with public or private waste removal providers, optimising sorting and recovery of waste streams, reviewing sorting guidelines, and bringing them into regulatory compliance. In 2019, "Take a waste" provided personalised support to 45 sites; the campaign will move forward in 2021 with assistance planned for 133 priority sites.

The financial savings will make it possible for Korian to set up biowaste recovery systems at its facilities in France, a programme that is already in place at 100% of its German sites. An experiment was conducted at several French sites in 2019 with the biowaste recycling firm Moulinot to try out the biomass recycling circuit.

Across the board, the Group is working to develop the circular economy with enhanced systems to recycle its waste. For example, used computers are given to an association that decommissions, secures, and refurbishes them for new users. Along the same lines, free recycling organisations, such as Valdelia in France, have hotlines that direct calls to a recycling centre which picks up used and unused professional equipment at sites, then refurbishes or recycles it. In 2019, this programme enabled the collection of 900 m³ of used equipment weighing in at 50 metric tons.

The Group also calls on social enterprises active in the circular economy. One such partner is Travail et Vie, which collects used equipment and furniture in storage at sites or in advance of a renovation project to give the items a "second life" at workshops that employ persons facing adversity or re-entering the workforce. The refurbished items are then resold at economical prices.

3.6.3.2 Collection of infectious chemical waste

► Raising employee awareness

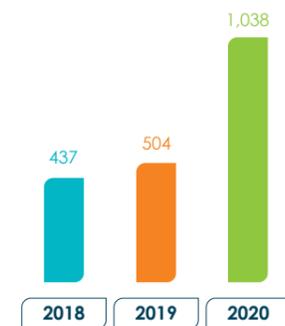
Korian educates its teams by providing guidance on the waste streams considered priorities because of their volume or because of the number of sorting errors observed during diagnostics. Special emphasis is placed on infectious medical waste, bulky items, unused medicines, cartridges, bulbs, and batteries - all of which were targeted in a dedicated awareness campaign in 2020 featuring posters, quality procedures, team trainings and more.

According to the laws applicable in each country, the management of infectious medical waste is subject to specific internal procedures within the Korian group. These procedures explain the steps and the standard precautions to be observed to identify, store, and dispose of medical waste, to ensure safety and protect the environment.

The chart below shows the total weight of infectious medical waste collected.

The chart below shows the total weight of infectious medical waste collected.

METRIC TONS OF INFECTIOUS MEDICAL WASTE⁽¹⁾



In 2020, the ratio of infectious medical waste volume per site was 2.53 versus 1.29 in 2019.

The doubling of the weight of infectious medical waste from 2019 to 2020 is attributable in part to the change in scope, but more directly to the measures taken in response to the Covid-19 pandemic as regards personal protective equipment (PPE), including masks, gowns, gloves and so on. The Group put in place special protocols across all its post-acute and psychiatric care and medico-social facilities in Europe, which increased the use of PPE.

(1) 2018 and 2019 scope: France, Belgium, Italy. 2020 scope: France, Belgium, Italy, Spain. Germany does not report on infectious medical waste because it is not weighed separately.

3.7 Adopting ethical and responsible practices

In accordance with its Ethics Charter (the "Charter"), Korian insists that all of its stakeholders, suppliers and subcontractors strictly abide by any legal requirements pertaining to their business activities and work environment.

New regulations require that the Group continue, and further, its efforts to be a responsible company by

introducing an anti-corruption plan and a vigilance plan to identify and prevent any breach of human rights, fundamental freedoms, personal health and safety or the environment. These provisions apply to all of the Group's employees and stakeholders and are part of Korian's ongoing pursuit of continuous improvement.

3.7.1 Acting with integrity, honesty, and transparency

3.7.1.1 Korian's Ethics Charter

Korian's Ethics Charter is a single document condensing the major ethical principles applying to all of its employees, shareholders, residents, patients, families, suppliers, subcontractors, and other stakeholders. The Charter can be found on the Group's institutional website and its various intranets. It has been translated into all of the Group's working languages and aims to help individuals adopt best practices in resolving difficulties. It thus stands as a reminder of Korian's main ethical principles and reiterates the procedures and instructions comprising the umbrella of rules to be followed in providing the best possible care to residents and patients, while embodying the values of integrity and transparency.

The Charter underscores the importance of complying with the applicable laws and regulations in each country, particularly when it comes to tackling corruption, but also in terms of human rights and dignity, avoiding conflicts of interest, maintaining the confidentiality of information, protecting Korian's assets and being a responsible corporate citizen in regard to communities and the environment. Since 2018, the Charter has had its own communication plan featuring reminders about the Charter's existence and the importance of abiding by it, as well as dedicated training courses at sites and head offices. The Ethics Charter is signed by all members of Korian's Top Management and a copy is given to every new employee when they join the Group. It is specifically referred to in the employment contracts signed by recruits.

A compulsory e-learning module explaining the Charter is still being rolled out to all Group employees in Europe via the Group's digital platform, Talents K.

In accordance with legal requirements, the Group's teams have access to a secure whistleblowing system, translated into all of the Group's working languages (plus English), enabling them to report any situation they believe violates the principles set forth in the Charter. To ensure everyone knows about this whistleblowing system, it is mentioned in the Ethics Charter and a specific guide explaining how it works is available to all Group employees.

Finally, the Ethics Charter is supplemented by special theme-based Charters (Responsible Purchasing Charter, Positive Care Charter, IT Charter, etc.).

At the end of 2020, in the wake of a collective review of the first phase of the epidemic in the spring of that year, the Group engaged in a period of reflection on its key values involving all levels of the company. Trust was identified as the Group's new core value. Working groups representing the company's main departments were set up in each country to devise a new framework for behaviour and practices to be observed by all. The framework was to be founded on the Group's three new values - trust, initiative and responsibility - and their corresponding attitudes. In 2021, these guidelines will help to bolster the roll-out Korian's new values and instil an ethical culture across all levels of the company.

3.7.1.2 Combating corruption and influence peddling

The Korian group condemns all forms of passive or active corruption and influence peddling. To meet its legal obligations under the so-called "Sapin 2" law of 9 December 2016, Korian has developed an ethics and compliance programme consisting of the following:

- **Corruption risk mapping:** the Group's processes are mapped so as to identify at-risk scenarios and then critically assess them in terms of impact and likelihood of occurrence, after taking into consideration the control mechanisms in place.
- **Third-party assessment:** a procedure for appraising suppliers and partners has been defined and is being deployed by the Group.
- **Ethics Charter:** as described in 3.7.1.1 above, the Group's Ethics Charter includes all of the corruption situations which must be avoided, to ensure everyone who reads the document is familiar with them. The Ethics Charter also outlines the Group's gifts and invitations policy, a key component in its anti-corruption guidelines, which describe the types of behaviours to be avoided and explain the applicable rules. Finally, the Responsible Purchasing Charter signed by approved suppliers stipulates, among other things, the supplier's commitment to fight corruption.
- **Whistleblowing system:** the Group has set up a warning system common to all Korian entities allowing any employee to ask a question or submit a warning, in their native language, about any situation they feel runs

counter to the principles laid out in the Ethics Charter, including instances of corruption, influence peddling or fraud. All warning submissions are strictly confidential. This system fulfils the requirements of articles 6 and 17 of the Sapin 2 law and the Duty of Vigilance law.

- **Training courses:** e-learning modules about the Ethics Charter have been made available via the Talents K training platform. Specific training courses on anti-corruption for people exposed to such risks have also been rolled out. Furthermore, internal communication campaigns have been drawn up to raise staff awareness about the existence and principles of the Ethics Charter. In 2020, 100% of Top Management completed the anti-corruption e-learning module.
- **Accounting control procedures:** the internal control standard has been expanded to incorporate all the corruption prevention measures introduced by the Group.
- **System assessment:** the annual internal audit plan covers all Group entities and notably includes subjects relating to corruption and fraud.

3.7.1.3. Tax policy

In all of the countries and territories in which it does business, the Group abides by the tax laws in force and ensures the tax amounts paid are fair in respect of the fiscal

2020 (€m)	France	Germany	Italy	Spain	Netherlands	Belgium	TOTAL
Profit/(loss) before tax	53.2	-7.2	23.3	1.0	-14.4	4.2	60.1
Theoretical rate	32.0%	30.5%	27.9%	25.0%	25.0%	25.0%	31.7%
Theoretical tax (TT)	-17.0	2.2	-6.5	-0.2	3.6	-1.0	-19.0
Effective tax (ET)	-17.9	13.2	-13.2	-0.2	3.9	-3.0	-17.2
Difference ET -TT	-0.9	11.0	-6.7	0.0	0.4	-1.9	1.8
EFFECTIVE TAX RATE (ETR)	33.6 %	-182.4%	56.7%	25.0%	27.4%	70.9%	28.6%
Cash out	-43.1	-3.5	-11.1	-0.1	0.1	-8.6	-66.3

The difference between the tax expense and the cash out amount is primarily attributable to:

- the reversal of provisions with no corresponding activation;
- deferred tax recorded across all fiscal items, causing temporary differences;
- the legal time lag between the recording of the tax expense in the accounts and the definitive settlement of said tax.

earnings it declares under applicable regulations. It also follows OECD principles, as transposed into national law, when setting up cross-border transactions.

Korian's Group Finance team includes a centralised tax function, allowing it to take a common stance on taxation across all of the countries in which it operates.

The Group's tax policy was specifically designed to fulfil this goal of fiscal consistency and to ensure that Korian settles its tax bills appropriately, in compliance with local tax laws and regulations, and that its activities are properly conducted across all of our geographies.

Korian's mission is to ensure excellence of care for the elderly and fragile and to support all stakeholders. This mission defines our approach in all the spheres of our activity. Accordingly, our tax positions are founded on a reasonable interpretation of applicable laws and are closely connected with the economic substance of the business we conduct in each country. Korian does not use financial vehicles that would enable it to avoid paying tax, nor does it invest in companies or vehicles located in tax havens. The Group does not take advantage of tax opportunities that are inconsistent with its Ethical Charter. Similarly, the Group expects its partners to adhere to equivalent ethical standards.

3.7.2 The Group's Vigilance Plan

The Korian group is subject to French law no. 2017-399 of 27 March 2017 pertaining to the corporate duty of vigilance incumbent on parent and contracting companies. As such, Korian is under the obligation to establish and implement a vigilance plan in respect of the activities conducted by the Group and any subsidiaries it owns.

The Group's Vigilance Plan sets out the reasonable vigilance mechanisms in place with a view to identifying and preventing serious violations of human rights and fundamental freedoms, personal health and safety or the environment, as a result of the activities conducted by companies Korian owns, or the activities carried out by subcontractors or suppliers with which Korian has an established business relationship.

The Vigilance Plan consists of the following mechanisms: a risk mapping system, regular assessment procedures for subsidiaries, subcontractors and suppliers, appropriate risk mitigation and prevention measures, a whistleblowing and warning submission system, and a system for tracking the measures implemented and assessing their effectiveness.

The Vigilance Plan first sets out the governance matters subject to the duty of vigilance, the methodology for devising a vigilance plan, and the whistleblowing mechanism covering all risks identified in respect of the duty of vigilance.

The table presented on the following pages lists all of the mechanisms in place (assessment procedures, mitigation action, measure tracking systems) and the results of these in respect of each of the main risks identified. When a more detailed presentation of the mechanisms is provided in a different section of this universal registration document these are duly cross-referenced.

► Governance

The Risks, Ethics and Compliance Committee, as described in section 2.5.4.3, is notably responsible for monitoring the Group's risk mapping efforts, its legal and regulatory compliance programmes, implementation of the Vigilance Plan and any alerts submitted via the secure external whistleblowing system.

The Group's Quality and Security Committee, as described in section 2.5.4.4, monitors and reviews the implementation of prevention and safety measures across the Group.

► Plan formulation methodology

The Vigilance Plan is applicable across the entire Group (for further details, please refer to section 3.8 "Note on methodology"), with the exception of recent acquisitions completed in 2020.

Korian has been expanding both organically and via acquisitions, which it makes every year. Each acquisition is subject to an in-depth analysis aimed at identifying best practices and potential risk areas. However, these acquisitions are only included in the scope of the Vigilance Plan once these have been brought into line with Korian's business practices.

The Vigilance Plan addresses the risks associated with Korian's business activity and with those of its supply chain (tier 1 suppliers only).

The Group has been mapping the risks of serious violations of human rights and fundamental freedoms, personal health and safety and the environment since 2017. This work has led to the identification, analysis, and priority rating of these risks in an internal and external context, and produced an inventory of the systems that are currently in place, or need to be introduced, to prevent them.

Korian's Vigilance Plan thus provides a set of group-wide mechanisms for managing the risks of violations of human rights and fundamental freedoms, personal health and safety, as well as specialised measures and mechanisms.

► Whistleblowing mechanisms

All Korian employees have access to a confidential "whistleblowing" warning system that is operated on a secure external website. This system can be used to warn the Group about any crime, offence, or clear and serious breach of the law, prevailing regulations, or the principles set out in the Group's Ethics Charter, as well as any type of threat or serious damage that may harm the common good. The site can also be accessed by anyone outside Korian seeking to warn the Group about one of the aforementioned issues.

In 2020, Korian processed nine alerts submitted through this system. These alerts were handled with the utmost confidentiality and action was taken where necessary.

In addition to this system which fulfils the requirements of both the law of 9 December 2016 and the Duty of Vigilance law, the Group has various mechanisms in place in each country enabling residents, patients, their families, employees and any other stakeholders to warn the Group if they have any concerns about the conditions of care in our facilities.

The Group's employees in France and Belgium also have access to a helpline available 24-7 and guaranteeing anonymity and confidentiality. For further details, please refer to section 3.3.4.1 "A strong commitment to health and safety in the workplace".

► Duty of Vigilance measures

The above table shows all of the measures required by the Duty of Vigilance law in France in respect of Korian's business activities and supply chain. The whistleblowing mechanism, which covers all of the risks faced by the Group, is described on the previous page in the introduction to the Vigilance Plan.

All of the systems listed below are referred to and described in detail throughout this universal registration document. Each of the policies, procedures and courses of action has been cross-referenced so that the required level of information may be accessed.

Duty of Vigilance issues	Duty of Vigilance risks	Assessment procedures and actions to mitigate the risks involved in Korian's activities	Assessment procedures and actions to mitigate supply chain risks	Measure tracking system	Assessment of measure tracking system - Korian & Supply Chain
	Abuse	<ul style="list-style-type: none"> The <i>Positive Care</i> programme (see 3.2.4 of URD) Ethical, Medical and Quality policies (see 3.2.3 of URD) ISO 9001 Quality Management (see 3.2.3 of URD) Procedures for addressing "serious adverse events" (SAE), related procedures depending on the SAE classification level, and the company's risk management system. Each warning is handled in a centralised manner in a database through which any necessary corrective action may be specified (see 2.5.7.2 and 3.2.3.2 of URD) Publication and dissemination of best practices to all employees (see 3.2.3.2 of URD) Positive Treatment, Ethics and Care for All (BEST programme) (see 3.2.4.2 of URD) Satisfaction surveys to assess the level of patient, resident and family satisfaction (see 3.2.2.1 of URD) Internal quality audits (360° quality audits) performed every two years (see 3.2.3.2 of URD) External audits performed annually (see 3.2.3.2 of URD) <p>Best practices:</p> <ul style="list-style-type: none"> Korian Italy, training on how to detect abusive treatment in facilities (see 3.2.4.2 of URD) 		<ul style="list-style-type: none"> Internal quality audits (360° quality audits) performed every two years (see 3.2.3.2 of URD) External quality audits performed annually (see 3.2.3.2 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> Share of facilities with ISO 9001 certification: 11% of facilities certified 360° Quality Audits: 90% of facilities certified A or B Roll-out of <i>Positive Care</i>: 66% of network Frequency of serious adverse events: 0.29 per 10,000 days spent in a facility  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Discrimination	<ul style="list-style-type: none"> Quality of Life in the Workplace agreement (see 3.3.4.1 and 3.3.4.2 of URD) Prevent workplace discrimination Agreements to promote the employment of people with disabilities Signature of commitment charter with gay rights group L'Autre Cercle to promote the inclusion of lesbian, gay, bisexual, and transgender (LGBT) people (see 3.3.4.4 of URD) Kommunity in-house survey assessing employees' perception of equal treatment, conducted every two years in Europe by survey institute IPSOS (see 3.3.4.3 of URD) Training and awareness campaigns for managers and teams (see 3.3.4.4 of URD) <p>Best practices:</p> <ul style="list-style-type: none"> Korian Spain: plan to promote equality and combat harassment and sexual harassment in the workplace (see 3.3.4.4 of URD) Korian Germany: signature of Diversity Charter (see 3.3.4.4 of URD) 	<ul style="list-style-type: none"> Responsible Purchasing Charter, appended to all contracts and tenders and progressively being signed by suppliers (see 3.6.2.5 of URD) Assessment of suppliers by EcoVadis (see 3.6.2.5 of URD) Ethics Charter for Korian's stakeholders including a section on human rights and dignity (see 3.7.1.1 of URD) Promoting local and inclusive purchasing (see 3.5.3 of URD) 	<ul style="list-style-type: none"> Monitoring system for action plans implemented as part of Kommunity Survey (see 3.3.4.3 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> 82% of all staff are women 47% of top managers are women  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Non-compliance with the eight International Labour Organization Conventions	<ul style="list-style-type: none"> European Works Council set up to enable Europe-wide social dialogue (see 3.3.4.2 of URD) This "living well together" guide encourages dialogue and respect for all one's colleagues regardless of their gender, disability, sexual orientation, or religion. Ethics Charter for Korian's employees including a section on human rights and dignity (see 3.7.1.1 of URD) Ethics Charter signed by all members of Top Management, disseminated to all new arrivals and specifically referred to in employment contracts (see 3.7.1.1 of URD) E-learning module on Ethics Charter (see 3.7.1.1 of URD) 		<ul style="list-style-type: none"> Talks held with European Works Council on the subject of respect and the improvement of employees' working conditions, including health and safety issues (see 3.3.4.2 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> 4 meetings of European Works Council Share of employees covered by social dialogue system: 100% Deployment of the Ethics Charter across 100% of Group sites and systematic communication to new employees  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)

Duty of Vigilance issues	Duty of Vigilance risks	Assessment procedures and actions to mitigate the risks involved in Korian's activities	Assessment procedures and actions to mitigate supply chain risks	Measure tracking system	Assessment of measure tracking system - Korian & Supply Chain
	Residents straying from facilities	<ul style="list-style-type: none"> The <i>Positive Care</i> programme (see 3.2.4 of URD) Procedures for dealing with Serious Adverse Events, related procedures depending on the SAE classification level, and the company's risk management system. Each warning is fed into a centralised database enabling corrective action to be specified where required (see 2.5.7.2 and 3.2.3.2 of URD) Patient safety and hygiene awareness and prevention campaign rolled out at European level (see 3.2.3.2 of URD) 			 <p>KORIAN</p> <ul style="list-style-type: none"> Roll-out of <i>Positive Care</i>: 66% of network Goal to train 100% of staff in protective and preventive measures during pandemics (action sheets for employees, new arrivals and replacement staff) Frequency of serious adverse events: 0.29 per 10,000 days spent in a facility  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Epidemics	<ul style="list-style-type: none"> Epidemic vigilance plan and <i>Vigi-Covid</i> Plan (see 3.2.1 of URD) Infection risks prevention campaign rolled out at European level (see 3.2.3.2 of URD) Roll-out of national and cross-border hygiene network Hygiene training (five days) for facility hygiene advisers Self-assessment and internal audit of Hygiene unit 			
	Climatic events	<ul style="list-style-type: none"> Crisis management system and business continuity plans (secondary power source, moving residents). Example: Heatwave plan (protocols and training about hydration, prevention and treatment of hydration) 			
	Medication errors	<ul style="list-style-type: none"> The <i>Positive Care</i> programme (see 3.2.4 of URD) Ethics, Medical and Quality policies Quality Management (see 3.2.3 of URD) Procedures for addressing "serious adverse events" (SAE), related procedures depending on the level of SAE classification, as well as a risk management system. Each warning is fed into a centralised database enabling corrective action to be specified where required (see 2.5.7.2 and 3.2.3.2 of URD) Publication and transmission of recommendations for best practices to all employees (see 3.2.3 of URD) Positive Treatment, Ethics and Care for All (BEST programme) (see 3.2.4.2 of URD) Geriatric Care Passport training programme covering: the care and well-being of elderly people, therapeutic programmes and continuity of care, stimulating the elderly, and everyday care and support (see 3.3.3.3 of URD) Medication dosage awareness and prevention campaign rolled out at European level (see 3.2.3.2 of URD) 	<ul style="list-style-type: none"> Responsible Purchasing Charter, appended to all contracts and tenders and progressively being signed by suppliers (see 3.6.2.5 of URD) Assessment of suppliers by EcoVadis (see 3.6.2.5 of URD) Ethics Charter for Korian's stakeholders including a section on human rights and dignity and on the protection of assets (see 3.7.1.1 of URD) 	<ul style="list-style-type: none"> SAE steering by theme, category and hierarchy, according to severity level SAE Committees in each country 	 <p>KORIAN</p> <ul style="list-style-type: none"> Awareness-raising/training of around 390 "Personal Data" advisers (in France, Italy and Belgium) (suspended due to Covid-19 outbreak) More than 60,000 cybersecurity breaches/attacks, involving email addresses, thwarted in France  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Personal data protection	<ul style="list-style-type: none"> Framework covering all GDPR themes both at Group level and with country-specific guidelines. Group Committee coordinated by the Ethics and Compliance Department, one Data Protection Officer (DPO) per country and multidisciplinary committees in each country in which Korian operates. Training and raising employee awareness of risks related to digital technology GDPR audits and cybersecurity audit conducted by Data Protection Officer, plus internal audit. 			
Workplace health and safety at Korian or its suppliers	<ul style="list-style-type: none"> Quality of Life in the Workplace agreement (see 3.3.4.1 of URD) Devising a national plan on health and safety in the workplace in each country (see 3.3.4.1 of URD) Dedicating resources to manage health, safety and quality of life in the workplace, to support operating staff on the ground (see 3.3.4.1 of URD) Procedures for addressing "serious adverse events" (SAE), related procedures depending on the level of SAE classification, as well as a risk management system. Each warning is fed into a centralised database enabling corrective action to be specified where required (see 2.5.7.2 and 3.2.3.2 of URD) Training course on the improving comfort and safety when lifting and assisting patients, prevention of musculoskeletal disorders, prevention of work-related stress (see 3.3.4.1 of URD) Kommunity in-house survey to gauge employee commitment (see 3.3.4.3 of URD) Acciline digital tool (scope of consolidation - France) to track all workplace accidents, Economed database in Germany (see 3.3.4.1 of URD) 		<ul style="list-style-type: none"> Anonymous, confidential hotline open 24/7 for employees in France and Belgium (see 3.3.4.1 of URD) Psychological support and follow-up systems in place across all Group countries A whistleblowing mechanism available to all Korian employees and people outside the Group hosted on a secure external website 	 <p>KORIAN</p> <ul style="list-style-type: none"> 4 meetings of European Works Council Share of employees covered by social dialogue system: 100 % Frequency rate: 57 Severity rate: 2.16 9 alerts submitted in 2020  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD) 	

Duty of Vigilance issues	Duty of Vigilance risks	Assessment procedures and actions to mitigate the risks involved in Korian's activities	Assessment procedures and actions to mitigate supply chain risks	Measure tracking system	Assessment of measure tracking system - Korian & Supply Chain
	Facility security	<ul style="list-style-type: none"> Procedures for addressing "serious adverse events" (SAE), related procedures depending on the level of SAE classification, as well as a risk management system. Each warning is fed into a centralised database enabling corrective action to be specified where required (see 2.5.7.2 and 3.2.3.2 of URD) Patient safety and hygiene awareness and prevention campaign rolled out at European level (see 3.2.3.2 of URD) Internal quality audits (360° quality audits) performed every two years (see 3.2.3.2 of URD) External quality audits conducted annually by certified independent organisations (see 3.2.3.2 of URD) A system for reporting serious adverse events with the aim of recording all major technical malfunctions in each Group facility (see 3.2.3.2 of URD) 	<ul style="list-style-type: none"> Responsible Purchasing Charter, appended to all contracts and tenders and progressively being signed by suppliers (see 3.6.2.5 of URD) Assessment of suppliers by EcoVadis (see 3.6.2.5 of URD) Ethics Charter for Korian's stakeholders including a section on human rights and dignity and on the protection of assets (see 3.7.1.1 of URD) 	<ul style="list-style-type: none"> Internal quality audits (360° quality audits) performed every two years (see 3.2.3.2 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> Frequency of serious adverse events: 0.29 per 10,000 days spent in a facility 360° Quality Audits: 90% of facilities certified A or B Share of facilities with ISO 9001 certification: 11% of facilities certified Share of facilities rated A and B by Bureau Veritas after Hygiene assessment: 99%  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Waste management	<ul style="list-style-type: none"> Waste management diagnostic assessments (see 3.6.3.1 of URD) Waste management roadmap (see 3.6.3.1 of URD) Awareness of eco-friendly habits to improve the sorting of waste on site (see 3.6.2.3 and 3.6.2.4 of URD) Infectious medical waste collection system (see 3.6.3.2 of URD) 	<ul style="list-style-type: none"> Responsible Purchasing Charter, appended to all contracts and tenders and progressively being signed by suppliers (see 3.6.2.5 of URD) Inclusion of ESG criteria in contract specifications to ensure Korian fulfils its commitments, as well as the reduction of indirect purchasing-related GHG emissions (see 3.6.2.5 of URD) 	<ul style="list-style-type: none"> Waste management and collection tracking system (including infectious medical waste) (see 3.6.3.2 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> Ratio of infectious medical waste (quantity per site): 2.53  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)
	Reducing our buildings' environmental footprint	<ul style="list-style-type: none"> Energy consumption audits (see 3.6.2.3 of URD) National maintenance plan, with a list of actions to be taken, which are logged and recorded in a computer-assisted maintenance management system (CMMS) (see 3.6.2.3 of URD) Assessment of Korian's carbon footprint in 2019 performed by an external third party on business scope in France, German, Belgium and Italy (see 3.6.2.1 of URD) Low carbon roadmap to 2030 laid out for Korian's portfolio of buildings (37% reduction in pre-defined GHG emissions) <p>Best practices:</p> <ul style="list-style-type: none"> Eight ISO 14001-certified facilities in Spain, with plans to extend certification nationwide (see 3.6.1 of URD) Awareness-raising campaigns on water and energy management (see 3.6.2.3 of URD) Awareness-raising campaign on energy management in Germany (see 3.6.2.3 of URD) 	<ul style="list-style-type: none"> Assessment of suppliers by EcoVadis, implementing action plans devised together with key suppliers having an environmental rating of below 45/100 (see 3.6.2.5 of URD) Disseminating Korian's environmental standards to providers of maintenance and building management services and external suppliers (see 3.6.1 of URD) Ethics Charter applying to Korian and its stakeholders including a section on being a responsible corporate citizen with regard to the environment (see 3.7.1.1 of URD) 	<ul style="list-style-type: none"> Action plans arising from energy audits (see 3.6.2 of URD) Low carbon roadmap (see 3.5.3 of URD) Waste management roadmap (see 3.6.3.1 of URD) Catering waste management roadmap (see 3.6.2.4 of URD) 	 <p>KORIAN</p> <ul style="list-style-type: none"> 6.4% drop in energy consumption in 2020 Share of real estate projects certified HQE or equivalent in the pipeline: 70%  <ul style="list-style-type: none"> See KPIs related to Responsible Purchasing (see 3.6.2.5 of URD)

3.8 Note on methodology

Following the transposition into French law of European Directive 2014/95/EU of 22 October 2014 as regards disclosure of social and environmental information (Ord. 2017-1180 of 19 July 2017, French government Official Gazette (JO) of 21 ; Decree 2017-1265 of 9 August 2017, Official Gazette of 11), as amended by Ordinances 2017-1180 of 19 July 2017 and 2017-1265 of 9 August 2017, this is the second year for which Korian is including its non-financial performance report in its universal registration document.

The cross-reference table showing the environmental, societal and labour-related information that must appear in the non-financial performance report and the list stipulated by article R. 225-105 II of the French Commercial Code are given in section 8.4 of this universal registration document.

The information provided testifies to Korian's determination to continuously improve the transparency and understanding of its CSR practises and the reliability of its data. In 2019, a common standard for the whole Group was developed and distributed to all countries to harmonise its non-financial indicators, notably thanks to the creation of a position dedicated to non-financial reporting. The 15 ESG commitments and their corresponding indicators are now tracked on a quarterly basis and included in the country business reviews.

This note on methodology describes the methods used to compile data on environmental, social and governance indicators.

Reporting scope and consolidation method

All indicators reported for 2019 refer to the Group's European scope (excluding acquisitions made in 2019), i.e. consisting of France (excluding the purchase of the Omega group), Germany, SLG in Belgium, and Korian in Italy. They do not include acquisitions made in Spain and the Netherlands. The data on the Group's headcount excludes figures for Spain (scope of Seniors business in Andalusia) and the Netherlands. Since the same methodology has been used to collect data in all countries in which the Group is present, most indicators are comparable between countries. Because the definitions of short-term contracts and training differ between countries, certain conventions were adopted for some HR indicators. Only the Italian cooperatives were excluded from the reporting scope for 2019. However, these are included in the training data.

Regarding environmental indicators, only facilities that could provide actual consumption data over the entire year were included. If a facility lacks consumption data for three months out of 12, it may be included in the scope by extrapolating from its average annual consumption.

Reporting period

Indicators are calculated over a 12-month period (from 1 January to 31 December 2020), using the figures available at 31 December 2020.

Data collection

The data pertaining to the specified reporting scopes was collected directly from the relevant departments by the Group CSR Department in consultation with the Non-financial Reporting Manager hired in the second half of 2019.

Regarding the quantitative data collected in France, Germany, Belgium, and Italy, a CSR "Reference Table" was prepared, translated into the three languages, and a copy sent to a correspondent in each country so that definitions and calculation methods could be harmonised. The quantitative data in the Reference Table was validated by the Finance Department in each country before being compiled by the Group CSR Department for inclusion in this chapter.

External audit

The ESG information provided was audited by the Company's Statutory Auditor Mazars SAS, an independent third-party and member of the Mazars SA network. Detailed tests were carried out on the data considered to be most important.

Methodological clarifications and limitations

Some indicators may be missing for a given country, in which case, the exclusions or variations in definition are noted individually in the above report in the form of footnotes.

Recruitment

The number of recruitments made in 2019 in France and Germany was calculated by applying the turnover rate for each country to the company's permanent headcount.

Workplace accidents

The number of workplace accidents was obtained by counting the number of people signed off work due to work-related accidents (including commuting accidents and relapses). The accident frequency rate (TF1) was obtained by multiplying the number of workplace accidents for which time off work was granted by one million and dividing this number by the number of hours worked under permanent and fixed-term employment contracts (TF1) over the last 12 months. The severity rate was calculated by multiplying the number of absences by 1,000 and dividing this figure by the number of hours worked over the last 12 months.

Absenteeism

The absenteeism rate was obtained by dividing the number of hours of absence (due to an ordinary or occupational illness or to a workplace or commuting accident) by the number of hours worked annually under a permanent and fixed-term contract over the last 12 months. It was calculated on the basis of employees on indefinite-term contracts.

Turnover

The employee turnover rate is an indicator that reflects the stability of employment at Korian. It is the result of multiple factors relating to the quality of work and the working environment. The indicator is provided on a trailing 12-month basis. Turnover is obtained by dividing the number of employees on indefinite-term contracts having left the Company by the permanent headcount (as measured by registered employees).

Percentage of sites committed to local community projects and share of local and family committees in facilities

The information presented in response to these indicators reflect the self-reported answers to a question completed by 399 of the 922 facilities to which it was sent, or 58% of respondents.

Percentage of facilities with ISO 9001 certification

The denominator used to calculate this share corresponds to a list of 836 facilities set up in 2019 by Korian and is therefore similar to that used the previous year, in spite of changes in consolidation scope. Of this list, only facilities with ISO 9001 certification are recorded as such.

Percentage of "Positive Care" facilities

A facility is considered to have "Positive Care" status when a minimum of one of its employees has attended Positive Care training as described in section 3.2.4. The facilities considered for years 2018 and 2019 are included in the 2020 scope, even if no training was conducted in the past two years.

Percentage of new buildings certified HQE or equivalent

This indicator corresponds to the share of real estate projects in the pipeline for which HQE or equivalent certification has been requested.

Vocational training

Vocational training courses consist of apprenticeships, continuing education courses (such as the accreditation of prior learning experience, or VAE in France), and courses leading to qualifications.

Frequency of serious adverse events

The percentage share is calculated as follows: number of SAE/number of overnight stays billed x 10,000. The SAEs in respect of this business scope correspond to events directly related to caring for patients/residents and/or to their behaviour.

Percentage of suppliers assessed via the ECOVADIS platform

The reported data concerns the following scope of activity: France, Germany, Italy and Belgium. It does not include figures for Spanish and Italian suppliers.

Preventive action and awareness/training on personal data protection - Number of advisers

People trained from 2018. Scope of activity - Italy, Belgium, France.

Cybersecurity breaches/attacks - Access attempts thwarted

These attempted breaches concern email addresses only. French business, Data over 11 months, with figures for December 2020 extrapolated.

Energy and water consumption

Each country submitted its consumption data based on 2019 invoices, information provided by utilities providers, and meter readings at facilities. Electricity consumption linked to solar panels in Belgium is not reported in energy consumption figures for that country.

The Group calculates its direct greenhouse gas emissions (from burning fuel oil and natural gas) and its indirect emissions associated with the procurement of electricity. The CO₂ equivalent in metric tons is calculated using the national or European averages indicated in the table below:

CALCULATION OF GREEN HOUSE GAS EMISSIONS

	2020	Source:
France	Natural gas	0.205 kg CO ₂ e/kWh
	Electricity	0.071 kgCO ₂ /kWh
	Fuel oil	0.323 kg CO ₂ e/kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Biomethane	0.0395 kgCO ₂ /kWh
Germany	Natural gas	0.205 kg CO ₂ e/kWh
	Electricity	0.461kg CO ₂ /kWh
	Fuel oil	0.323 kg CO ₂ /kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Urban heating networks	0.150 kgCO ₂ /kWh
	Wood	0.4 kgCO ₂ /kWh
Belgium	Natural gas	0.214 kg CO ₂ e/kWh
	Electricity	0.22 kgCO ₂ /kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Fuel oil	0.323 kgCO ₂ /kWh
Italy	Natural gas	0.214 kg CO ₂ e/kWh
	Electricity	0.406 kgCO ₂ /kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Fuel oil	0.323 kgCO ₂ /kWh
	Urban heating networks	0.150 kgCO ₂ /kWh
Spain	Natural gas	0.214 kg CO ₂ e/kWh
	Electricity	0.406 kgCO ₂ /kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Fuel oil	0.323 kgCO ₂ /kWh
	Urban heating networks	0.150 kgCO ₂ /kWh
Netherlands	Natural gas	0.214 kg CO ₂ e/kWh
	Electricity	0.406 kgCO ₂ /kWh
	Propane gas	0.27 kgCO ₂ /kWh
	Fuel oil	0.323 kgCO ₂ /kWh

Waste management

The quantitative waste information tracked and reported concerns infectious medical waste collected in Europe, as well as other waste information collected in Germany and France on the basis of a study conducted in those two countries in 2018 and 2019. In 2020, the Group launched an assessment process alongside French waste management company "Take a waste" involving all of its entities in Europe.

This universal registration document does not provide information regarding respect for animal welfare as it is not deemed relevant for the Group. Nevertheless, it is stipulated that animals may be found in our facilities and, in most cases, these pets belong to the residents themselves.

3.9 Independent third-party report on the consolidated non-financial performance statement included in the management report

For the year ended 31 December 2020

To the shareholders:

In our capacity as independent third party and member of the Mazars network (Korian's statutory auditors), accredited by COFRAC Inspection (No. 3-1058, scope of accreditation available on www.cofrac.fr), we hereby report to you on the non-financial statement for the year ended 31 December 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a Statement, in compliance with legal and regulatory provisions, which includes a description of the business model, the principal non-financial risks, the policies implemented in light of these risks and the results of these policies, including key performance indicators.

The Statement was prepared in application of the company's procedures (hereinafter the "Guidelines"), the salient aspects of which are set forth in the Statement.

Independence and quality control

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and our professional Code of Ethics. We have also implemented a quality control system that includes documented policies and procedures to ensure compliance with the relevant statutory and regulatory requirements, business ethics, and prevailing professional doctrine.

Responsibility as Independent Third Party

Based on our work, it is our responsibility to express a substantiated, limited assurance opinion on:

- the compliance of the Statement with the provisions laid out in article R. 225-105 of the French Commercial Code; and
- the accuracy of the information provided pursuant to part 3 of sections I and II of article R. 225-105 of the French Commercial Code, namely the outcomes of policies, including key performance indicators, and the actions taken in relation to the main risks, hereinafter referred to as the "Information".

At the company's request and outside the scope of accreditation, it is also our responsibility to provide a conclusion expressing reasonable assurance that all the significant aspects of the information selected by the entity⁽¹⁾ were gathered in compliance with the Guidelines.

However, it is not our role to comment on the Company's compliance with other legal or regulatory requirements that may apply, in particular those relating to the Vigilance Plan and the fight against corruption and tax evasion, nor on the compliance of products and services with applicable regulations.

Nature and scope of our work

We performed the work outlined hereafter in accordance with articles A. 225-1 et seq of the French Commercial Code, as well as with the rules and recommendations of the French institute of statutory auditors (Compagnie nationale des commissaires aux comptes) applying to this engagement, and the international standard ISAE 3000⁽²⁾:

- We familiarised ourselves with the business activity of all of the entities included in the scope of consolidation and the report on the main risks relating to them;
- We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality, and clarity, taking into account, where applicable, best practices in the sector;

(1) Korian carbon footprint, Percentage of facilities certified ISO 9001, Employee engagement in a qualifying path.

(2) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

- We verified that the Statement covers each category of information stipulated in section III of article L. 225-102-1 governing social and environmental matters, the respect for human rights and the prevention of corruption and tax evasion;
- We checked that the Statement covers each category of information stipulated in section II of article R. 225-105, where relevant in terms of the main risks, and includes, as applicable, an explanation of the non-inclusion of the information required by paragraph 2 of section III of article L. 225-102-1;
- We verified that the Statement presents the Group's business model and a description of the main risks associated with operations at all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks generated by its business relations, products or services, as well as policies, measures and outcomes, including the key performance indicators in respect of the main risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process for selecting and validating the main risks, as well as the coherence of outcomes, including the key performance indicators chosen, in light of the principle risks and policies presented, and
 - corroborate the qualitative information provided (actions and outcomes) presented in Appendix I which we deemed most important. With respect to certain risks (i.e. relating to the coronavirus (Covid-19) pandemic, Care and Treatment, Reputational Damage, Personal safety, Social Dialogue, Digital Transformation, Business Ethics, IT Systems, Cybersecurity and Data Protection), our work was performed at the level of the parent company. As regards other risks, our work was performed at both the level of the parent and at local level in the case of selected entities⁽¹⁾;
- We checked that the Statement covers the Group's consolidated scope, namely all the entities included in the scope of consolidation in accordance with article L. 233-16 (or where appropriate, with the limits set out in the Statement);
- We examined the internal control and risk management procedures put in place by the entity and assessed the collection processes to ensure the completeness and accuracy of the Information;
- As regards the key performance indicators and the other quantitative outcomes we deemed most important, as presented in Appendix I, we performed:
 - analytical procedures to verify the proper consolidation of the data collected and the coherence of any changes therein;
 - detail tests, using sampling techniques, to verify the proper application of definitions and procedures and to reconcile the data with the supporting documents. This work was performed on a selection of consolidated entities and covered between 41% and 100% of the consolidated data selected for these tests;
- We assessed the consistency of the Statement as a whole based on our understanding of all entities included in the scope of consolidation.

We believe that the work we have performed, based on our professional judgement, is sufficient to provide a basis for a limited assurance opinion; a higher level of assurance would require us to conduct more extensive procedures.

Means and resources

Our work engaged the skills of four people between October 2020 and April 2021 and took a total of 12 weeks.

We conducted around 20 interviews with the people responsible for preparing the Statement, notably representatives of the CSR, risk management, human resources, real estate, purchasing and quality departments.

Opinion

Based on the procedures performed, nothing has come to our attention that gives us cause to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements or that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

(1) France, Germany, Belgium.

Comments

Without calling into question the opinion expressed hereabove, and in accordance with the provisions of article A. 225-3 of the French Commercial Code, we hereby draw your attention to the following points:

- The results in respect of digital transformation risk (number of teleconsultations completed) are not expressed in the form of key performance indicators. They are available for French business scope representing 47% of Korian Group's total revenue.
- The indicator for the number of personal data advisers is available for a restricted business scope (France, Italy and Belgium) accounting for 71% of Korian Group's total revenue.

Reasonable assurance report on selected CSR information

With regard to the information selected by the company and bearing the √ sign, and at the company's voluntary request, we performed similar procedures to those described in the "Nature and scope of our work" section hereabove, albeit taking a more in-depth approach, particularly with regard to the number of tests conducted, in respect of the company's key performance indicators and other quantitative results that we deemed the most important.

The selected sample therefore accounts for 91% of the workforce and between 66% and 100% of the environmental information bearing the √ sign.

We believe this work allows us to express an opinion with reasonable assurance on the information collected by the company bearing the √ sign.

Opinion

In our opinion, all of the relevant aspects of the information selected by the company, and identified by the √ sign, were gathered in compliance with the Group's Guidelines.

Independent third-party
MAZARS SAS

Paris La Défense, 16 April 2021

Anne Veaute
Partner

Edwige Rey
CSR & Sustainable Development Partner

Appendix 1

Qualitative information (actions and results) in respect of the main risks

Coronavirus (Covid-19) pandemic

Treatment and care: Risk of infection or seasonal epidemic, Risk of medication error, Risk of patients/residents straying from facilities without staff's knowledge, Suicide risk, Risk of malicious acts;

Reputational damage: Risk of suits claims being filed by patients and families, Risks of poor communication leading to damaging media coverage, Risk of non-compliance with regulatory requirements, Reputation risk ensuing from social, societal and environmental issues impacting the Group;

Personal safety: Risks relating to building safety, Risks related food safety, Risks of Legionella bacteria growth, Risks of malfunctions in biomedical systems and equipment;

Human resources management: Risks arising from shortages of qualified staff, Risks involved in retaining and securing the loyalty of talented employees, Risks relating to employee well-being and working conditions, Risks relating to social dialogue, Risks relating to diversity and equality issues

Digital transformation: Risks of impact on patient and resident comfort of a delay in the digitalisation process, Risks relating to the impact of a delay in digitalising Group human resources management

Business ethics: Risks relating to corruption and influence peddling, Risks of non-compliance with the law and regulations

Information systems, cybersecurity and data protection: Risks relating to cybersecurity, Risks relating to IT systems, Risks relating to personal data management

Global warming and environmental damage: Failure to effectively manage the consumption of energy, water and waste, Risks relating to damage caused to the environment: carbon emissions, impact on biodiversity and managing waste (including dangerous waste), Risks arising from failure to prepare for major climatic events

Quantitative indicators including key performance indicators (KPI)

► Scope of consolidation - France, Germany, Belgium:

- Permanent staff, FTE, breakdown men-women
- Turnover rate
- Number of hours of on-site training provided
- Share of employees with a disability
- Employees enrolled in qualifying training programmes √
- Frequency rate
- Severity rate
- Absenteeism rate

► Scope of consolidation - France, Germany

- Energy consumption per bed
- Korian carbon footprint √

► Scope of consolidation - France

- Ratio of infectious medical waste (quantity per site):

► Scope of consolidation - Group

- Share of facilities with ISO 9001 certification √
- Share of employees covered by social dialogue or collective agreement system
- Number of teleconsultations conducted in France
- Share of Top Management having completed anti-corruption e-learning modules
- Share of accredited suppliers in Europe assessed by ECOVADIS
- Number of advisers having conducted "personal data" awareness programmes/training
- Share of real estate projects certified HQE or equivalent in the pipeline
- Share of facilities rated A and B by Bureau Veritas after Hygiene Assessment
- Frequency of serious adverse events
- Roll-out of Positive Care
- Satisfaction rate for residents' families in nursing homes and patients in specialised clinics

4.

Corporate governance

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This chapter makes up the main body of the Report on corporate governance, drafted by the Board of Directors (the "Board" or the "Board of Directors") at its 24 February 2021 meeting, upon the recommendation of the Compensation and Appointments Committee at its meeting held on 16 February 2021 and with the support of the Group Corporate Secretariat and the Group's Human Resources and CSR department, in accordance with article L. 225-37 of the French Commercial Code. It reports particularly on the powers of the Chairman of the Board and Chief Executive Officer, the composition of the Board, conditions for preparing and organising the work of the Board and its Committees, the application by the Company of the Corporate Governance Code, to which it refers, and the principles and rules established for determining the compensation and benefits of all kinds granted to corporate officers.

The provisions governing shareholder participation in General Meetings can be found in section 7.5 "Conditions for Shareholder participation in General Meetings" of this universal registration document.

Information about delegations of authority to increase the share capital is presented in section 7.2.3 "Issued and unissued authorised capital" of this universal registration document.

The factors which may have an impact in the event of a takeover bid are set out in section 7.2.5 "Factors which may have an impact in the event of a takeover bid" of this universal registration document.

Information on the restrictions imposed on corporate officers by the Board of Directors on exercising options and selling securities, where options have been granted or shares have been subscribed for or free shares have been awarded, is set out in section 7.2.4.3 "Long-term compensation plans" of this universal registration document.

The report on corporate governance has been submitted to the Statutory Auditors in accordance with article L. 22-10-71 of the French Commercial Code.

Korian uses as a reference the Corporate Governance Code for Listed Companies, jointly drafted by the AFEP and the MEDEF in December 2002, and has recently been revised in January 2020 (the "**AFEP-MEDEF Code**"). The Code is available on the following website: www.afep.com.



Message from the Chairman of the Board

After a long year combating the coronavirus (Covid-19), the Board of Directors and I would first like to spare a thought for the families and loved ones of our residents, patients and employees who have been affected by this ongoing crisis and express my deepest gratitude to everyone at the Group for the courage, dedication and determination shown to our residents and patients. The start of 2021 has been dominated by the scale of vaccination programmes. These programmes offer hope as they allow us to look to the future, to a time when the virus is under control and we can return to socialising and to long-awaited human interactions, especially with our elderly or frail relatives. It will also allow business levels to return to normal.

The Board of Directors met on a number of occasions throughout 2020 to monitor developments to the epidemic and the measures taken by the Company in response thereto, its priority always being the health and safety of residents, patients and employees.

A temporary Covid-19 *ad hoc* Committee, which began meeting at the start of April, was established to bolster the governance of the Company during the Covid epidemic. It met at frequent intervals until the end of the year and the Board continues to receive a weekly update on the Group's health situation.

2020

In 2020, the Board of Directors adapted to the health situation in Europe and continued to make improvements to its practices, thereby strengthening the governance of the Company over the long term.

Improving practices

The Board of Directors is reliant on the preparatory work carried out by the four specialised Committees, which enables it to properly discuss and debate matters and take appropriate decisions that reflect operational reality and the actual challenges involved in transforming the Group. Its work has been enhanced by regular, high-quality discussions with managers, who have been accessible and available.

The Board enjoys a high degree of confidence in the Committees' recommendations due to the considerable expertise of each Committee, and, above all, the commitment of the Chairs of the Committees.

This work is carried out by the Board both before the meetings of the Board and its Committees, and at its strategic seminars. At a recent seminar, the members of the Board were able to meet operational staff in France, in particular those working in the field of mental health.

CSR

All decisions made by the Board are assessed in light of the social and environmental issues that lay at the heart of Korian's activities, with an explicit CSR strategy, including concrete indicators, appropriate to the challenges associated with caring for the elderly and those with frailties. They are all reviewed by the Ethics, Quality and CSR Committee.

Expertise and diversity

The Board has strengthened its financial expertise by appointing a Director who is the Chief Financial Officer of a listed group that operates in the health sector.

A second employee Director, of German nationality, was appointed to the Board by the European Works Council. Our two employee Directors make a significant contribution focused on human and operational matters.

Continuity of governance

My predecessor, Mr Christian Chautard, decided, for personal reasons, to resign as Chairman of the Board and as a Director.

I thank the Board for the trust it has placed in me by appointing me as Chairman on 1st October 2020. I pay tribute to Mr Christian Chautard for all the progress made in the nine years in which he was Chairman, making Korian the European leader in our sector. Recent years have been particularly marked by the success of the work carried out by Mrs Sophie Boissard, Chief Executive Officer, and the implementation of the "In Caring Hands" corporate project, launched with the Board's full support. It permeates and dynamises the entire Company and, in particular, is at the heart of its medium-term development plan. In this context, 2020 was also marked by a major acquisition, an oversubscribed capital increase and an innovative real estate financing transaction that represents a lever for future growth.

Commitment

The Board of Directors, with a significant number of scheduled and extraordinary meetings, two strategic seminars, significant preparatory work by the Committees, all with a remarkable attendance rate, has shown a very high level of commitment that I applaud.

I thank all members of the Board of Directors for their commitment, and thank management for its dedication and rigour.

Jean-Pierre DUPRIEU

Chairman of the Board of Directors

4.1 The Company's administrative and management bodies

Governance of Korian through key figures

THE CHIEF EXECUTIVE OFFICER

assisted by a 13-member General Management Committee



A diverse team

29 % women

Average age of 52

36 % non-French



Strategy meetings

8 Meetings of the General Management Committee in the various countries in which the Group operates

7 Specialised Committees

Participation in the Board's strategy seminars

THE BOARD OF DIRECTORS

12 Directors including the Chairman and the Chief Executive Officer



A balanced composition

60 % Independent Directors

50 % women

Average age of 56

83 % international profiles

17 % non-French



Varied expertise



Regular work

13 Meetings 95.9 % attendance

4 Specialised Committees

1 Covid-19 ad hoc Committee

2 Strategy seminars

4.1.1 Governance method



4.1.1.1 A single-tier system of governance

Since 2012, Korian ("Korian" or the "Company") has been a *société anonyme* with a Board of Directors.

4.1.1.2 Separation of the offices of Chairman and Chief Executive Officer

Article 12 of the Company's Articles of Association defines and specifies the appointment and operating procedures for the General Management, in accordance with legal requirements. The Board of Directors determines how General Management functions are to be performed, and appoints (and, if applicable, dismisses) the Chief Executive Officer.

On 21 March 2012, the Board of Directors decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer. The decision became effective on 30 April 2012.

When the former Chief Executive Officer was removed from office on 18 November 2015, Mr Christian Chautard (who had, since 25 March 2015, been Chairman of the Board of Directors) held both offices on an interim basis until 26 January 2016, the date on which Mrs Sophie

Boissard took office as Chief Executive Officer and the two offices were separated once again.

The separation of the roles has not been reviewed since Mrs Sophie Boissard was appointed Chief Executive Officer on 26 January 2016. In particular, it was not reviewed on the successive reappointments of Mr Christian Chautard as Chairman on 22 June 2017 or on him being reappointed as a Director on 22 June 2020, or when he was replaced as Chairman of the Board of Directors by Mr Jean-Pierre Duprieu following his resignation as Director on 1st October 2020.

4.1.1.3 Succession plan

In accordance with the recommendation of article 17.2.2 of the AFEP-MEDEF Code, the Compensation and Appointments Committee ensures the preparation of a succession plan for the Company's management bodies.

The succession plan is the result of a process in which the Compensation and Appointments Committee:

- works in close collaboration with the Chief Executive Officer, the Chairman of the Board of Directors and the Group's Human Resources and CSR department to check that (i) the plan complies with the Company's and market practices, (ii) high-potential employees identified within the Company receive appropriate support and training, and (iii) there is adequate monitoring of key posts that may become vacant;
- meets, where necessary, with the Group's key executives;
- involves the Chief Executive Officer and the Chairman of the Board of Directors to the extent that they play a key role in planning their own succession, provided that they do not lead the process;
- works, where necessary, with an external consultant;
- provides the Board of Directors with progress reports, particularly at executive sessions.

This plan is reviewed each year and, where necessary, updated.

4.1.2 General Management

Since 26 January 2016, Mrs Sophie Boissard has served as Chief Executive Officer. At its 5 December 2019 meeting, the Board of Directors took the early decision, at the proposal of Mrs Sophie Boissard, to renew her term of office for a period of five years beginning on 1st January 2020.

4.1.2.1 The Chief Executive Officer

The Chief Executive Officer does not have an employment contract with the Company or with any other Group company.

Under article 12.3 of the Company's Articles of Association, subject to the powers that the law expressly

confers on General Meetings of shareholders and the Board of Directors, and within the limits of the corporate purpose, the Chief Executive Officer has the broadest possible powers to act in all circumstances in the name of the Company.

The Chief Executive Officer is responsible for the general management of the Company and represents it in its relations with third parties. The Company is bound even by actions of the Chief Executive Officer that are not within the corporate purpose, unless it proves that the third party was aware, or under the circumstances could not have been unaware, that the action was not within the corporate purpose. However, publication of the Articles of Association is not in itself sufficient proof thereof.

Article 11.3 of the Company's Articles of Association and article 1.4 of the Board's Internal Regulations, as updated on 5 December 2019 (the "**Internal Regulations**") lists the Chief Executive Officer's decisions that must be submitted for prior approval to the Board of Directors. These decisions are also described in section 4.1.3.2.1 entitled "Duties and powers of the Board of Directors".

Mrs Sophie Boissard agreed to request the opinion of the Board if she were to consider holding any new position or

corporate office in addition to her position as Chief Executive Officer of the Company, in accordance with article 19.2 of the AFEP-MEDEF Code.

At the General Meeting of Shareholders held on 22 June 2020, Mrs Sophie Boissard was also appointed as Director for a term of three years, *i.e.* until the conclusion of the General Meeting that will be convened to vote on the financial statements for the financial year ended on 31 December 2022.

► Profile of the Chief Executive Officer

Mrs Sophie Boissard

Chief Executive Officer of Korian and Director

Born on: 11 July 1970 in Paris (75)

Nationality: French

Address: 21-25, rue Balzac, 75008 Paris

Start of term as Chief Executive Officer: 26 January 2016

Date of reappointment as Chief Executive Officer: 1st January 2020

End of term as Chief Executive Officer: 31 December 2024

Date of first appointment as Director: GM of 22 June 2020

End of term as Director: GM convened to approve the 2022 financial statements



Biography

Mrs Sophie Boissard is a graduate of the *École Normale Supérieure* and the *École Nationale d'Administration* and has been the Chief Executive Officer of Korian since 2016. Previously, starting in 2008, she was a member of the SNCF Group's Executive Committee. At SNCF she created and developed the real estate value enhancement activities (Gares et Connexions, SNCF Immobilier) and was responsible for strategy and international development. She began her career at the Conseil d'État and the Economy and Finance Ministry.

At the date of this report, Mrs Sophie Boissard holds 62,146 Korian shares.

Other offices in the Group

Chair of the Korian Deutschland AG (Germany) and Korian Management AG (Germany) Supervisory Boards, Director of Segesta (Italy), SLG (Belgium), the KOR Foundation (Italy) and the Korian Stiftung Deutschland Foundation (Germany), Chair of the Korian Foundation for Ageing Well.

Offices outside the Group⁽¹⁾

Member of the Supervisory Board: Allianz SE (listed company)

Director: Over SpA (Italy) 42% held by Korian

Offices that have expired in the last five financial years

Director: Areva

(1) Mrs Sophie Boissard is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

4.1.2.2 Committees chaired by the Chief Executive Officer

To support her in her management functions, the Chief Executive Officer has created a number of internal committees.

4.1.2.2.1 The General Management Committee

The members of the General Management Committee are, firstly, the executives of the country business units and, secondly, the executives of the Group's functional divisions.

On the date of this universal registration document, the members of the General Management Committee are:

For the country business units	<p>Mr Dominiek Beelen (Executive Vice President Benelux)</p> <p>Dr Bart Bots (Group Chief International Development Officer/Spain)</p> <p>Mr Federico Guidoni (Executive Vice President Italy)</p> <p>Mr Nicolas Mérigot (Executive Vice President France)</p> <p>Mr Charles-Antoine Pinel (Chief Strategic Marketing Officer and new services development)</p> <p>Dr Mariuccia Rossini (Chair of the Board of Directors of Segesta (Italy))</p> <p>Mr Arno Schwalie (Executive Vice President Germany)</p>
For the Group's functional division	<p>Dr Didier Armaingaud (Group Chief Medical, Ethics & Quality-of-Service Officer)</p> <p>Mr Rémi Boyer (Group Chief HR & CSR Officer)</p> <p>Mr Frédéric Durosseau (Group Chief Real Estate & Development Officer)</p> <p>Mrs Anne-Charlotte Dymny (Group Chief Transformation Officer and Executive Secretary of the General Management Committee)</p> <p>Mr Philippe Garin (Group Chief Financial Officer)</p> <p>Mrs Caroline de Jessey (Group Chief Communications Officer)</p>

The General Management Committee meets at least once every two months to monitor progress with the company's strategy and the main policies deployed within the Group, particularly in terms of ESG issues and risk prevention.

4.1.2.2.2 Other Committees

In addition to the General Management Committee, the Chief Executive Officer has established a number of specialised internal Committees to assist her in carrying out her duties, including committees that review business activities in the various countries, the Commitments and Investments Committee and the Risk, Ethics and Compliance Committee.

4.1.2.3 Diversity policy for the management bodies

Focus: Equality in Top Management positions



The promotion of diversity and equality is a key aspect of the company's HR policies. It takes the form of a number of commitments and agreements entered into by the Group and was reaffirmed in 2020 with the eight HR commitments made as part of the "In Caring Hands" corporate project, one of which specifically relates to diversity and the acknowledgement of each person. In 2020, the Group also defined its diversity policy for the management bodies in the form of six main targets, **with a view to achieving equality in the Group's Top Management positions by 2023:**

- obtaining input from a "Korian female managers' club", established in 2019 to promote and develop gender quality in all the company's policies;
- making the systematic detection of women with potential at the earliest possible opportunity an integral part of the role of the company's career committees, with the aim of increasing female representation in succession plans, in particular in relation to roles with operational responsibility;
- including at least one woman on shortlists of internal or external candidates for managerial roles;
- routinely using internal and external salary surveys and studies to compare the compensation paid to women and men in equivalent managerial roles;
- proactively participating in diversity monitoring groups in the countries in which the Group operates and actively participating in movements on the promotion of women to roles with high levels of responsibility. In this respect, in 2020, Korian endorsed the UN's WEP (Women Empowerment Principles) and selected three of the seven topics, namely the health and safety of women in the workplace, skills training for women and communicating about progress made in the area of gender equality. The Group's European Works Council, established in June 2020, also created a gender equality working group;

- adding to its ESG policy an action plan for Top Management in relation to women, in the form of programmes and solidarity initiatives led by the Korian Foundation in France and the Korian Foundation in Germany, and by the Korian Covid Solidarity Fund.

With a view to making progress in all these areas, equality on the management bodies is one of the two ESG targets included in the Company's free share plans with a target of 50% of Top Management roles at Korian being held by women by 2023. At the end of December 2020, women accounted for:

Management	% of women
General Management Committee	23% ⁽¹⁾
Korian Top Management	47%
Facility managers	67%
Support functions (Corporate management committees)	63%

With 23%⁽¹⁾ women on the General Management Committee, and 47% in the Top Management, in 2020, the Group is once again in the top 20 companies in the SBF 120 and above the European average according to surveys by Ethics & Boards.

(1) On the date of this universal registration document, 29% of the members of the General Management Committee are women.

4.1.3 Board of Directors

4.1.3.1 Structure of the Board of Directors

Article 11 of the Company's Articles of Association defines and specifies the conditions and procedures governing the composition and operation of the Board of Directors.

Focus: Changes in the composition of the Board in 2020



At the Combined General Meeting held on 22 June 2020 (the "**2020 Meeting**"), the Company's shareholders decided to:

- renew the terms of office of the Directors Mr Christian Chautard and Dr Markus Müschenich;
- appoint Mrs Sophie Boissard et Mr Philippe Dumont (replacing Mr Jérôme Grivet) as Directors;

for a three-year term expiring at the conclusion of the General Meeting of shareholders convened to vote, in 2023, on the financial statements for the financial year ending 31 December 2022.

The terms of office of the following members expired on the conclusion of the 2020 Meeting:

- Mr Jérôme Grivet, Director;
- Office d'Investissement des Régimes de Pensions du Secteur Public ("**Investissements PSP**"), Director.

In accordance with articles L. 225-27-1 of the French Commercial Code and article 11.4 of the Company's Articles of Association, the European Works Council, on 24 June 2020, appointed Mr Markus Rückerl as a Director representing employees with effect from 30 July 2020, for a three-year term expiring at the conclusion of the General Meeting of shareholders convened to vote, in 2023, on the financial statements for the financial year ending 31 December 2022.

After the 2020 Meeting and following the resignation of Mr Christian Chautard, the Board of Directors, at its meeting of 1st October 2020, appointed Mr Jean-Pierre Duprieu as Chairman of the Board of Directors for the term of his directorship, i.e. until the conclusion of the General Meeting of shareholders convened to vote, in 2022, on the financial statements for the financial year ending 31 December 2021.

TABLE SUMMARISING THE CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2020

End of term⁽¹⁾	Mr Jérôme Grivet (Director) Investissements PSP (Director)
Reappointments⁽²⁾	Mr Christian Chautard (Director and Chairman of the Board of Directors) Dr Markus Müschenich (Independent Director)
Resignation⁽³⁾	Mr Christian Chautard (Director and Chairman of the Board of Directors)
Appointment	Mrs Sophie Boissard (Director) ⁽²⁾ Mr Philippe Dumont (Director) ⁽²⁾ Mr Markus Rückerl (Director representing employees) ⁽⁴⁾ Mr Jean-Pierre Duprieu (Chairman of the Board of Directors) ⁽⁵⁾

(1) At the conclusion of the 2020 Meeting.

(2) At the 2020 Meeting.

(3) At the conclusion of the Board of Directors' meeting of 1st October 2020.

(4) With effect from 30 July 2020.

(5) At the conclusion of the Board of Directors' meeting of 1st October 2020 (and following the resignation of Mr Christian Chautard as Chairman of the Board of Directors).

4.1.3.1.1 Members of the Board

The Company's Board of Directors comprises the following 12 members:

Chairman of the Board of Directors	Mr Jean-Pierre Duprieu (Independent Director)
Director and Executive Corporate Officer	Mrs Sophie Boissard (Chief Executive Officer)
Institutional Directors	Mr Philippe Dumont Predica Prévoyance Dialogue du Crédit Agricole (« Predica »), represented by Mrs Françoise Debrus Holding Malakoff Humanis, represented by Mrs Anne Ramon
Independent Directors	Mr Guillaume Bouhours Mr Jean-François Brin Mrs Anne Lalou Dr Markus Müschenich Mrs Catherine Soubie
Directors representing employees	Mrs Marie-Christine Leroux Mr Markus Rückerl

The Chairman of the Board of Directors

The Chairman does not have an employment contract with the Company or with any other Group company.

In accordance with article L. 225-51 of the French Commercial Code, article 11.2.1 of the Company's Articles of Association provides that the Chairman of the Board of Directors organises and directs the work of the Board, reports thereon to the General Meeting and carries out its decisions.

The Chairman convenes the Board of Directors as often as necessary, and at least once per quarter. He sets the agenda for the meeting that he is chairing.

He ensures that the Company's governing bodies run smoothly and that best governance practices are implemented. He also ensures that the Directors are able to perform their duties, in particular by creating a climate for discussions conducive to taking constructive decisions.

In addition, under article 1.6 of the Internal Regulations, on behalf of the Board and in close coordination with the

Chief Executive Officer, he handles high-level national and international relations with stakeholders and, in particular, he discusses corporate governance issues with shareholders. He reports thereon to the Board of Directors.

He is also informed and consulted by the Chief Executive Officer on all significant events in relation to the Company's activities.

Lastly, the Chairman may, on an *ad hoc* basis, be charged by the Board of Directors with specific tasks consisting of monitoring unusual transactions that impact the Group's structure or scope. When performing such duties, the Chairman acts in close collaboration with the Chief Executive Officer. In 2020, the Chairman was not requested to perform any such specific tasks.

As an exception to article L. 225-37 of the French Commercial Code, article 11.2.4 of the Company's Articles of Association provides that "in the event of a tied vote, the Chairman does not have the casting vote".

Mr Jean-Pierre Duprieu**Chairman of the Board of Directors and Member of the Investment Committee**

Born on: 13 April 1952 in Chartres (28)

Nationality: French

Address: 21-25 rue Balzac, 75008 Paris

Date of appointment: GM of 23 June 2016

Date of reappointment: GM of 06 June 2019

End of term: GM voting on the financial statements for financial year 2021

**Biography**

Mr Jean-Pierre Duprieu is an agricultural engineer who graduated from the Institut national agronomique de Paris Grignon (AgroParisTech), from the Institut de contrôle de gestion de Paris and the International Forum (advanced management programme in conjunction with Wharton University). He joined the Air Liquide Group in 1976, where he has spent his entire career, and has held various commercial, operational and strategic positions. For nearly ten years he headed the Europe, Middle East and Africa region, before taking over the Asia Pacific region in 2005 as a member of the Group Executive Committee based in Tokyo, Japan. From the start of 2010 to the end of 2016, when he retired from the Air Liquide Group, he oversaw the Europe region and Healthcare business, in addition to the Group's Purchasing and IT divisions. During this time he was Deputy CEO of the group.

He also serves on Michelin's supervisory board and is Chairman of its Compensation and Appointments Committee. He is a member of the Board of Directors of the SEB group and a member of the supervisory board of Dehon SAS. In addition, on a voluntary basis, he is Chairman of the Correspondances Foundation and Chairman of the French Comité de la Charte du Don en Confiance (Charity Accountability Association).

Shareholding

At the date of this report, Mr Jean-Pierre Duprieu holds 3,450 Korian shares.

Offices outside the Group⁽¹⁾

Member of the Supervisory Board: Michelin (listed company)

Member of the Board of Directors: SEB (listed company)

Member of the Supervisory Board: Dehon SAS

Offices that have expired in the last five financial years

Director: Air Liquide Santé International, Air Liquide Welding (ALW) SA

Chairman of the Board of Directors: Air Liquide Eastern Europe

Deputy CEO: Air Liquide SA (listed company)

(1) Mr Jean-Pierre Duprieu is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

The other members of the Board of Directors (other than Mrs Sophie Boissard whose profile is set out on page 182 of this universal registration document)

Mr Philippe Dumont

Director and Member of the Compensation and Appointments Committee

Born on: 17 May 1960 in Lille (59)

Nationality: French

Address: 14, rue Gustave-Zédé, 75016 Paris

Main position held: Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Insurance, Chief Executive Officer of Crédit Agricole Assurances, Chief Executive Officer of Predica

Date of appointment: 22 June 2020

End of term: GM voting on the financial statements for financial year 2022



Biography

Mr Philippe Dumont is Deputy Chief Executive Officer of Crédit Agricole SA, in charge of Insurance, Chief Executive Officer of Crédit Agricole Assurances and Chief Executive Officer of Predica since January 2020. He is a member of Crédit Agricole SA's Executive Committee.

In the first part of his career, he worked in public administration, at the Ministry of the Economy and Finance and then with Michel Barnier at the Ministry for the Environment (1993-1995). He then became Deputy Director of François Fillon's private office when he was at the Ministry for the Post, Information and Space Technologies (1995-1996). Mr Philippe Dumont joined the Crédit Agricole group in 1997 as Head of the Economics, Finance and Tax department at Fédération Nationale du Crédit Agricole, of which he became Deputy CEO in April 2004. In 2004, he was appointed Inspector General in charge of Internal Audit and a member of Crédit Lyonnais' Management Committee, before being appointed Group Inspector General in 2006. On 15 October 2008, he was appointed a member of Crédit Agricole SA's Executive Committee and, in September 2011, he became a member of Crédit Agricole SA's Management Committee. In July 2009, Mr Philippe Dumont became Chief Executive Officer of Crédit Agricole Consumer Finance. In August 2015, he was also appointed Deputy Chief Executive Officer of Crédit Agricole SA in charge of Specialised Services.

Philippe Dumont is a graduate of *Ecole Nationale du Génie Rural, des Eaux et des Forêts* and an agronomy graduate of Institut National Agronomique Paris - Grignon. He also holds a PhD in economics. He is also a member of MEDEF's General Assembly on behalf of the FFA.

Shareholding

At the date of this report, Mr Philippe Dumont does not hold any Korian shares.

Offices outside the Group⁽¹⁾

Chairman of the Supervisory Board: F/I Venture (SAS)⁽³⁾

Chief Executive Officer: Crédit Agricole Assurances (listed company)⁽²⁾, Predica (French SA)⁽²⁾

Vice-Chairman: Crédit Agricole Vita (Italian SPA)⁽²⁾, Groupement français des bancassureurs (Association)

Director: Spirica (French SA)⁽²⁾, Pacifica (French SA)⁽²⁾, Adicam (French SARL)⁽³⁾, CA Group Infrastructure Platform (French SAS)⁽³⁾, CA Indosuez Wealth (France) (French SA)⁽³⁾, LCL (listed company)⁽³⁾

Permanent representative of Crédit Agricole Assurances, Director: Caci (French SA)⁽²⁾

Legal representative of Crédit Agricole Assurances, Chairman: Crédit Agricole Assurances Solutions (SAS)⁽²⁾

Permanent representative of Predica, Chairman: Fonds stratégique de participations (French SICAV)

Member of the Supervisory Board: Crédit Agricole Innovations & territoires (French SAS)⁽³⁾, F/I Venture (French SAS)⁽³⁾

Board Observer: La Médicale de France (French SA)⁽²⁾

Offices that have expired in the last five financial years

Chairman: Agos Ducato (Italian SPA), FCA Bank (Italian SPA)

Vice-Chairman: ASF (*Association Française des Sociétés Financières*)

Chief Executive Officer: CA Consumer Finance (French SA)

Director: CA Payment services (French SAS), CA Leasing & factoring (French SA), Chairman of the Appointments Committee, Fireca (French SAS), Caci (French SA), Fia-Net Europe (Luxembourg SA)

(1) Mr Philippe Dumont is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

(2) Crédit Agricole Assurances Group.

(3) Crédit Agricole Group.

Predica**Director, Chair of the Investment Committee and Member of the Audit Committee****Permanent representative: Mrs Françoise Debrus***Born on:* 19 April 1960 in Paris (75)*Nationality:* French*Address:* 16-18, boulevard de Vaugirard, 75015 Paris**Predica Prévoyance Dialogue du Crédit Agricole (Predica)**A French *société anonyme* (limited company)*Registered office:* 16-18, boulevard de Vaugirard, 75015 Paris

Paris Trade and Companies Registry No. 334 028 123

Main position held: Investment Director at Predica*Date of appointment:* GM of 18 March 2014*Date of reappointment:* GM of 14 June 2018*End of term:* GM voting on the financial statements for financial year 2020**Biography**

Mrs Françoise Debrus is a graduate of the École nationale du génie rural des eaux et des forêts and the Institut national agronomique Paris-Grignon and joined the Crédit Agricole group in 1987. She was appointed Chief Financial Officer of Caisse Régionale de l'Île-de-France in January 2005 before joining Crédit Agricole Assurances on 2 March 2009 as Investment Director. Mrs Françoise Debrus has also held several directorships at companies in the healthcare sector.

Shareholding

At the date of this report, Mrs Françoise Debrus holds 1,672 Korian shares.

At the date of this report, Predica holds 25,545,708 Korian shares.

Offices held by Predica⁽¹⁾**Offices outside the Group**

Director: Fonds Nouvel Investissement 1, Fonds Nouvel Investissement 2, Covivio (listed company), Aéroport de Paris (listed company), Argan (listed company), CAAM Mone Cash, Frey (listed company), Gécina (listed company), Patrimoine & Commerce (listed company), Carmila (listed company), SEMMARIS, Covivio Immobilier, Accor Invest, Fonds Stratégique des Participations, la Médicale, Previsioe Obsèques, Lesica, La Française des Jeux (listed company)

Member of the Supervisory Board: Effi-Invest II, Covivio Hotels (listed company), INTERFIMMO, Altarea (listed company), CA Grands Crus, PREIM Healthcare, SOPRESA

Chairman: Predi Rungis**Co-manager:** Predicare**Board Observer:** Siparex Associés, Tivana France Holding**Offices that have expired in the last five financial years****Member of the Supervisory Board:** Effi-Invest I, Immeo Wohnen GmbH

Director: Eurosic (listed company), Sanef (listed company), Louvresses Development I, Urbis Park, CA Life Greece, Ramsay Générale de Santé (listed company), Foncière Développement Logement (listed company), River Ouest

Chairman: Citadel, Citadel Holding**Offices held by Mrs Françoise Debrus⁽²⁾****Offices outside the Group****Member of the Supervisory Board:** Altarea (listed company)**Permanent representative of Predica, Director:** Aéroport de Paris (listed company), La Française des Jeux (listed company)**Representative of Crédit Agricole Assurances, Director:** SEMMARIS (Rungis market)**Director:** SAS Cassini, Comexposium S.A.**Offices that have expired in the last five financial years****Member of the Supervisory Board:** Covivio Hotels (listed company)**Permanent representative of Predica, Director:** Eurosic (listed company), Ramsay Santé, Crédit Agricole Immo. Promotion**Permanent representative of Crédit Agricole Assurances, Director:** Générale de Santé (listed company)**Director:** Foncière Développement Logements (listed company), Beni Stabili (Italy) (listed company)**Board Observer:** Frey SA (listed company)

(1) Predica is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

(2) Mrs Françoise Debrus is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Holding Malakoff Humanis

Director, Chair of the Ethics, Quality and CSR Committee and Member of the Investment Committee

Permanent representative: Mrs Anne Ramon

Born on: 6 September 1967 in Neuilly-sur-Seine (92)

Nationality: French

Address: 21, rue Laffitte, 75009 Paris

Holding Malakoff Humanis

A French *société anonyme* (limited company)

Registered office: 21, rue Laffitte, 75009 Paris

Paris Trade and Companies Register No. 401 678 180

Main position held: Chief Communication and Brand Officer at Malakoff Humanis

Date of appointment⁽¹⁾: GM of 18 March 2014

Date of reappointment: GM of 14 June 2018

End of term: GM voting on the financial statements for financial year 2020

**Biography**

Mrs Anne Ramon is a graduate of the CELSA and political sciences at *Université Paris 1*. She began her career at a pharmaceutical laboratory, then in the French Government's information department. She then worked for the Comité Français d'Éducation pour la Santé (CFES), an organisation under the supervision of the Ministry of Health, where she was responsible for communication campaigns on the prevention of AIDS. She broadened her expertise to cover all of the other major public health issues (tobacco, alcohol, nutrition, accidents and vaccination) as Santé Publique France's Chief Communication Officer. In 2005, she was appointed Patient Communication and Information Director at the Institut national du cancer (INCA). In 2016, she joined the Malakoff Médéric group, now known as Malakoff Humanis, as Chief Communication and Brand Officer and a member of the EXCOM.

Shareholding

At the date of this report, Mrs Anne Ramon does not hold any Korian shares.

At the date of this report, Holding Malakoff Humanis holds 8,048,260 Korian shares.

Offices at Holding Malakoff Humanis⁽²⁾**Offices outside the Group**

Director: SCOR SE (listed company), Développement Pleiade, Groupe IRD (listed company)

Member of the Supervisory Board: La Banque Postale Asset Management Holding, La Banque Postale Asset Management, Foncière Hopsi Grand Ouest

Offices that have expired in the last five financial years

Director: Ignilife France SAS

Member of the Supervisory Board: Quatrem, Sycomore Factory

Offices held by Mrs Anne Ramon⁽³⁾**Offices outside the Group**

N/A

Offices that have expired in the last five financial years

N/A

(1) Holding Malakoff Humanis was appointed by the General Meeting held on 21 March 2012 that adopted a single-tier governance system. In connection with Korian's merger with and takeover of Medica, and subject to the condition precedent that it be completed, the Ordinary General Meeting of 18 March 2014 (i) acknowledged its resignation and (ii) immediately appointed it for an exceptional term of one (1) year expiring at the conclusion of the Ordinary General Meeting of shareholders convened to vote on the financial statements for financial year 2014.

(2) Holding Malakoff Humanis is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

(3) Mrs Anne Ramon is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Mr Guillaume Bouhours**Director and Member of the Audit Committee**

Born on: 3 July 1976 in Neuilly-sur-Seine (92)

Nationality: French

Address: 24, chemin de l'Aigas, 69160 Tassin-la-Demi-Lune

Main position held: Executive Vice President, CFO, Purchasing, Information Systems of the bioMérieux group

Date of appointment: Board meeting of 11 January 2021 (co-optation)

End of term (if ratified by the shareholders at the 2021 General Meeting): GM voting on the financial statements for financial year 2022

**Biography**

Having graduated from the École Polytechnique and École des Mines de Paris in 2000, Mr Guillaume Bouhours began his career in the financial sector, first at Morgan Stanley Investment Banking (in London and Paris) and, from 2004, at Sagard Private Equity Partners, where he became Investment Director in 2007.

From 2010 to 2017, he served as Chief Financial Officer of Faiveley Transport and sat on its Executive Board and Management Committee. From 2017 to 2018, he served as President of the Access and Mobility Division and President of the China Region at Wabtec Corporation.

He is currently Executive Vice President, CFO, Purchasing and Information Systems of the bioMérieux group, the world leader in the field of in vitro diagnostics for infectious diseases, listed on Euronext Paris.

Shareholding

At the date of this report, Mr Guillaume Bouhours holds 1,178 Korian shares.

Offices outside the Group⁽¹⁾

Director: Suzhou Hybiome Biomedical Engineering Co Ltd (China), BioFire Diagnostics LLC (USA)

Offices that have expired in the last five financial years

Member of the Executive Board: Faiveley Transport (France)

Director: FMPR (Iran), Faiveley Transport Rail Technologies India Ltd. (India), Sab Wabco Ltd. (UK), Sab Wabco D&M Ltd. (UK), Sab Wabco Investments Ltd. (UK), Sab Wabco Products Ltd. (UK), SW D&M Products Ltd. (UK)

Manager: Faiveley Transport Verwaltungs GmbH (Germany)

(1) Mr Guillaume Bouhours is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Mr Jean-François Brin

Director, Member of the Investment Committee and the Ethics, Quality and CSR Committee

Born on: 5 April 1964 in Angers (49)

Nationality: French

Address: Résidences du Port, 795, avenue du Général-de-Gaulle, 06210 Mandelieu-la-Napoule

Main position held: Founder & CEO of ES Consulting and ES Business Health

Date of appointment: GM of 06 June 2019

End of term: GM voting on the financial statements for financial year 2021

**Biography**

Mr Jean-François Brin is a Doctor of Medicine (University of Dijon) and holds a Specialised Master's degree in Intelligence Marketing from the HEC business school. He joined Rhône-Poulenc Rorer France in 1993 and took on various positions in the fields of psychiatric disorders, neurodegenerative diseases and rheumatology. He became Vice-President Global Marketing Thrombosis & Internal Medicine when Sanofi took over Aventis, and was appointed Senior Vice-President of the Cardiovascular Division in 2010. He left the group in late 2015 to set up his own healthcare consultancy and capitalise on his international experience of commercial operations, acquisitions and alliances in the pharmaceutical industry. He is also a shareholder in several healthcare start-ups and is involved in their development.

Shareholding

At the date of this report, Mr Jean-François Brin holds 204 Korian shares.

Offices outside the Group⁽¹⁾

N/A

Offices that have expired in the last five financial years

N/A

(1) Mr Jean-François Brin is in compliance with applicable laws and recommendations on holding multiple corporate offices.

Mrs Anne Lalou

Director, Chair of the Compensation and Appointments Committee and Member of the Ethics, Quality and CSR Committee

Born on: 6 December 1963 in Paris (75)

Nationality: French

Address: 59, rue Nationale, 75013 Paris

Main position held: Chief Executive Officer of the Web School Factory and Chair of the Innovation Factory

Date of appointment: GM of 18 March 2014

Date of reappointment: GM of 06 June 2019

End of term: GM voting on the financial statements for financial year 2021

**Biography**

A graduate of the ESSEC, Mrs Anne Lalou has managed the Web School Factory (a digital management school) since 2012 and the Innovation Factory since 2013, and has been a member of the *Conseil national du numérique* (national digital council) since 2018. She started her career in Lazard's Mergers and Acquisitions Department in London and then Paris, before becoming Head of New Projects and Development at Havas.

She was then Chair and CEO of Havas Édition Électronique before joining Rothschild & Cie as Manager. In 2002, Mrs Anne Lalou joined Nexity as Corporate Secretary and Development Director, before becoming CEO of Nexity Franchises in 2006 and then Deputy Chief Executive Officer of the Distribution division until 2011.

She is a member of the Board of Directors of Natixis and is a member of the Compensation and Appointments Committees and Chair of the Strategy Committee. She also serves on Eurazeo's Supervisory Board, its Digital Committee and its Finance Committee, and chairs its CSR Committee.

Shareholding

At the date of this report, Mrs Anne Lalou holds 1,492 Korian shares.

Offices outside the Group⁽¹⁾

Director: Natixis (listed company)

Member of the Supervisory Board: Eurazeo (listed company)

Chief Executive Officer: Web School Factory

Chair: Innovation Factory

Offices that have expired in the last five financial years

Member of the Supervisory Board: Foncia Holding, Foncia Groupe

(1) Mrs Anne Lalou is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Dr Markus Müschenich**Director and Member of the Ethics, Quality and CSR Committee***Born on:* 9 June 1961 in Düsseldorf (Germany)*Nationality:* German*Address:* Askaloner Weg 4, 13465 Berlin, Germany*Main position held:* Managing Partner of Flying Health*Date of appointment:* GM of 22 June 2017*Date of reappointment:* GM of 22 June 2020*End of term:* GM voting on the financial statements for financial year 2022**Biography**

Dr Markus Müschenich is a graduate of the Universities of Düsseldorf (public health) and Münster (medicine) and began his career in 1987 as a consultant in the paediatrics department of the University of Düsseldorf. In 1996, he became an independent management consultant, specialising in strategy, development and restructuring. In 1998, he became an expert in digital solutions in the health field as an assistant to the Chief Executive Officer and Medical Director of the Berlin Trauma Center between 1999 and 2001. In 2002, he became a member of the Board of Directors and Chief Medical Officer of the Paul-Gerhardt-Diakonie Hospital. From 2009 to 2012, he was a member of the Board of Directors and, during the last six months, Chief Medical Officer of Sana Kliniken. He is currently Managing Partner of Eternity Health GmbH, the holding company for Flying Health, which he created in 2012. Flying Health provides an ecosystem for next generation healthcare, by guiding industry leaders and entrepreneurs towards future healthcare markets. In addition, Dr Markus Müschenich is currently a member of the AOK-Bundesverband (regulatory health insurance) Scientific Institute's Quality Management Advisory Board and a member of the advisory board of Apo Assez Management GmbH.

Shareholding

At the date of this report, Dr Markus Müschenich holds 77 Korian shares.

Offices outside the Group⁽¹⁾

Member of the Executive Board: Ababax GmbH, Green.Health GmbH, L.M. Advisory GmbH

Offices that have expired in the last five financial years

Member of the Executive Board: Flying Health GmbH, F.H. Incubator GmbH

⁽¹⁾ Dr Markus Müschenich is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Mrs Catherine Soubie

Director, Chair of the Audit Committee and Member of the Compensation and Appointments Committee

Born on: 20 October 1965 in Lyon (69)

Nationality: French

Address: 137, rue de l'Université, 75007 Paris

Main position held: Chief Executive Officer of Arfilia

Date of appointment: GM of 18 March 2014

Date of reappointment: GM of 14 June 2018

End of term: GM voting on the financial statements for financial year 2020

**Biography**

A graduate of the École Supérieure de Commerce de Paris, Mrs Catherine Soubie has been the Chief Executive Officer of Arfilia since 2016. She began her career in 1989 at Lazard in London, before relocating to its Paris office, where she was Director of Financial Affairs. She then held a variety of positions at Morgan Stanley in Paris, notably Managing Director. From 2005 to 2010, she served as Deputy CEO of Rallye. In 2010, she joined Barclays as Managing Director, Head of Investment Banking for France, Belgium and Luxembourg.

Shareholding

At the date of this report, Mrs Catherine Soubie holds 8,740 Korian shares.

Offices outside the Group⁽¹⁾

Chief Executive Officer: Arfilia SAS, Alixio, Taddeo (Arfilia group)

Director: Covivio (listed company), Sofina (listed company)

Chair: Financière Verbateam (Arfilia group)

Offices that have expired in the last five financial years

Managing Director – Head of Investment Banking (France, Belgium and Luxembourg): Barclays

(1) Mrs Catherine Soubie is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Mrs Marie-Christine Leroux

Director representing employees and Member of the Ethics, Quality and CSR Committee

Born on: 16 February 1961 in Merville (59)

Nationality: French

Address: 12, chemin du Houga, 32720 Barcelonne-du-Gers

Main position held: Manager of long-term care nursing homes (Korian Villa Castera and Korian Le Clos d'Armagnac)

Date of appointment: 1st September 2019

End of term: GM voting on the financial statements for financial year 2021

**Biography**

Mrs Marie-Christine Leroux graduated with a management certificate from ESSEC, an MBA in Human Resources Management from *Université de Paris Dauphine* and the INSEEC Business School in Bordeaux. She began her career as a self-employed physiotherapist then, from 1996 to 2006, she worked as a healthcare executive, training manager and financial controller at Assistance Publique – Hôpitaux de Paris (the teaching hospital in Paris). She joined Korian in 2006 as a post-acute care manager before becoming a long-term care nursing homes manager in 2012. Since 2015, she has been the manager of the Korian Villa Castera long-term care nursing home and has also managed the Korian Le Clos d'Armagnac home since September 2019. She has held several offices as elected UNSA employee representative from April 2016 to July 2019 in the Korian group.

Shareholding

At the date of this report, Mrs Marie-Christine Leroux does not hold any Korian shares.

Offices outside the Group⁽¹⁾

N/A

Offices that have expired in the last five financial years

N/A

(1) Mrs Marie-Christine Leroux is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Mr Markus Ruckerl**Director representing employees and Member of the Investment Committee**

Born on: 6 January 1974 in Muehldorf am Inn (Germany)

Nationality: German

Address: Dingolfingerstraße 15, 81673 Munich (Germany)

Main position held: Head of Applications & Enterprise Support (IT department)

Date of appointment: 30 July 2020

End of term: GM voting on the financial statements for financial year 2022

**Biography**

Mr Markus Ruckerl holds a degree in Business Informatics from the Wismar University of Applied Sciences. He began his career in 1998 as a chemical technician and then, from 1999, worked in the IT sector as a SAP key user and application manager. In 2013, he joined Korian as an application manager in its Munich office. In 2019, he became the team lead of the Applications team and, in 2020, he became the head of Applications & Enterprise Support within the IT Department.

In 2017, he became one of the founding members of the Works Council at Korian's office in Munich (Germany) and has, ever since, chaired the Works Council.

Shareholding

At the date of this report, Mr Markus Ruckerl does not hold any Korian shares.

Offices outside the Group⁽¹⁾

N/A

Offices that have expired in the last five financial years

N/A

(1) Mr Markus Ruckerl is in compliance with the applicable laws and recommendations on holding multiple corporate offices.

Employee representation

Article 11.4 of the Company's Articles of Association provides that, in accordance with article L. 225-27-1 et seq. of the French Commercial Code, the Board of Directors shall have one (or two) Director(s) representing employees:

- if only one Director is to be appointed, he/she shall be chosen by the trade union that received the highest number of votes in the first round of the elections referred to in articles L. 2122-1 and L. 2122-4 of the French Labour Code within the Company and its direct or indirect subsidiaries headquartered in France;
- if two Directors are to be appointed, (i) the first Director is chosen by the trade union that received the highest number of votes in the first round of the elections referred to in articles L. 2122-1 and L. 2122-4 of the French Labour Code within the Company and its direct or indirect subsidiaries headquartered in France and (ii) the second Director is chosen by the European Works Council.

When the terms of office of the Director(s) representing employees expire, the relevant trade union or the European Works Council, depending on the circumstances, will be requested, in a letter that is hand-delivered in exchange for a signed receipt or in a registered letter with acknowledgement of receipt, to appoint a Director representing employees who meets the conditions required by law, in particular the conditions laid down in article L. 225-28, paragraph 1 of the French Commercial Code and article L. 225-30 of the French

Commercial Code. Within 15 days, the trade union or the European Works Council, as the case may be, must provide the name and position of the Director appointed to represent employees to the Chairman of the Board of Directors by recorded delivery letter.

Accordingly, the most representative trade union within the Group appointed Mrs Marie-Christine Leroux as Director representing employees with effect from 1st September 2019.

On 31 July 2019, the Board of Directors decided to appoint Mrs Marie-Christine Leroux as member of the Ethics, Quality and CSR Committee with effect from 1st September 2019.

Under article L. 225-27-1 of the French Commercial Code, as amended by the Pacte Law no. 2019-486 of 22 May 2019, which provides that a second Director representing employees is to be appointed if the Board has more than 8 members (compared to 12, previously), the European Works Council is required to appoint a second Director representing employees within six months of the General Meeting of shareholders convened to vote on the financial statements for the 2019 financial year.

On 24 June 2020, the European Works Council therefore appointed Mr Markus Ruckerl as Director representing employees with effect from 30 July 2020.

On 1st October 2020, the Board of Directors decided to appoint Mr Markus Ruckerl as a member of the Investment Committee.

The Director representing employees receives 40 hours of training every year, to begin within four months of being appointed, where he/she is new to the role.

On taking up the position, Mr Markus Ruckerl, like any new Director, took an internal integration course, which took the form of an introduction to the role of Director and meetings with the Group's key managers. He has also undergone a training programme provided by an external organisation that specialises in training Directors, in order to develop his knowledge of, *inter alia*, the role and the operations of the Board of Directors, and the rights, obligations and responsibilities of Directors.

In addition, one Central Works Council representative attends Board of Directors' meetings in a non-voting capacity.

4.1.3.1.2 Diversity policy

The Board of Directors regularly reviews its own composition and the composition of its Committees in order to enhance and advance their diversity, which is a guarantee of objectivity, experience and independence for the Company's shareholders. The procedures governing its organisation and operation are set out in its Internal Regulations, as well as in the ethical rules its members are required to observe. In accordance with article 6.2 of the AFEP-MEDEF Code, at its 24 February 2021 meeting, the Board of Directors, on the recommendation of the Compensation and Appointments Committee, reviewed the balance of its composition, which it deemed satisfactory in particular with regard to the mix of genders, nationalities and diversity of expertise. This multinational and balanced membership, which includes active and committed members with complementary experience and skills, ensures the quality of discussions and the appropriateness of the Board's decision-making.

DIVERSITY POLICY APPLIED TO THE BOARD OF DIRECTORS' MEMBERS

Criterion	Target	Implementation procedures and results obtained
Equality	The percentage of Directors of each gender cannot be less than 40% at the end of the first Ordinary General Meeting after 1 st January 2017. <i>(article L. 225-18-1 of the French Commercial Code)</i>	50% women (6 women and 6 men) since the meeting of the Board of Directors of 11 January 2021 ⁽¹⁾ .
Gender balance on the Board	Gender balance on the Committees.	All the Committees are chaired by women (Compensation and Appointments Committee, Investment Committee, Audit Committee, Ethics, Quality and CSR Committee and the Covid-19 <i>ad hoc</i> Committee ⁽²⁾).
Nationalities International profiles	Seeking of foreign profiles and/or people with international experience to ensure the best balance in the Board's composition, given the Company's international development.	There are 2 different nationalities represented on the Board (France and Germany). The majority of Directors have an international career and international responsibilities.
Areas of expertise and complementary nature of profiles	Seeking of profiles that are complementary in terms of areas of expertise.	Expertise represented: <ul style="list-style-type: none"> • Health sector; • Real estate; • Finance, auditing and risks; • Governance, laws and regulations; • Management; • Management of human capital, CSR and ethics; • International; • Strategy, growth and M&A; • Cybersecurity, IT and digital; • Health, safety and supply chains; • Communications and crisis management. The complementary nature of the experience offered in these areas enables realistic and effective decision-making for dealing with the issues and challenges Korian faces.
Independence of Directors	At least 50% Independent Directors. <i>(article 9.3 of the AFEP-MEDEF Code)</i>	60% Independent Directors.
Age of Directors	At least two-thirds of the Board's members must be under the age of 70. <i>(article 11.1.1 of the Company's Articles of Association)</i>	All Directors are under the age of 70. An average age of 56: Directors range in age from 44 to 69.
Length of service of Directors	Seeking of a balanced representation on the Board in terms of length of service.	The Board considers that its composition is balanced, with Directors with historic knowledge of Korian alongside Directors who have joined the Board more recently, who can offer a new vision and new experience.

Criterion	Target	Implementation procedures and results obtained
Employee representation	At least 1 Director representing employees. Within 6 months of the Combined General Meeting of shareholders convened to vote on the financial statements for the 2019 financial year, at least 2 Directors representing employees. <i>(Article L. 225-27-1 of the French Commercial Code and article 11.4 of the Company's Articles of Association)</i>	Two Directors representing employees since the appointment of Mr Markus Rückerl with effect from 30 July 2020.

(1) Under article L. 225-27-1 of the French Commercial Code, half of the members of the Board of Directors are women (since Mrs Marie-Christine Leroux and Mr Markus Rückerl, Directors representing the employees, are not counted in this calculation).

(2) The Covid-19 ad hoc Committee was dissolved on 24 February 2021 with effect from the conclusion of the meeting of the Board of Directors held on 11 January 2021.

EXPERTISE ON THE BOARD OF DIRECTORS

											
	Health sector	Real estate	Finance/Auditing and risks	Governance/Laws and regulations	Management	Management of human capital/CSR and ethics	International	Strategy/Growth/M&A	Cyber security/IT/digital matters	Health and safety/Supply chains	Communications and crisis management
Name	55%	27%	55%	64%	64%	64%	64%	73%	45%	36%	18%
Jean-Pierre Duprieu	✓		✓	✓	✓		✓	✓	✓	✓	✓
Philippe Dumont			✓	✓	✓	✓		✓			
Françoise Debrus		✓	✓	✓				✓			
Anne Ramon	✓			✓	✓	✓					✓
Guillaume Bouhours	✓		✓		✓		✓				
Jean-François Brin	✓				✓	✓	✓	✓		✓	
Anne Lalou		✓	✓	✓	✓	✓	✓	✓	✓		
Markus Müschenich	✓			✓		✓	✓	✓	✓	✓	
Catherine Soubie		✓	✓	✓	✓		✓	✓			
Marie-Christine Leroux	✓					✓				✓	
Markus Rückerl						✓	✓		✓		

Note: Mrs Sophie Boissard, Korian's Chief Executive Officer and Director, is not included in the skills matrix.

TABLE SUMMARISING THE COMPOSITION OF THE BOARD OF DIRECTORS

Directors	Date appointed	Date reappointed	Term of office expires	Committees	Age	Gender	Nationality	International experience
Chairman								
Mr Jean-Pierre Duprieu	GM of 23 June 2016	GM of 06 June 2019	GM voting on the financial statements for financial year 2021	Investment Committee	69 years	M	French	Europe Africa Middle East Asia
Director and Executive Corporate Officer								
Mrs Sophie Boissard	GM of 22 June 2020	-	GM voting on the financial statements for financial year 2022	-	50 years	F	French	Formerly head of international development at SNCF
Institutional Directors								
Mr Philippe Dumont	GM of 22 June 2020	-	GM voting on the financial statements for financial year 2022	Compensation and Appointments Committee	60 years	M	French	Former Chairman of the Board of Directors of companies in Italy
Predica – represented by Mrs Françoise Debrus	GM of 18 March 2014	GM of 14 June 2018	GM voting on the financial statements for financial year 2020	Investment Committee (Chairman) Audit Committee	61 years	F	French	Former Director of an Italian company
Holding Malakoff Humanis – represented by Mrs Anne Ramon	GM of 18 March 2014	GM of 14 June 2018	GM voting on the financial statements for financial year 2020	Ethics, Quality and CSR Committee (Chair) Investment Committee	53 years	F	French	-
Independent Directors								
Mr Guillaume Bouhours	Board meeting of 11 January 2021 (co-optation)	-	GM voting on the financial statements for financial year 2022	Audit Committee	44 years	M	French	UK China United States
Mr Jean-François Brin	GM of 06 June 2019	-	GM voting on the financial statements for financial year 2021	Investment Committee Ethics, Quality and CSR Committee	57 years	M	French	UK China United States
Mrs Anne Lalou	GM of 18 March 2014	GM of 06 June 2019	GM voting on the financial statements for financial year 2021	Compensation and Appointments Committee (Chair) Ethics, Quality and CSR Committee	57 years	F	French	UK
Dr Markus Müschenich	GM of 22 June 2017	GM of 22 June 2020	GM voting on the financial statements for financial year 2022	Ethics, Quality and CSR Committee	59 years	M	German	Germany
Mrs Catherine Soubie	GM of 18 March 2014	GM of 14 June 2018	GM voting on the financial statements for financial year 2020	Audit Committee (Chair) Compensation and Appointments Committee	55 years	F	French	UK Benelux
Director representing employees								
Mrs Marie-Christine Leroux	1 st September 2019	-	GM voting on the financial statements for financial year 2021	Ethics, Quality and CSR Committee	60 years	F	French	-
Mr Markus Rückerl	30 July 2020	-	GM voting on the financial statements for financial year 2022	Investment Committee	47 years	M	German	Germany

4.1.3.1.3 Independence of Directors

In accordance with article 9.3 of the AFEP-MEDEF Code, half of the Board's members are independent. The Director(s) representing employees is/are not included in the calculation of this percentage.

In accordance with article 9.4 of the AFEP-MEDEF Code, the Board of Directors reviews Directors' independence

whenever Directors are appointed, as well as annually for all Directors, after obtaining the opinion of the Compensation and Appointments Committee.

The independence criteria the Board of Directors applies, which are set out below, are in line with the relevant provisions of article 9.5 of the AFEP-MEDEF Code in this area:

Criterion 1: Employee or corporate officer within the five previous years

The Director is not, and has not been, in the previous five years:

- an employee or Executive Corporate Officer of the Company;
 - an employee, Executive Corporate Officer or Director of a company consolidated with the Company;
 - an employee, Executive Corporate Officer or Director of the Company's parent company or of a consolidated subsidiary of that parent company.
-

Criterion 2: Cross-directorships

The Director is not an Executive Corporate Officer of a company in which the Company directly or indirectly is a Director, or in which an employee appointed for such purpose or an Executive Corporate Officer of the Company (currently or within the past five years) is a Director.

Criterion 3: Significant business relationships

The Director is not:

- a material customer, supplier, investment banker, commercial banker or adviser of the Company or its Group;
- a customer, supplier, investment banker, commercial banker or adviser that is dependent on the Company or its Group for a material proportion of its business.

Whether or not the Director's relationship with the Company or the Group is material is discussed by the Board and the quantitative and qualitative factors used to make the assessment (continuity, economic dependence, exclusivity, etc.) are explained in the annual report.

Criterion 4: Family ties

The Director does not have any close family ties with a corporate officer.

Criterion 5: Statutory auditor

The Director has not been a Statutory auditor of the Company over the past five years.

Criterion 6: Term of office greater than 12 years

The Director has not been a Director of the Company for more than 12 years. A person ceases to be an Independent Director on the twelfth anniversary of his/her appointment.

Criterion 7: Status of Non-Executive Corporate Officer

A Non-Executive Corporate Officer is not considered to be independent if he/she receives variable compensation in cash or in shares or any compensation linked to the Company's or the Group's performance.

Criterion 8: Status of the shareholder

Directors representing major shareholders in the Company or its parent company may be deemed independent if they are non-controlling shareholders. Where, however, the shareholding or voting rights exceed 10%, the Board, based on a report prepared by the Appointments Committee, will systematically question whether the independence criteria are met, taking into account the Company's shareholder structure and the existence of any potential conflict of interest.

Each year, the Directors complete and sign the form sent to them by the Secretary of the Board of Directors on their list of offices and on existing and potential conflicts of interest. Directors are required to notify the Secretary of the Board, who will then inform the Chairman and the Chief Executive Officer, of any changes to the information provided on the form during the year.

The Board of Directors has adopted a multi-criteria approach to significant business relationships:

- from a quantitative perspective, with thresholds based on:
 - the Group's total acquisition cost for purchases made by Korian and the Group's proportion of the supplier's revenue,
 - the Group's total net indebtedness under loans taken out by Korian and the Group's proportion of the bank's revenue,
 - the Group's total leasing expenditure under leases granted to Korian and the Group's proportion of the lessor's revenue;

- from a qualitative perspective, the following criteria are taken into account:

- economic dependence,
- the relevant Director's involvement and his/her decision-making power,
- the length and the continuity of the business relationships,
- market conditions.

The following procedure is followed in reviewing business relationships:

- preliminary review of the business relationship by the Chief Executive Officer to assess its materiality, on a case-by-case basis, based on the criteria established by the Board of Directors;
- in the event of any doubt, the Chief Executive Officer will refer the matter to the Chairman of the Compensation and Appointments Committee, who will decide whether to convene a meeting of the Committee;
- in addition, an annual review of the independence of the Directors by the Board of Directors on the recommendation of the Compensation and Appointments Committee.

At its 3 December 2020 and 24 February 2021 meetings, the Board of Directors, in accordance with the recommendations of article 9.4 of the AFEP-MEDEF Code, and after obtaining the opinion of the Compensation and Appointments Committee, reviewed the independence of the Directors.

The Compensation and Appointments Committee reviewed the business relationships that may exist between the Company and the companies in which these Directors hold office and concluded that the

independent members either have no business relationships or no significant business relationships with the Company.

The Board, on the recommendation of the Compensation and Appointments Committee, considered that six Directors were independent, namely Mr Jean-Pierre Duprieu, Mr Guillaume Bouhours, Mr Jean-François Brin, Mrs Anne Lalou, Mr Markus Müschenich and Mrs Catherine Soubie, i.e. 60% of the Directors.

TABLE SUMMARISING EACH DIRECTOR'S SITUATION WITH REGARD TO THE INDEPENDENCE CRITERIA SET OUT IN ARTICLE 9 OF THE AFEP-MEDEF CODE⁽¹⁾

Name	1 Employee or Corporate Officer	2 Cross- directors hips	3 Significant business relationships	4 Family ties	5 Statutory auditors	6 Term of office >12 years	7 Status of the Non-Executive Corporate Officer	8 Status of the shareholder	Classification
Jean-Pierre Duprieu	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Sophie Boissard	X ⁽²⁾	✓	✓	✓	✓	✓	✓	✓	Non-independent
Philippe Dumont	✓	✓	✓	✓	✓	✓	✓	X ⁽³⁾	Non-independent
Predica (Françoise Debrus)	✓	✓	✓	✓	✓	✓	✓	X	Non-independent
Holding Malakoff Humanis (Anne Ramon)	✓	✓	✓	✓	✓	✓	✓	X	Non-independent
Jean-François Brin	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Guillaume Bouhours	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Anne Lalou	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Markus Müschenich	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Catherine Soubie	✓	✓	✓	✓	✓	✓	✓	✓	Independent
Marie-Christine Leroux ⁽⁴⁾					N/C				Employee representative
Markus Rückerl ⁽⁴⁾					N/C				Employee representative

(1) In this summary table, ✓ means that an independence criterion has been met and X means that an independence criterion has not been met.

(2) Mrs Sophie Boissard has served as Chief Executive Officer of Korian since 26 January 2016.

(3) Mr Philippe Dumont is the Chief Executive Officer of Predica, a major shareholder in the Company, and Deputy Chief Executive Officer of Crédit Agricole SA, Predica's parent company.

(4) In accordance with article 9.3 of the AFEP-MEDEF Code, the Directors representing employees are not included in the calculation of the Board of Directors' percentage of independence.

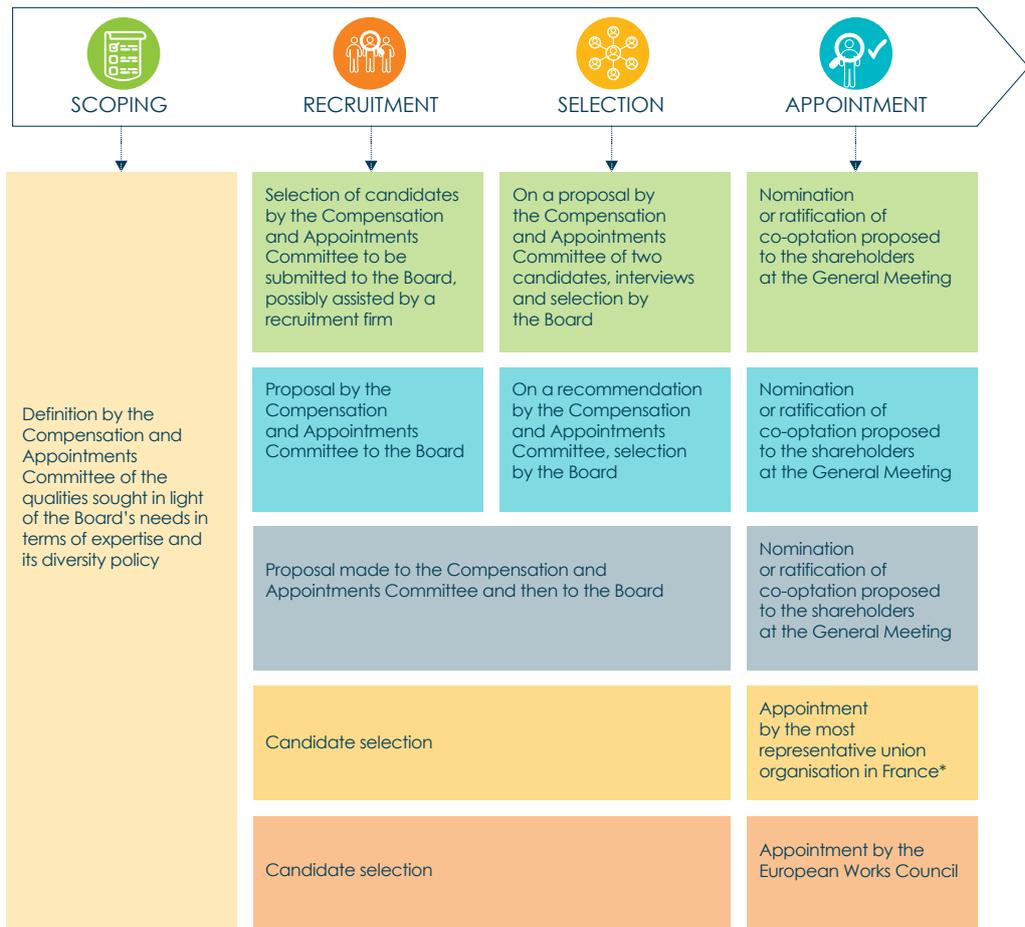
Moreover, the Audit Committee and the Compensation and Appointments Committee are chaired by Independent Directors (by Mrs Catherine Soubie and Mrs Anne Lalou, respectively).

4.1.3.1.4 Appointment and integration process

Appointment process

Process for appointing a new Director

There are four categories of Director on Korian's Board of Directors: Independent Directors, Executive Corporate Officers, Institutional Directors and Directors representing employees. There is a specific appointment process for each category.



* The most representative union organisation is the organisation that receives the highest number of votes in the first round of the elections referred to in articles L. 2122-1 and L. 2122-4 of the French Labour Code within the Company and its direct or indirect subsidiaries headquartered in France.

Integration process

Directors are offered an integration process that includes (i) the Secretary of the Board of Directors providing them with documents necessary for them to taking up their duties (the Company's Articles of Association, Internal Regulations, universal registration document, half-yearly financial report, stock market code of ethics, minutes of meetings of the Board of Directors and Company press releases for the year in progress, risk mapping, Group

organisation chart, ESG commitments, etc.) as part of a presentation on the operations of the Board of Directors and its Committees, (ii) site visits in the countries in which the Group operates including a presentation of business lines, and (iii) meetings with the Group's main managers.

If they deem it necessary, each new Director may receive additional training covering the Company's specific characteristics, its business lines and its activities.

Terms of office

In accordance with the recommendations of the AFEP-MEDEF Code that Directors' terms of office should not exceed four years, the Articles of Association provide that the term of office for the Company's Directors is three years. In addition, the terms of office are staggered and

one-third of the Directors are renewed each year. Furthermore, the term of office of the Director representing employees lasts three years, expiring at the conclusion of the General Meeting of shareholders that votes on the financial statements for the previous year and that is held during the year in which his/her term expires.

The table below shows the duration of each Director's term of office:

Directors whose term of office expires after the GM convened to vote on the financial statements for the 2020 financial year	Directors whose term of office expires after the GM convened to vote on the financial statements for the 2021 financial year	Directors whose term of office expires after the GM convened to vote on the financial statements for the 2022 financial year
Predica, represented by Mrs Françoise Debrus	Jean-Pierre Duprieu (Chairman of the Board of Directors)	Mrs Sophie Boissard
Holding Malakoff Humanis, represented by Mrs Anne Ramon	Mr Jean-François Brin (Independent Director)	Mr Philippe Dumont
Mrs Catherine Soubie (Independent Director)	Mrs Anne Lalou (Independent Director)	Mr Guillaume Bouhours (Independent Director)
-	Mrs Marie-Christine Leroux (Director representing employees) ⁽¹⁾	Dr Markus Müschenich (Independent Director)
-	-	Mr Markus Ruckerl (Director representing employees) ⁽²⁾

(1) Mrs Marie-Christine Leroux was appointed by the most representative union organisation, within the meaning of the applicable laws, in accordance with the procedures described in "Employee representation" on page 197 of the universal registration document.

(2) Mr Markus Ruckerl was appointed by the European Works Council, in accordance with the procedures described in "Employee representation" on page 197 of this universal registration document.

Focus: Changes in the composition of the Board of Directors proposed to the General Meeting convened to approve the financial statements for the 2020 financial year



The following resolutions will be put to the shareholders at the General Meeting convened to vote on the financial statements for the 2020 financial year (the "2021 Meeting"):

- the renewal of the directorship of Predica;
- the renewal of the directorship of Holding Malakoff Humanis;
- renewal of the directorship of Mrs Catherine Soubie (Independent Director);

for a three-year term expiring at the conclusion of the General Meeting of shareholders convened to vote on the financial statements for the financial year ending 31 December 2023.

- the ratification of the co-optation of Mr Guillaume Bouhours as a Director, replacing Mr Christian Chautard, for the remainder of Mr Chautard's term of office, i.e. until the Ordinary General Meeting convened to vote on the financial statements for the financial year ending 31 December 2022.

Following the 2021 Meeting, the Board of Directors would then be composed of an equal number of male and female Directors and 60% of the Directors would be Independent Directors.

4.1.3.2 Organisation, operations and activities of the Board of Directors

4.1.3.2.1 Duties and powers of the Board of Directors

Role of the Board of Directors

The Board of Directors determines the Company's business strategy and ensures that it is carried out, in accordance with the Company's interests, and with due consideration of the social and environmental issues associated with its business activity. Subject to the powers expressly granted to Shareholders' meetings and within the limits of the corporate purpose, it studies all matters relating to the proper operation of the Company and through its decisions resolves issues concerning it. In this respect, it performs any checks it considers necessary, at any time of the year, and it is entitled to request any documents from the General Management that it deems of use in carrying out its duties. The Board reviews press releases and presentations made to the French Society of Financial Analysts (SFAF).

The members of the Board are also informed of market developments, the competitive environment and the Company and the Group's principal challenges, including in the field of corporate social responsibility (CSR). They are also promptly informed of the Company's financial situation, cash position and its commitments.

The Board of Directors is responsible for the quality of the information provided to the shareholders and to the market. It regularly reviews, guided by the strategy that it has set, the financial, legal, operational, social and environmental opportunities and risks, and the steps taken as a result and ensures that a system is in place to prevent and detect corruption and influence peddling and that a non-discrimination and diversity policy is applied by the management bodies.

The currently valid financial delegations and authorisations, which were granted to the Board of Directors by the 2020 General Meeting are described in section 7.2.3.1 of this universal registration document.

Focus: Shareholder dialogue



For the last two years, the Group has engaged in regular and proactive dialogue with its shareholders, with a view to continually improving its governance practices and its ESG commitments.

In this respect, Governance roadshows have been organised with the financial community, attended by the Chairman of the Board of Directors and the Investor Relations team.

These valuable and instructive discussions provide the Board of Directors and General Management with food for thought on a number of areas prior to General Meetings.

Internal rules governing operations requiring the Board of Directors' prior authorisation

Article 11.3 of the Company's Articles of Association and article 1.4.2 of the up-to-date Internal Regulations list the matters that must be submitted for prior approval to the Board of Directors, which include:

- a) the approval of the Company's strategic business plan and subsequent amendments thereto;
- b) the approval of the annual budget;
- c) the disposal of properties by the Group with a value greater than €15 million;
- d) the full or partial sale of equity interests by the Group with a value greater than €15 million;
- e) obtaining loans by the Group for an amount greater than €50 million;
- f) acquiring assets (such as companies or equity investments), with an enterprise value greater than €15 million.
- g) any investment by the Group that falls outside the Group's pre-existing business activities/areas (determined at a local level) or in a new country;
- h) entry into a strategic partnership (including an equity investment that does not give the Group a controlling interest) that may have a structural impact for the Group;
- i) entry into a settlement or agreement in respect of a dispute for an amount in excess of €5 million for the Group.

By way of exception, the transactions referred to in:

- c), d), e) and f) above do not require the Board of Directors' authorisation where they are carried out between Group companies save (i) where the transactions is carried out by Korian SA and/or (ii) where the transaction has a material impact on the Group;
- g), h) and i) above do not require the Board of Directors' authorisation where they are carried out between Group companies.

4.1.3.2.2 The Board of Directors' Internal Regulations

The Internal Regulations describe the operations of the Board and set out the rules of conduct its members are required to follow, in order to ensure transparency and good corporate governance and to enable the Board to perform its supervisory duties effectively, in accordance with generally accepted market practices. In particular, the Internal Regulations set out:

- the Directors' duties and the ethical rules they must follow, especially with respect to preventing conflicts of interest, holding the Company's securities, their duties of loyalty, diligence and confidentiality;
- the frequency of meetings and practical aspects thereof, in particular concerning the use of telecommunications and videoconferencing;
- the powers of the Board of Directors;
- the operating rules of Committees.

The Board of Directors regularly updates its Internal Regulations. The Internal Regulations were last updated on 5 December 2019, notably to clarify and adapt (i) the scope of transactions that require the prior authorisation of the Board of Directors, (ii) the roles of certain Committees and (iii) the rules on the allocation of the compensation of the Directors, and to reflect the most recent market recommendations.

In accordance with the recommendations of the AFEP-MEDEF Code, the Internal Regulations are available for download, without restriction, from the Company's website (www.korian.com).

4.1.3.2.3 Operations of the Board of Directors

The Board of Directors meets as often as necessary, and at least once per quarter. Directors may be given notice of such meetings by any means, including by ordinary post. Board of Directors' meetings are held at the registered office or at any other location specified in the notice of meeting. Meetings are chaired by the Chairman of the Board of Directors.

To facilitate Board meetings and thereby increase its efficiency, the Internal Regulations also stipulate that Board meetings may, under certain conditions, be held using means of telecommunications or video-conferencing tools to allow the participation of one or more members, with the exception of meetings convened to discuss certain matters for which the French Commercial Code prohibits the use of such tools.

Pursuant to article L. 225-37 of the French Commercial Code, as amended by Law no. 2019-744 of 19 July 2019, the shareholders resolved at the 2020 Meeting to amend the Company's Articles of Association to enable the following decisions to be made by a written consultation of the Directors: the provisional appointment of Board members (article L. 225-24 of the French Commercial Code), the approval of guarantees, pledges and security interests granted by the Company (final paragraph of article L. 225-35 of the French Commercial Code), the decision taken pursuant to authority delegated by the Extraordinary General Meeting to amend the Articles of

Association to render them compliant with laws and regulations (paragraph 2 of article L. 225-36 of the French Commercial Code), convening the General Meeting (article L. 225-103 I of the French Commercial Code) and transferring the Company's registered office within the same department (paragraph 3 of article L. 225-37 of the French Commercial Code).

Meetings are held and decisions are adopted in accordance with the majority and quorum requirements set by law. In the event of a tie vote, the Chairman does not have the casting vote.

Minutes of Board of Directors' meetings are prepared and kept in accordance with the requirements of the laws and regulations in force. Copies and excerpts thereof are certified in accordance with the law.

Board meetings that are not attended by Executive Corporate Officers (executive sessions)

At least one meeting of the Board of Directors is held each year that the Chief Executive Officer, who is the sole Executive Corporate Officer, does not attend.

Such executive sessions were held following the meetings of the Board of Directors on 27 February 2020 and 24 February 2021.

The Audit Committee also meets at least once a year with only the Statutory Auditors in attendance. Such a meeting was held on 21 December 2020.

Focus: Discussions between the Board of Directors, the Chief Executive Officer and management



The Directors interact regularly with the Chief Executive Officer, who, since the 2020 Meeting, has also been a Director. As part of the work of the Committees, they also come into contact with the members of the General Management Committee and the main employees with expertise in the matters under review. The Chief Executive Officer also keeps the Board informed about the status of the Company's business, including, where necessary, outside the framework of plenary meetings of the Board and Committees. The Chair of each Committee of the Board of Directors prepares for the Committee meeting in advance with the relevant member(s) of the General Management Committee, who is/are also invited to attend the Committee meeting in question. The Chief Executive Officer's presence on the Board of Directors will offer the Board a closer working relationship with the management teams, thereby increasing the effectiveness of the Company's governance. These discussions are complemented by more informal meetings, in the form of site visits or Board of Directors' seminars.

4.1.3.2.4 The main work of the Board of Directors

In 2020, Directors' rate of attendance at Board meetings was 95.9%. This rate is very high despite a number of extraordinary meetings being convened on short notice.

Member attendance rates at Board meetings	Number of meetings in 2020	Average attendance rate in 2020
Jean-Pierre Duprieu (Chairman)	12/13	92.3% ⁽¹⁾
Christian Chautard	11/11	100% ⁽²⁾
Sophie Boissard	6/6	100% ⁽³⁾
Jérôme Grivet	6/7	85.7% ⁽⁴⁾
Philippe Dumont	5/6	83.3% ⁽³⁾
Predica (Françoise Debrus)	12/13	92.3%
Holding Malakoff Humanis (Anne Ramon)	13/13	100%
Investissements PSP (Alexandre Gagnon-Kugler)	7/7	100% ⁽⁴⁾
Jean-François Brin	13/13	100%
Anne Lalou	12/13	92.3%
Markus Müschenich	13/13	100%
Catherine Soubie	13/13	100%
Marie-Christine Leroux	12/13	92.3%
Markus Ruckerl	5/5	100% ⁽⁵⁾

(1) Mr Jean-Pierre Duprieu has attended all meetings of the Board since he was appointed as Chairman.

(2) For the period from 1st January 2020 to 1st October 2020.

(3) For the period from 22 June 2020 to 31 December 2020.

(4) For the period from 1st January 2020 to 22 June 2020.

(5) For the period from 30 July 2020 to 31 December 2020.

At these meetings, the Board of Directors performed all the work incumbent on it in connection with its duties, in particular in the following areas:

The main work of the Board of Directors and its Committees*

Main work specifically carried out by the Board of Directors	Main work of the Committees reviewed and/or decided on by the Board of Directors			
	Minutes of Committee meetings			
	Audit Committee	Compensation and Appointments Committee	Investment Committee	Ethics, Quality and CSR Committee
<p>General Meeting</p> <ul style="list-style-type: none"> Drafting of the agenda, resolutions and reports for the General Meeting 	<p>Company's results</p> <ul style="list-style-type: none"> 2019 annual and consolidated financial statements and management report Allocation of profits 2020 half-year financial statements and half-year financial report Interim management documents Opinion of the Statutory Auditors Financial communications <p>Risk management, internal control and internal audit</p> <ul style="list-style-type: none"> Monitoring internal audits and internal controls Updating the risk mapping Cyber-security <p>Audits and relations with external auditors</p> <ul style="list-style-type: none"> Annual review of new and ongoing related party agreements (none) Approving non-auditing services <p>Financial management</p> <ul style="list-style-type: none"> Defining the annual budget Review of security interests granted by Korian SA in 2020 Authorising guarantees, pledges and security interests Financing and debt strategy Forecast 2021 schedule of closed periods 2021 financial communication schedule Review of the annual procedure on the assessment of agreements entered into in the ordinary course of business and on arms' length terms 	<p>Governance</p> <ul style="list-style-type: none"> Annual assessment of the operations of the Board of Directors Summary presentation on governance roadshows Report on corporate governance Succession plan for Executive Corporate Officers Independence of Directors Diversity policy for the Board of Directors and management bodies <p>Compensation</p> <ul style="list-style-type: none"> Compensation of Executive Corporate Officers Compensation of Directors Free Shares Plan Human resources policies Approval of the Company's policy on equality in the workplace and equal pay Information on the policy on managing talented and high-potential employees Information on the succession plan for key functions Monitoring of the procedure on determining the materiality of a business relationship with Independent Directors 	<p>Investment</p> <ul style="list-style-type: none"> Monitoring of acquisitions and real estate investments Review of the investment pipeline, main proposed acquisitions and real estate investments <p>Strategy</p> <ul style="list-style-type: none"> Review of the Group's strategic development outlook Review of proposed strategic partnerships 	<p>Ethics and quality</p> <ul style="list-style-type: none"> Monitoring of Group KPIs and serious adverse events Work on ensuring quality Update on the ISO project Results of the 2019 resident, patient and family Satisfaction survey <p>CSR</p> <ul style="list-style-type: none"> Review and monitoring of the CSR strategy KPIs and results of the "Kcommunity" survey carried out with employees
<ul style="list-style-type: none"> Establishing an <i>ad hoc</i> Committee and overseeing its work on the Covid-19 pandemic Share capital increase with shareholders' preferential subscription rights to raise around €400 million Update on the objectives and forecasts and review of the Beyond³ strategic plan Strategic real estate partnership with BNP Paribas Cardif and EDF Invest Presentation of the market in new regions 	<ul style="list-style-type: none"> Issue of OCEANE convertible bonds for approximately €400 million First sustainability-linked bond issues 	<ul style="list-style-type: none"> New Chairman of the Board appointed and change in the composition of Committees Proposal to appoint a new Independent Director 	<ul style="list-style-type: none"> Review and monitoring of the acquisitions of Inicea and 5 Santé Review of the real estate ownership strategy Review of diversification strategies 	<p>Specific events</p> <ul style="list-style-type: none"> Review of the redefinition and application of the Group's values and mission Information on the allocation of compensation to the Covid solidarity fund <p>Temporary <i>ad hoc</i> Committee (from 2 April 2020 to 11 January 2021)</p> <ul style="list-style-type: none"> Monitoring the consequences of the Covid-19 pandemic and the Group's responses Update on the implementation of the vaccination campaign

Recurring topics

One-off topics

* Non-exhaustive list

Most matters were reviewed by one of the specialised Committees in order to facilitate decision-making by the Board of Directors. The specialised Committees report on their work to the Board of Directors, submit proposals to it and prepare its meetings. The quality of the work and recommendations of the specialised Committees has helped to inform and streamline the decisions of the Board of Directors.

Focus: "Beyond the walls" strategic seminar



At the Board's most recent strategic seminar held in January 2021, the Directors were given the opportunity of undergoing an immersive experience at a space dedicated to training and innovation. This new space in Lyon has an area of 320m² and offers a wide range of physical and digital training courses tailored to professionals who specialise in caring for elderly and frail persons. Within a "connected room" fully equipped with digital and innovative technology, they were able to try out the movements and positions that are taught to the new apprentices at the healthcare CFA (apprentice training centre) recently established by Korian.

4.1.3.2.5 Evaluation of the Board of Directors

In accordance with the recommendations of article 10 of the AFEP-MEDEF Code, article 1.8.5 of the Internal Regulations requires the Board to perform a yearly assessment of its own operation, which will then be discussed at a meeting. Moreover, a formal evaluation is carried out at least once every three years under the direction of the Compensation and Appointments Committee, with the assistance of an external consultant. In 2020, an evaluation of the Board of Directors was carried out on the basis of an internal questionnaire and one-on-one interviews with each Director, under the direction of the Compensation and Appointments Committee. This evaluation revealed satisfaction with the positive momentum showed by the Board as well as the Board and the Committees' significant involvement during the crisis period. Lastly, the Directors found the two annual strategic meetings useful, as they provided them with continuous insight into the Group's activities.

Evaluation of the Board of Directors

Every year, the Board of Directors evaluates its operations. Every three years at least, this evaluation is carried out with the assistance of an independent external firm.

2019 External evaluation

2020 Internal evaluation

2021 Internal evaluation

Evaluation stages



Conclusions of the 2019 and 2020 evaluations

	2019/2020 (reminder)	2020/2021
OBSERVATIONS	<ul style="list-style-type: none"> Satisfaction with the Board's operation (continuously improving) High level of mutual trust and of overall effectiveness on Board 	<ul style="list-style-type: none"> Satisfaction with the Board's unfailingly positive dynamic Active involvement of the Board and the Committees during the crisis Assessment of the two annual strategy meetings
ACTION TAKEN	<ul style="list-style-type: none"> Reduction in the number of persons invited to meetings of the Board and the Committees Strengthening of the succession plan 	<ul style="list-style-type: none"> Co-optation of a new Director with a financial background that strengthens the Audit Committee Monitoring of the crisis by an <i>ad hoc</i> Committee

The next evaluation will be carried out in 2021, based on an internal questionnaire, under the supervision of the Compensation and Appointments Committee, with the support of the Board's Secretariat.

4.1.3.3 Committees of the Board of Directors

The Board of Directors has established four specialised Committees: the Audit Committee, the Compensation and Appointments Committee, the Investment Committee and the Ethics, Quality and CSR Committee. The Committee members are appointed for the length of their directorship.

The Committees examine and prepare certain Board deliberations and submit their opinions, proposals or recommendations for matters within the realm of their expertise to the Board. The Committees are a creative force but, save where exceptions are provided for by law, have no decision-making authority.

The Committees may, in carrying out their duties, after first informing the Chairman of the Board, carry out or commission studies on matters within their remit, to be paid for by the Company, with a view to enabling the Board to make informed decisions. In the event that the Committees engage external advisers, they must ensure that the advisers in question carry out such work objectively and independently. They report back on the opinions received.

The members of the Committees are chosen by the Board from its members, which appoints the Chair of the Committee and determines, where relevant, the term of

office of the Committee's members. The Board of Directors may remove a member of the Committee or its Chair from office at any time.

A Committee may not operate unless at least half of its members are present. Each member may be represented by another member. Committee decisions require a majority vote of the members present or represented.

As a result of the Covid-19 epidemic, which has had a significant and exceptional impact on the European countries in which the Group operates, the Board of Directors, at its meeting on 2 April 2020, decided to strengthen its governance by also establishing a temporary *ad hoc* Committee that reports on its work to the Board of Directors. The composition, duties, powers and work of this *ad hoc* Committee are described in detail in section 4.1.3.3.5 "Covid-19 *ad hoc* Committee" on page 218 of this universal registration document.

The Board of Directors, at its meeting on 24 February 2021, resolved to dissolve the Covid-19 *ad hoc* Committee with effect from the end of its meeting held on 11 January 2021. The assessment of the management and communication procedures associated with the Covid-19 pandemic has, since that date, been carried out by the Ethics, Quality and CSR Committee as part of its regular duties.

The composition of the Committees complies with the applicable laws and the recommendations of the AFEP-MEDEF Code.

CHANGES MADE TO THE COMPOSITION OF THE COMMITTEES IN THE 2020 FINANCIAL YEAR AND AT THE BEGINNING OF THE 2021 FINANCIAL YEAR

CHANGES MADE BETWEEN 1ST JANUARY AND 30 SEPTEMBER 2020

	End of term as member of the Committee	End of directorship	Appointments	Reappointments
Audit Committee	-	-	-	-
Compensation and Appointments Committee	Predica, represented by Françoise Debrus (22 June 2020)	-	Philippe Dumont, replacing Predica (22 June 2020)	-
Investment Committee		Jérôme Grivet (Chairman) (22 June 2020) Investissements PSP, represented by Alexandre Gagnon-Kugler (22 June 2020)	Predica (Chair), represented by Françoise Debrus, replacing Jérôme Grivet (22 June 2020)	-
Ethics, Quality and CSR Committee	-	-	-	-
Covid-19 <i>ad hoc</i> Committee (created on 2 April 2020)	-	-	Anne Lalou (Chair) (02 April 2020) Jean-François Brin (02 April 2020) Christian Chautard (02 April 2020) Jean-Pierre Duprieu (02 April 2020) Markus Müschenich (02 April 2020) Catherine Soubie (02 April 2020)	-

CHANGES MADE BETWEEN 1ST OCTOBER 2020 AND 31 DECEMBER 2020

	End of term as member of the Committee	End of directorship	Appointments	Reappointments
Audit Committee	Jean-Pierre Duprieu (1 st October 2020)		-	-
Compensation and Appointments Committee	Jean-Pierre Duprieu (Chairman) (1 st October 2020)		Anne Lalou (Chair), replacing Jean-Pierre Duprieu (1 st October 2020)	-
Investment Committee		Christian Chautard (1 st October 2020)	Jean-Pierre Duprieu (replacing Christian Chautard) (1 st October 2020) Markus Rückerl (1 st October 2020)	-
Ethics, Quality and CSR Committee			Holding Malakoff Humanis (Chair), represented by Anne Ramon, replacing Anne Lalou as Chair of the Committee (Anne Lalou retaining her position as a member of the Committee) (1 st October 2020) Jean-François Brin (1 st October 2020)	-
Covid-19 ad hoc Committee (created on 2 April 2020)		Christian Chautard (1 st October 2020)	Holding Malakoff Humanis (represented by Anne Ramon) (replacing Christian Chautard) (1 st October 2020)	-

CHANGES MADE BETWEEN 1ST JANUARY 2021 AND 24 FEBRUARY 2021

	End of term as member of the Committee	End of directorship	Appointments	Reappointments
Audit Committee	Jean-François Brin (24 February 2021)	-	Guillaume Bouhours (24 February 2021)	-
Compensation and Appointments Committee	-	-	-	-
Investment Committee	-	-	-	-
Ethics, Quality and CSR Committee	-	-	-	-
Covid-19 ad hoc Committee (dissolved on 24 February 2021 with effect from 11 January 2021)	Anne Lalou (Chair) (11 January 2021) Jean-François Brin (11 January 2021) Jean-Pierre Duprieu (11 January 2021) Markus Müschenich (11 January 2021) Catherine Soubie (11 January 2021) Holding Malakoff Humanis, represented by Anne Ramon (11 January 2021)	-	-	-

4.1.3.3.1 Audit Committee

**Composition**

3

Directors

2/3

Independent Directors

67

% women

**Main expertise represented**Finance/Auditing
and risksStrategy/
Growth/M&AGovernance/Laws
and regulations

Management

**Work of the Committee**

7

Meetings

96

% attendance

COMPOSITION OF THE AUDIT COMMITTEE ON THE DATE OF THIS REPORT

Catherine Soubie (Chair) (Independent Director)

Predica (represented by Françoise Debrus)

Guillaume Bouhours (Independent Director)

ATTENDANCE OF THE MEMBERS OF THE AUDIT COMMITTEE IN 2020

Member attendance rates at Audit Committee meetings	Number of meetings in 2020	Average attendance rate in 2020
Catherine Soubie (Chair) (Independent Director)	7/7	100%
Jean-Pierre Duprieu (Independent Director)	6/6	100% ⁽¹⁾
Predica (represented by Françoise Debrus)	6/7	85.7%
Jean-François Brin (Independent Director)	7/7	100%

⁽¹⁾ For the period from 1st January 2020 to 1st October 2020.

The Audit Committee includes no Executive Corporate Officers, is chaired by an Independent Director whose appointment was proposed by the Compensation and Appointments Committee and closely scrutinised by the Board of Directors, and two-thirds of its members are Independent Directors who, given their past and/or current positions and financial or accounting expertise, are able to perform their duties. It therefore complies with the provisions of article L. 823-19 of the French Commercial Code, the recommendations of article 16.1 of the AFEF-MEDEF Code and article 4.1 of the Internal Regulations.

Moreover, the Head of the Group Internal Audit and Control Department and the Statutory Auditors attend all Committee meetings.

The Chairman of the Board of Directors and the Chief Executive Officer also attend the Committee's meetings but are not members.

Duties and powers of the Audit Committee

The Audit Committee's duties include in particular:

- reviewing the Group's accounting methods and asset measurement procedures, the drafts of the Company's individual and consolidated financial statements, the interim management documents and the corresponding reports before they are presented to the Board and the consolidation scope (and the reasons for not including certain companies if applicable);

- reviewing the Company's and the Group's proposed budget;
- ensuring that rules are adopted for rotating firms and key signatory partners in accordance with the law, in particular by supervising the procedure for selecting the Company's Statutory Auditors and submitting to the Board the results of this selection procedure, monitoring the performance of the Statutory Auditors' duties and reviewing H3C's observations;
- preparing the Board's decisions on monitoring internal auditing;
- reviewing the related party agreements referred to in articles L. 225-38 et seq. of the French Commercial Code;
- providing management control and verifying the information that will be provided to shareholders and the market and ensuring it is clear;
- reviewing risk levels and risk prevention procedures, as well as significant off-balance sheet commitments;
- reviewing the structure and implementation of the compliance system, particularly its aspects relating to the prevention of corruption; and
- reviewing the entry into a settlement or agreement in respect of a dispute for an amount in excess of €5 million for the Group.

The review of the financial statements by the Audit Committee is accompanied by a presentation by the Company's Statutory Auditors on the key findings of the statutory audit and the accounting options applied. To assist in the review of the financial statements, the Chief Financial Officer also gives a presentation describing the Company's exposure to risks and material off-balance sheet commitments.

The Audit Committee ensures that internal control and risk management systems are in place and are deployed and that corrective action is taken in the event of material deficiencies or anomalies. It must be kept up to date on the internal audit programme and receive internal audit reports or a periodic support of those reports.

The Statutory Auditors must provide the Audit Committee with the information required by law, in particular article L. 823-16 of the French Commercial Code.

The Audit Committee regularly interviews the Statutory Auditors, including in the absence of the management team, at meetings convened to review the process of preparing the financial information and to review the financial statements, so that they can report on their engagement and the findings of their work. The Audit Committee is thereby made aware of the main areas of risk or uncertainty in the financial statements identified by the Statutory Auditors, their auditing approach and any difficulties they encountered in carrying out their engagement. The Audit Committee must also interview

the Finance, Accounting and Treasury Directors and the Internal Audit and Risk Management Director, including, where appropriate, in the absence of the management team.

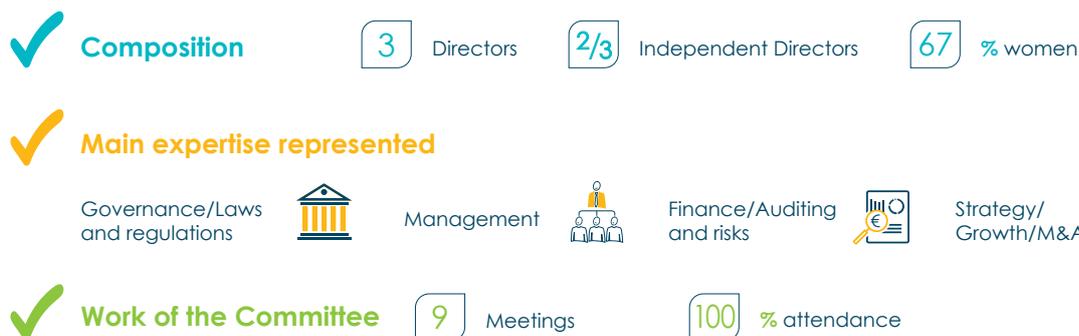
The Audit Committee ensures that the Statutory Auditors comply with the rules governing their independence, in particular by examining the risks to their independence and the safeguard measures taken to mitigate such risks, approving services other than the certification of accounts by the Company's Statutory Auditors in accordance with the framework defined by the H3C, and ensuring that the amount of fees paid by the Company and its Group, or the contribution thereof to the revenue of the firms and networks, is unlikely to undermine the Statutory Auditors' independence.

The time allowed for reviewing financial statements is sufficient and consistent with the recommendation of article 16.3 of the AFEF-MEDEF Code.

The Audit Committee reports on its work to the Board of Directors, provides any appropriate opinions and/or suggestions to the Board and brings to its attention any issues that require a Board decision.

The Audit Committee approved 12 non-auditing services by the Statutory Auditors in 2020 for a total amount of around €687,700.

4.1.3.3.2 Compensation and Appointments Committee



COMPOSITION OF THE COMPENSATION AND APPOINTMENTS COMMITTEE ON THE DATE OF THIS REPORT

Anne Lalou (Chair) (Independent Director)

Philippe Dumont

Catherine Soubie (Independent Director)

ATTENDANCE OF THE COMPENSATION AND APPOINTMENTS COMMITTEE'S MEMBERS IN 2020

Member attendance rates at Compensation and Appointments Committee meetings	Number of meetings in 2020	Average attendance rate in 2020
Anne Lalou (Chair) (Independent Director)	2/2	100% ⁽¹⁾
Jean-Pierre Duprieu (Independent Director)	7/7	100% ⁽²⁾
Predica (represented by Françoise Debrus)	5/5	100% ⁽³⁾
Catherine Soubie (Independent Director)	9/9	100%
Philippe Dumont	4/4	100% ⁽⁴⁾

(1) For the period from 1st October 2020 to 31 December 2020.

(2) For the period from 1st January 2020 to 1st October 2020.

(3) For the period from 1st January 2020 to 22 June 2020.

(4) For the period from 22 June 2020 to 31 December 2020.

The Compensation and Appointments Committee does not include any Executive Corporate Officers, is chaired by an Independent Director and two-thirds of its members are independent members. As such, the Company complies with the recommendations of the AFEP-MEDEF Code (with the exception of the recommendation on the appointment of the Director representing employees as a member of this Committee⁽¹⁾) as well as article 3.1 of the Internal Regulations. In accordance with articles 17.3 and 18.2 of the AFEP-MEDEF Code, the Chief Executive Officer participates in the work of the Compensation and Appointments Committee, in particular on issues in relation to matters affecting key executives who are not corporate officers, save where its work concerns her personally.

The Chairman of the Board of Directors also participates in the Committee's work, particularly on matters relating to appointments and governance, save where its work concerns him personally.

Duties and powers of the Compensation and Appointments Committee

The Compensation and Appointments Committee is responsible for:

- proposing Independent Director and Committee member candidates;

- issuing an opinion on proposals for the appointments of the Chief Executive Officer;
- submitting proposals to the Board of Directors on the compensation of Executive Corporate Officers and on the total amount and the allocation of the annual compensation of the Directors;
- making recommendations on the stock option plans, bonus share awards and other plans for the benefit of Group employees and/or Executive Corporate Officers, as well as on the rules for such plans proposed by the Chief Executive Officer;
- leading discussions and issuing recommendations on corporate governance, changes to the role of the Board of Directors and its Committees and any changes to be made to the Company's Articles of Association and/or the Internal Regulations;
- obtaining information on human resources policies and on the succession plans for key functions.

It also periodically evaluates how effectively the Board of Directors functions and establishes a succession plan for the Executive Corporate Officers.

(1) However, the Internal Regulations provide for the possibility of inviting non-members of the Committee (including the Directors representing employees) to attend Committee meetings in a non-voting capacity.

4.1.3.3.3 Investment Committee



(1) Mr Markus Ruckerl, Director representing employees, is not included in this calculation, in accordance with article L. 225-27-1 of the French Commercial Code.

COMPOSITION OF THE INVESTMENT COMMITTEE ON THE DATE OF THIS REPORT

Predica (Chair) (represented by Françoise Debrus)
Holding Malakoff Humanis (represented by Anne Ramon)
Jean-Pierre Duprieu (Independent Director)
Jean-François Brin (Independent Director)
Markus Ruckerl (Director representing employees)

ATTENDANCE OF THE MEMBERS OF THE INVESTMENT COMMITTEE IN 2020

Member attendance rates at Investment Committee meetings	Number of meetings in 2020	Average attendance rate in 2020
Jérôme Grivet	4/4	100% ⁽¹⁾
Christian Chautard	6/6	100% ⁽²⁾
Investissements PSP (represented by Alexandre Gagnon-Kugler)	4/4	100% ⁽¹⁾
Holding Malakoff Humanis (represented by Anne Ramon)	7/7	100%
Jean-François Brin (Independent Director)	7/7	100%
Predica (represented by Françoise Debrus)	3/3	100% ⁽³⁾
Jean-Pierre Duprieu (Independent Director)	1/1	100% ⁽⁴⁾
Markus Ruckerl (Director representing employees)	1/1	100% ⁽⁴⁾

(1) For the period from 1st January 2020 to 22 June 2020.

(2) For the period from 1st January 2020 to 1st October 2020.

(3) For the period from 22 June 2020 to 31 December 2020.

(4) For the period from 1st October 2020 to 31 December 2020.

Duties and powers of the Investment Committee

The Investment Committee is responsible for reviewing:

- acquisitions and disposals referred to in article 11.3 of the Company's Articles of Association and article 1.4.2 of the Internal Regulations;
- any investment by the Group that falls outside the Group's pre-existing business activities/areas (determined at a local level) or in a new country;
- entry into a strategic partnership (including an equity investment that does not give the Group a controlling interest) that may have a structural impact for the Group.

By way of exception, the transactions referred to in paragraphs (b) and (c) above do not require the Board of Directors' authorisation where they are carried out between Group companies.

The Chairman of the Board of Directors and the Chief Executive Officer attend meetings of the Committee, even where they are not members thereof (it being noted that Mr Jean-Pierre Duprieu is currently a member of the Committee).

4.1.3.3.4 Ethics, Quality and CSR Committee



(1) Mrs Marie-Christine Leroux, Director representing employees, is not included in this calculation, in accordance with article L. 225-27-1 of the French Commercial Code.

COMPOSITION OF THE ETHICS, QUALITY AND CSR COMMITTEE ON THE DATE OF THIS REPORT

Holding Malakoff Humanis (Chair) (represented by Anne Ramon)
Jean-François Brin (Independent Director)
Anne Lalou (Independent Director)
Markus Müschenich (Independent Director)
Marie-Christine Leroux (Director representing employees)

ATTENDANCE OF THE MEMBERS OF THE ETHICS, QUALITY AND CSR COMMITTEE IN 2020

Member attendance rates at Ethics, Quality and CSR Committee meetings	Number of meetings in 2020	Average attendance rate in 2020
Holding Malakoff Humanis (Chair) (represented by Anne Ramon)	5/5	100%
Markus Müschenich (Independent Director)	5/5	100%
Anne Lalou (Independent Director)	5/5	100%
Marie-Christine Leroux (Director representing employees)	4/5	80%
Jean-François Brin (Independent Director)	2/2	100% ⁽¹⁾

(1) For the period from 1st October 2020 to 31 December 2020.

Duties and powers of the Ethics, Quality and CSR Committee

The Ethics, Quality and CSR Committee is responsible for:

- reviewing and monitoring implementation of the Group's Ethics and Quality programme;
- evaluating crisis management and crisis reporting procedures and monitoring how serious events are handled;
- reviewing the mapping of risks directly associated with Group businesses, as consolidated by Internal Audit, as well as the quality approach in Group subsidiaries;

- reviewing the conclusions of quality audits conducted in subsidiaries so as to assess the level of control of quality procedures within the Group and making proposals to the Board on improvements or the implementation of specific additional quality control procedures;
- reviewing the Corporate Social Responsibility (CSR) actions taken and their results.

The Chairman of the Board and the Chief Executive Officer attend all meetings of the Committee but are not members.

Focus: CSR, Values and Governance

Korian has placed social and environmental issues, which by their very nature are fully integrated into its business activities and the Group's strategy, at the heart of its strategic project and its governance activities. CSR issues are therefore considered by all the Company's internal committees when carrying out their respective duties. Since 2019, CSR activity as a whole and the results thereof, have been regularly reviewed by the Board of Directors' Ethics, Quality and CSR Committee. CSR targets are also taken into account in determining the Chief Executive Officer's annual variable compensation and long-term compensation, and are then applied throughout the organisation down to the level of the relevant managers. They are also regularly reviewed as part of the Company's non-financial and financial performance reviews.

In 2020, as part of its CSR activities, Korian carried out a review of the Group's values. This work has resulted in the formulation of three key values for the Group discussed with the Board of Directors' Ethics, Quality and CSR Committee, namely: "Trust, Initiative, Responsibility" transposed into "Korian attitudes" common to all Group teams, irrespective of their business sector. Keen to place its social mission at the heart of its "In Caring Hands" corporate project, the Company has reaffirmed its mission as follows: "Caring for and supporting elderly or vulnerable people and their relatives, while respecting their dignity and enhancing their quality of life". This mission is now included in this universal registration document (see paragraph 3.1.1 of this universal registration document).

4.1.3.3.5 Covid-19 ad hoc Committee**Composition**

6

Directors

5/6

Independent Directors

50

% women

**Main expertise represented**Governance/Laws
and regulations

Management



International



Health sector

**Work of the Committee**

15

Meetings

98

% attendance

At the date of this report, the Covid-19 *ad hoc* Committee (created on 2 April 2020) had been dissolved on 24 February 2021 with effect from the conclusion of the meeting of the Board of Directors held on 11 January 2021.

COMPOSITION OF THE COVID-19 AD HOC COMMITTEE AT THE TIME IT WAS DISSOLVED ON 11 JANUARY 2021

Anne Lalou (Chair)

Jean-Pierre Duprieu (Independent Director)

Holding Malakoff Humanis (represented by Anne Ramon)

Jean-François Brin (Independent Director)

Markus Müschenich (Independent Director)

Catherine Soubie (Independent Director)

ATTENDANCE OF THE MEMBERS OF THE COVID-19 AD HOC COMMITTEE IN 2020

Member attendance rates at Covid-19 <i>ad hoc</i> Committee meetings	Number of meetings in 2020	Average attendance rate in 2020
Anne Lalou (Chair)	15/15	100%
Markus Müschenich (Independent Director)	15/15	100%
Christian Chautard	12/12	100% ⁽¹⁾
Jean-Pierre Duprieu (Independent Director)	14/15	93.3%
Jean-François Brin (Independent Director)	15/15	100%
Catherine Soubie (Independent Director)	15/15	100%
Holding Malakoff Humanis (represented by Anne Ramon)	2/3	66.7% ⁽²⁾

(1) For the period from 2 April to 1st October 2020.

(2) For the period from 1st October 2020 to 31 December 2020.

Duties and powers of the Covid-19 *ad hoc* Committee

The role of the Covid-19 *ad hoc* Committee was to inform the Board of Directors about:

- the impacts and consequences of the epidemic on the Group, its patients/residents and employees;
- the contingency and structural measures taken by the Korian Group to respond to this situation and prepare the Group for the future;
- its analysis of operational, legal and financial risks (including in terms of liquidity) for the Group as a result of the Covid-19 epidemic; and

- analysis relating to the exceptional health crisis and its effects on the Group considered to be relevant by the Committee.

After its dissolution on 24 February 2021, with effect from the conclusion of the meeting of the Board of Directors held on 11 January 2021, the assessment of the management and communication procedures associated with the Covid-19 pandemic has been carried out by the Ethics, Quality and CSR Committee as part of its regular duties.

4.1.4 Implementation of the AFEP-MEDEF Code's recommendations

In accordance with the "Comply or Explain" principle set out in article L. 225-37-4 8° of the French Commercial Code and article 27.1 of the AFEP-MEDEF Code, Korian deems that its practices comply with the

recommendations of the AFEP-MEDEF Code, unless expressly indicated otherwise in this Report. It is explained below the reasons why Korian has derogated from two of the Code's recommendations.

AFEP-MEDEF recommendation that has not been applied	Korian's explanation
Participation of the Director representing employees in the work of the Committee that oversees compensation	
18.1 It is recommended that an employee Director be a member of the Committee that oversees compensation.	The Internal Regulations provide that an employee Director may attend meetings of the Compensation and Appointments Committee.
Shares held personally by Directors	
20 Directors should be shareholders in their own name and, pursuant to the Company's Articles of Association or the Internal Regulations, should own a minimum number of shares that is material in view of the compensation they have received.	Nine of the twelve members of the Board of Directors are material shareholders in Korian in their own name in view of the compensation they are paid for their office. One Director does not hold any Korian shares due to the internal rules that restrict him from holding shares as a result of his principal duties. The two Directors who represent employees on the Board of Directors do not hold any Korian shares.

4.1.5 Information on conflict of interest issues

4.1.5.1 Transactions carried out in 2020 in Korian securities and/or financial instruments by persons with executive responsibilities and closely related persons

To the Company's knowledge, only the following transactions were carried out in the 2020 financial year by corporate officers and individuals closely linked to the Company, under the terms of article L. 621-18-2 of the French Monetary and Financial Code:

Surname, first name/ company name	Position	Type of transaction	Financial instrument	Date	Price (in euros)	Volume
Transactions in securities carried out by each executive						
Predica	Director	Disposal	Shares	16.03.2020	28.4537	16,016
Predica	Director	Disposal	Shares	16.03.2020	28.4028	43,984
Predica	Director	Acquisition	Shares	18.03.2020	27.8370	9,264
Predica	Director	Acquisition	Shares	18.03.2020	27.7302	50,736
Predica	Director	Disposal	Shares	12.05.2020	30.0338	42,777
Predica	Director	Disposal	Shares	12.05.2020	30.0310	17,223
Predica	Director	Acquisition	Shares	13.05.2020	29.9985	17,540
Predica	Director	Acquisition	Shares	13.05.2020	29.9944	3,734
Predica	Director	Acquisition	Shares	14.05.2020	29.9515	5,298
Predica	Director	Acquisition	Shares	14.05.2020	29.9923	33,428
Predica	Director	Disposal	Shares	15.05.2020	29.0791	19,764
Predica	Director	Disposal	Shares	15.05.2020	29.0298	40,236
Predica	Director	Acquisition	Shares	19.05.2020	30.3437	16,859
Predica	Director	Acquisition	Shares	19.05.2020	30.2723	43,141
Predica	Director	Disposal	Shares	20.05.2020	30.4000	3,066
Predica	Director	Disposal	Shares	20.05.2020	30.3816	56,934
Predica	Director	Acquisition	Shares	22.05.2020	30.5819	1,289
Predica	Director	Acquisition	Shares	22.05.2020	30.5711	1,074
Predica	Director	Acquisition	Shares	25.05.2020	31.2862	435
Predica	Director	Acquisition	Shares	25.05.2020	31.2481	481
Predica	Director	Acquisition	Shares	27.05.2020	32.2560	8,544
Predica	Director	Acquisition	Shares	27.05.2020	32.3708	48,177
Predica	Director	Disposal	Shares	28.05.2020	32.0006	2,420
Predica	Director	Disposal	Shares	28.05.2020	32.1285	57,580
Predica	Director	Acquisition	Shares	29.05.2020	32.3238	45,224
Predica	Director	Acquisition	Shares	29.05.2020	32.1772	14,776
Predica	Director	Disposal	Shares	01.06.2020	32.0285	37,900
Predica	Director	Disposal	Shares	01.06.2020	31.9510	22,100
Predica	Director	Acquisition	Shares	02.06.2020	32.6674	4,918
Predica	Director	Acquisition	Shares	02.06.2020	32.6140	55,082
Predica	Director	Disposal	Shares	03.06.2020	32.8469	28,827
Predica	Director	Disposal	Shares	03.06.2020	32.9583	19,652
Predica	Director	Acquisition	Shares	05.06.2020	34.5184	8,948
Predica	Director	Acquisition	Shares	05.06.2020	34.2754	40,723
Predica	Director	Acquisition	Shares	08.06.2020	34.7313	6,812
Predica	Director	Acquisition	Shares	08.06.2020	34.6266	3,517
Predica	Director	Disposal	Shares	09.06.2020	33.8086	11,319
Predica	Director	Disposal	Shares	09.06.2020	33.5279	25,805
Predica	Director	Disposal	Shares	10.06.2020	33.7291	614

Surname, first name/ company name	Position	Type of transaction	Financial instrument	Date	Price (in euros)	Volume
Predica	Director	Disposal	Shares	10.06.2020	33.6794	3,634
Predica	Director	Acquisition	Shares	11.06.2020	32.5804	20,795
Predica	Director	Acquisition	Shares	11.06.2020	32.5381	20,577
Predica	Director	Disposal	Shares	12.06.2020	32.1008	24,328
Predica	Director	Disposal	Shares	12.06.2020	32.2578	15,672
Predica	Director	Acquisition	Shares	15.06.2020	31.9098	10,002
Predica	Director	Acquisition	Shares	15.06.2020	31.9678	29,998
Predica	Director	Disposal	Shares	16.06.2020	33.2106	19,726
Predica	Director	Disposal	Shares	16.06.2020	33.5682	20,274
Predica	Director	Acquisition	Shares	17.06.2020	33.8627	5,673
Predica	Director	Acquisition	Shares	17.06.2020	33.9094	34,327
Sophie Boissard	Chief Executive Officer Director	Acquisition ⁽¹⁾	Shares	04.08.2020	0.0000	42,771
Sophie Boissard	Chief Executive Officer Director	Disposal	Shares	25.08.2020	33.0000	11,340
Philippe Garin	Group Chief Financial Officer	Acquisition	Shares	22.10.2020	18.1000	652
Catherine Soubie	Director	Acquisition	Shares	26.10.2020	18.1000	1,840
Philippe Garin	Group Chief Financial Officer	Acquisition	Shares	27.10.2020	25.8223	632
Predica	Director	Acquisition	Shares	02.11.2020	18.1000	5,378,040
Sophie Boissard	Chief Executive Officer Director	Acquisition	Shares	02.11.2020	18.1000	13,084
Holding Malakoff Humanis	Director	Acquisition	Shares	02.11.2020	18.1000	1,694,368

Transactions in securities carried out by closely related persons

N/A

(1) Final allocation of shares under the 2017 plan.

4.1.5.2 Conflicts of interest – Family ties

All Directors must ensure that they remain independent in their judgement, decision-making and actions. They seek to avoid any conflict of interest that may exist between their direct or indirect interests and those of the Company.

Each year, the Directors complete and sign the form sent to them by the Secretary of the Board on their list of offices and on existing and potential conflicts of interest. Directors are required to notify the Secretary of the Board, who will then inform the Chairman and the Chief Executive Officer, of any changes to the information provided on the form during the year.

Article 1.8.3 of the Internal Regulations provides that, as a general principle, each person who takes part in the Board's work, whether as a director or as a permanent representative of a legal entity that is a director, is required to do their utmost to determine in good faith whether a conflict of interest exists, and is required to inform the Board, on being appointed and, during their term of office, as soon as they become aware, of any situation that could constitute a conflict of interests between, on the one hand, themselves or the company for which they are the permanent representative, or any company of which they are an employee, shareholder and/or

corporate officer, or any company within the same Group and, on the other hand, the Company or any company within the same Group.

A process to prevent conflicts of interest in relation to matters submitted to the Board and/or to the Committees is also in place. Once they receive the agenda, all members of the Board or Committee must, after doing their utmost to determine in good faith whether a conflict of interest exists, inform the Chair of the Board or relevant Committee (who will immediately inform the Chairman of the Board of Directors) of any conflict of interest. If a member discloses a conflict of interest, he/she does not receive the relevant presentation document(s) and is prohibited from attending the part of the meeting of the Board or Committee in question in which the corresponding matters on the agenda are discussed.

In the event that a conflict of interest comes to light during discussions on a particular matter, the member in question must, as soon as he/she becomes aware of the conflict of interest, immediately notify the Chair of the Board or relevant Committee, return the documents in his/her possession and is prohibited from participating further in the part of the meeting of the Board or Committee in question in which the relevant matter(s) is/are discussed.

A review of any conflicts of interest that arose during the year on significant transactions is carried out each year by the Board of Directors when it reviews the financial statements.

To the Company's knowledge, at the date of this universal registration document, there are no known or potential conflicts of interest between the duties the members of the management bodies owe to the Company and their private interests and/or any other duties that have triggered the conflict of interest procedure provided for under the Internal Regulations, described above.

To the Company's knowledge, at the date of this universal registration document:

- the Corporate Officers have not accepted any restrictions on the disposal of their interest in the Company's share capital;
- the Corporate Officers have not entered into any agreements that would enable a major shareholder, client or supplier to be selected as a member of an administrative, management or supervisory body;
- there are no family ties between members of the Board of Directors;
- none of the members of the Board of Directors has been convicted for fraud within the last five years;
- none of the members of the Board of Directors has been involved in a bankruptcy, receivership or liquidation within the last five years;
- none of the members of the Board of Directors has been charged with an offence or publicly sanctioned by a statutory or regulatory authority; and
- none of the members of the Board of Directors has been prohibited by a court within the last five years from acting as a member of the administrative, management or supervisory body of an issuer, or from involvement in managing or conducting the business affairs of an issuer.

4.1.5.3 **Agreements within the scope of article L. 225-37-4 2° of the French Commercial Code entered into in 2020**

None.

4.1.5.4 **Agreements within the scope of article L. 225-37-4 2° of the French Commercial Code authorised since the end of the year**

None.

4.1.5.5 **Agreements within the scope of article L. 225-39 of the French Commercial Code**

Pursuant to article L. 225-39 of the French Commercial Code, the Board of Directors, on the recommendation of the Audit Committee, introduced a procedure to regularly assess whether agreements entered into in the ordinary course of business and on arms' length terms did indeed meet these conditions.

This procedure classifies the type of agreement (related party, entered into in the ordinary course of business and on arms' length terms, prohibited) and defines the concepts that enable them to be distinguished (indirect interest, transactions in the ordinary course of business, arms' length terms, etc.).

The Group Corporate Secretariat is notified, prior to negotiations, of any agreement that may fall within any of the classifications. Jointly with the Finance Department, it determines which classification the project belongs to based on the criteria and definitions set out in the procedure and informs the Chief Executive Officer. The Statutory Auditors provide an opinion in the event of any doubt.

The Group Corporate Secretariat ensures that the agreement follows the regime associated with its classification.

The Board of Directors is notified each year of the results of the evaluations carried out as part of the procedure.

Under this procedure, the results of the review carried out in 2020 by the Group Corporate Secretariat and the Group Finance Department, of which the Chief Executive Officer has been informed, were notified to the Board of Directors at its meeting of 3 December 2020. The review confirmed that all the agreements analysed involved transactions in the ordinary course of business and were entered into on arms' length terms.

4.1.5.6 **Service contracts with members of the administrative bodies**

There are no service contracts between members of the administrative, management or supervisory bodies and the Company or any of its subsidiaries that grant benefits on the termination of such contracts.

4.2 Compensation

Introduction

Section 4.2 of this universal registration document describes the policy and the components of the compensation of Korian's corporate officers, as required by law and regulations and in accordance with the recommendations of the AFEP-MEDEF Code.

Description of the compensation policy for corporate officers

Korian's compensation policy for corporate officers is defined based on article L. 22-10-8 of the French Commercial Code, is drawn up by the Board of Directors and is then voted on by the shareholders at the Annual General Meeting.

If it is rejected, pending the submission of a revised policy at the next General Meeting (stating how the new policy reflects the shareholders' vote and any opinions expressed at the General Meeting):

- the previously approved compensation policy shall continue to apply;
- where there is no previously approved compensation policy, compensation will be determined in accordance with the compensation awarded in respect of the previous financial year;
- where no compensation was awarded in respect of the previous financial year, the compensation will be determined in accordance with the Company's existing practices.

No component of compensation, of any nature, may be calculated, awarded or paid by the Company, and no commitment with respect to components of compensation, allowances or benefits payable or potentially payable due to the assumption, termination or change in the duties of corporate officers or following such assumption, termination or change, may be made by the Company unless it complies with the approved compensation policy or, where there is no such policy, with prior compensation or practices.

Approval of the compensation paid or awarded to corporate officers in respect of the 2020 financial year

Pursuant to article L. 22-10-34 of the French Commercial Code, the shareholders at the 2021 Meeting are required to approve, based on this section 4.2 of this universal registration document, the report on compensation paid or awarded to corporate officers in respect of the 2020 financial year, including the information referred to in article L. 22-10-9 of the French Commercial Code.

If the report is not approved, the Board of Directors will submit a revised compensation policy reflecting the shareholders' vote for the approval of shareholders at the next General Meeting. The payment of compensation to the members of the Board of Directors in respect of the financial year in progress is suspended until the revised compensation policy is approved. When compensation payments are resumed, they include arrears since the last General Meeting. If the General Meeting does not approve the new proposed resolution (second negative vote), the suspended amount may not ultimately be paid.

Pursuant to article L. 22-10-34 of the French Commercial Code, the 2021 Meeting is also convened to approve, in separate resolutions, the fixed, variable and exceptional components of the total compensation and benefits of all forms paid during the past year or awarded in respect of that same financial year to the Chairman of the Board of Directors and the Chief Executive Officer.

If rejected, the variable and exceptional components of the compensation awarded in respect of the past year may not be paid.



View of the Chair of the Compensation and Appointments Committee

2020 was marked by the major Coronavirus (Covid-19) health crisis and, on behalf of the Committee, I thank the teams for the astonishing levels of commitment they have shown on a daily basis.

The Compensation and Appointments Committee, two thirds of the members of which are independent, met nine times, to discuss a number of regulatory matters but also substantive matters, on its own initiative.

On 29 April 2020, the Board of Directors decided, in line with the proposal made by the Chief Executive Officer to show her solidarity with Korian's operational and functional teams who continued to work on the front line throughout the epidemic, to reduce the gross compensation that she would have received in 2020 by 25%. The same reductions were applied to the members of the Board of Directors and its Chairman. The corresponding gross amounts⁽¹⁾ have been paid into the Covid solidarity fund created by Korian, which is to be used to fund research projects into Covid-19 therapies and to provide support to caregivers and their families.

In relation to its proposal on the allocation of the total amount of compensation awarded to the Directors (which has been reduced by 25%), the Committee took into account the work of the members of the Covid-19 *ad hoc* Committee, which met 15 times over the period.

As for 2020 variable compensation, Mrs Sophie Boissard's achievement rate of her performance targets has been calculated at 62%, with a remarkable level of achievement in relation to her qualitative targets (management of the coronavirus (Covid-19) health crisis and preparation for post-crisis recovery in Europe). The quantifiable financial targets were set before the emergence of the health crisis and were therefore very heavily impacted by the crisis. These targets were only partially achieved, despite the Group's good performance in an unprecedented environment.

For 2021, the Committee has proposed increasing the weighting of CSR criteria in calculating the compensation of the Chief Executive Officer and key employees, for both annual variable compensation and long-term compensation. This change is consistent with the Group's ESG commitments and the "In Caring Hands" corporate project, as well as their full assimilation by management.

The Compensation and Appointments Committee also continued its work on bringing governance at the Company into line with best market practices.

Following the resignation of Mr Christian Chautard as a Director on 1st October 2020, the Compensation and Appointments Committee proposed to the Board of Directors at its meeting of 1st October 2020, which unanimously voted in favour of the proposal, that it appoint Mr Jean-Pierre Duprieu as Chairman of the Board of Directors for the remaining term of his directorship. As part of a selection process, the Committee also recommended that the Board of Directors co-opt a new director, Mr Guillaume Bouhours.

I thank the Committee members for their commitment. I also thank the Group's stakeholders for their trust in our work.

Anne LALOU,
Chair of the Compensation
and Appointments Committee

(1) Increased by the amount of the employer's share of the theoretical social security contributions relating thereto.

4.2.1 Compensation policy for corporate officers

4.2.1.1 Compensation policy for Executive Corporate Officers (ex-ante Say on Pay)

The compensation policy for Executive Corporate Officers described below was drawn up by the Board of Directors at its meeting of 24 February 2021, on the recommendation of the Compensation and Appointments Committee. This policy will be submitted for the approval of shareholders at the 2021 Meeting (ex ante vote).

The Korian group's Executive Corporate Officers are the Chairman of the Board of Directors and the Chief Executive Officer.

► General principles applicable to the compensation of Executive Corporate Officers

The Board of Directors ensures that the compensation policy is adapted to the Company's strategy and the environment in which it operates, and that it promotes performance and competitiveness over the medium- and long-term.

The general principles governing the compensation policy for corporate officers are established in accordance with the provisions of article L. 22-10-8 of the French Commercial Code, it being specified that the Chairman of the Board of Directors only receives fixed compensation⁽¹⁾: As such, they take account of the following factors:

Inclusion in the company's strategy	The compensation policy for the Chief Executive Officer is directly linked to the business's strategy, since her performance is assessed in the same way as the business's performance, using identical financial criteria. It aims to promote the implementation of the strategy year after year.
Consistency with the Company's interests	A significant proportion of the variable component of compensation factors in quantifiable non-financial criteria, in particular environmental, social and societal criteria that are assessed year after year with a long-term perspective.
Contribution to the business's long-term strategy	The Chief Executive Officer's compensation includes long-term variable compensation which is intended to promote the Group's long-term growth with stringent performance conditions. As part of her long-term compensation package, the Chief Executive Officer is also required to retain a significant proportion of the performance shares awarded to her until her term of office ends, which encourages a long-term vision and sustainable growth.
Description of all compensation components	All components of the Chief Executive Officer's compensation are described in detail in this universal registration document, together with the way in which they are calculated.
Explanation of the decision-making process used to determine, revise and implement the compensation policy	The compensation policy for Executive Corporate Officers (for all components of compensation) is decided on by the Board of Directors, on the recommendation of the Compensation and Appointments Committee, and is submitted to the shareholders for their approval at the Ordinary General Meeting. The components of compensation are, in principle, set for the officer's term of office and reviewed on reappointments or in the event of significant changes in the Company's situation or in market circumstances.

The principles applicable to the compensation of corporate officers are also established in accordance with the recommendations of the AFEP-MEDEF Code.

Comprehensiveness	All compensation components are taken into account so that it may be assessed in overall terms.
Balance between the compensation components	Each component of the compensation must be clearly substantiated and correspond to the corporate interest.
Comparability	Assessment of compensation based on the Company's reference market, as well as the responsibilities assumed, results achieved and work performed.
Consistency	Compensation is calculated in a manner consistent with that of the company's other executives and employees, and in line with the company's interests and performance.
Understandability of the rules	Establishment of simple, stable and transparent rules. Definition of demanding and explicit performance criteria that are directly linked to the company's strategy.
Proportionality	Market practices are taken into account in calculating compensation components, together with the company's interests and the compensation of the company's employees.

(1) And possibly extraordinary compensation in certain very specific circumstances set out below.

► Compensation policy for Executive Corporate Officers

The Chairman of the Board of Directors

The compensation of the Chairman of the Board of Directors comprises:

- fixed compensation;
- extraordinary compensation in certain precisely defined circumstances.

Fixed compensation

The Chairman of the Board's fixed compensation is calculated based on the following factors:

- responsibilities and level of involvement;
- expertise and experience.

The gross fixed annual compensation of the Chairman of the Board of Directors is determined at the time of his/her appointment for the length of his/her term of office. It is not automatically adjusted each year, but may be reviewed by the Board of Directors, on the recommendation of the Compensation and Appointments Committee, at the time of reappointment or during the term of office, in particular in the event of a change in the responsibilities associated with the role, or in the event of a material divergence from market practices of listed companies of a comparable size operating in similar business sectors.

The compensation amounts to €345,000 gross, and has remained unchanged since the former Chairman of the Board (Mr Christian Chautard) took office on 25 March 2015⁽¹⁾ and following his reappointment on 22 June 2017.

When Mr Christian Chautard's term of office was renewed in 2020, the Board of Directors, at its meeting of 27 February 2020, on the recommendation of the Compensation and Appointments Committee, had proposed to increase the gross fixed annual compensation of the Chairman of the Board of Directors to reflect his increased responsibilities and his level of involvement linked to the size of the Group compared to 2015.

However, as a result of the health crisis caused by the coronavirus (Covid-19), and in line with the proposal made by Mr Christian Chautard, the Board of Directors, at its meeting of 29 April 2020, ultimately decided, on the recommendation of the Compensation and Appointments Committee made at its meeting of 14 April 2020, to defer the increase in the Chairman of the Board of Directors' gross fixed annual compensation and, in respect of the 2020 financial year, to reduce it on an exceptional basis by 25%, i.e. by a gross amount of €86,250.

All these provisions were kept in place on the same terms on the appointment of Mr Jean-Pierre Duprieu to replace Mr Christian Chautard on 1st October 2020. The increase in the compensation of the Chairman of the Board of Directors will be reviewed in relation to the 2022 financial year.

Extraordinary compensation

There are currently no plans for the Chairman of the Board of Directors to receive any extraordinary compensation in 2021. In accordance with the recommendations of the AFEP-MEDEF Code, the Board is entitled to award such compensation to the Chairman of the Board of Directors only in highly specific circumstances, based on their importance for the Company, the involvement they demand, and the difficulties they present (such as, for example, the monitoring of unusual transactions that impact the Group's structure or scope).

In no circumstances may any extraordinary compensation paid to the Chairman of the Board of Directors exceed 100% of his gross fixed annual compensation and the payment of any such compensation would be subject to the approval of the shareholders at a General Meeting.

No other compensation components

The Chairman of the Board of Directors does not receive any other compensation components (variable compensation, long-term compensation, benefits, severance payment or non-compete compensation) and does not receive any compensation for carrying out his directorship.

Proposed resolution submitted for a vote of the shareholders

10th resolution

(Approval of the compensation policy for the Chairman of the Company's Board of Directors for the 2021 financial year)

The shareholders convened for the General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report prepared in accordance with article L. 22-10-8 of the French Commercial Code, approve the compensation policy for the Chairman of the Company's Board of Directors for the 2021 financial year, as set out (i) in section 4.2.1.1 of the aforementioned report included in chapter 4 of this universal registration document and (ii) in the notice of meeting brochure.

The Chief Executive Officer

The compensation policy for the Company's Chief Executive Officer is determined on his/her appointment for the length of his/her term of office and is reviewed by the Board of Directors, on the recommendation of the Compensation and Appointments Committee, on each reappointment. It may also be reviewed in the event of a change in the responsibilities associated with the role, or in the event of a material divergence from market practices of listed socially-focused companies of a comparable size operating in similar business sectors.

(1) As stated above, pursuant to a proposal of the Compensation and Appointments Committee, at its meeting of 18 November 2015, the Board of Directors increased Christian Chautard's annual gross fixed compensation to €450,000 for the performance of his duties as Chairman and Chief Executive Officer, prorated over the interim period from 18 November 2015 to 26 January 2016 following the removal from office of Mr Yann Caléou.

The compensation of the Chief Executive Officer comprises:

- annual fixed compensation paid on a monthly basis;
- annual variable compensation paid after approval from the shareholders at the General Meeting;
- long-term compensation that takes the form of an award of performance shares (in principle annually);
- other benefits (extraordinary compensation in certain specifically defined circumstances, non-compete compensation, severance pay and social benefits).

The Board of Directors, on the recommendation of the Compensation and Appointments Committee, ensures that the compensation structure is balanced, with the proportion of annual variable compensation and long-term compensation being sufficiently large when compared to fixed compensation, in order to align the compensation policy with the Company's short and long-term strategy and performance.

2021 compensation policy for the Chief Executive Officer

When, on 5 December 2019, the Chief Executive Officer's term of office was renewed for an additional five years, the Board of Directors, at its meeting held on 27 February 2020, on the recommendation of the Compensation and Appointments Committee, proposed to increase her compensation with effect from 1st January 2021, subject to

approval by the shareholders at the 2020 Meeting, based on a market study carried out in 2019 with the specialist firm, Mercer, bearing in mind that the Chief Executive Officer's compensation had not changed since Mrs Sophie Boissard took office in 2016.

However, in view of the health crisis caused by the coronavirus (Covid-19), and in line with the suggestion made by the Chief Executive Officer, on the recommendation of the Compensation and Appointments Committee made at its meeting of 14 April 2020, the Board of Directors decided, at its meeting of 29 April 2020, to (i) defer the implementation of the new compensation policy by one year and (ii) to reduce, on an exceptional basis, the compensation payable to the Chief Executive Officer in 2020 (2020 fixed compensation and 2019 variable compensation paid in 2020) by 25%, i.e. by a gross amount of €236,250.

In view of the economic and health circumstances associated with the continuing pandemic and in accordance with the Chief Executive Officer's proposal, the Board of Directors decided, at its meeting of 24 February 2021, on the recommendation of the Compensation and Appointments Committee made at its meeting of 27 January 2021, to defer the implementation of the new compensation policy by a further year and therefore, in 2021, to keep the compensation policy unchanged for the sixth consecutive year.

COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER UNCHANGED SINCE 2016

FIXED COMPENSATION

Basic gross annual salary
paid monthly



Unchanged since 2016,
with a 25% reduction
applied in 2020 associated
with the Covid-19 crisis

Gross fixed compensation paid
in respect of the last five financial years (in €k)



ANNUAL VARIABLE COMPENSATION

Annual variable compensation
paid in N+1 (fixed as a percentage
of gross fixed annual compensation)

100% of gross fixed annual compensation in the
event that the performance conditions are met

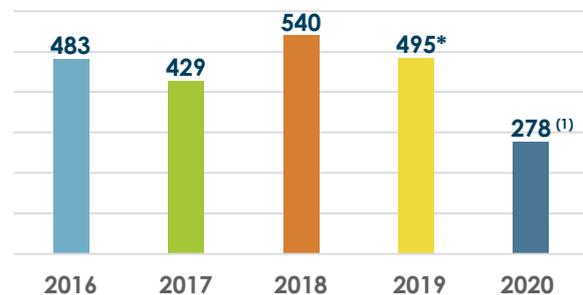
Maximum of 120%

in the event performance targets are exceeded

Targets for 2021

- 50% quantifiable financial criteria
- 25% quantifiable non-financial criteria
- 25% qualitative criteria

Gross variable compensation paid
in respect of the last five financial years (in €k)



(1) Subject to approval by the 2021 Meeting.

LONG-TERM VARIABLE COMPENSATION

Shares available to be awarded subject to continued employment and performance conditions

Performance shares
(3-year vesting period)

Performance conditions

- 40% of shares available to be awarded based on the business's economic performance:
 - 25% based on revenue growth,
 - 15% on EPS (Earnings per share).
- 40% of shares available to be awarded based on the performance of the Korian share price by reference to TSR.
- 20% based on the Group's principal CSR indicators.

*In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mrs Sophie Boissard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, to reduce the compensation that Mrs Sophie Boissard should have received in 2020 (2020 fixed compensation and variable compensation in respect of 2019 paid in 2020) by 25%, i.e. by a gross amount of €236,250, to be deducted from the gross fixed compensation paid between May and December 2020.

Fixed compensation

Her fixed compensation, which is also used as the basis for determining annual variable compensation, is a gross amount of €450,000. It has remained unchanged since the Chief Executive Officer took office on 26 January 2016.

Annual variable compensation

Annual variable compensation is set as a percentage of gross fixed annual compensation subject to the attainment of performance criteria.

The purpose of the annual variable compensation is to encourage the Chief Executive Officer to achieve various annual performance targets that are set by the Board of Directors and that are in line with the Group's strategic objectives.

- Her variable compensation is calculated by reference to performance levels based on financial criteria (50%), non-financial criteria (25%) and qualitative criteria (25%), representative of the overall performance expected of her, and in line with the Group's corporate project in accordance with the recommendations of the High Committee on Corporate Governance and the provisions of the AFEP-MEDEF Code. As such, the Chief Executive Officer's annual variable compensation includes CSR indicators. Her variable compensation may equal up to 100% of her gross fixed annual compensation where targets are achieved, and may be increased to 120% of her gross fixed annual compensation in the event that she exceeds her targets in all categories.

The various performance criteria enable the Group's intrinsic performance and its relative performance against that of its reference market to be measured.

Implementation in 2021



Accordingly, for 2021,

- the financial criteria are revenue growth, EBITDA and financial leverage (new);
- the quantifiable non-financial criteria are the change in energy consumption, customer satisfaction (NSS), the rollout of the ISO 9001 certification programme and the quality of work, assessed via a Human Resources composite indicator;
- the qualitative targets associated with the "In Caring Hands" corporate project are the management of the integration of mental health activities within the Group, in particular by drawing on the lessons learned on the acquisition of Inicea, the rollout of the project on the Group's new values and the acceleration of the development of alternative healthcare management solutions.

In the event that the Chief Executive Officer were to leave her position during the year, the same principles would be applied on a *pro rata* basis to the period in which the Chief Executive Officer was in the role.

Payment of the 2021 variable compensation will be conditional on their approval by the General Meeting that will vote on the financial statements for the year ended 31 December 2021, which will be held in 2022.

Long-term variable compensation

Long-term compensation mechanism

The Chief Executive Officer also receives long-term compensation that takes the form of an annual (in principle) award of performance shares. The long-term variable compensation policy for the Chief Executive Officer contributes to the business's long-term strategy and, as such, must also be linked to growth in the Company's value and its share price, thereby encouraging alignment between her interests and those of the shareholders.

Continued employment conditions

The ultimate vesting of the shares is conditional on the Chief Executive Officer continuing to work for the Group on the final vesting date of the shares.

The length of the vesting period for the shares is fixed at three years.

Performance conditions

The final vesting of the shares is subject to internal and external performance conditions measured over three financial years, and the degree to which such conditions are met is determined by the Board of Directors on the recommendation of the Compensation and Appointments Committee.

The performance criteria reflect the Company's strategy and are intended to create long-term value with demanding performance conditions.

The weighting of each criterion may be adjusted for each new award in line with the business's strategic priorities.

For the 2021 award, the performance criteria fixed by the Board of Directors are as follows:

- 40% of shares awarded based on the business's economic performance with:
 - 25% based on revenue growth, and
 - 15% based on Earnings per share (EPS) (new);
- 40% of shares awarded based on the relative performance of the Korian share price by reference to Total Shareholder Return (TSR);
- 20% based on the Group's principal CSR indicators (up 10% from the 2020 award):
 - 7% based on the gender equality of Top Management,
 - 7% based on qualifying training programmes,
 - 6% based on the low carbon trajectory.

Retention obligation

Pursuant to article L. 225-197-1 of the French Commercial Code, the Chief Executive Officer must retain, throughout her term of office, 25% of the shares definitively awarded to her at the end of the vesting period, after a review of the performance conditions.

The Chief Executive Officer also undertakes not to enter into hedging instruments over any of the performance shares definitively awarded to her at any point during her term of office.

Cap

The amount of the long-term compensation awarded to the Chief Executive Officer may not exceed, at the time it is awarded (initial value on award) an amount equal to 150% of the combined amount of her gross annual fixed and variable compensation payable in respect of the previous financial year (disregarding the exceptional reduction decided on in 2020 linked to the coronavirus (Covid-19)).

Extraordinary compensation

There are currently no plans to pay any extraordinary compensation in 2021. In accordance with the recommendations of the AFEP-MEDEF Code, the Board may, on an ex post basis, award such compensation only in highly specific circumstances, based on their importance for the Company, the involvement they demand, and the difficulties they present (such as, for example, the monitoring of unusual transactions that impact the Group's structure or scope).

In no circumstances may any extraordinary compensation paid to the Chief Executive Officer exceed 100% of her gross fixed annual compensation. The payment of such compensation must also be approved by the shareholders at a General Meeting.

Severance pay*Principle*

In connection with the early reappointment of the Chief Executive Officer to her role, on the recommendation of the Compensation and Appointments Committee, the Board of Directors, on 5 December 2019, authorised the renewal of the severance pay arrangements on the conditions set out below (the "**Severance Pay**").

The Chief Executive Officer will receive severance pay in the event of the termination or non-renewal of her corporate office (except for gross negligence or wilful misconduct) due to a change of strategy or control, payment of which will be subject to meeting performance criteria and will be capped at an amount equal to twice her Reference Annual Compensation (as defined below) (the "**Target Severance Pay**"), after deducting any amount due as non-compete compensation, as described below, if the Company has not waived the non-compete clause and subject to the performance conditions described below.

Reference Annual Compensation

Reference Annual Compensation means the gross fixed and annual variable compensation received for the twelve months prior to the date on which her office is terminated or not renewed (disregarding the exceptional reduction decided on in 2020 linked to the coronavirus

(Covid-19)), excluding compensation received under the medium or long-term incentive plans arranged for the management teams, and the extraordinary compensation that may be awarded to her by the Board of Directors on a one-off and discretionary basis.

Circumstances of forced departure

A Change of strategy is defined as a change in the Company's strategy that is the subject of the last financial communication approved by the Chief Executive Officer, or a significant transaction for the Group that does not fall within the scope of the last medium-term plan approved by the Board of Directors in agreement with the Chief Executive Officer.

A Change of control is defined as an acquisition of a significant interest in the Company, accompanied by the appointment of a number of Directors that is likely to have a decisive influence on the Board of Directors' decisions.

Performance conditions

The payment of the Severance Pay is subject to performance conditions determined based on the level of achievement of the targets used to calculate the variable component of annual compensation for the three financial years preceding the date of termination or non-reappointment.

Rate of achievement of targets	Severance pay
< 40%	No payment
≥ 40% and < 60%	50% of the target severance pay (one times the Reference Annual Compensation)
≥ 60% and < 100%	100% of the target severance pay (two times the Reference Annual Compensation)

Non-compete compensation

In connection with the reappointment of the Chief Executive Officer to her role, on the recommendation of the Compensation and Appointments Committee, the Board of Directors, on 5 December 2019, authorised the renewal of the non-compete compensation on the conditions set out below.

The Chief Executive Officer is bound by a non-compete commitment which prohibits her from holding any corporate office or executive position of any kind or providing any consultancy services, for a period of two years as from the termination of her duties, for any business or company that is in competition with the Company and that specialises in long and medium-stay care homes, including clinics, long-term nursing homes and assisted living facilities, in all of the countries in which Korian operates at the time when the clause is enforced.

In consideration, the Chief Executive Officer is entitled to non-compete compensation equal to 50% of the gross fixed annual compensation (disregarding the exceptional reduction decided on in 2020 linked to the coronavirus (Covid-19)) received for the 12 months preceding the date on which the event triggering her departure occurred (date of notice of resignation from the Company, or date of termination or non-reappointment by the Board) (hereafter the "**Date of Termination**"),

payable monthly over the length of the non-compete commitment and combined, if applicable, with Severance Pay, provided the sum of the two benefits may not exceed twice the amount of the Reference Annual Compensation, as defined above (in which case the Severance Pay will be reduced accordingly).

The Company may waive the benefit of the non-compete commitment no later than 15 days from the Date of Termination.

Benefits

Supplementary pension plan

The Chief Executive Officer does not benefit from a supplementary pension plan.

Company vehicle

The Chief Executive Officer has benefited from a company vehicle since 28 March 2020. The costs of insuring and maintaining the vehicle and any fuel costs (for business use) are met by the Company.

Joint welfare and medical expenses scheme

The Chief Executive Officer is covered by the Group "healthcare" and "disability, invalidity and death" plans that have been taken out for the benefit of salaried executives and that are currently in force within the Company, as well as civil liability insurance.

Unemployment insurance

To reflect the fact that the Chief Executive Officer does not have an employment contract, the Company has taken out a private unemployment insurance policy with the Association pour la garantie sociale des chefs et dirigeants d'entreprise (GSC) that provides cover to the Chief Executive Officer in the event that her professional activity ceases.

For the 2021 financial year, the cost of the Chief Executive Officer's private unemployment insurance policy is €12,958.

SUMMARY OF THE BENEFITS GRANTED TO THE CHIEF EXECUTIVE OFFICER AT THE END OF HER TERM OF OFFICE

	Voluntary departure/ termination for wilful negligence or gross misconduct	Non-reappointment/termination associated with a change of strategy or control (except for wilful negligence or gross misconduct)	Retirement
Severance pay⁽¹⁾	No benefits	Rate of achievement of targets ⁽²⁾ < 40%: <ul style="list-style-type: none"> No compensation to be paid Rate of achievement of targets ⁽²⁾ between ≥ 40% and < 60%: <ul style="list-style-type: none"> 100% of gross fixed and variable annual compensation⁽³⁾ received for the last 12 months amount to be received as non-compete compensation Rate of achievement of targets ⁽²⁾ between ≥ 60% and < 100%: <ul style="list-style-type: none"> 200% of gross fixed and variable annual compensation⁽³⁾ received for the last 12 months amount to be received as non-compete compensation 	No benefits
Non-compete compensation⁽¹⁾⁽⁴⁾	50% of the gross fixed annual compensation ⁽³⁾ received for the 12 months preceding the date on which the event triggering the departure occurred	50% of the gross fixed annual compensation ⁽³⁾ received for the 12 months preceding the date on which the event triggering the departure occurred, payable monthly over the duration of the non-compete commitment	No benefits
Supplementary pension plan	No benefits	No benefits	No benefits
Performance share plans that have not yet vested⁽⁵⁾	Complete lapsing	Complete lapsing	No benefits

(1) The severance pay, combined, if applicable, with non-compete compensation, cannot exceed twice the Reference Annual Compensation equal to the gross fixed and variable annual compensation received for the last 12 months prior to the date when Mrs Sophie Boissard's office was terminated or not renewed (disregarding the exceptional reduction decided on in 2020 linked to the Coronavirus (Covid-19)), and excludes any compensation received under medium or long-term incentive plans granted to the management teams, and any extraordinary compensation that may be awarded to her by the Board of Directors on a one-off and discretionary basis, if applicable.

(2) The targets used to calculate the variable component of annual compensation for the three financial years preceding her departure.

(3) Disregarding the exceptional reduction decided on in 2020 linked to the Coronavirus (Covid-19) and excluding any compensation received under medium or long-term incentive plans granted to the management teams, and any extraordinary compensation that may be awarded to her by the Board of Directors on a one-off and discretionary basis, if applicable.

(4) The Company may waive the benefit of the compensation no later than 15 days after the Date of Termination (date of notice of resignation from the Company, or date of termination or non-reappointment by the Board).

(5) In accordance with article L.225-197-3 of the French Commercial Code, in the event of death, the inheritors or beneficiaries of the performance share beneficiary may, if they so desire, request the vesting of all the Korian shares within six months of the date of death, the performance criteria being deemed to have been fully met. Furthermore, in accordance with article L.225-197-1 of the French Commercial Code, in the event of second or third degree disability within the meaning of article L.341-4 of the French Social Security Code, the Korian shares will be vested from the occurrence of the disability, depending on the extent to which the performance criteria have been met.

Proposed resolution submitted for a vote of the shareholders*9th resolution
(Approval of the compensation policy for the Company's Chief Executive Officer for the 2021 financial year)*

The shareholders convened for the General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report prepared in accordance with article L. 22-10-8 of the French Commercial Code, approve the compensation policy for the Company's Chief Executive Officer for the 2021 financial year, as set out (i) in section 4.2.1.1 of the aforementioned report included in chapter 4 of this universal registration document and (ii) in the notice of meeting brochure.

4.2.1.2 Compensation policy for Non-Executive Corporate Officers (ex ante Say on Pay)

The total annual amount of compensation allocated to directors for carrying out their activities pursuant to article L. 225-45 of the French Commercial Code is set at €400,000 in accordance with the tenth resolution adopted by the General Meeting of shareholders held on 23 June 2016, and has not changed since.

In accordance with the Chairman of the Board of Directors' proposal made at the Board of Directors' meeting of 1st October 2020, and with that of his predecessor, Mr Christian Chautard made at the meeting of 22 June 2017, the Board has decided not to pay the Chairman compensation for carrying out his directorship. Similarly, the Chief Executive Officer does not receive any compensation for carrying out her directorship. Consequently, the total annual amount of the

compensation awarded to the directors is divided among the other directors, including the Directors representing employees.

The allocation criteria, initially adopted for the 2020 financial year by the Board of Directors at its meeting of 5 December 2019, then maintained for the 2021 financial year by the Board of Directors at its meeting of 3 December 2020, in both cases at the recommendation of the Compensation and Appointments Committee, reflect a number of changes made in 2019:

- the proposal of Predica and Mr Jérôme Grivet (replaced by Mr Philippe Dumont since the 2020 Meeting) not to receive compensation for carrying out their directorship;
- the abolition of the position of Board Observer;
- the end of the term of office of a non-resident Director.

The compensation policy also reflects:

- the increased number of extraordinary meetings of the Board of Directors and its Committees as a result of the strategic challenges faced by the Company and the growth in the number of projects carried out as part of the company's strategy;
- the increased responsibility of the Chairs of the Committees;
- the commitment to maintaining stable and engaged governance.

For the 2021 financial year, Predica, Mr Philippe Dumont and Holding Malakoff Humanis have all requested that the amounts to which they would normally be entitled under the rules on the allocation of the annual compensation of the Directors be added by the Company to the Covid solidarity fund. The Board approved this exception to the allocation rules at its meeting of 24 February 2021, on the recommendation of the Compensation and Appointments Committee.

Components	Description
Annual compensation	<p>Of the total annual amount of €400,000 allocated to the Directors for carrying out their activities:</p> <ul style="list-style-type: none"> The sum of €300,000 is divided among the Directors as a fixed payment and on the basis of their actual attendance at Board and Committee meetings; The sum of €70,000 is earmarked to pay, in the amounts determined by the Board of Directors, (i) additional compensation to non-resident Independent Directors based on their physical attendance of Board Meetings and Committee meetings and (ii) additional compensation to Directors for Board Meetings and/or Committee meetings that are not scheduled in the annual calendar drawn up by the Board of Directors; The sum of €30,000 is divided between the Chair of the Audit Committee, the Chair of the Compensation and Appointments Committee and the Chair of the Ethics, Quality and CSR Committee, who receive one half (1/2), one third (1/3) and one sixth (1/6) of that sum, respectively. <p>The amount of €300,000 is divided among the Directors in accordance with the following rules:</p> <ul style="list-style-type: none"> 45% of the above amount is distributed equally between the members of the Board as a fixed component of compensation, with Independent Directors receiving compensation six times greater than that of non-Independent Directors; 30% of the above amount is divided between members of the Board of Directors <i>pro rata</i> to the number of meetings they attend; 25% of the above amount is divided between the members of the various Committees <i>pro rata</i> to the number of meetings they attend, with the Chair of each Committee entitled to double compensation. <p>The compensation is only payable if Directors attend at least half of the meeting of the Board of Directors scheduled in the annual calendar drawn up in advance by the Board of Directors.</p> <p>A Director who attends a Board or Committee meeting via videoconferencing or any means of telecommunication will be entitled to only half the compensation. Attendance by any other means does not entitle a Director to compensation.</p> <p>If, exceptionally, a Committee meeting is held (i) during a suspension of a Board of Directors' meeting, or (ii) immediately before, or (iii) immediately after a Board meeting, compensation will be paid only for the Board of Directors' meeting.</p> <p>If more than one Board of Directors' meeting is held on the same day, in particular on the day of the Annual General Meeting, Directors' attendance at such meetings will be counted as attendance at one meeting.</p>
Exceptional duties	<p>The Board of Directors may entrust exceptional duties to certain Directors (which are temporary and fall outside their role as a Director) that entitle them to compensation.</p> <p>Any such compensation is subject to the approval of the shareholders at a General Meeting pursuant to article L. 225-38 et seq. of the French Commercial Code.</p>
Reimbursement of expenses	<p>The members of the Board are also entitled to reimbursement, on production of receipts, of travel expenses incurred in attending Board and specialised Committee meetings.</p>

Proposed resolution submitted for a vote of the shareholders

*11th resolution
(Approval of the compensation policy for the Company's Directors for the 2021 financial year)*

The shareholders convened for the General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the Board of Directors' report prepared in accordance with article L. 22-10-8 of the French Commercial Code, approve the compensation policy for the Company's Directors for the 2021 financial year, as set out (i) in section 4.2.1.2 of the aforementioned report included in chapter 4 of this universal registration document and (ii) in the notice of meeting brochure.

4.2.1.3 Governance of compensation

► Parties involved

Human Resources and CSR Department

The Group's Human Resources and CSR Department is involved in the following aspects of the process of formulating and determining the compensation of corporate officers:

- it ensures that the compensation policy for corporate officers complies with the various laws and good practices, in particular Say on Pay practices, jointly with the Group Corporate Secretariat;

- it engages suitable consultants to carry out external compensation benchmarking studies, which allow for an objective assessment of the compensation policy and determine whether it is competitive;
- it selects and arranges for the involvement of external compensation experts at meetings of the Compensation and Appointments Committee so that they may provide further information on the compensation policy being applied;
- it makes recommendations to the Compensation and Appointments Committee;
- it ensures that the compensation offered is fair and consistent with internal and external policies;
- it ensures that the compensation policy is consistent with the business's strategy through associated performance criteria.

Compensation and Appointments Committee

The Compensation and Appointments Committee issues recommendations to the Board of Directors on:

- the compensation policy for executive and Non-Executive Corporate Officers;
- the loyalty programmes for managers and principal senior managers;
- setting quantifiable and qualitative criteria for the Chief Executive Officer's annual variable compensation;

- determining the level of achievement of the performance criteria required for the Chief Executive Officer to receive variable compensation and for the Chief Executive Officer and the relevant principal senior managers to receive long-term compensation;
- the Group policy on equality in the workplace and equal pay;
- projects associated with Group employee savings schemes proposed by the Chief Executive Officer.

In accordance with the AFEP-MEDEF Code, the Compensation and Appointments Committee principally comprises Independent Directors and is chaired by an Independent Director.

For further information:

- section 4.1.3.3.2 of the 2020 universal registration document (Compensation and Appointments Committee).

Board of Directors

On the recommendation of the Compensation and Appointments Committee, the Board of Directors determines a compensation policy for corporate officers that is consistent with the company's interests, the long-term success of the business and its commercial strategy. It decides whether to award long-term compensation to the Chief Executive Officer and, upon the proposal of the Chief Executive Officer, to the Group's principal senior managers.

It ensures, in particular, that the performance criteria, conditions and targets of the annual and long-term variable components of compensation are consistent with the strategic plan.

It discusses the business's policy on equality in the workplace and equal pay.

The Chief Executive Officer and the Chairman of the Board of Directors do not participate in meetings that relate to their own situations.

For further information:

- section 4.1.3.2.1 of the universal registration document (Duties and powers of the Board of Directors).

Shareholders

Under prevailing laws and regulations, Korian's shareholders are invited to vote on the compensation policy for corporate officers, on the total compensation and benefits of all kinds paid to officers during the previous financial year or granted in respect of the same financial year to all corporate officers and on the total compensation and benefits of all kinds paid during the past year or awarded in respect of that same financial year to each Executive Corporate Officer.

They are also regularly asked to vote on resolutions on the award of free shares or on capital increases restricted to employees in connection with the Group Savings Plan.

In addition, with a view to maintaining a dialogue with its stakeholders, Korian holds regular discussions with its shareholders and voting agencies, which are consulted in advance about compensation policies. During the twelve months preceding the publication of this universal registration document, the Group organised 16 meetings prior to its General Meeting.

Development of Say on Pay at the General Meeting

The high approval rate of resolutions relating to the compensation policy and the components of the compensation of Executive Corporate Officers is testament to the quality, transparency and regularity of the dialogue between Korian and its stakeholders.

		General Meeting		
		2018	2019	2020
Chairman of the Board of Directors	Compensation policy	98.9%	99.3%	98.7%
	Compensation components	97.0%	99.3%	98.7%
Chief Executive Officer	Compensation policy	98.3%	99.2%	98.8%
	Compensation components	98.1%	99.6%	98.5%

4.2.2 Compensation paid during the 2020 financial year or awarded in respect of that same financial year to corporate officers in 2020 (*ex post Say on Pay*)

4.2.2.1 Compensation of Mr Christian Chautard, Chairman of the Board of Directors from 1st January 2020 to 1st October 2020 (Ex post Say on Pay)

Pursuant to the Board's decision taken at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, Mr Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board of Directors, is €345,000 reduced, in respect of the 2020 financial year, by 25% (i.e. a gross reduction of €86,250). This entire amount of this reduction was made to his gross fixed compensation paid in respect of the nine months of his term in 2020 (i.e. from 1st January to 1st October 2020), pursuant to the decision of the Board taken at its meeting of 1st October 2020, on the recommendation of the Compensation and Appointments Committee.

Mr Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board of Directors is therefore €258,750 and is calculated on a *pro rata* basis up until the date he left office, 1st October 2020, giving an amount of €194,062.

The compensation paid during the 2020 financial year or awarded in respect of that financial year to Mr Christian Chautard, the Chairman of the Board of Directors, which is broken down below, is in accordance with the compensation policy approved by shareholders at the 2020 Meeting.

SUMMARY OF THE COMPENSATION PAID DURING THE 2020 FINANCIAL YEAR OR AWARDED IN RESPECT OF THAT FINANCIAL YEAR TO MR CHRISTIAN CHAUTARD, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 1ST JANUARY 2020 TO 1ST OCTOBER 2020, PUT TO A SHAREHOLDERS' VOTE

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Fixed compensation	€194,062 (amount paid)	At its meeting on 25 March 2015, the Board of Directors decided to set Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board at €345,000, on the recommendation of the Compensation and Appointments Committee ⁽¹⁾ . At its meeting on 22 June 2017, the Board of Directors renewed Mr Christian Chautard's office as Chairman of the Board and again set his gross fixed annual compensation at €345,000. In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mr Christian Chautard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, not to increase Mr Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board of Directors and, on the contrary, decided to reduce it by 25%, i.e. by a gross amount of €86,250. This entire amount of this reduction was made to his gross fixed compensation paid in respect of the nine months of his term in 2020 (i.e. from 1 st January 2020 to 1 st October 2020), pursuant to the decision of the Board taken at its meeting of 1 st October 2020, on the recommendation of the Compensation and Appointments Committee. Pursuant to the decision of the Board of Directors, Mr Christian Chautard therefore received gross compensation of €194,062 for the period between 1 st January 2020 and 1 st October 2020. This compensation was paid on a monthly basis.
Annual variable compensation	N/A	Mr Christian Chautard did not receive any annual variable compensation.
Multi-annual variable compensation	N/A	Mr Christian Chautard did not receive any multi-annual variable compensation.
Extraordinary compensation	N/A	Mr Christian Chautard did not receive any extraordinary compensation.
Stock options, performance shares and any other long-term benefits	N/A	Mr Christian Chautard is not entitled to any stock option or performance share scheme, or to any other long-term benefit.
Compensation for acting as a Director	N/A	In accordance with Mr Christian Chautard's proposal at the Board of Directors' meeting of 22 June 2017, the Board has decided not to pay him compensation for carrying out his directorship.
Value of benefits of all types	N/A	Mr Christian Chautard did not receive any benefits in kind.
Severance pay	N/A	No severance pay has been agreed for Mr Christian Chautard.
Non-compete compensation	N/A	No commitment has been made to pay non-compete compensation.
Supplementary pension plan	N/A	Mr Christian Chautard does not benefit from a supplementary pension plan.
Joint welfare and medical expenses scheme	N/A	Mr Christian Chautard is not covered by any social security plans.

(1) On the understanding that, on the recommendation of the Compensation and Appointments Committee, at its 18 November 2015 meeting, the Board of Directors increased Mr Christian Chautard's gross fixed annual compensation to €450,000 for the performance of his duties as Chairman and Chief Executive Officer, prorated over the interim period that followed the dismissal of Mr Yann Coléou, i.e. from 18 November 2015 to 26 January 2016.

4.2.2.2 Compensation of Mr Jean-Pierre Duprieu, Chairman of the Board of Directors from 1st October 2020 to 31 December 2020 (ex post Say on Pay)

On 1st October 2020, the Board of Directors decided, on the recommendation of the Compensation and Appointments Committee, to award Mr Jean-Pierre Duprieu the same gross fixed annual compensation as Mr Christian Chautard (*i.e.* €345,000), also subject to a 25% reduction in respect of the 2020 financial year.

For 2020, this amount was calculated *pro rata* to the period of the year in which he was in office as Chairman of the Board of Directors, *i.e.* from 1st October to

31 December 2020. Accordingly, the gross fixed annual compensation of Mr Jean-Pierre Duprieu for his office as Chairman of the Board of Directors in 2020 is €64,688.

The compensation paid during the 2020 financial year or awarded in respect of that financial year to Mr Jean-Pierre Duprieu, the Chairman of the Board of Directors, which is broken down below, is in accordance with the compensation policy approved by shareholders at the 2020 Meeting.

SUMMARY OF THE COMPENSATION PAID DURING THE 2020 FINANCIAL YEAR OR AWARDED IN RESPECT OF THAT FINANCIAL YEAR TO MR JEAN-PIERRE DUPRIEU, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 1ST OCTOBER 2020 TO 31 DECEMBER 2020, PUT TO A SHAREHOLDERS' VOTE

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Fixed compensation	€64,688 (amount paid)	On 1 st October 2020, the Board of Directors decided, on the recommendation of the Compensation and Appointments Committee, to award Mr Jean-Pierre Duprieu the same gross fixed annual compensation as Mr Christian Chautard, <i>i.e.</i> gross fixed annual compensation of €345,000, (subject to a 25% reduction in respect of the 2020 financial year). For 2020, this amount was calculated <i>pro rata</i> to the period of the year in which he was in office as Chairman of the Board of Directors, <i>i.e.</i> from 1 st October 2020 to 31 December 2020. Accordingly, the gross fixed annual compensation of Mr Jean-Pierre Duprieu for his office as Chairman of the Board of Directors is €64,688. Pursuant to the decision of the Board of Directors, Mr Jean-Pierre Duprieu received gross compensation of €64,688 for the period between 1 st October 2020 and 31 December 2020. This compensation was paid on a monthly basis.
Annual variable compensation	N/A	Mr Jean-Pierre Duprieu did not receive any annual variable compensation.
Multi-annual variable compensation	N/A	Mr Jean-Pierre Duprieu did not receive any variable multi-annual compensation.
Extraordinary compensation	N/A	Mr Jean-Pierre Duprieu did not receive any extraordinary compensation.
Stock options, performance shares and any other long-term benefits	N/A	Mr Jean-Pierre Duprieu is not entitled to any stock option or performance share scheme, or to any other long-term benefit.
Compensation for acting as a Director	N/A	In accordance with Mr Jean-Pierre Duprieu's proposal at the Board of Directors' meeting of 1 st October 2020, the Board has decided not to pay him compensation for carrying out his directorship.
Value of benefits of all types	N/A	Mr Jean-Pierre Duprieu did not receive any benefits in kind.
Severance pay	N/A	No severance pay has been agreed for Mr Jean-Pierre Duprieu.
Non-compete compensation	N/A	No commitment has been made to pay non-compete compensation.
Supplementary pension plan	N/A	Mr Jean-Pierre Duprieu does not benefit from a supplementary pension plan.
Joint welfare and medical expenses scheme	N/A	Mr Jean-Pierre Duprieu is not covered by any social security plans.

4.2.2.3 Compensation of the Chief Executive Officer from 1st January 2020 to 31 December 2020 (ex post Say on Pay)

In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mrs Sophie Boissard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, in respect

of 2020, to reduce the compensation that would have been paid to the Chief Executive Officer in 2020 (2019 variable compensation paid in 2020, and fixed compensation) by 25%.

SUMMARY OF THE COMPENSATION PAID DURING THE 2020 FINANCIAL YEAR OR AWARDED IN RESPECT OF THAT FINANCIAL YEAR TO MRS SOPHIE BOISSARD, CHIEF EXECUTIVE OFFICER, PUT TO A SHAREHOLDERS' VOTE

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Fixed compensation	€213,750 (amount paid)	<p>At its 18 November 2015 meeting, the Board of Directors decided to set the gross fixed annual compensation payable to the Chief Executive Officer in relation to her office as Chief Executive Officer at €450,000, on the recommendation of the Compensation and Appointments Committee.</p> <p>On 27 February 2020, the Board of Directors had decided to keep the Chief Executive Officer's gross fixed annual compensation unchanged at €450,000 for the financial year from 1st January 2020 and 31 December 2020.</p> <p>In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mrs Sophie Boissard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, to reduce the compensation that Mrs Sophie Boissard should have received in 2020 (2020 fixed compensation and variable compensation in respect of 2019 paid in 2020) by 25%, i.e. by a gross amount of €236,250, to be deducted from the gross fixed compensation to be paid between May and December 2020.</p> <p>Pursuant to the decision of the Board of Directors, Mrs Sophie Boissard received gross compensation of €213,750 for the period between 1st January 2020 and 31 December 2020. This compensation was paid on a monthly basis.</p>
Annual variable compensation	€278,480 subject to the approval by the AGM convened to vote on the financial statements for the year ended 31 December 2020	<p>At its 18 November 2015 meeting, the Board of Directors decided, on the recommendation of the Compensation and Appointments Committee, to set the Chief Executive Officer's annual variable compensation at a maximum of 100% of her gross fixed annual compensation, in the event that performance conditions are met, and at a maximum of 120% of her gross fixed annual compensation in the event that these conditions are exceeded, as measured solely on the basis of quantifiable criteria.</p> <p>In respect of the 2019 financial year, Mrs Sophie Boissard received variable compensation of €495,000 in 2020 (it being recalled that the entire amount of the 25% reduction in the compensation payable to the Chief Executive Officer in 2020, including in relation to her 2019 variable compensation paid in 2020, was applied to her gross fixed compensation paid between May and December 2020). The payment of such variable compensation was decided upon by the Board of Directors on 27 February 2020 and approved by the General Meeting held on 22 June 2020.</p> <p>In respect of the 2020 financial year, in view of the health crisis caused by the coronavirus (Covid-19), the Board of Directors, at its meeting of 29 April 2020 decided, on the recommendation of the Compensation and Appointments Committee, to adjust the qualitative criteria applicable to the Chief Executive Officer's variable compensation to reflect the Group's priority workstreams associated with managing the crisis but kept the quantifiable criteria unchanged.</p> <p>The Board of Directors accordingly approved the following selection of quantifiable and qualitative criteria:</p> <ul style="list-style-type: none"> • quantifiable criteria (representing two thirds of variable compensation, each of the three quantifiable criteria having an equal weighting): <ul style="list-style-type: none"> - revenue growth, - EBITDA, - operating free cash flow¹⁾; • qualitative criteria (representing for one third of variable compensation with equal weighting): <ul style="list-style-type: none"> - management of the coronavirus (Covid-19) health crisis, - preparation for post-crisis recovery in Europe. <p>At its 24 February 2021 meeting, the Board of Directors assessed the achievement of these performance criteria as set out in the summary table on the Chief Executive Officer's annual variable compensation on page 241 of this universal registration document, on the recommendation of the Compensation and Appointments Committee.</p>

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Multi-annual variable compensation	N/A	Mrs Sophie Boissard did not receive any variable multi-annual compensation.
Extraordinary compensation	N/A	Mrs Sophie Boissard did not receive any extraordinary compensation in 2020.
Stock options, performance shares and any other long-term benefits	€611,582 total IFRS value of the 21,384 shares awarded subject to continued employment and performance conditions	<p>During the 2020 financial year, the Board of Directors, at its meeting of 30 July 2020, decided, on the recommendation of the Compensation and Appointments Committee, to award Mrs Sophie Boissard 19,759 performance shares (with a vesting date for those shares of 31 July 2023, where applicable).</p> <p>Following the share capital increase with shareholders' preferential subscription rights carried out on 2 November 2020, the Board of Directors, after obtaining the opinion of the Compensation and Appointments Committee, decided, at its meeting of 3 December 2020, to make a corresponding adjustment to the number of shares awarded to the Chief Executive Officer subject to performance conditions. The Board of Directors applied the same coefficient to the Chief Executive Officer as it applied to all other beneficiaries.</p> <p>The purpose of these adjustments is to maintain the rights of holders of the preference shares by ensuring that the aforementioned share capital increase is neutral for them, in accordance with the rules of the relevant plans and the applicable provisions.</p> <p>Accordingly, the adjusted number of shares awarded to Mrs Sophie Boissard is 21,384.</p> <p>The length of the vesting period for the awarded shares was fixed at three years.</p> <p>The vesting of the awarded shares is subject to internal and external performance conditions measured over three years.</p> <p>For this 2020 award, the performance criteria fixed by the Board of Directors are as follows:</p> <ul style="list-style-type: none"> • 25% based on revenue growth; • 25% based on operating free cash flow⁽¹⁾; • 40% based on the performance of the Korian share price by reference to Total Shareholder Return (TSR); • 10% based on CSR indicators. <p>The ultimate vesting of the shares is also conditional on Mrs Sophie Boissard continuing to work for the Group on the final vesting date of the shares.</p> <p>Mrs Sophie Boissard must retain, throughout her term of office, 25% of the shares definitively awarded to her at the end of the vesting period, after the performance conditions have been applied.</p> <p>Mrs Sophie Boissard also undertakes not to enter into hedging instruments over any of the performance shares definitively awarded to her at any point during her term of office.</p>
Compensation for acting as a Director	N/A	Mrs Sophie Boissard did not receive any compensation for acting as a Group director.
Value of benefits of all types	€16,056	<p>Since 28 March 2020, Mrs Sophie Boissard has benefited from a company vehicle and from payments of unemployment insurance contributions to an external organisation.</p> <p>The amount of the payments for the unemployment insurance and the benefit in kind represented by the car were €16,056 in relation to the 2020 financial year.</p>

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Severance pay	No payment	<p>Principle</p> <p>At its 18 November 2015 meeting, the Board of Directors decided to grant severance pay to Mrs Sophie Boissard, on the recommendation of the Compensation and Appointments Committee, in the event that her corporate office is terminated or not renewed as the result of a change in strategy or control, except in the event of gross negligence or wilful misconduct. This payment would be conditional on performance criteria, and its amount would be equivalent to the Reference Annual Compensation (as it is defined below) plus 25% for each year of service, although it cannot exceed 200% of the Reference Annual Compensation, after deducting any amount payable in relation to the non-compete compensation mentioned below, if the Company has not waived the benefit of this compensation.</p> <p>Reference Annual Compensation</p> <p>Reference Annual Compensation means the gross fixed and annual variable compensation received for the twelve months prior to the date on which her office is terminated or not renewed (disregarding the exceptional reduction decided on in 2020 linked to the coronavirus (Covid-19)), excluding compensation received under the medium or long-term incentive plans arranged for the management teams, and any extraordinary compensation that may be awarded to her by the Board of Directors on a one-off and discretionary basis.</p> <p>Circumstances of forced departure</p> <p>A change of strategy is defined as a change in the Company's strategy that is the subject of the last financial communication approved by the Chief Executive Officer, or a significant transaction for the Group that does not fall within the scope of the last medium-term plan approved by the Board of Directors in agreement with the Chief Executive Officer.</p> <p>A change of control is defined as an acquisition of a significant interest in the Company, accompanied by the appointment of a number of Directors that is likely to have a decisive influence on the Board of Directors' decisions.</p> <p>Performance conditions</p> <p>At its meeting on 23 March 2016, the Board of Directors determined the performance conditions for this severance payment as follows, on the recommendation of the Compensation and Appointments Committee⁽²⁾.</p> <p>In the event of termination (except for gross negligence or wilful misconduct) due to a change of strategy or control between the 2018 closing date, performance will be measured according to the average rate of achievement of the targets used to calculate the variable component of Mrs Sophie Boissard's annual compensation for the three financial years preceding her departure, as follows:</p> <ul style="list-style-type: none"> the achievement rate for targets used to calculate the variable component of annual compensation for the three financial years preceding her departure < 40%: no severance pay will be owed; 40% ≤ the achievement rate for targets used to calculate the variable component of annual compensation for the three financial years preceding her departure < 60%: severance pay equal to 50% of the Reference Annual Compensation will be owed; 60% ≤ the achievement rate for targets used to calculate the variable component of annual compensation for the three financial years preceding her departure < 100%: severance pay equal to 100% of the Reference Annual Compensation will be owed. <p>In accordance with article L. 225-42-1 of the French Commercial Code (now repealed), this severance pay for the Chief Executive Officer was approved by the adoption of the 9th resolution by the General Meeting of the Company's Shareholders on 23 June 2016.</p>

Compensation components put to the vote	Amounts awarded in respect of the previous financial year	Comments
Non-compete compensation	No payment	<p>At its 18 November 2015 meeting, the Board of Directors decided to impose a non-compete commitment on Mrs Sophie Boissard, on the recommendation of the Compensation and Appointments Committee, to prohibit her from holding any corporate office or executive position of any kind or providing any advisory services, for a period of two years as from the termination of her duties, for any business or company that is in competition with the Company and that specialises in long- and medium-term stays, including long-term care nursing homes and assisted living facilities, in all the countries in which Korian has business interests at the time of the clause's enforcement.</p> <p>In consideration, Mrs Sophie Boissard is entitled to non-compete compensation equal to 50% of the gross fixed annual compensation (disregarding the exceptional reduction decided on in 2020 linked to the coronavirus (Covid-19)) received for the 12 months preceding the date on which the event triggering her departure occurred (date of notice of resignation from the Company, or date of termination or non-reappointment by the Board) (hereafter the "Date of Termination"), combined, if applicable, with severance pay, provided the sum of the two benefits does not exceed two years of annual fixed and variable compensation (in which case severance pay will be reduced accordingly). Compensation received pursuant to the medium- or long-term incentive plans for management teams, and any extraordinary compensation that may be awarded by the Board of Directors on a one-off and discretionary basis, are not components of annual fixed and variable compensation, and are not included in the basis for calculating non-compete compensation.</p> <p>The Company may waive the benefit of this compensation no later than 15 days from the Date of Termination.</p> <p>In accordance with the provisions of article L. 225-42-1 of the French Commercial Code (now repealed), this non-compete compensation was approved by the adoption of the 9th resolution by the General Meeting of the Company's Shareholders on 23 June 2016.</p>
Supplementary pension plan	N/A	Mrs Sophie Boissard did not benefit from a supplementary pension plan.
Joint welfare and medical expenses scheme	Yes	Mrs Sophie Boissard was covered by social security protection schemes equivalent to those for salaried executives (illness and personal protection insurance), as well as by a civil liability insurance and unemployment insurance policy.

(1) Understood as cash flow from operations net of financial expense and taxes.

(2) The severance payment arrangements that would have applied in the event of termination prior to 31 March 2019 are set out in the 2018 registration document, which was filed with the French Financial Markets Authority on 25 April 2019 under No. D. 18-0411.

ACHIEVEMENT RATE OF THE CHIEF EXECUTIVE OFFICER'S ANNUAL VARIABLE COMPENSATION CRITERIA⁽¹⁾

Targets			Minimum	Target	Maximum	Actual ⁽⁶⁾
Quantifiable targets 67% of fixed compensation (target performance)	Revenue growth ⁽²⁾	Value of the indicator	6.4%	8.5%	8.7%	7.2%
		As a % of fixed compensation	11%	22%	29%	16%
	EBITDA ⁽³⁾	Value of the indicator	13.20%	15.10%	15.30%	13.6%
		As a % of fixed compensation	11%	22%	29%	13%
	Operating free cash flow ^{(4) (5)}	Value of the indicator (in €m)	250	260	270	223
		As a % of fixed compensation	11%	22%	29%	0%
Quantifiable total			33%	67%	87%	29%
						Achievement
Qualitative targets 33% of fixed compensation (target performance)	Management of the coronavirus (Covid-19) health crisis			33%	33%	33%
	Preparation for post-crisis recovery in Europe					
Qualitative total				33%	33%	33%
TOTAL VARIABLE COMPONENT (as a % of fixed compensation)			0%	100%	120%	62%

(1) The percentages in this table refer to annual fixed compensation and are rounded to the nearest whole number.

(2) 100% is payable if 2020 revenue growth is at least 8.5%.
0% is payable if 2020 revenue growth is less than 6.4% (the bonus increases linearly between 6.4% and 8.5%).
The bonus is increased to 130% of the base if 2020 revenue growth reaches 8.7% (the bonus increases linearly between 8.5% and 8.7%).

(3) 100% is payable if 2020 EBITDA is at least 15.10%.
0% is payable if 2020 EBITDA is less than 13.20% (the bonus increases linearly between 13.20% and 15.10%).
The bonus is increased to 130% of the base if 2020 EBITDA reaches 15.30% (the bonus increases linearly between 15.10% and 15.30%).

(4) 100% is payable if 2020 operating free cash flow is equal to €260m.
0% is payable if 2020 operating free cash flow is less than €250m (the bonus increases linearly between €250m and €260m).
The bonus is increased to 130% of the base if 2020 operating free cash flow reaches €270m (the bonus increases linearly between €260m and €270m).

(5) Understood as cash flow from operations net of financial expense and taxes.

(6) Payment of annual variable compensation for financial year 2020 is subject to prior approval by the Ordinary General Meeting that is convened to approve the financial statements for the year ended 31 December 2020.

The quantifiable financial targets, which were set before the emergence of the health crisis and therefore very heavily impacted by the crisis, were partially achieved, despite the Group's good performance in an unprecedented environment.

The two qualitative targets for 2020 were, by way of reminder, the management of the coronavirus (Covid-19) health crisis and preparation for post-crisis recovery in Europe.

The Board of Directors, on the recommendation of the Compensation and Appointments Committee, noted that the qualitative targets were achieved against the backdrop of a particularly severe crisis. The Board took particular account of the remarkable levels of motivation in the Group to maintain operational continuity and the provision of patient care.

The Board of Directors therefore decided to award Sophie Boissard variable compensation in 2020 of €278,480 (corresponding to an achievement rate equal to 62% of her gross fixed annual compensation), which will be paid to her in the event that it is approved by the General Meeting convened to vote on the financial statements for the year ended 31 December 2020.

► Long-term variable compensation

Performance Shares awarded in 2017 and vested in 2020

At its meeting of 18 July 2017, the Board of Directors, on the recommendation of the Compensation and Appointments Committee, had decided to award the Chief Executive Officer, on 4 August 2017, performance share plan covering three financial years aimed at rewarding her performance relating to the execution of the Korian 2020 strategic plan. This award fell under the authorisation granted by the 23rd resolution of the General Meeting of Shareholders held on 22 June 2017.

This award was in respect of three years (2017, 2018 and 2019) as no award was made in 2018 or 2019.

The number of performance shares available to be awarded depended on the degree to which the three independent performance conditions were achieved, based on the degree of achievement, namely:

- the Group revenue target for 2019, compared with the target revenue (20% of the award);
- the EBITDA per share target for 2019, compared with the target EBITDA (40% of the award);
- the Korian TSR target, compared with the TSR generated by the SBF 120 Index between 1st July 2017 and 30 June 2020 (40% of the award).

In respect of the revenue target, in order for all the shares awarded to the beneficiaries to vest at the end of the vesting period, the Group's revenue as at 31 December 2019 had to be equal to or greater than 105% of the target set, in 2017, in the Korian 2020 strategic plan.

In respect of the EBITDA per share target, in order for all the shares awarded to the beneficiaries to vest at the end of the vesting period, the Group's EBITDA per share as at 31 December 2019 had to be equal to or greater than 105% of the target set, in 2017, in the Korian 2020 strategic plan.

Korian's TSR performance target was determined by comparing Korian's TSR performance with the SBF 120's TSR performance over the same period.

The relative performance index means the ratio of Korian's TSR to the SBF 120's TSR performance multiplied by 100. In order for all the shares awarded to vest, the relative performance index had to be higher than 140.

At its meeting of 30 July 2020, the Board of Directors assessed the extent to which the three performance conditions had been achieved and recorded an overall achievement rate of 68.5% (75.4% for the revenue target, 73.2% for the EBITDA per share target and 60.3% for the TSR target).

The Chief Executive Officer therefore received a final award of 42,771 shares in this respect and will be required to retain 25% of the definitively awarded shares until she ceases to act as a corporate officer.

Performance shares awarded in 2020 and vesting in 2023 (subject to continued employment and performance conditions)

At its meeting of 30 July 2020, the Board of Directors, on the recommendation of the Compensation and Appointments Committee, decided to award the Chief Executive Officer, on 31 July 2020, performance shares aimed at encouraging the achievement of long-term targets. This award fell under the authorisation granted by the 27th resolution of the General Meeting of Shareholders held on 22 June 2020.

In accordance with that resolution, the total number of shares awarded may not amount to more than 1% of the share capital on the date of the Board of Directors' decision, on the understanding that the award to the Chief Executive Officer may not amount to more than 0.1% of the share capital on that same date.

On 31 July 2020, the Chief Executive Officer was therefore awarded a maximum of 19,759 performance shares, the vesting of which is subject to continued employment and performance conditions.

The number of performance shares that will ultimately be awarded on 31 July 2023 will depend on the degree to which the four independent performance conditions are achieved, based on the degree of achievement, which will be reported in 2023, namely:

- the 2022 Group revenue target, compared with the 2022 revenue under the five-year strategic plan (Beyond Plan²) (25% of the award);
- the 2022 operating free cash flow target, compared with the 2022 operating free cash flow under the Beyond Plan² (25% of the award)⁽¹⁾;
- the Korian TSR target, compared with the TSR generated by the SBF 120 Index over two reference periods, from 1st April 2020 to 30 June 2020 inclusive, and from 1st April 2023 to 30 June 2023 inclusive (40% of the award);
- the CSR indicators with the percentage of women in Top Management positions and the number of qualifying training programmes (10% of the award).

The main characteristics of this long-term incentive plan are detailed on pages 284 and 341 of this universal registration document.

In any event, the long-term share-based compensation awarded to the Chief Executive Officer for a given financial year cannot exceed 150% of her maximum fixed and annual variable compensation payable for the previous financial year.

(1) In view of the entry into force of IFRS 16, the Company considers that EBITDA is no longer an appropriate indicator for measuring its operational performance, and has therefore replaced it with operating free cash flow.

Summary of the Executive Corporate Officers' compensation for 2020

TABLE SUMMARISING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE CORPORATE OFFICER
TABLE 1 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

	2019 financial year	2020 financial year
Sophie Boissard, Chief Executive Officer since 26 January 2016		
Compensation owed for the financial year ⁽¹⁾	€957,765	€632,036 ⁽²⁾⁽³⁾
Value of long-term compensation plans	N/A	€611,582
TOTAL	€957,765	€1,243,618
Christian Chautard, Chairman of the Board of Directors from 26 January 2016 to 1st October 2020		
Compensation owed for the financial year ⁽¹⁾	€345,000	€194,062 ⁽⁴⁾
Value of long-term compensation plans	-	-
TOTAL	€345,000	€194,062
Jean-Pierre Duprieu, Chairman of the Board of Directors since 1st October 2020		
Compensation owed for the financial year ⁽¹⁾	-	€64,688 ⁽⁵⁾
Value of long-term compensation plans	-	-
TOTAL	-	€64,688

(1) The compensation paid to the Executive Corporate Officers is broken down in Table 2.

(2) Note that the payment of annual variable compensation is subject to the approval of shareholders at the General Meeting convened to approve the financial statements for the 2020 financial year.

(3) In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mrs Sophie Boissard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, to reduce the compensation that Mrs Sophie Boissard should have received in 2020 (2020 fixed compensation and variable compensation in respect of 2019 paid in 2020) by 25%, i.e. by a gross amount of €236,250, to be deducted from the gross fixed compensation to be paid between May and December 2020.

(4) In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mr Christian Chautard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, not to increase Mr Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board of Directors and, on the contrary, decided to reduce it by 25%, i.e. by a gross amount of €86,250. This entire amount of this reduction was made to his gross fixed compensation paid in respect of the nine months of his term in 2020 (i.e. from 1st January 2020 to 1st October 2020), pursuant to the decision of the Board taken at its meeting of 1st October 2020, on the recommendation of the Compensation and Appointments Committee.

(5) On 1st October 2020, the Board of Directors decided, on the recommendation of the Compensation and Appointments Committee, to award Mr Jean-Pierre Duprieu the same gross fixed annual compensation as Mr Christian Chautard, i.e. gross fixed annual compensation of €345,000 (subject to a 25% reduction in respect of the 2020 financial year).

TABLE SUMMARISING THE COMPENSATION OF THE EXECUTIVE CORPORATE OFFICERS
TABLE 2 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

	2019 financial year		2020 financial year	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid ⁽¹⁾
Sophie Boissard, Chief Executive Officer since 26 January 2016				
Fixed compensation	€450,000	€450,000	€337,500 ⁽²⁾	€213,750 ⁽²⁾
Annual variable compensation ⁽³⁾	€495,000	€540,000	€278,480 ⁽³⁾	€495,000
Extraordinary compensation	-	-	-	-
Compensation awarded for acting as a Director	-	-	-	-
Benefits in kind ⁽⁴⁾	€12,765	€12,765	€16,056	€16,056
TOTAL	€957,765	€1,002,765	€632,036	€724,806
Christian Chautard, Chairman of the Board of Directors from 26 January 2016 to 1st October 2020				
Fixed compensation	€345,000	€345,000	€194,062 ⁽⁵⁾	€194,062 ⁽⁵⁾
Annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Compensation awarded for acting as a Director ⁽⁶⁾	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	€345,000	€345,000	€194,062	€194,062
Jean-Pierre Duprieu, Chairman of the Board of Directors since 1st October 2020				
Fixed compensation	-	-	€64,688 ⁽⁷⁾	€64,688 ⁽⁷⁾
Annual variable compensation	-	-	-	-
Extraordinary compensation	-	-	-	-
Compensation awarded for acting as a Director ⁽⁸⁾	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	-	-	€64,688	€64,688

(1) Except for the other compensation shown in this table, annual variable compensation is paid for the previous financial year.

(2) In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mrs Sophie Boissard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, to reduce the compensation that Mrs Sophie Boissard should have received in 2020 (2020 fixed compensation and variable compensation in respect of 2019 paid in 2020) by 25%, i.e. by a gross amount of €236,250, to be deducted from the gross fixed compensation to be paid between May and December 2020.

(3) The criteria used to calculate the components of the Chief Executive Officer's annual variable compensation and any related circumstances concerning the justification for payment, vesting criteria or calculation procedures, are set out on page 241 of this universal registration document. Note that the payment of annual variable compensation is subject to the approval of shareholders at the General Meeting convened to approve the financial statements for the 2020 financial year.

(4) This is the amount paid to an external organisation for the unemployment insurance the Company took out on behalf of the Chief Executive Officer and the benefit in kind represented by the company vehicle.

(5) In view of the health crisis caused by the coronavirus (Covid-19) and in line with the proposal of Mr Christian Chautard, the Board of Directors decided, at its meeting of 29 April 2020, on the recommendation of the Compensation and Appointments Committee, not to increase Mr Christian Chautard's gross fixed annual compensation for his office as Chairman of the Board of Directors and, on the contrary, decided to reduce it by 25%, i.e. by a gross amount of €86,250. This entire amount of this reduction was made to his gross fixed compensation paid in respect of the nine months of his term in 2020 (i.e. from 1st January 2020 to 1st October 2020), pursuant to the decision of the Board taken at its meeting of 1st October 2020, on the recommendation of the Compensation and Appointments Committee.

(6) In accordance with Mr Christian Chautard's proposal at the Board of Directors' meeting of 22 June 2017, he will not receive any compensation for carrying out his directorship.

(7) On 1st October 2020, the Board of Directors decided, on the recommendation of the Compensation and Appointments Committee, to award Mr Jean-Pierre Duprieu the same gross fixed annual compensation as Mr Christian Chautard, i.e. gross fixed annual compensation of €345,000 (subject to a 25% reduction in respect of the 2020 financial year).

(8) In accordance with Mr Jean-Pierre Duprieu's proposal at the Board of Directors' meeting of 1st October 2020, he will not receive any compensation for carrying out his directorship.

SUMMARY TABLE OF PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE FINANCIAL YEAR FOR EACH EXECUTIVE CORPORATE OFFICER**TABLE 7 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE**

	Number and date of plan	Number of units that became available
Sophie Boissard	1 – 18/07/2017	42,771 ⁽¹⁾

(1) This is the number of fully vested performance shares after the application of the performance conditions, the overall achievement rate of which was set at 68.5%. This issue was settled on 04 August 2020.

The table below presents the elements of information required by the recommendations of the AFEP-MEDEF Code about the existence as far as Executive Corporate Officers are concerned, (i) of an employment contract in addition to the corporate office held, (ii) supplementary

pension plans, (iii) commitments by the Company in respect of benefits or payments owed or likely to be owed in the event of the termination of, or a change in, an Executive Corporate Officer's role, or thereafter, and (iv) non-compete compensation.

EMPLOYMENT CONTRACT/CORPORATE OFFICE**TABLE 11 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE**

Executive Corporate Officers	Employment contract	Supplementary pension plan	Termination or change-in-role compensation or benefits	Non-compete compensation
Sophie Boissard, Chief Executive Officer	NO	NO	YES	YES
Christian Chautard, Chairman of the Board ⁽¹⁾	NO	NO	NO	NO
Jean-Pierre Duprieu, Chairman of the Board ⁽²⁾	NO	NO	NO	NO

(1) Chairman of the Board of Directors from 26 January 2016 to 1st October 2020 inclusive.

(2) Chairman of the Board of Directors since 1st October 2020.

4.2.2.4 Growth in the compensation of Executive Corporate Officers compared with the performance and compensation of employees

Under article L. 22-10-9 I (formerly L. 225-37-3) of the French Commercial Code, in calculating the mean and median compensation, the relevant scope is that of Korian SA, which is representative of Korian's head office functions: operations (regional managers, medical, quality and health department) and other support functions (Human Resources, Finance, etc.).

To ensure that the data is comparable, the workforce used in the calculation of mean and median compensation is, across all years, a full-time equivalent workforce and excludes Executive Corporate Officers.

Compensation is calculated based on all amounts paid and any performance shares that vest in the relevant financial year.

The components of employees' and Executive Corporate Officers' compensation included in the calculation are:

- annual fixed compensation paid during the relevant financial year;

- annual variable compensation paid during the relevant financial year in respect of the previous financial year;
- other components of annual compensation paid during the relevant financial year;
- performance shares that vest during the financial year, valued in accordance with the IFRS standards applied in drawing up the consolidated financial statements.

Changes in the company's economic performance, i.e. changes in revenue and EBITDA, put the changes in mean and median compensation and changes in the ratios into perspective.

In view of the absence of a single database for the 2016 financial year as a result of the Korian-Medica merger, the comparison has been carried out for the 2017-2020 period, it being recalled that the Chief Executive Officer's term of office began on 26 January 2016 and 2017 was therefore her first full year in terms of compensation.

FAIR PAY RATIO BETWEEN THE LEVEL OF THE COMPENSATION OF EXECUTIVE CORPORATE OFFICERS AND THE MEAN AND MEDIAN COMPENSATION OF KORIAN SA EMPLOYEES**TABLE OF RATIOS IN ACCORDANCE WITH AFEP'S GUIDELINES UPDATED IN FEBRUARY 2021**

	2016	2017	2018	2019	2020
FINANCIAL PERFORMANCE OF THE COMPANY					
Revenue (€m)	2,987	3,135	3,336	3,611	3,874
Change as a % from the previous financial year	15.8%	4.9%	6.4%	8.2%	7.2%
EBITDA (€m)	422	440	477	535	525
Change as a % from the previous financial year	23.4%	4.3%	8.4%	12.2%	-1.9%
CHANGE IN COMPENSATION					
Change as a % of the fixed compensation of the Chief Executive Officer	-	7% ⁽¹⁾	0%	0%	-25%
Change as a % of the compensation of the Chief Executive Officer	-	N/A	-6%	48%	11% ⁽²⁾
KORIAN SA					
Change as a % of mean compensation of employees	-	6%	-2%	4%	2%
Ratio to the mean compensation of employees	-	13	12	18	19
Change in the ratio as a % from the previous financial year	-	N/A ⁽³⁾	-4%	44%	8%
Ratio to the median compensation of employees	-	18	17	24	25
Change in the ratio as a % from the previous financial year	-	N/A ⁽³⁾	-8%	46%	6%

(1) The Chief Executive Officer's fixed compensation did not change from 2016 to 2017. The percentage increase between 2016 and 2017 is due to the fact that Mrs Sophie Boissard took up her position on 26 January 2016 and did not therefore receive a whole year's compensation in 2016.

(2) The amount of the Chief Executive Officer's total compensation for the purposes of the fair pay ratio includes compensation and benefits of all forms paid or awarded during the 2020 financial year, including performance shares awarded under the 2017 Plan in respect of three years (2017, 2018 and 2019) at their carrying value. The Chief Executive Officer was not awarded any performance shares in the 2018 and 2019 financial years.

(3) The change in the ratio between 2016 and 2017 is not meaningful, given the fact that, since the Chief Executive Officer took office on 26 January 2016, the compensation paid in 2017 includes the variable compensation in respect of 2016, whereas the compensation paid in 2016 does not include any variable remuneration in respect of 2015.

FINANCIAL PERFORMANCE OF THE COMPANY					
Revenue (€m)	2,987	3,135	3,336	3,611	3,874
Change as a % from the previous financial year	15.8%	4.9%	6.4%	8.2%	7.2%
EBITDA (€m)	422	440	477	535	525
CHANGE IN COMPENSATION					
Change as a % of the compensation of the Chairman of the Board of Directors ⁽¹⁾	27%	-2%	0%	0%	-25%
KORIAN SA					
Change as a % of mean compensation of employees	-	6%	-2%	4%	2%
Ratio to the mean compensation of employees	-	5	5	5	4
Change in the ratio as a % from the previous financial year	-	-8%	0%	0%	-21%
Ratio to the median compensation of employees	-	7	6	6	5
Change in the ratio as a % from the previous financial year	-	-12%	-14%	0%	-17%

(1) Mr Christian Chautard left his role as Chairman of the Board of Directors on 1st October 2020. As such, under AFEP's guidelines, Mr Christian Chautard's compensation has been annualised for the 2020 financial year in calculating these ratios.

4.2.2.5 Compensation of the Directors from 1st January 2020 to 31 December 2020

The compensation paid to Directors for the period from 1st January 2020 to 31 December 2020 are in accordance with the tenth resolution adopted by the General Meeting of shareholders held on 23 June 2016, which set the total annual amount of that compensation at €400,000 as of the date of said meeting and for subsequent financial years, until otherwise decided.

In view of the health crisis caused by the coronavirus (Covid-19), and in line with the suggestion made by the

Directors, the Board of Directors, at its meeting of 29 April 2020, decided, on the recommendation of the Compensation and Appointments Committee, not to claim 25% of the total annual gross amount of the compensation for Directors for 2020, i.e. €100,000.

The Board of Directors also decided that an amount equal to the total theoretical cost for the Company of this fraction of the directors' compensation (including social security charges) would be paid by the Company to the Covid solidarity fund.

► **Summary of compensation paid or awarded to the Directors from 1st January 2020 to 31 December 2020**

For 2020, a gross amount of €300,000 was paid as compensation to the members of the Board of Directors, given the 25% reduction in the total annual gross amount of the compensation for directors in 2020.

The members of the Board are also entitled to reimbursement, on production of receipts, of travel expenses incurred in attending Board and specialised Committee meetings. Directors, other than the Chairman of the Board, did not receive any other components of compensation for 2020 from the Company.

The rules on the allocation of the compensation of the directors applicable in 2020 are as follows (after adjustment of the amounts to take account of the 25% reduction in the total annual gross amount of the compensation for directors in 2020):

- of the total annual amount of €400,000 (reduced to €300,000) allocated to directors for carrying out their activities:
 - the sum of €300,000 (reduced to €225,000) is divided among the Directors as a fixed payment and on the basis of their actual attendance at Board and Committee meetings,
 - the sum of €70,000 (reduced to €52,500) is earmarked to pay, in the amounts determined by the Board of Directors at its meeting on 3 December 2020, (i) additional compensation to non-resident Independent Directors based on their physical attendance of Board Meetings and Committee Meetings and (ii) additional compensation to Directors for Board Meetings and/or Committee Meetings that are not scheduled in the annual calendar drawn up by the Board of Directors,
 - the sum of €30,000 (reduced to €22,500) is divided between the Chair of the Audit Committee, the Chair of the Compensation and Appointments Committee and the Chair of the Ethics, Quality and CSR Committee, who receive one half (1/2), one third (1/3) and one sixth (1/6) of that sum, respectively;
- the amount of €300,000 (reduced to €225,000) is divided among the Directors in accordance with the following rules:
 - 45% of the above amount is distributed equally between the members of the Board as a fixed component of compensation, with Independent

Directors receiving compensation six times greater than that of non-Independent Directors,

- 30% of the above amount is divided between members of the Board of Directors *pro rata* to the number of meetings they attend,
- 25% of the above amount is divided between the members of the various Committees *pro rata* to the number of meetings they attend, with the Chair of each Committee entitled to double compensation.

A Director who attends a Board or Committee meeting via videoconferencing or any means of telecommunication will be entitled to only half the compensation. Attendance by any other means does not entitle a Director to compensation.

If, exceptionally, a Committee meeting is held (i) during a suspension of a Board of Directors' meeting, or (ii) immediately before, or (iii) immediately after a Board meeting, compensation will be paid only for the Board of Directors' meeting.

If more than one Board of Directors' meeting is held on the same day, in particular on the day of the Annual General Meeting, Directors' attendance at such meetings will be counted as attendance at one meeting.

The amount of €70,000 (reduced to €52,500) is divided as follows, pursuant to the decision of the Board of Directors passed on 3 December 2020, on the recommendation of the Compensation and Appointments Committee, for 2020:

- €1,000 is paid to the non-resident Independent Director for each physically attended meeting of the Board and the Committees; and
- the balance is allocated as follows:
 - 70% of the amount is divided between the members of the Covid-19 *ad hoc* Committee *pro rata* to the number of meetings they attend, with the Chair of the *ad hoc* Committee entitled to triple compensation; and
 - 30% of the amount is divided between the members of the Board and the various permanent Committees, *pro rata* to the number of unscheduled meetings they attend, with the Chair of each relevant Committee entitled to double compensation, it being specified that a Director who attends a Board or permanent or *ad hoc* Committee meeting via videoconferencing and/or any means of telecommunication will be entitled to only half the compensation.

TABLE 3 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

<i>Non-Executive Corporate Officers</i>	Compensation paid in respect of the 2019 financial year ⁽¹⁾	Compensation paid in respect of the 2020 financial year ⁽¹⁾
Christian Chautard ⁽²⁾	-	-
Jérôme Grivet ⁽³⁾⁽⁴⁾	-	-
Predica ⁽³⁾	-	-
Holding Malakoff Humanis	€26,585	€23,895
Investissements PSP ⁽⁴⁾	€25,132	€10,240
Jean-Pierre Duprieu ⁽⁵⁾	€60,261	€49,492
Anne Lalou	€45,463	€53,035
Catherine Soubie	€58,735	€60,428
Elisabeth T. Stheeman ⁽⁶⁾	€33,790	-
Markus Müschenich	€51,603	€38,236
Jean-François Brin ⁽⁷⁾	€40,408	€43,897
Marie-Christine Leroux ⁽⁸⁾	€12,044	€14,715
Hafida Cola ⁽⁹⁾	€10,279	-
Guy de Panafieu ⁽¹⁰⁾	€10,753	-
Markus Ruckerl ⁽¹¹⁾	-	€6,059
Philippe Dumont ⁽¹²⁾	-	-
TOTAL	€375,054	€299,997

(1) Gross amount.

(2) In accordance with Mr Christian Chautard's proposal at the Board of Directors' meeting of 22 June 2017, the Board has decided not to pay him compensation for carrying out his directorship. Director whose term of office expired on 1st October 2020.

(3) In accordance with his proposal at the beginning of the 2019 financial year, the Board has decided not to pay him compensation for carrying out his directorship.

(4) Director whose term of office expired on 22 June 2020.

(5) Chairman of the Board of Directors since 1st October 2020. In accordance with Mr Jean-Pierre Duprieu's proposal at the Board of Directors' meeting of 1st October 2020, the Board has decided not to pay him compensation for carrying out his directorship, from that date onwards.

(6) Director whose term of office expired on 06 June 2019.

(7) Director since 6 June 2019.

(8) Director representing employees since 1st September 2019.

(9) Director representing employees whose term of office expired on 6 June 2019.

(10) Board Observer whose term of office expired on 6 June 2019.

(11) Director representing employees since 30 July 2020.

(12) Director since 22 June 2020, replacing Mr Jérôme Grivet.

The compensation paid to Directors for the period from 1st January to 31 December 2020 is in accordance with the tenth resolution adopted by the General Meeting of shareholders held on 23 June 2016, which set the total annual amount of compensation allocated to directors for carrying out their activities at €400,000 as of the date of

that meeting and for subsequent financial years, until otherwise decided. It also reflects the decision made by the Board of Directors at its meeting of 29 April 2020 not to claim 25% of the total annual gross amount of the compensation for directors in 2020, i.e. €100,000.

5.

Activities and performance analysis

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5.1 2020 highlights

As Korian takes stock of the year, we are extremely grateful for the outstanding commitment, resilience and solidarity that our teams across the network have shown to maintain service continuity and ensure high level of care quality. We come out of 2020 united around our purpose

and our values of Trust, Responsibility and Initiative and with a renewed commitment to build on our care and medical expertise to provide to elderly and fragile people solutions that offer them freedom of choice.

Adapted to a long term Covid-19 environment and vaccination programme well advanced

Korian has been constantly mobilised throughout 2020 to protect residents and patients as well as its employees from the Covid-19 virus pandemic.

From March 2020, the Group has taken numerous initiatives to be able to operate on the long run in the Covid-19 environment, such as:

- deploying hospital level hygiene standards across the Group, audited by Bureau Veritas (99% outstanding or very good level of compliance);
- adapted therapeutical protocols, in clinics as well as in nursing homes;
- access to dedicated teleconsultation platforms (operated by Omedys in France);
- on-site testing capabilities for teams and external visitors, permanent rolling stocks of PPE covering 2 months' utilisation;
- connexion tools to maintain links between patients and residents with families.

The network is presently focused on finalising the first vaccination campaign in close coordination with the local authorities. To date, 76% of residents⁽¹⁾ and 43% of staff⁽²⁾ have been vaccinated, and this first campaign will be finalised by end of March 2021 at the latest.

Korian would like to thank its teams, its patients and residents and all its local stakeholders for the resilience and the sense of solidarity they have demonstrated over the past months to contain and mitigate the virus threat. The positive feedback provided locally by internal and external stakeholders is a strong encouragement to all employees to remain mobilised.

As is the high level of the overall satisfaction score of patients and residents: according to the yearly survey performed in November across Europe in all Korian facilities, gross satisfaction scores at 94%, with a significant increase of 400 bps of the net satisfaction score.

(1) Percentage of the population eligible for vaccination as at 23 February 2021 within the medico-social network.

(2) In France, only staff aged over 50 and/or presenting comorbidity are eligible to be vaccinated during this first campaign.

Sustained ESG commitments: Korian ahead of its roadmap

Over 2020, the Group has been focusing more than ever on its contribution to its different stakeholders, namely patients and residents, their relatives, its employees, local communities and partners, the medical community, academics and associations and the Group's investors and shareholders.

In a drive to support various initiatives in the fight against the Covid-19 pandemic:

- Korian has dedicated part of its network to taking care of Covid-19 patients and sharing the burden with public hospitals (5,620 patients cared for across Europe);
- it has also been actively contributing to 3 promising medical research programmes, through the Korian Foundation and the French Foundation for medical Research (FRM), conducted by the Institut Pasteur, INSERM and Paris University Hospital (AP-HP). All these actions have been financed through the Korian Covid-19 solidarity fund created in April 2020 and funded by the donations from Korian executives and directors.

As regards the HR policy, Korian has increased its investment into its people over the period, notably in terms of training and skill development. Korian has opened two new learning hubs in Europe (Lyon, Munich) to support internal qualifying training and promotion programs. It has also created in France the first integrated care apprenticeship school, that will train up to 500 nurse apprentices by 2022.

Thanks to these actions, the Group has already reached by the end of 2020 its target to have 8% of its permanent staff (~4,320 people) engaged in qualifying training programmes, well ahead of its 2023 target. It has therefore decided to set a new target of 10% of its permanent staff by 2023.

As regards the quality policy, the ISO 9001 certification has progressed this year with 11% of facilities now certified

(versus 8% in 2019), the roll-out of Positive Care will be a priority in 2021 after being suspended during the pandemic.

The Group has been driving numerous initiatives to improve the attractiveness and the quality of work: reducing the portion of temporary staff members by increasing the recruitment of permanent staff members (11,000 recruitments done in 2020); promoting health and safety at work through adapted training, psychological support and qualitative work environment; aligning and increasing compensation and benefit policies, along with the financial support provided by the public payers, especially in France and Germany; teaming up with selected partners such as FACE to provide adapted support to staff members in their private life (legal support, education programme, medical support).

Thanks to all these actions, Korian has been awarded as a Top Employer in Germany in 2020, being the first care company to earn this distinction.

Korian, as an innovative move in the care industry, set out in early 2020 a comprehensive mid-term ESG⁽¹⁾ roadmap, encompassing 15 objectives, based on its main stakeholders expectations and fully embedded in its corporate project "In Caring Hands".

At the end of the year the Group is ahead on its ESG roadmap. Over the year the following milestones have been achieved: staff on qualifying training programmes doubling from 4% to 8% of permanent employees; staff average tenure increasing from 6.7 to 6.9 years thanks to a reduced turnover; ISO 9001 qualification of our sites from 8% to 11%; first milestones delivered to reduce carbon footprint by 40% by 2030 (vs 2018), with a first reduction of 6.4% in 2020 of energy consumption⁽²⁾; 80% of purchases done locally.

Digital investments bringing value

The pandemic has shown the value of each Korian facility being entirely integrated into its local ecosystem with the families and local healthcare professionals in particular. The Group's digital strategy has enabled an efficient integration in each local ecosystem, especially during the peak of the pandemic.

The deployment of Omedys telemedicine system has been strongly contributing to care continuity in nursing homes and clinics during the pandemic with over 10,000 teleconsultations.

MoveInMed, a Korian tech subsidiary was able to design and deploy e-rehabilitation platforms to ensure

continuous supervision at home despite lockdown, while the Medicalib solution, as a market place for paramedical staff, supported the work of our local home care agencies.

Last but not least, Korian Generation, a dedicated social network whose development is now supported by Technosens, another Korian digital company, has been used extensively to connect residents and families and is now used by over 8,500 families.

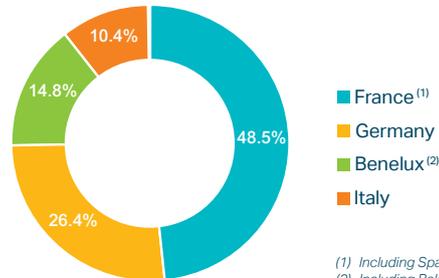
All these initiatives pave the way for a further acceleration of the digitisation of the service offering both in inpatient and outpatient fields.

(1) Environmental, Social and Governance.

(2) Scope: three countries (France, Belgium, Italy).

5.2 Activity overview

BREAKDOWN OF ANNUAL REVENUE BY COUNTRY



(1) Including Spain.
(2) Including Belgium and the Netherlands.

GROWTH ACCELERATION IN GROUP REVENUE AND AN IMPROVED OPERATING MARGIN BEFORE RENTAL EXPENSES (EBITDAR⁽¹⁾ EXCLUDING IFRS 16)

In millions of euros	Group		France ⁽¹⁾		Germany		Benelux ⁽²⁾		Italy	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	3,874.0	3,612.5	1,878.0	1,760.9	1,021.2	961.1	572.3	515.5	402.5	375.0
EBITDAR	975.2	948.1	479.2	475.7	272.9	251.8	132.9	130.1	90.2	88.8
Margin/Revenue	25.2%	26.2%	25.5%	27.1%	26.7%	26.2%	23.2%	25.2%	22.4%	23.7%

Korian uses EBITDAR and EBITDA as its benchmark indicators.

EBITDAR makes it possible to assess operating performance independently of the real estate policy (ownership or rental of premises has an impact on operating income). It corresponds to operating income before rental expenses not covered by IFRS 16 "Leases", depreciation, amortisation and provisions, other operating income and expenses, and gains and losses on the acquisition and disposal of consolidated entities of operating segments (see note 3 of section 6.1 of the universal registration document).

(1) Including Spain.

(2) Including the Netherlands.

Strong growth from recent acquisitions with resilient organic performance

In 2020, revenue totalled €3,874 million, up 7.2%. The recent acquisitions of the Group have contributed and shown their pertinence, the Spanish and Dutch platforms contributing to 20% of the overall growth.

The healthcare activities of the Group remain a key driver representing 40% of the Group's growth, reflecting the acquisitions in France and Italy and the ongoing transformation of the network and the increase in ambulatory care. The increase in chronic diseases and the need for innovative, ambulatory solutions will continue to drive demand. In 2020, Korian increased outpatient capacities by 25% in France and increased patients consultations by 70% in Italy.

Organic growth of 2% reflects the solidity of the diversified geographic footprint, with notably a contribution of 4.2%

organic growth of Germany and the diversified business model – reflected in the 18% organic growth in Home Care (representing 0.4% of Group organic growth).

The Group has added c.6,000 beds to its portfolio in 2020 and 107 additional facilities, reaching 88,651 beds and 1,000 facilities in operation at the end of the year. Korian's multi-local strategy aims to provide a diversified care pathway, at a local level.

The Group has delivered c. 1,500 greenfield beds in 2020 and has a strong pipeline of greenfield projects, notably in the Netherlands, France and Germany with a focus on small sized structures, as well as in healthcare. The Group aims to deliver c. 3,000 greenfield beds per year in the coming years.

(1) Reported consolidated EBITDAR came to €964.6m. The €10.6m difference was attributable to the application of IFRS 16 and concerns France.

In 2020, the Group has completed 19 acquisitions, representing €1.2Bn of investment. The acquisitions had a focus on the medical capability of the Group. Investment in this area represents 68% of the investments. Overall, the 39 acquisitions of 2019 and 2020 should generate c. €600m of revenue at run rate. The Group has significantly increased its medical footprint in 2020 with notably 2 acquisitions in France: 5 Santé specialised in respiratory care and Inicea an innovative player in the growing mental health segment in France, making Korian the third largest player in mental health in France. The acquisition of Inicea provides Korian with a strong platform of mental health capabilities, with innovative and outpatient capacities.

The mental health segment has proved exceptionally resilient to the Covid-19 crisis and there continues to be a growing demand. The pipeline of projects within Inicea and the ramp-up of the capabilities allows the Group to aim at 6% of organic growth in this segment in the coming years.

Both of these acquisitions reflect the focus of the Group on specialised medical care and the development of ambulatory and outpatient care capacity.

The Group has continued its step by step build up in Spain and Netherlands, two footholds taken by the Group in 2019:

- The Spanish platform has doubled the number facilities to 16 since the first acquisition and has proved its resilience during the pandemic with revenue up 30% to €33 million in 2020.
- In the Netherlands, the Group has continued to acquire regional networks of small sized homes with a strong pipeline. It now has 37 homes and the revenue has multiplied almost five times since 2019 to c. €60 million.

The Group's **EBITDAR** in 2020 is €975m and the EBITDAR margin is 25.2% reduced by 100 basis points on 2019 reflecting the reduction of revenue due to the lockdown and the various restrictions associated with the pandemic situation. The investment of Korian in its human resources policies has been sustained with staff costs increasing by 10.3% in 2020 and representing 57% of revenue (up 2% on 2019 reflecting a maintained staff structure in a context of reduced occupancy).

By country:

- **in France**⁽¹⁾, revenue growth of +6.6% (versus +7.1% in 2019) including Spain, was fuelled by recent acquisitions, particularly in healthcare both post-acute and mental health and supported by organic growth of 2.4% despite impacts of the lockdown and pandemic. The EBITDAR margin reflects the higher ratio of staff costs at 25.5% (versus 27.1% in 2019);
- **in Germany**, revenue growth increased significantly by +6.3% versus +5.3% in 2019, reflecting the dynamic growth strategy and the limited effect of the first wave of the pandemic. This increase was driven essentially by organic growth of 4.2% (versus +4.5% in 2019), following in particular an increased care mix. The EBITDAR margin increased to 26.7% up 50 basis points since 2019 (and 100 basis points since 2018);
- **in the Benelux region**⁽²⁾ the reported growth remained high at 11% (versus 18.2% in 2019) driven by the expansion in the Netherlands. Organic growth dropped from last year to 3.5% (versus 5.7%) following the Covid impacts but remains strong with the greenfield developments and a contribution of home care activities (10% growth in 2020). The EBITDAR margin decreased to 23.2% (versus 25.2% in 2019) following the pressure on occupancy rates and the ramp up in the Netherlands;
- **in Italy**, revenue was up by +7.3 % (versus +9.3% in 2019) driven by a dynamic acquisition strategy with a focus on healthcare services and a local cluster approach in key regions. Organic revenue however has declined by -8.2% in the context of the pandemic hitting Italy particularly hard. The EBITDAR margin of 22.4% (versus 23.7% in 2019) reflects a partial offset of the impacts with careful cost management.

(1) Included Spain (€33.4m).

(2) Included Netherlands (€57.6m).

5.3 Review of consolidated results and financial position at 31 December 2020

5.3.1 Consolidated results

Simplified retrospective application of IFRS 16 prompted the Group to present its 2020 financial items excluding IFRS 16 for the purposes of comparability and commentary.

5.3.1.1 Simplified consolidated income statement

EBITDAR is the key indicator that Korian uses to assess its operating performance independently of its real estate strategy. It consists of operating income before rental expenses not covered by IFRS 16 "Leases", depreciation, amortisation and provisions, other operating income and expenses, and gains and losses on the acquisition and disposal of consolidated entities of operating segments.

EBITDA corresponds to EBITDAR, as defined above, less rental expenses, and reflects the Group's real estate performance strategy.

In millions of euros	31.12.2020 excluding IFRS 16	IFRS 16 adjustments	31.12.2020 IFRS 16	31.12.2019 excluding IFRS 16	Change 2020/2019
Revenue and other income	3,874.0	-	3,874.0	3,612.5	7.2%
EBITDAR	975.2	-10.6	964.6	948.1	2.9%
as % of revenue	25.2%	-	24.9%	26.2%	-
External rents	-450.0	373.5	-76.5	-413.0	9.0%
EBITDA	525.2	362.9	888.0	535.1	-1.9%
as % of revenue	13.6%		22.9%	14.8%	+0.5pt
Operating income	232.8	33.1	265.9	322.1	-27.7%
Net financial income	-138.7	-67.2	-205.8	-119.9	15.6%
Profit (loss) before tax	94.1	-8.6	60.1	202.2	-53.4%
Net profit (loss), Group share	64.9	-25.5	39.4	136.0	-52.3%

Korian's **EBITDA** totalled €525.2 million, down 1.9% on 2019 as a reflection of the fixed rental costs. The margin stands at 13.6% (compared to 14.8% in 2019). The Group's asset smart policy will bring an increased impact to EBITDA in the months to come since real estate investment were particularly focused on greenfield capex that will deliver beds in the years to come and acquisition of mature real estate was concentrated on the second part of the year.

Korian now owns 219 facilities representing c.€2.7 billion in value. These facilities are in all of the Group's geographies and represent 24% of the value of the real estate assets operated by the Group.

Earnings before interest and taxes (EBIT) amounted to €298.3 million, i.e. 7.7% of revenue (versus 9.3% in 2019).

Net profit (Group share) totalled €64.9 million (versus €136 million in 2019) after income tax expense of €25.8 million and a lowered tax rate of 27.4%.

5.3.1.2 Consolidated balance sheet

<i>In millions of euros</i>	31.12.2020	31.12.2019
Non-current assets	11,314.6	10,035.0
Current assets	1,882.7	903.2
Assets held for sale		
TOTAL ASSETS	13,197.3	10,938.2

<i>In millions of euros</i>	31.12.2020	31.12.2019
Equity	3,322.5	2,569.6
Non-current liabilities	7,260.5	6,439.1
Current liabilities	2,614.2	1,929.5
Liabilities held for sale		
TOTAL LIABILITIES	13,197.3	10,938.2

► Assets

Non-current assets broke down as follows:

- goodwill of €2,905.6 million, having increased by €401.3 million largely because of the acquisitions made in France (5 Santé, Les Essentielles and Inicea), Spain (Torrechantre), Germany (Qualivita), the Benelux (Ontzorgd Wonen, Rosorum and Het Gouden Hart) and Italy (Santa Chiara, Santa Marinella and Ideass);
- intangible assets with a value of €2,157.8 million;
- property, plant and equipment amounting to €2,645.2 million, having increased by €613.7 million over the year;
- right-of-use assets with a value of €3,456.9 million.

Current assets broke down essentially as follows:

- trade receivables with a value of €315.3 million;
- other receivables and current assets with a value of €369.9 million, having increased by €134 million due to the netting of receivables;

- cash and cash equivalents amounting to €1,159.1 million, i.e. an increase of €814.3 million due to the many financing operations carried out by the Group over the year.

► Liabilities

- Consolidated equity totalled €3,322.5 million, an increase of €752.9 million year-on-year. This was due to the €400 million capital increase, the profit generated over the period (€42.1 million) and the real estate partnership formed with BNP Paribas Cardif and EDF Invest.
- Financial liabilities totalled €3,998.9 million, an increase of €1,137.4 million. This was mostly due to the €400 million OCEANE bond (convertible and/or exchangeable into new shares and/or existing shares) issued by the Group, its €230 million *Sustainability Linked Euro PP* and a €408.6 million increase in its real estate debt as the Group is raising its real estate asset ownership rate in keeping with its strategy.
- Lease liabilities amounted to €3,712.6 million.

5.3.2 Financial position

5.3.2.1 Cash flows

The Group has generated € 223m of operating free cash flow in 2020 representing a conversion rate of 42.5% of EBITDA with careful working capital management. Maintenance or operating capex, included here, represent 2.2% of revenue in 2020.

5.3.2.2 Financial debt

Korian's balance sheet improved following two operations carried out in 2020 to reinforce its equity. This has led to an adjusted leverage of 3x in a context of high investment and a lower EBITDA as a consequence of the pandemic. The reinforced balance sheet will allow the group to play an active role in growing and consolidating care markets.

Among the operations carried out to reinforce its equity, the Group finalised at the end of 2020 a 15-year partnership with BNP Cardif and EDF Invest who invested in part of the Group's real estate for €336 million, with a guaranteed return for the investors and a possibility for Korian to buy back the shares with a capped price. This partnership, in line with the Group asset smart strategy launched in 2016, enables Korian to limit the equity allocated to its real estate portfolio without increasing the related debt, while keeping the control of its assets. It is a key component of Korian's sustainable growth strategy.

The Group's net financial liabilities increased to €2,840 million from €2,517 million at 31 December 2019, almost all of this increase coming from an increase in real estate debt. The real estate debt represents €1,471 million compared to a real estate portfolio value of €2,668 million and therefore a stable Loan-to-value ratio of 55%.

<i>In millions of euros</i>	31.12.2020	31.12.2019
Borrowings from credit institutions and financial markets	2,426.5	1,665.7
o/w real estate debt in respect of financial counterparties (excluding IFRS 16)	1,470.9	1,062.3
Other financial liabilities	89.7	125.9
Bank overdrafts and advances	11.8	7.6
Loans and other borrowings (A)	3,998.9	2,861.5
Marketable securities	220.3	55.1
Available liquid assets	938.8	289.7
Cash (B)	1,159.1	344.8
Net indebtedness (A)-(B)	2,839.8	2,516.7
Lease liabilities and obligations	3,712.6	3,646.7
Net indebtedness and lease obligations	6,552.4	6,163.4

5.3.3 Korian SA's annual financial statements

No changes to the accounting policy had any material impact on the annual financial statements.

5.3.3.1 Korian SA's income statement

<i>In millions of euros</i>	31.12.2020	31.12.2019
Revenue	139.1	131
Other operating income, reversals of provisions and invoiced expenses	18.0	10.9
Total operating income	157.1	141.9
Change in inventories	4.7	
Other purchases and external expenses	-106.7	-76.1
Income tax and other taxes	-2.8	-2.8
Wages and salaries	-70.7	-56.6
Depreciation, amortisation and provisions	-18.5	-14.6
Other expenses	-2.1	-1.1
Total operating expenses	-196.0	-151.2
Operating result	-38.9	-9.4
Net financial income	18.6	59.7
Non-recurring profit (loss)	-1.5	6.2
Income tax (consolidation gains)	-27.3	-10.2
NET PROFIT (LOSS)	5	67

5.3.3.2 Analysis of the income statement

► Operating result

Korian's income consists primarily of Group fees paid by its French and foreign subsidiaries. These fees totalled €101.1 million in 2020 and were apportioned according to the number of beds operated. Subsidiary fees and invoices are established in accordance with the service agreements reached between the Company and its subsidiaries (French and foreign).

Korian also reinvoices other expenses to its subsidiaries such as wages and salaries, other services and property leasing charges. In 2020, the amounts invoiced totalled €38.0 million.

Within this scope, wages and salaries of €70.6 million, for an average workforce of 623 employees, accounted for approximately 40% of total operating expenses.

► Net financial income

As the Group's holding company, Korian receives dividends from its subsidiaries. These dividends decreased from €90.5 million in 2019 to €61.9 million in 2020.

Korian carries most of the Group's debt and financial instruments. The financial expenses incurred on financial liabilities totalled €54.2 million in 2020, i.e. an increase of €10.3 million year-on-year due to higher borrowings. In addition, Korian recognised an expense of €7.6 million in 2020 in relation to financial instruments.

Conversely, as head of the cash pooling arrangement, Korian paid €0.7 million in 2020 in interest expense on current accounts (versus €1.9 million in 2019) but received €9.2 million in interest earned on the current accounts held with its subsidiaries (versus €7.3 million in 2019).

► Non-recurring profit (loss)

Non-recurring profit (loss) was negative at -€1.5 million and mostly attributable to a waived receivable.

5.3.3.3 Korian SA's statement of financial position

<i>In millions of euros</i>	31.12.2020	31.12.2019
ASSETS		
Intangible assets	73.3	51.5
Property, plant and equipment	15.6	14.2
Financial assets	3,742.2	3,190.3
Total fixed assets	3,831.1	3,256.0
Raw materials, supplies	4.7	
Advance payments on orders		0.3
Trade receivables	139.9	143.7
Other receivables	1,712.9	1,495.9
Cash and cash equivalents	916.1	217.5
Prepaid expenses	13.1	8.7
Total current assets	2,786.7	1,866.1
Debt issuance costs and bond discounts	14.7	11.5
TOTAL ASSETS	6,632.4	5,133.6
LIABILITIES		
Share capital	525.2	413.6
Reserves and premiums	1,450.6	1,166.9
Retained earnings	100.7	38.1
Profit (loss)	5.0	67.0
Regulatory provisions	4.4	2.4
Net financial position	2,085.9	1,688.0
Provisions for risks and expenses	4.7	5.1
Financial liabilities	4,457.6	3,356.9
Trade payables	53.4	43.3
Tax and social security liabilities	26.7	37.3
Other liabilities	3.5	2.8
Deferred income	0.6	0.1
Total operating liabilities	4,546.6	3,445.5
TOTAL LIABILITIES	6,632.4	5,133.6

Korian's statement of financial position totalled €6,632 million. This figure essentially broke down as follows:

► **Assets**

- Non-current assets totalled €3,831.1 million, accounting for 58% of the statement of financial position. They consisted of:
 - €3,152 million in equity investments and related receivables;
 - €589 million in loans to subsidiaries;
 - €89 million in intangible assets and property, plant and equipment.
- The other main items on the assets side of the statement of financial position broke down as follows:
 - current accounts with subsidiaries amounting to €1,684 million;
 - €916 million in cash;
 - €15 million of expenses to be apportioned, relating to debt issuance costs.

► **Liabilities**

- The net position rose by €398 million to €2,086 million, mainly due to the €112 million capital increase and €280 million share premium resulting from the capital increase.
- Financial liabilities, which totalled €4,456 million at 31 December 2020, broke down into €2,230 million of bonds, €1,018 million of loans and other borrowings from credit institutions, and €1,029 million of current accounts held with subsidiaries.

Trade payables amounted to €53.4 million and broke down as follows:

- €27.5 million of provisions for invoices not yet received;
- €25.9 million of trade payables.

5.3.3.4 Payment deadlines for debts owed to suppliers and debts owed by customers

In accordance with articles L. 441-6-1 and D. 441-4 of the French Commercial Code, information on payment deadlines for debts owed to suppliers and debts owed by customers are shown in the table below:

PAYMENT DEADLINES – TABLE IN ACCORDANCE WITH ARTICLE D. 441-4, PAR. I OF THE FRENCH COMMERCIAL CODE

	Article D. 441-I 1°: invoices received, unpaid at year-end and past due					Article D. 441-I 2°: invoices issued, unpaid at year-end and past due						
	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late-payment tranches												
Number of invoices	614	603	612	93	321	1,629		89	76	21	296	482
Total amount of invoices, incl. VAT	16,969,359	2,834,362	1,276,280	369,008	2,138,024	6,617,674		2,149,358	1,400,737	49,810	1,425,553	5,025,458
Percentage of total purchases, incl. VAT, in the year	10.39 %	1.74 %	0.78 %	0.23 %	1.31 %	4.05 %						
Percentage of revenue, incl. VAT, in the year								1.29 %	0.84 %	0.03 %	0.85 %	3.01 %
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognised												
Number of invoices excluded						12						
Total amount of invoices excluded						392,724						
(C) Reference payment terms used (contractual or statutory deadline – article L. 441-6 or L. 443-1 of the French Commercial Code)												
Payment deadlines used to assess late payments	<ul style="list-style-type: none"> Contractual deadlines: invoice expiry date minus invoice issue date Statutory deadlines: 45 days from the invoice date 					<ul style="list-style-type: none"> Contractual deadlines: invoice expiry date minus invoice issue date Statutory deadlines: 45 days from the invoice date 						

5.3.3.5 Lavish expenses and overheads to be reversed

Lavish expenses, as defined in article 39-4 of the French Tax Code, totalled €302,900 for the financial year ended 31 December 2020, and the corresponding income tax expense was estimated at €97,844.

5.3.3.6 Information on existing branches (article L. 232-1 of the French Commercial Code)

In accordance with article L. 232-1 of the French Commercial Code, the Company reports that at 31 December 2019 it owned four branches located at:

- Zone Industrielle, 25870 Devecey;
- 2-12 chemin des Femmes, 91300 Massy;
- Allée de Roncevaux, 31240 L'Union;
- 59 rue Denuzière, 69002 Lyon.

5.3.3.7 Table of individual results for the past five years

Type of information/Period	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Duration of the period	12 months				
Financial position for the period					
a) Share capital	€525,190,790	€413,641,350	€409,882,125	€404,911,715	€400,890,210
b) Number of shares issued	105,038,158	82,728,270	81,976,425	80,982,343	80,178,042
Comprehensive income of actual operations					
a) Revenue excluding taxes	€139,053,371	€130,980,560	€83,774,203	€76,744,519	€69,034,532
b) Earnings before taxes, profit-sharing, amortisation/depreciation & provisions	-€3,863,364	€71,657,468	€55,610,984	€53,222,400	€12,141,844
c) Income tax	-€27,313,116	-€10,173,504	-€25,882,269	-€18,332,724	-€24,169,814
d) Earnings after taxes but before amortisation/depreciation & provisions	€23,449,752	€81,830,972	€81,493,253	€71,555,124	€36,311,658
e) Earnings after taxes, profit-sharing, amortisation/depreciation & provisions	€4,980,816	€66,961,178	€69,629,923	€61,869,242	€21,871,487
f) Amount of profit distributed	-	€49,191,338	€48,590,138	€48,109,415	€47,660,333
g) Employee profit-sharing	-	-	-	-	-
Earnings per share					
a) Earnings after taxes but before amortisation/depreciation	€0.22	€0.99	€0.99	€0.89	€0.45
b) Earnings after taxes, amortisation/depreciation & provisions	€0.05	€0.81	€0.85	€0.78	€0.27
c) Dividend per share	-	-	€0.60	€0.60	€0.60
d) Other distributions	-	-	-	-	-
Employees					
a) Number of employees	623	513	446	407	369
b) Total payroll	€47,972,614	€39,413,810	€33,548,145	€30,242,546	€26,198,642
c) Amounts paid as social benefits	€22,683,494	€17,188,802	€14,782,372	€11,793,454	€11,768,041

5.3.3.8 Research and development

The Group decided to set up a company foundation (the Korian Foundation for Ageing Well) to carry out research and studies on human and social sciences in partnership with university research centres and its facilities. This research work has not resulted in the filing of any patents of importance to its business.

Its projects help to develop and assess new therapeutic approaches in the field of non-medicinal treatment and

to improve medication prescription. Research is also underway into the impact of robotics and artificial intelligence on the quality of life of residents and the working conditions of care assistants.

Korian granted the Korian Foundation for Ageing Well a €760,000 subsidy in 2020 and put four FTEs at its disposal.

Korian benefits from a research tax credit calculated on the basis of the time its employees spend on research work; it amounted to €524,550 in 2020.

5.4 Proposed allocation of profit and dividend payment

5.4.1 Dividends paid over the past three years

The payment of dividends or any other distribution depends on the Group's financial results, notably its net profit, and its investment policy.

The dividend payment policy is described in section 7.3.6 of this universal registration document.

In accordance with article 243 bis of the French Tax Code, the shareholders convened for the General Meeting take note that the dividends and revenue distributed in respect of the last three financial years, and eligible for the 40% tax credit provided for in article 158 paragraph 3.2° of the French Tax Code, are as shown below:

Financial year concerned (financial year distributed)	Number of shares comprising the share capital	Number of shares receiving dividends	Dividend paid per share	Revenue distributed per share	
				Eligible for the 40% tax credit provided for in article 158, par. 3.2° of the French Tax Code	Ineligible for the 40% tax credit provided for in article 158, par. 3.2° of the French Tax Code
2019 (2020) ⁽¹⁾	-	-	-	-	-
2018 (2019)	81,985,563	81,950,284	€0.60	€0.60 ⁽²⁾	€0
2017 (2018)	80,983,563	80,960,195	€0.60	€0.60 ⁽³⁾	€0

(1) Given the scale of the public health crisis and out of solidarity with its stakeholders, the Group's General Meeting held on 22 June 2020 resolved to allocate the entire profit for the 2019 financial year to retained earnings and, therefore, not to distribute any dividends in respect of the 2019 financial year.

(2) The Combined General Meeting of 6 June 2019 granted each shareholder of the Company the option to receive payment of the dividend in cash or in shares.

(3) The Combined General Meeting of 14 June 2018 granted each shareholder of the Company the option to receive payment of the dividend in cash or in shares.

5.4.2 Allocation of profit for 2020

The Board of Directors meeting on 24 February 2021 noted that the net profit (loss) for the 2020 financial year amounted to €4,980,816.22 and resolved to ask the 2021 General Meeting convened to approve the financial statements for the year:

- to appropriate €249,040.81 from this profit and allocate it to the legal reserve, in accordance with the provisions set out in article L. 232-10 of the French Commercial Code;
- to note that the balance of profit for the 2020 financial year, i.e. the amount of €4,731,775.41, plus retained earnings amounting to €100,709,235.24, bring distributable profit to the sum of €105,441,010.65; and
- to resolve to allocate said distributable profit as follows:
 - as dividends: €31,511,447.40,
 - to the retained earnings account: €73,929,563.25.

It is specified that the amount of €31,511,447.40 allocated to dividends is based on the number of Korian shares outstanding at 20 April 2021, i.e. 105,038,158 shares, and that the final amount paid will take account of the number of treasury shares held by the Company at the time the dividend is paid. As a result, the amount corresponding to the treasury shares held by the Company will be allocated to the retained earnings account when the dividend is paid.

A dividend of €0.30 per share will thus be distributed to each share in the Company entitled to dividends, and shareholders will be given the option to receive payment in shares.

The shares listed on the Euronext Paris regulated market will go ex-dividend on 4 June 2021 and the dividend will be paid on 1 July 2021.

5.5 Legal and arbitration proceedings

There are no pending or potential governmental, legal or arbitration proceedings, including proceedings of which the Company is aware, that may have or, in the past 12 months, have had a material impact on the Company's and/or Group's financial position or profitability.

5.6 Significant changes in the Group's financial position since the end of the last financial year

We are not aware of any significant change in the Group's financial position since the end of the last financial year for which audited financial statements have been published.

5.7 Material events since the year-end

Having moved into Spain and the Netherlands in 2019, the Group is pursuing its controlled geographic expansion by entering the UK

Korian is now replicating this strategy in the UK market, which is the 4th largest market in Europe in terms of demograph.

The UK market is booming: the population of over-85s is set to double between 2020 and 2040 and by then 36% of the population is expected to be dependent. The deficit of nursing home beds in this growing market is estimated to reach 75,000 by 2030.

On 24 February 2021, Korian announced that it had entered into exclusive negotiation to acquire Berkley Care Group in the UK, a group with 6 high end care homes in the South of London, providing outstanding quality care with a high level of client satisfaction, in a very large market with a rising need for premium care. Korian will also acquire the real estate for 5 of the homes. The Group is expected to deliver c. £25 million of revenue in 2021.

Korian speeds up its European expansion in the mental health segment by acquiring Ita Mental Health

Korian announced on 17 March 2021 that it has signed an agreement to acquire Ita Mental Health, the third largest player in mental health in Spain, from Magnum Capital. Pending usual regulatory authorisations the acquisition is expected to close in a few months.

Following the acquisition of Inicea, a major player in France, in December 2020, Korian pursues its development in mental health by becoming the third largest player in both France and Spain, with a clear focus on innovative, specialised care solutions in an inpatient and outpatient environment.

The Group has signed an agreement to acquire Ita Mental Health a group specialised in mental health with 39 facilities across Spain. Ita Mental Health is the third largest player in Spain by number of beds or second largest by revenue, with a strong presence particularly in Catalonia, Madrid and Valencia.

The network includes 27 inpatient clinics and 12 day hospitals (including 2 antennas) with reputed specialisations in

behavioural, personality and eating disorders, addictions and neurodevelopment and general psychiatry.

The company has grown rapidly over the last five years, to match the growing needs of the Spanish population for mental health care. Indeed it is estimated that over 3 million people in Spain require mental health care and that this figure is set to continue to rise significantly in the next few years, with a rising demand for private and outpatient care to meet specific requirements.

The Group has an excellent reputation for medical care with a proprietary model ensuring the treatment of the patient within their environment and entourage with capabilities to cover all phases of the pathology. Its reputation is reflected in its NPS score of 70%, one of the highest in the sector.

Two thirds of the Ita network has an ISO quality certification.

The platform is expected to generate c. €50 million of revenue in 2021 and the fast pace of growth is set to continue as the facilities ramp up and new projects are finalised. The Group has specific experience and competencies in providing outpatient care and the significant pipeline of greenfield opportunities, will lead to the opening of 5 sites per year (facilities and consultation units). This should result in a revenue growth of c. 15% of CAGR until 2024 and the EBITDA margin is accretive to the Group from 2021.

Ita benefits from the development of its outpatient mode, leading to a reduced requirement for real estate, resulting in a low effort rate. Nevertheless, Korian is acquiring the real estate of 1 large clinic and 2 day hospitals for

approximately €10 million, which represents around 15% of the portfolio.

From 2022 Korian expects to have revenue of around €250 million from mental health care within the Group and will continue to invest in innovative care in this area to provide solutions to the growing needs, particularly in a post Covid environment.

Revenue from Spain is expected to grow to around €130 million in the next two years confirming the pertinence of Korian's acquisition approach in the country. The group will now be present across the country enabling it to develop its different service offerings to provide adapted care for different conditions.

Q1 2021 information: dynamic revenue growth from a resilient business model and good performance of recent acquisitions

Update on Covid-19 health crisis and vaccination campaign

Over the period, Korian has maintained a high level of vigilance and stringent Covid-19 procedures. Having faced the second wave across Europe, nursing homes are now protected from Covid infections, as demonstrated with less than 0.3% of the nursing home residents still with cases, which are almost all asymptomatic. The vaccination campaign has now enabled with more than 84% of residents and more than 59% of employees vaccinated, with an objective to finalise the campaign by end of May in all the countries where the Group is present and will be extended to residents who were not able to be vaccinated during the first campaign due to a Covid-19 infection over the last 3 months. A vaccination strategy is in place for all new residents and will also contribute to the vaccination effort for the local population in agreement with local health authorities.

1st quarter 2021 revenue

In the first quarter of 2021, Korian generated revenue of €1,018.2 million, up 8.1% compared to the same period last year, which was only marginally affected by the pandemic.

The dynamic growth is mainly driven by the good performance of the acquisitions the group completed in 2020 and early 2021, with a strong performance from Inicea, specialised in mental health, since its integration in December 2020, but also the other acquisitions in medical activities in Italy and France, as well as the expansion in the Netherlands and the entry in the United Kingdom through the acquisition of Berkley Care Group.

The organic growth of 1.4% reflects the resilient and diversified business model of the Group. This growth is driven by the nursing homes activities in Germany benefitting from the repositioning and the increase in capacity over the last two years as well as a favourable care mix evolution. The organic growth also reflects the continued growth of medical care services growing c. 8% organically in Italy and France, following the increased specialisation and outpatient capacity.

In millions of euros	1 st quarter		% growth	
	2021	2020	Reported	Organic
Revenue				
France ⁽¹⁾	510.8	460.9	+10.8 %	+2.8 %
Germany	259.3	245.2	+5.8 %	+3.5 %
Benelux ⁽²⁾	143.4	139.1	+3.1 %	+0.3 %
Italy	104.7	96.4	+8.6 %	-8.7 %
TOTAL REVENUE	1,018.2	941.6	+8.1 %	+1.4 %

(1) Including €7.8m of revenue from Spain in Q1 2021 versus €8.6m in Q1 2020 and €1.8m from the UK in Q1 2021.

(2) Including €125.2m of revenue from Belgium and €18.2m from the Netherlands in Q1 2021 versus €129.0m and €10.1m respectively in Q1 2020.

Q1 revenue by geography

- **In France**, including Spain and UK, revenue reached €510.8 million⁽¹⁾, up 10.8% compared to the same period in 2020 driven notably by the acquisitions of 5 Santé (February 2020) and Inicea (December 2020). The organic growth of 2.8% reflects the dynamic activity in medical care, following the ongoing transformation of the network and the increase in outpatient capabilities.
- **In Germany**, revenue totalled €259.3 million, up 5.8%, driven by a solid organic growth of 3.5% despite the second, more difficult, wave of the pandemic in Germany and a contribution from recent acquisitions to extend the Group's reach in the Lower Saxony and North Rhine-Westphalia regions and homecare activities.
- **In the Benelux region**, revenue amounted to €143.4 million⁽²⁾ up 3.1% on last year with an organic growth of 0.3%. The growth is driven by development of the platform in the Netherlands that now represents around 1,100 beds.
- **In Italy**, revenue was up 8.6% at €104.7 million, driven by the acquisitions of clinics completed in 2020, notably in Rome and the Puglia region. The organic decrease of -8.7% reflects the low level of occupation in the nursing homes mainly located in the north of Italy and severely affected by the pandemic and restrictions on new entries lasting until recently. New entries are now facilitated following the completed vaccination campaign.

5.8 Foreseeable changes – outlook

The success of the vaccination campaigns across Europe was a necessary step towards the normalisation of the level of activity in nursing homes. Therefore, despite the restrictions and procedures still in place in most countries, the Group notes since mid-March an overall positive dynamic across its geographies, and particularly in Germany and Italy. With the mobilisation of its teams and the investments made by the Group in its human resource policies, the network is well positioned to respond to the important needs to care for the elderly and those with chronic disease and accompany the rebound in activities.

Korian also announced on 19 April 2021 the acquisition of Intensivpflegedienst Lebenswert GmbH (IPDL), a leading German intensive care company based in southern Germany (Baden-Württemberg and Bavaria). This acquisition is fully in line with the Group's ambulatory care strategy and the deployment of specialized medical care in its geographies. For 2021, revenue is expected at c. 10 million euros, with solid growth prospects.

Based on these elements, the Group expects revenue for 2021 to grow by more than 9% in 2021, in line with the 2022 target on revenue of over 4.5 billion euros.

The Group is confident in the achievement of its 2022 targets of over €4.5 billion of revenue and an EBITDA margin excluding IFRS 16 of 15.5%.

The Group is also focused on the delivery of its extra financial commitments and in particular its 15 ESG commitments for 2023. ESG targets, covering client satisfaction and care quality, quality of work, promotion of gender diversity in the top management and energy savings are now integrated in the incentive system of Korian management.

The Group will hold a Capital Markets day on 16th June 2021 (details to follow).

(1) Including €7.8m in Spain and €1.8m in the UK.

(2) Including €18.2m in the Netherlands.

6.

Financial statements for the year ended 31 December 2020

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6.1 Consolidated financial statements for the year ended 31 December 2020

Consolidated income statement

<i>In thousands of euros</i>	Notes	31.12.2020	31.12.2019
Revenue	3.2	3,772,909	3,612,502
Other revenue	3.2	101,100	0
Revenue and other income		3,874,009	3,612,502
Purchases used in the business		-297,045	-276,743
Personnel expenses	4	-2,095,982	-1,917,334
External expenses		-517,049	-448,904
Income tax and other taxes		-112,138	-93,979
Other operating income and expenses		9,326	9,353
EBITDA		861,120	884,895
Depreciation, amortisation and impairment		-556,681	-510,641
Other operating income and expenses	3.3	-38,536	-15,683
Operating income	3.1	265,904	358,571
Cost of net debt	8.1	-91,735	-62,519
Other items of financial income	8.1	-114,112	-120,541
Net financial income	8.1	-205,847	-183,060
Profit/(loss) before tax		60,057	175,511
Income tax	10	-17,176	-59,286
Profit/(loss) from consolidated companies		42,881	116,224
Profit/(loss) from equity-accounted companies		-776	
Net profit/(loss)		42,104	116,224
Non-controlling interests		-2,702	-1,544
Share attributable to owners of the Group		39,402	114,681
Net profit/(loss) per share attributable to owners of the Group (<i>in euros</i>)	7	0.43	1.29
Diluted earnings per share attributable to owners of the Group (<i>in euros</i>)	7	0.30	1.09
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE GROUP		39,402	114,681
Recycled items: impact of IFRS 9 and IFRS 2 (measurement of hedging instruments and free share plans) net of tax ⁽¹⁾	*	-2,292	-5,594
Non-recycled items: impact of IAS 19 impact (actuarial gains and losses) ⁽¹⁾	*	-1,233	-5,329
Gains and losses recognised directly in equity (attributable to owners of the Group)⁽¹⁾	*	-3,524	-10,923
Net profit/(loss) and gains and losses recognised directly in equity (attributable to owners of the Group) ⁽¹⁾	*	35,878	103,757
Net profit/(loss) and gains and losses recognised directly in equity (non-controlling interests) ⁽¹⁾	*	2,702	1,544

(1) See Consolidated statement of changes in equity.

Consolidated statement of financial position

Assets

<i>In thousands of euros</i>	Notes	31.12.2020	31.12.2019
Goodwill	5.1	2,905,604	2,504,154
Intangible assets	5.2	2,157,750	1,943,860
Property, plant & equipment	5.3	2,645,240	2,031,514
Rights of use	5.5	3,456,880	3,441,069
Financial assets		64,738	38,152
Equity-accounted securities		5,224	
Deferred tax assets	10.3	79,181	76,259
Non-current assets		11,314,617	10,035,008
Inventory	3.4	36,186	33,909
Trade receivables and related accounts	3.4	315,301	284,047
Other receivables and current assets	3.4	369,899	235,870
Financial instruments – assets	8.2	2,216	4,619
Cash and cash equivalents	8.4	1,159,109	344,786
Current assets		1,882,711	903,232
TOTAL ASSETS		13,197,328	10,938,240

Liabilities

<i>In thousands of euros</i>	Notes	31.12.2020	31.12.2019
Share capital		525,191	413,641
Premiums		1,182,778	902,503
Consolidated reserves and retained earnings		1,449,011	1,242,043
Equity attributable to owners of the Group		3,156,980	2,558,187
Non-controlling interests		165,566	11,449
Total shareholder's equity		3,322,546	2,569,637
Provisions for pensions	4.2	99,524	85,454
Deferred tax liabilities	10.3	605,204	534,627
Other provisions	9	61,978	57,028
Borrowings and financial debt	8.2	3,046,850	2,408,004
Lease liabilities - more than 12 months	5.5	3,350,880	3,315,424
Other non-current debt		96,106	38,544
Non-current liabilities		7,260,542	6,439,082
Provisions for liabilities due in less than one year	9	9,901	12,607
Trade payables and related accounts	3.4	453,620	369,942
Other liabilities and accruals	3.4	799,396	733,205
Current borrowings and bank overdrafts	8.2	952,072	453,481
Lease liabilities - less than one year	5.5	361,683	331,270
Financial instruments - liabilities	8.5	37,567	29,016
Current liabilities		2,614,241	1,929,522
TOTAL LIABILITIES		13,197,328	10,938,240

Consolidated statement of cash flows

<i>In thousands of euros</i>	Notes	31.12.2020	31.12.2019 restated ⁽¹⁾
Net profit/(loss)		42,104	116,224
Income tax expense ⁽²⁾		17,176	59,286
Net depreciation/amortisation and provisions		524,721	460,330
Profit/(loss) from equity-accounted companies		776	
Gain/(loss) at fair value and non-cash items		-68	4,225
Gain on disposal of assets		42,111	2,289
Elimination of acquisition costs of securities		15,829	8,008
Elimination of cost of net financial debt ⁽¹⁾		205,553	177,985
Cash Flow before cost of net financial debt		848,203	828,348
Change in inventories ⁽³⁾		-14,175	-740
Change in trade receivables		6,404	-26,224
Change in trade payables		29,856	31,257
Change in other items		-9,093	-7,548
Change in working capital requirement		12,992	-3,255
Income taxes paid⁽²⁾		-66,269	-59,379
Net cash generated from operations		794,927	765,714
Impact of changes in scope (acquisitions)	2	-648,340	-349,099
Impact of changes in scope (disposals)	2	37,713	4,299
Purchases of property, plant and equipment and intangible assets ⁽³⁾	5.4	-520,103	-326,271
Other financial investments disbursed		6,425	7,774
Proceeds from disposals of non-current assets (excluding securities)		27,197	27,051
Net cash from/(used in) investing activities		-1,097,108	-636,247
Net cash flow		-302,182	129,467
Capital increase		640,763	29
Treasury shares charged to equity		-1,234	1,105
Debt issuance	8.2	1,943,136	588,560
Repayment of borrowings and financial debt	8.2	-936,430	-411,188
Net change in bank overdrafts		-1,480	
Repayment of lease liabilities	5.5	-349,313	-301,491
Other financial flows from/(used in) financing activities		9,096	
Interest expense ⁽¹⁾		-84,697	-74,485
Interest income		12,976	1,272
Interest paid on lease liabilities ⁽¹⁾		-110,177	-105,244
Net interest paid		-181,899	-178,457
Other financial liabilities		-7,521	-8,247
Dividends paid to shareholders of the parent		63	-24,657
Dividends paid to non-controlling interests in consolidated companies		-2,943	-511
Dividends		-10,401	-33,415
Net cash from/(used in) financing activities		1,112,240	-334,858
CHANGE IN CASH POSITION		810,058	-205,391
Cash and cash equivalents at the start of the period		337,203	542,594
Cash and cash equivalents at the end of the period		1,147,261	337,203
Marketable securities	8.4	220,331	55,100
Cash	8.4	938,778	289,686
Bank overdrafts	8.2	-11,849	-7,583
CASH AND CASH EQUIVALENTS		1,147,261	337,203

Items reclassified during the comparison period.

(1) Reclassification of financial interest during the comparison period.

(2) Reclassification of tax paid during the comparison period.

(3) Reclassification of work in progress during the comparison period.

Consolidated statement of changes in equity

<i>In thousands of euros</i>	Share capital	Premiums	Shares and equity instruments	Investments and financial placements	Cash flow hedges and cost of hedging	Employee benefits	Charged directly to equity	Reserves and consolidated results	Equity attributable to owners of the Group	Non-controlling interests	Total shareholder's equity
At 31 December 2018	409,882	881,765	-621	281,742	-14,709	-30,918	286,891	742,153	2,556,186	11,814	2,567,999
Dividend distribution								-49,170	-49,170	-2,610	-51,780
Capital increase	3,759	20,738						-46	24,452	5,903	30,355
Business combinations								0	0	-54	-54
Treasury shares			1,105						1,105		1,105
Equity instruments				-7,715					-7,715		-7,715
Acquisition of non-controlling interests and other changes							-167	-15,529	-15,696	-5,147	-20,843
Net profit in 2019								114,681	114,681	1,544	116,224
Impact of IAS 19 Actuarial gains and losses						-5,329			-5,329		-5,329
Impact of IFRS 16 on the restatement of lease income (net of tax)							-54,731		-54,731		-54,731
Measurement of hedging derivatives and free share plans			1,619		-7,212				-5,594		-5,594
Comprehensive income			1,619		-7,212	-5,329		114,681	103,757	1,544	105,301
At 31 December 2019	413,641	902,503	2,103	274,027	-21,921	-36,247	231,993	792,088	2,558,187	11,449	2,569,638
Dividend distribution										-2,886	-2,886
Capital increase	111,549	280,274						-983	390,841	269,031	659,872
Business combinations										15,780	15,780
Treasury shares			-788						-788		-788
Equity instruments				26,278					26,278		26,278
Acquisition of non-controlling interests and other changes								142,070	142,070	-130,510	11,560
Net profit in 2020								39,402	39,402	2,702	42,104
Impact of IAS 19 Actuarial gains and losses						-1,233			-1,233		-1,233
Impact of IFRS 16 on the restatement of lease income (net of tax)							4,513		4,513		4,513
Measurement of hedging derivatives and free share plans			1,043		-3,335				-2,292		-2,292
Comprehensive income			1,043		-3,335	-1,233		39,402	35,878	2,702	38,580
AT 31 DECEMBER 2020	525,191	1,182,777	2,358	300,305	-25,256	-37,480	236,506	972,578	3,156,980	165,565	3,322,545

Notes to the consolidated financial statements

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The consolidated financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 24 February 2021 and were reviewed by the Audit Committee on 22 February 2021.

The Group and its subsidiaries are:

- companies operating long-term care nursing homes providing accommodation and care for elderly people who are unable to live at home due to their state of dependency. Their mission is to provide elderly people with dignified support and care, irrespective of their level of dependency, up until the end of their life;
- companies operating specialised clinics, which care for convalescent or disabled patients after an intensive

care stay. Their purpose is to reduce physical and/or psychological disability or restore autonomy to help the patient return home and reintegrate their social and working environment;

- companies operating assisted living facilities offering independent elderly people an environment that suits their lifestyle, while facilitating social interaction;
- companies operating home care networks, which offer an alternative to hospitalisation;
- companies whose purpose is to own the facilities' premises.

Note 1 • ACCOUNTING PRINCIPLES

Declaration of compliance

The consolidated financial statements have been prepared in accordance with the international accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union at the balance sheet date. These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), together with their interpretations, which are available on the European Union's website at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002_fr

The consolidated financial statements were prepared using the same accounting methods and policies that were used to prepare the consolidated financial statements for the year ended 31 December 2019, with the exception of the standards, amendments and interpretations that were compulsory as of 1st January 2020 and which had not been adopted in advance by the Group:

- amendments to **IFRS 3** "Business Combinations" involving the "Definition of a business";
- amendments to **IAS 39** and **IFRS 9** "Interest Rate Benchmark Reform" concerning the implications of IBOR reform (disappearance of Euribor, Eonia, etc.), particularly for hedging;
- amendments to **IAS 1** "Presentation of the financial statements" and **IAS 8** "Accounting Policies, Changes in Accounting Estimates and Errors" involving the "Definition of Material";

- amendments to "References to the Conceptual Framework in IFRS Standards".

These amendments did not have any material impact on the 2020 accounts.

IFRS standards, amendments and interpretations applicable after 2020 and not adopted in advance by the Group

- **IFRS 17** "Insurance Contracts";
- amendments to **IAS 1** "Presentation of the Financial Statements" involving the "Classification of Liabilities as Current or Non-current";
- amendment to **IAS 37** "Provisions";
- amendment to **IAS 16** "Property, Plant and Equipment";
- annual improvements to IFRS standards - Cycle 2018-2020.

An analysis of the impact of the application of these standards and amendments is underway.

Presentation of the financial statements

The Group's consolidated financial statements are prepared on a historical cost basis except for assets and liabilities, which are recorded at fair value in accordance with IFRS 9 (Note 8.3). Current assets and liabilities are assets and liabilities held for use or sale as part of the normal business cycle (less than one year).

The consolidated financial statements are presented in thousands of euros.

Critical accounting estimates and judgements

To prepare the consolidated financial statements, the Group applies estimates and judgements that are regularly updated and which are based on historical experience and other factors, including expectations of future events deemed reasonable in view of the circumstances. For items on which assumptions and estimates are used, the results of tests on the sensitivity of accounting values to the main assumptions are provided in the relevant notes.

In preparing the financial statements, the Group made material estimates and judgements on the following items. These estimates and judgements were adapted to take into account the crisis caused by Covid-19 and are explained in Note 2.

a) Business combinations (Notes 2 and 5.1)

As regards acquisitions (IFRS 3 "Business Combinations"), the Group measures acquired assets (particularly operating licences) and liabilities at fair value.

Liabilities, price adjustments and options pertaining to commitments to purchase non-controlling interests are valued on the basis of the information or situations prevailing at the date of preparation of the financial statements (medium-term business plan), which may prove to be different from actual outcomes.

Changes in fair value of liabilities in respect of options (put options on non-controlling interests) are recognised in equity.

b) Goodwill, intangible assets and property, plant and equipment (Note 5)

The values in use of intangible assets and plant, property and equipment at each CGU are based on the Company's internal valuations and its medium-term business plan. The main valuation assumptions applied (medium-term growth rate, discount rate, margin and perpetuity growth rate) were estimated by the Group.

The accounting value of assets is reviewed annually, and whenever events or circumstances indicate that

they may have been impaired. Such events and circumstances may be due to material adverse changes of a lasting nature that affect either the economic environment or the assumptions and objectives used at the last balance sheet date.

c) Leases (Note 5.5)

Under IFRS 16, lease liabilities pertaining to real estate are determined by the term of said leases, corresponding to the non-cancellable period, and, where applicable, any options for renewal that the Group is reasonably certain to implement.

d) Employee benefits (Note 4)

The discounted value of the liabilities associated with employee benefits is calculated using various

assumptions, such as the discount rate, the salary growth rate, employee turnover and the retirement age. Any change made to these assumptions has an impact on the carrying amount of liabilities associated with employee benefits. Note 4 "Employee benefits" provides more detailed information on this subject.

e) Classification of corporate value added tax (CVAE) (Note 10.2)

The Group has analysed its accounting treatment of the French tax on corporate value added (CVAE) in respect of IFRS. It concludes that the CVAE qualifies as a tax on income as defined by IAS 12.2 ("Taxes based on taxable income")

Impairment of intangible assets, property, plant and equipment and goodwill

The book values of assets are reviewed periodically:

- for non-amortisable intangible non-current assets (operating licences) and goodwill: at each balance sheet date, or more frequently if there are signs of impairment;
- for all other assets: as soon as signs of impairment are observed.

Two types of impairment indicators may trigger impairment testing:

- external indicators (e.g. market value and material changes in the business environment);
- internal indicators (e.g. a decrease in the occupancy rate, a change in regulations, asset obsolescence, weaker-than-expected performance, etc.).

Depending on the type of asset, impairment testing is performed either on cash-generating units (CGU) or on a group of CGU (goodwill).

A CGU is a uniform group of assets that generates cash more or less independently of other CGU.

The recoverable amount of a CGU is the greater of the fair value less exit costs and the value in use. The fair value of a CGU is measured using observed recent market data.

The value in use applied by the Group is the value of the future economic benefits expected from the use and disposal of the CGU. This is calculated on the basis of future cash flows, as based on the economic assumptions and estimated operating conditions applied by Group management, according to the following principles:

- pre-tax cash flows are based on Group's revised budget for the current year, as prepared by the Group

Financial Control department and approved by the Board of Directors;

- the discount rate is determined from the Group's weighted average cost of capital;
- average discount rates are 6.0% for France, 5.5% for Germany, 6.0% for Belgium, 7.0% for Spain and 7.5% for Italy;
- the average growth rate used is 1.75%;
- the business plan applied is the Group strategic plan.

First-level impairment testing

Intangible assets and property, plant and equipment are tested for impairment at the CGU to which they are allocated. Prior to 31 December 2017, the CGU were considered to be nursing homes or clinics.

Since end 2018, and as a result of changes in its market and business sectors, the Group has changed its organisation and the way in which it manages and steers its operations, such that it notably takes account of the interdependence of cash flows between facilities and the potential to exploit licences at provincial or regional level, in connection with French Regional Health Authorities (ARS). Accordingly, the Group chose to group the CGU, for each type of business activity (care home or clinic), by territorial area: with one CGU per province in France, and one per region in Italy and Belgium.

The purpose of first-level testing is to check that the recoverable value of the CGU (which is the greatest of its useful value and its fair value) is at least equal to its net accounting value.

Second-level impairment testing

The second-level of impairment testing, which includes goodwill, is conducted on a group of CGUs on a country basis. The purpose of second-level testing is to check that the recoverable amount of each segment

is at least equal to the Group's consolidated net assets (including goodwill) for that segment.

If any impairment is identified, it is first applied to goodwill (as this impairment is irreversible) and if goodwill is insufficient, then to the value of the licences and property, plant and equipment.

Note 2 • HIGHLIGHTS

Covid-19 pandemic

In light of the international health crisis caused by the Covid-19 pandemic, the Group immediately took action in anticipation of the instructions and guidelines issued by local health authorities, based on their best available knowledge on the spread of the epidemic at that time.

The accounting items impacting the consolidated financial statements for the year ended 31 December 2020 are presented below:

“Ségur de la Santé” health sector consultations

In the wake of the Covid-19 outbreak, the French government organised a series of consultations with a view to implementing measures and setting firm guidelines to drive the country's healthcare system forward and improve the daily life of healthcare workers and patient care. This led to salary increases, applicable from 1st September 2020. Funding was made available to support these pay rises, with the result that Korian recognised €5.4 million in other income in respect of its post-acute and rehabilitation care arm and €12.6 million in revenue from its nursing homes arm in 2020 (the funding being priced into the increase in nursing home treatment rates).

Offsetting for loss of income

“Other income” includes €95.7 million in offsetting items recognised in the accounts for the year ended 31 December 2020 in respect of loss of revenue in France, Belgium and Germany. Indeed, during the period under consideration, top-up income was transferred by governments to companies whose revenue from business activities fell below the official floors set by decree in each country where these decrees were put in place such that said floor levels were attained.

Personnel expenses and external expenses

The Group recognised:

- €15.7 million in non-recurring personnel expenses which should not arise again in future. This figure includes €8.9 million in respect of the share of the exceptional bonus paid out in France and not compensated by the national health authorities and the additional wage costs incurred during the crisis;

- €11.2 million in non-recurring external expenses which should not arise again in future. Most of these expenses stem from abnormal levels of consumption of personal protective equipment, the price of which also increased sharply (up to 10 times the usual market price).

The total amount of these non-recurring items came to €26.9 million at 31 December 2020.

Identification of impairment loss

The Group recorded a partial loss in revenue due to the increase in the mortality rate, the halt in certain activities and the ban on taking on new residents during the period from March to May 2020. Over the period October-December 2020, the pandemic caused a second partial loss of revenue. The Group recorded reductions in revenues due to the lockdown measures across Europe resulting in the suspension of certain activities and a ban on welcoming new residents into the nursing homes. These measures were in place throughout the period of March to June 2020 and also during the period October to December 2020.

The Group revised its three-year business plan to take into account the impact of the pandemic on activity in the countries in which it operates. The main assumptions underpinning its long-term business plan were taken into account in the test conducted on 31 December 2020, as were the expected short-term effects of the pandemic on overall activity volumes.

The tests conducted on the value of operating licenses in respect of the 2020 fiscal year resulted in the recognition of a €1.768 million write-off in the value of the licenses in two French areas (*départements*).

Liquidity risk

Throughout 2020, the Group took steps to preserve and strengthen its liquidity by implementing several financing and refinancing initiatives.

OCEANE bond issue

On 3 March 2020, Korian announced that it had successfully completed the placement of convertible bonds that can be converted and/or exchanged into new shares and/or existing shares (OCEANE bonds), maturing in 2027, for a nominal amount of approximately €400 million, and issued to qualified investors only.

The bonds were issued at par and their nominal unit value was set at €61.53, corresponding to a conversion premium of 55% relative to the Company's reference share price €39.70.

Bondholders have the right to allocate/exchange new and/or existing Korian shares at an initial conversion/exchange ratio of one share per Bond, subject to any subsequent adjustments.

An initial adjustment was made in October 2020 as a result of the Group's capital increase, taking the conversion/exchange ratio to 1.091 shares per bond.

The Group also signed the following:

- on 19 March 2020, a new issue of German-law registered bonds (NSV – *Namenschuldverschreibung*) with a 15-year maturity, in the amount of €49 million. These pay an annual coupon of 2.50%. The bonds were settled and delivered on 9 April 2020;
- in April 2020, the exercise of the first option to extend the €500 million revolving credit facility (RCF) tranche of its syndicated loan agreement by one year. The RCF is now due to expire in 2025 and gives the Group greater visibility and financial flexibility thanks to the support of its banking partners;
- on 19 June 2020, its first Sustainability Linked Euro PP, with an eight-year maturity, in the amount of €173 million, which was a success. The total amount of this Euro PP came to €230 million, after a tap issue of €57 million, fully fungible with the original issue, was announced on 6 October 2020;
- finally, on 18 December 2020, a €55 million loan with the European Investment Bank. This loan, which has a 10-year maturity, will enable Korian to fund its stake in SCI Foncière Ages&Vie, a property investment company created in 2019 and owned jointly by Banque des Territoires and Crédit Agricole Assurances, with a view to investing in the development of the network of Ages & Vie properties owned by Korian Group.

Capital increase

The Group announced a capital increase on 8 October 2020.

At the end of the subscription period, which closed on 26 October 2020, total demand exceeded 30 million shares. The transaction was oversubscribed by around 136%:

- 21,447,868 new shares were subscribed on an irreducible basis, accounting for around 97% of the new shares to be issued;
- 8,752,796 new shares were subscribed on a reducible basis and were only partly allocated, at 665,428 new shares.

Consequently, the gross amount of the capital increase, including the issue premium, came to €400,250,657.60, corresponding to the issue of 22,113,296 new shares with a

nominal value of €5 each and a subscription price of €18.10 per unit.

Real-estate partnership

Korian signed an agreement with BNP Paribas Cardif and EDF Invest for a long term partnership with an investment into a real-estate holding vehicle controlled and managed by Korian.

The dedicated vehicle owns 81 assets across France, Germany, Italy and Belgium, with an overall value of €1 billion.

BNP Paribas Cardif and EDF Invest each invested half of the total €336 million injected, equivalent to a 49% stake in the real-estate vehicle. The agreement was signed for a 15-year period, which may be extended, and provides for a minimum lock-up period of seven years for the investors.

Changes in the scope of consolidation

At 31 December 2020, the consolidation scope included, in addition to the parent company Korian SA, 671 fully consolidated companies (579 at 31 December 2019).

The financial year ended 31 December 2020 was highlighted by the following events:

Changes in scope – France

- In February, Korian acquired the group 5 Santé, consisting of six clinics specialising in the treatment of chronic diseases and located in the French regions of Auvergne-Rhône-Alpes and Occitania. These have more than 500 beds and around 100 outpatient units overall, with total annual revenue estimated at €44m.
- In April, Korian acquired the group Les Essentielles, which provides assisted living facilities in towns and cities. Les Essentielles now has 11 assisted living facilities (914 accommodation units) and generates estimated annual revenue of €14m.
- In December, Korian acquired the group Inicea, France's third-largest private psychiatric hospital operator. Inicea is worth around €360 million overall, of which around €140 million in real estate. Annual 2020 revenue is estimated at €104 million.

Changes in scope – Germany

- In April, Korian acquired Qualivita, a family-run business based in Lower Saxony and North Rhine-Westphalia. Qualivita has built up a local platform combining long-term care nursing homes (607 beds), assisted living facilities (163 apartments), day care centres (42 places) and home care and support services. It generates estimated annual revenue of €25 million. Other platforms will be developed using the same business model, with a view to adding a further 265 medical beds and 185 apartments in assisted living facilities.

Change in scope – Netherlands

- In January 2020, Korian acquired a total of nine complexes (three of which already in operation and six under development, giving a total of 250 beds and apartments by 2021) from Het Gouden Hart, a family-run company providing medical units combining assisted living facilities and out-patient care. The founders will assist Korian in developing their concept and related healthcare services. Annual revenue is estimated at €5 million.
- The Group also signed an initial agreement in February, followed by a second deal in March, to acquire 12 care facilities, including two geriatric rehabilitation centres near Amsterdam from Ontzorgd Wonen, the leading private operator in the Netherlands. Annual revenue is estimated at €22 million.
- In June 2020, the Group announced the acquisition of Rosorum, a company operating five living facilities specialised in psychogeriatrics. These combine long-term care nursing homes with assisted-living facilities and are designed to accommodate elderly people with psychiatric or somatic disorders. These high-quality, HKZ-

certified⁽¹⁾ facilities are located in suburban areas and have a capacity of 111 beds, with 79 additional beds to be installed. Annual revenue is estimated at €9 million.

Changes in scope – Italy

- In April, the Group acquired 70% of family-owned group Santa Chiara, thereby rounding out its presence in Tuscany in terms of out-patient care, diagnostics and functional rehabilitation. Annual revenue is estimated at around €44 million.
- In April, the Group also acquired Santa Marinella, a long-term care nursing home with a capacity of 100 beds to flesh out the healthcare network developed by Korian and set the stage for developing complementary offers. Annual revenue is estimated at €4 million.
- Finally, in December, the Group acquired a network of five nursing homes, with a capacity of 385 beds (Ideass Group) and located in the Pouilles region, from a private entrepreneur. One of these establishments combines a nursing home, rehabilitation centre and outpatient clinic.

Key information on material changes in scope

► Impact on cash of acquisitions and disposals of subsidiaries and joint ventures

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Purchase price of subsidiaries [A]	667,164	407,781
Cash out/cash in [B]	695,095	374,548
Debt incurred/repaid [C] = [A]-[B]	-27,931	33,233
Disposal price [D]	37,719	4,659
Cash acquired [E]	46,755	25,449
Cash disposed of [F]	6	361
IMPACT OF CHANGE IN SCOPE [G] = [E]-[F]-[B]+[D]	-610,627	-344,801

The subsidiaries acquired during the year were not materially significant. As such, their opening IFRS balance sheets at the date of acquisition have been aggregated for presentation purposes.

(1) Dutch quality standard.

The impact on the consolidated statement of financial position of the financial position of the subsidiaries acquired and of the provisional allocation of their acquisition prices over the year breaks down as follows:

<i>In thousands of euros</i>	Assets contributed	Liabilities contributed
Goodwill	400,489	1,947
Intangible assets	199,182	
Property, plant & equipment	357,597	
Rights of use	178,145	
Equity-accounted securities	3,428	
Financial assets	9,673	
Deferred tax assets	6,230	
Non-current assets	1,154,744	
Inventory	427	
Trade receivables and related accounts	28,285	
Other receivables and current assets	26,921	
Current assets	55,633	
Non-controlling interests		39,803
Provisions for pensions		4,191
Deferred tax liabilities		93,210
Other provisions		10,438
Borrowings and financial debt		105,380
Lease liabilities - more than 12 months		164,685
Other non-current debt		52,954
Non-current liabilities		430,858
Provisions for liabilities due in less than one year		875
Trade payables and related accounts		34,329
Other liabilities and accruals		75,236
Borrowings due within 1 year		38,500
Lease liabilities - less than one year		18,551
Financial instruments - liabilities		5,142
Current liabilities		172,634
ASSETS CONTRIBUTED	1,210,378	
LIABILITIES CONTRIBUTED		645,241
Net contribution	565,137	

Note 3 • SEGMENT INFORMATION – EBITDAR – WCR

3.1 Operating segments

IFRS 8 requires the disclosure of sector information based on the components of the Group reviewed and measured by the Group's management. These segments (operating sectors) are identified on the basis of internal reports that are regularly reviewed by the Group's operational management when deciding to allocate resources to these segments and when assessing their results.

The Group is organised around four operating segments: France, Germany, Benelux and Italy.

The Group's operational management monitors the indicators shown in the table below, particularly revenue and EBITDAR.

EBITDAR consists of the Group's current income and expenses. It therefore provides an indicator of operating performance. Professionals use this indicator to measure the company's operating performance when real-estate policies are excluded.

Total revenue from the Group's ordinary activities is homogeneous, whether in terms of type of service provided, type of customer and type of contract. No long-term contracts or multiple component contracts exist that would justify staggering the recognition of revenue over time.

Operating segments as at 31.12.2020 <i>In thousands of euros</i>	Total of all activities	France ⁽¹⁾	Germany	Benelux ⁽²⁾	Italy
Revenue and other income	3,874,009	1,877,971	1,021,236	572,340	402,463
EBITDAR ⁽³⁾	937,559	468,543	272,794	132,930	90,212
	24.2%	24.9%	26.7%	23.2%	22.4%
Transition from EBITDAR to operating income at 31 December 2020:					
EBITDAR	937,559				
Lease expenses	-76,438				
EBITDA	861,120				
Depreciation, amortisation and impairment	-556,681				
Other operating income and expenses	-38,536				
Operating income	265,904				

(1) Includes €33.4 million in revenue in Spain.

(2) Includes €57.6 million in revenue in the Netherlands.

(3) Includes €26.9 million relating to costs of Covid-19 not broken down by operating segment.

Operating segments as at 31.12.2019 <i>In thousands of euros</i>	Total of all activities	France ⁽¹⁾	Germany	Benelux ⁽²⁾	Italy
Revenue and other income	3,612,502	1,760,922	961,052	515,501	375,028
EBITDAR	944,553	473,911	251,783	130,082	88,777
	26.1%	26.9%	26.2%	25.2%	23.7%
Transition from EBITDAR to operating income at 31 December 2019:					
EBITDAR	944,553				
Lease expenses	-59,657				
EBITDA	884,895				
Depreciation, amortisation and impairment	-510,641				
Other operating income and expenses	-15,683				
Operating income	358,571				

(1) Includes €25.4 million in revenue in Spain.

(2) Includes €12.4 million in revenue in the Netherlands.

At 31 December 2020, the majority of the Group's non-current assets pertained to business activity in France.

3.2 Revenue and other income

Korian specialises in the provision of care and support services for the elderly in Europe, with four business lines: Specialised Clinics, Home Care and Services, Assisted and Shared Housing for Seniors, and Nursing Homes. Revenue mainly stems from the provision of services in relation to accommodation, care and dependency care. These

services are recognised as revenue upon completion, whatever the source of payment.

Revenue for the year ended 31 December 2020 totalled €3,874 million, an increase of €262 million relative to the previous year.

3.3 Other operating income and expenses

These items represent the impact of major events during the accounting period that could skew the interpretation of the performance, particularly of EBITDAR (*Earnings Before Interest, Taxes, Depreciation, Amortization and Rent*), the Group's preferred indicator for financial communication purposes.

To facilitate the interpretation of operational performance, these income and expense items, which are relatively few and infrequent, are presented separately in the income statement.

They mainly consist of:

- gains or losses on disposals and substantial and unusual impairment of non-current intangible assets and of property, plant and equipment;
- transaction-related expenses over the period;
- certain restructuring or merger expenses, consisting solely of restructuring costs that may distort current operating income due to their unusual nature and size (impact of real estate asset refinancing and disposals made as part of M&A transactions);
- other operating income and expenses such as substantial provisions to cover disputes.

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Gain/(Loss) on acquisition and disposal of consolidated entities	-14,210	2,191
Share of sale and leaseback gain	4,105	3,935
Gain/(loss) on disposal of non-current assets	-5,975	-2,149
Other	-22,455	-19,660
TOTAL OTHER OPERATING INCOME AND EXPENSES	-38,536	-15,683

Other operating income and expenses chiefly consists of restructuring costs, in the amount of €11.7 million, and the costs of acquisition and growth, in the amount of €31.5 million.

3.4 Working capital requirement

Change in working capital requirement

The working capital requirement consists of the following items:

<i>In thousands of euros</i>	31.12.2019	Change on the balance sheet	Change in consolidation scope	Change in WCR	Other changes	31.12.2020
Inventory [A]	33,909	2,277	400	14,175	-12,298	36,186
Trade receivables and related accounts [B]	284,047	31,254	25,133	-6,404	12,525	315,301
Other receivables and currents assets [C]	235,870	134,028	26,247	124,491	-16,710	369,899
Trade payables and related accounts [D]	369,942	83,678	33,927	29,856	19,895	453,620
Other liabilities and accruals [E]	733,205	66,191	72,613	115,398	-121,821	799,396
WORKING CAPITAL REQUIREMENT [F]=[D]+[E]-[A]-[B]-[C]	549,320	-17,690	54,761	12,992	-85,442	531,631

The Group did not activate the mechanisms available to defer the payment of social security contributions and corporate tax as part of the government's response to Covid-19.

Current assets

► Inventory

Inventories are valued at the lesser of cost or net realisable value. The cost of inventories of raw materials, goods, personal protection equipment (PPE) and other supplies consists of the purchase price excluding taxes, less discounts, rebates and other

deductions obtained, plus incidental costs of purchase (transport, unloading charges, customs duties, purchasing commissions, etc.). These inventories are measured using the First In/First Out (FIFO) method.

At 31 December 2020, inventories increased by a net amount of €2.3 million, chiefly as a result of purchases of Covid-19-related equipment (+€14.6 million), and the variation in respect of real estate projects at Ages&Vie (-€12.2 million).

► Receivables

Trade and other receivables are recognised at their nominal value, namely the fair value on the date of initial recognition.

on the actual loss recognised in prior financial years and the risks assessments conducted on the receivables in each country in which the Group operates.

In accordance with IFRS 9, impairment of receivables is as they arise. The amount of provisions taken hinges both

The impairment of trade receivables as at 31 December 2020 breaks down as follows:

<i>In thousands of euros</i>	Receivables not due at accounts closing date	From 0 to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 4 years	More than 4 years	Total due at accounts closing date
Trade receivables	170,070	96,634	22,227	27,194	16,050	13,241	345,417
Impairment	-2,558	-3,933	-1,469	-7,823	-7,021	-7,312	-30,116
NET AMOUNT	167,512	92,701	20,758	19,371	9,029	5,929	315,301

The impairment of trade receivables as at 31 December 2019 breaks down as follows:

<i>In thousands of euros</i>	Receivables not due at accounts closing date	From 0 to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 4 years	More than 4 years	Total due at accounts closing date
Trade receivables	143,259	95,312	29,669	20,756	15,856	12,355	317,207
Impairment	-3,964	-3,924	-1,331	-5,730	-6,182	-12,029	-33,160
NET AMOUNT	139,295	91,388	28,338	15,026	9,674	326	284,047

The change in receivables net of impairment is mainly attributable to changes in consolidation scope.

The reversal of impairment losses on receivables of more than four years stems from the trade receivables in Italy which are expected to be collected in 2021.

Transfer and use of financial assets

In Italy, factoring contracts are used to assign a portion of the receivables of certain subsidiaries to a group of financial institutions, involving the transfer of most of the risks and rewards attached to the receivables assigned (*pro soluto factoring*).

The analysis of the risks and rewards, as defined by IFRS 9, resulted in the derecognition by the Group of practically all of the receivables assigned under these factoring programmes.

Receivables assigned by the Italian subsidiaries are sold at their nominal value less an initial charge of between 0.3% and 0.6%, recorded in other expenses, to which interest at the EURIBOR rate plus a margin is added and recorded as a financial expense.

The total amount of receivables assigned and derecognised was €145,669 thousand in 2020. The cost of assigning these receivables came to -€1,929 thousand in 2020.

Breakdown of receivable assigned (prosoluto)	2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Receivables assigned	145,669	32,908	29,556	38,053	45,152
Receivables collected	146,097	32,772	30,576	36,184	46,565
Fees for management and recovery of assigned receivables	-680	-158	-145	-157	-220
Corresponding financial expense	-1,249	-157	-284	-211	-597
Gain/(Loss) on assignment	-1,929	-315	-429	-368	-817
NET CASH RECEIVED	144,168	32,457	30,147	35,816	45,748

► Other receivables and current assets

Other receivables and current assets consist of the following:

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Tax receivables	112,640	90,559
Social security receivables	6,494	6,247
Advances and down payments	21,447	13,632
Prepaid expenses	36,538	38,897
Other debtors	189,080	85,120
VALUE OF OTHER RECEIVABLES	366,198	234,455

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Deposits and guarantees	3,620	1,393
Other financial assets	81	23
VALUE OF OTHER CURRENT FINANCIAL ASSETS	3,700	1,415
TOTAL OTHER CURRENT FINANCIAL ASSETS (NET)	369,899	235,870

"Other receivables" consists mainly of accrued income and other receivables. This figure increased, mostly as a result of the netting of receivables. The change in tax receivables is mostly due to the increase in income tax receivables, for €15.6 million, and VAT, in the amount of €26.6 million.

► Trade payables, other payables and accruals

Trade and other payables are recorded at historical cost (representing the amortised cost).

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Trade payables	453,620	369,942
TOTAL TRADE PAYABLES AND RELATED ACCOUNTS	453,620	369,942

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Residents' deposits	61,629	64,826
Suppliers of non-current assets	35,819	93,759
Advances and down payments on orders	31,429	28,542
Tax liabilities	88,923	123,859
Social security liabilities	315,278	261,706
Dividends payable	1,866	39
Other liabilities	234,144	116,720
Deferred income	30,310	43,754
TOTAL OTHER PAYABLES AND ACCRUALS	799,399	733,205

At 31 December 2020, newly consolidated companies gave rise to a €33.9 million increase in "Trade payables and related accounts" and added €75.6 million to "Other liabilities and accruals".

Note 4 • PERSONNEL EXPENSES

4.1 Personnel expenses

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Wages and salaries	1,586,833	1,455,351
Social security contributions	499,303	447,070
Employee profit sharing	8,515	11,352
Free shares granted	1,331	3,562
TOTAL	2,095,982	1,917,334

4.2 Employee benefits

Employee benefits are recognised in accordance with IAS 19. These consist of post-employment benefits (lump-sum retirement benefits) and long-term benefits, such as work anniversary bonuses and long-service awards.

The Group's obligation in respect of defined benefit plans is limited to the contributions it pays into the plan. These contributions are expensed in the period in which they are incurred. Where applicable, a provision is recorded for contributions that remain to be paid for the period.

In the case of a defined benefit plan (post-employment benefits and other long-term benefits), the Group makes a provision on the balance sheet that represents its obligation at the date the financial statements were issued. This applies to retirement severance payments in France (IDR) and Italy (TFR).

With the exception of the discount rate, the actuarial assumptions (i.e. employee turnover, mortality, wage and salary growth, and retirement age) vary in accordance with the demographic and economic conditions of the country in which the benefits plan is established.

Since the countries in which the Group operates are all in the euro zone, the Group uses a single discount rate at each balance sheet date. This rate is based on the rate paid by AA-rated corporate bonds with a maturity of at least 10 years (source: iBoxx index).

In France

a) Lump-sum retirement benefits

Lump-sum retirement benefits are defined as post-employment benefits and are subject to the national collective bargaining agreement for the private hospital sector. When employees retire, the Company pays them a lump-sum benefit, the amount of which depends on their final salary and the number of years they have worked for that Company at that date.

b) Long-service awards and bonuses

In some cases, the collective bargaining agreements of the Group's French companies may provide for the

payment of a bonus when a long-service award is granted or simply the payment of a long-service bonus. These benefits are treated as long-term benefits under IAS 19.

Some of Korian group's facilities in France grant work anniversary bonuses to employees when they reach a certain number of years' service. Korian has five work anniversary bonus schemes. Establishments running work anniversary bonus schemes are not eligible for the long-serve awards mentioned above.

When the French state issues an employee with an award for longstanding service, certain Korian facilities will pay that employee a bonus upon request. The scale applied depends on the same variables applied to long-service bonuses.

c) Supplementary pension plans

The Group has not granted employees any supplementary pension plans in addition to the minimum statutory pension.

In Germany

Company collective bargaining agreements provide for the granting of long-service bonuses. These benefits are treated as long-term benefits under IAS 19.

In Belgium

A supplementary pension scheme reserved for certain members of the management team was taken out with an insurance group.

In Italy

The TFR (*Trattamento di Fine Rapporto*) plan is a defined benefits plan that is subject to Article 2120 of the Italian Civil Code. Under this plan, each period of work entitles the employee to a payment that is not paid directly to the employee except under certain circumstances (when leaving the Company, upon death or when making certain property investments). In some cases, the TFR plan may be outsourced to a third party (under a defined contributions plan) or is borne directly by the employer (under a defined post-employment benefits plan).

In thousands of euros

	Lump-sum retirement benefits	Work anniversary bonus	Long-service awards	Total France	TFR Italy	Total Germany	Total Benelux	Total
1. Change in provision for 2020								
Provision as at 31 December 2019	59,202	1,883	522	61,607	16,784	6,464	599	85,454
Interest expense	321	12	2	335	92	72	0	499
Cost of services	8,023	231	83	8,337	618	1,902	1,099	11,957
<i>Curtailment gain</i>	-2,273	0	0	-2,273	0	0	0	-2,273
Benefits paid incl. social security charges	-2,638	-115	-42	-2,794	-1,172	-1,445	-838	-6,249
Change in consolidation scope excl. benefits paid	3,434	128	43	3,606	-462	528	261	3,939
Actuarial gains/(losses) on long-term benefit schemes	0	-115	4	-111	0	0	0	-111
Expense - 2020	3,434	13	47	3,495	-462	528	261	3,822
Actuarial gains/(losses) OCI	2,550	0	0	2,550	1,021	-91	-89	3,392
First-time consolidations	4,191	0	0	4,190	2,667	0	0	6,856
Provision as at 31 December 2020	69,377	1,896	569	71,842	20,010	6,901	771	99,524
2. Sensitivity to discount rate								
Effect of an increase in the discount rate of +0.5%	65,908	1,832	566	58,774	19,009	6,556	732	85,072
Effect of a decrease in the discount rate of +0.5%	72,846	1,964	597	65,969	21,010	7,246	809	95,035

		Lump-sum retirement benefits - France	Long-service awards & bonuses	Italy (TFR)	Long-service bonuses & pensions - Germany
Main assumptions					
Discount rate		0.60%	0.60%	0.60%	0.60%
Salary growth rate		2.00%	N/A	2.00%	0.00%
Mortality table		TGHF05	TGHF05	ISTAT 2013	Heubeck 2018
Retirement age of "cadres"	<ul style="list-style-type: none"> • Born in 1950 and before • Born between 1951 and 1952 • Born in 1953 and after 	63.0	63.0	66.7	65.0
Retirement age of "non-cadres"	<ul style="list-style-type: none"> • Born in 1950 and before • Born between 1951 and 1952 • Born in 1953 and after 	60.0	60.0	66.7	65.0
		64.0	64.0	66.7	65.0
		64.0	64.0	66.7	65.0
Type of retirement		voluntary	voluntary	voluntary	voluntary

4.3 Share-based payment

Pursuant to IFRS 2, share-based transactions, such as free share allocation plans and performance units granted to employees and corporate officers are deemed to be benefits that must be recognised as expenses in the income statement over the vesting period.

The expenses recognised in respect of the 2020 fiscal year pertain to five Equity-Settled plans, four of which are subject to performance conditions. These free share allocation plans provide for the granting of existing Korian shares held by the Company or of shares newly issued by the Company when said plans are unwound.

As per IFRS 2, the value of each plan is measured as the difference between (i) the fair value of the instruments allocated (as determined on the day of allocation) and (ii) the likely number of instruments to be allocated (remeasured on each reporting date).

The resulting value is recognised in personnel expenses on a staggered basis over the vesting period, offset by a change in recycled equity (excluding the impact of any deferred tax) of an equivalent amount.

<i>In millions of euros</i>	2017 Free share plan	2018 Free share plan	2019 Free share plan	2020 Free share plan #1	2020 Free share plan #2	Total
A. Plan characteristics						
Allocation conditions	Free	Free	Free	Free	Free	
Continued employment conditions	Yes	Yes	Yes	Yes	Yes	
Performance conditions	Yes	Yes	Yes	No		
Vesting date	4 August 2020	30 June 2021	06 June 22	31 July 23	31 July 23	
Number of outstanding units	0	101,137	137,000	12,150	295,638	545,925
Accounting expense for 2017 excluding social security charges	0.76	N/A	N/A	N/A	N/A	0.76
Accounting expense for 2018 excluding social security charges	0.96	0.20	N/A	N/A	N/A	1.16
Accounting expense for 2019 excluding social security charges	1.90	0.44	0.16	0.00	0.00	2.50
Accounting expense for 2020 excluding social security charges	1.19	0.08	0.12	0.04	0.64	2.06
B. Change in number of outstanding units						
Number of units initially allocated	340,615	126,017	150,500	12,150	295,638	924,920
Number of units cancelled in 2017	6,520	0	0	0	0	6,520
Number of units cancelled in 2018	37,482	4,180	0	0	0	41,662
Number of units cancelled in 2019	12,200	18,360	10,500	0	0	41,060
Number of units cancelled in 2020	90,392	2,340	3,000	0	0	95,732
NUMBER OF UNITS VESTED	194,021	0	0	0	0	194,021
Number of outstanding units	0	101,137	137,000	12,150	295,638	545,925
C. IFRS 2 measurement						
Share price on the grant date	31.60	27.12	33.7	34.76	34.76	
Expected volatility	28.78%	30.34%	27.50%	N/A	32.40%	
Annual dividend	0.6	0.6	0.6	0.6	0.6	
Risk-free interest rate	-0.47%	-0.60%	-0.80%	N/A	-0.80%	
FAIR VALUE OF PLAN UNDER IFRS 2 EXCLUDING SOCIAL SECURITY CHARGES	4.81	0.86	0.55	0.27	4.56	11.05
<i>Equity-settled component</i>	4.81	0.86	0.55	0.27	4.56	11.05
<i>Cash-settled component</i>	0.00	0.00	0.00	0.00	0.00	0.00

The fair value of options and rights was determined by an external expert using valuation models taking into account the plan's characteristics, observed market data on the allocation date and assumptions selected by the Group's management.

Free shares plan implemented from 2017

As indicated in the summary table above, the free shares granted to certain members of General Management and corporate officers are contingent on the fulfilment of performance conditions:

- 2017 plan: based on the revenue and EBITDA per share generated in 2019 relative to the objectives set out in Korian's 2020 plan, and Korian's share price relative to the performance of the SBF 120 index over the vesting period;

- 2018 plan: based on the revenue and EBITDA per share generated in 2020 and Korian's share price relative to the performance of the SBF 120 index over the vesting period;
- 2019 plan: based on the revenue and EBITDA per share generated in 2021 and Korian's share price relative to the performance of the SBF 120 index over the vesting period;
- 2020 plan: based on the revenue and the operating cash flow generated in 2022 and Korian's share price relative to the performance of the SBF 120 index over the vesting period as well as CSR criteria.

Once vested, the shares may be freely disposed of, except by corporate officers of Korian SA, which will have an obligation to hold at least 25% of these shares.

Note 5 • GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

5.1 Goodwill

In accordance with IFRS 3, business combinations are subject to the following accounting rules, as of the acquisition date:

- the identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date;
- interests not granting control of the acquired business (non-controlling interests) are measured either at fair value (i.e. with goodwill allocated to the non-controlling interests: the "full goodwill method") or at the proportionate share of the fair value of the net identifiable assets of the acquired entity (i.e. with no goodwill allocated to non-controlling interests: the "partial goodwill method"). This option is available on a case-by-case basis for each business combination;
- acquisition costs are expensed when incurred and are recorded in the consolidated income statement under "Gain/(Loss) on acquisitions and disposals of consolidated entities";
- earn-out payments on business combinations are recognised at fair value at the acquisition date. After the acquisition date, contingent consideration is recognised at fair value at each balance sheet date. After a period of one year following the acquisition

date, any change in fair value is recognised in income. Within this one-year period, any changes in fair value explicitly linked to events subsequent to the acquisition date are also recognised in income. Other changes are charged to goodwill.

At the acquisition date, goodwill is the difference between:

- the fair value of the consideration transferred, plus the amount of non-controlling interests in the acquiree and, where a business combination is conducted in several steps, the fair value at the acquisition date of the acquirer's previously held equity interest in the acquiree, which is revalued through income; and
- the net balance of identifiable assets acquired and liabilities assumed at the acquisition date, measured at fair value.

Goodwill is not amortised. In accordance with IAS 36 "Impairment of Assets", goodwill is tested for impairment at least annually and more frequently if there is evidence of impairment. Testing procedures are described in Note 1 "Impairment of intangible assets, plant, property and equipment, and goodwill".

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Gross goodwill at start of period	2,504,154	2,311,822
Changes in scope	382,775	228,073
Definitive allocation of goodwill	17,848	-35,741
Contingent consideration	827	
Gross goodwill at end of period	2,905,604	2,504,154
Impairment at the start of the period	-	-
Impairment during the period	-	-
Impairment at the end of period	-	-
Net goodwill at start of period	2,504,154	2,311,822
NET GOODWILL AT END OF PERIOD	2,905,604	2,504,154

Changes in goodwill

Changes in goodwill over the fiscal year ending 31 December 2020:

<i>In thousands of euros</i>	Group	France ⁽¹⁾	Germany	Benelux ⁽²⁾	Italy
Net goodwill at start of period	2,504,154	1,350,499	688,468	217,165	248,022
Changes in scope	382,775	245,078	18,307	46,391	72,999
Definitive allocation of goodwill	17,848	1,762	-	-	16,085
Contingent consideration	827	539	101	33	153
NET GOODWILL AT END OF PERIOD	2,905,604	1,597,879	706,876	263,589	337,260

(1) Includes €53.7 million in Spain, tested separately.

(2) Benelux region, including Belgium and the Netherlands, which are tested together.

The allocation of goodwill primarily corresponds to the recognition of the following assets: licences, property complexes and leases.

In France: impact of the temporary allocation of the purchase prices of the groups 5 Santé (February 2020), Les Essentielles (April 2020) and Inicea (December 2020).

In Italy: impact of the temporary allocation of the purchase prices of the companies Santa Chiara and Santa Marinella, both of which were acquired in April 2020

The recoverable amount of the Group's main assets, notably in France and Germany, is significantly higher than the net carrying amount. The Group therefore considers that the risk of impairment is limited.

In 2020, the Group conducted separate goodwill impairment tests on the groupings shown below. The main assumptions applied and the ensuing results of the goodwill impairment test are as follows:

Country	WACC	Long-term growth rate	Profit/(loss)
France	6.0%	1.75%	No impairment
Germany	5.5%	1.75%	No impairment
Benelux	6.0%	1.75%	No impairment
Italy	7.5%	1.75%	No impairment
Spain	7.0%	1.75%	No impairment

Following the application of a 50-bp reduction in the long-term growth rate and a 50-bp increase in the WACC, the recoverable value of the assets tested remains higher than the net carrying amount at each CGU. Consequently, no impairment is to be recognised.

5.2 Intangible assets

In accordance with IFRS 3, the identifiable assets acquired and liabilities assumed in obtaining control of a subsidiary are measured at their fair value on the acquisition date.

Measurement of intangible assets

Intangible assets in respect of operating licences acquired through business combinations are measured at fair value at the acquisition date, using a multi-criteria approach taking into account the characteristics of the facility, such as a revenue multiple, and the cash flow arising from the acquisition business plan.

In France, although licences are granted for a period of 15 years and tripartite agreements are signed for a period of five years, these are considered as indefinite term "licences" and are not subject to amortisation in the consolidated financial statements. This market position in the sector stems from the fact that operating licences can only effectively be withdrawn if the Group fails to comply with the conditions imposed by regulators for the operation of this type of facility, including compliance with minimum standards of care, which is verified through compliance inspections.

Germany does not have a system of administrative licences for the operation of facilities, which are essentially subject to technical standards. As such, operating rights do not meet the definition of an identifiable intangible asset and are not therefore recognised as such, being included in goodwill.

In Belgium, regulations enforced at regional level represent a substantial barrier to entry in long-term care nursing home market. An operating licence must be granted and accommodation rates are controlled. Accordingly, such licenses were recognised in intangible assets.

In Italy, national regulations impose minimum structural requirements. Each region transposes these regulations into local rules. Italian facilities undergo inspections by the supervisory authorities under agreements entered into with such authorities.

Spain does not have a system of administrative licences for the operation of facilities, which are essentially subject to technical standards. As such, operating rights do not meet the definition of an identifiable intangible asset. However, facilities are permitted to operate concerted (i.e. publicly funded) beds through regional funding schemes. In this specific case, a licence is recognised under intangible assets and subsequently amortised for the duration of the concession granted by the regional authorities.

In the Netherlands, operating licences are required but are not particularly difficult to obtain. However, once a facility has been opened, insurance policies can be taken out (under the VPT care provision scheme) with insurance companies, thereby enabling facilities to charge higher rates and facilitate access for residents. The value of policies in place at the acquisition date were therefore measured and recognised in intangible assets.

In thousands of euros

	Licences	Other	Total
Gross value at the start of the period	1,846,776	206,808	2,053,585
Changes in scope	196,330	7,724	204,054
Disposals	-2,242	-1,511	-3,753
Acquisitions		44,652	44,652
Transfers	2,261	-10,226	-7,966
Reclassification of favourable leases to rights of use			
Gross amount at the end of the period	2,043,125	247,448	2,290,572
Amortisation, depreciation and impairment at the start of the period	9,317	100,408	109,725
Changes in scope		5,104	5,104
Disposals		-2,965	-2,965
Amortisation and impairment	1,768	15,667	17,435
Transfers	11	3,512	3,524
Reclassification of favourable leases to rights of use			
Total amortisation, depreciation and impairment at the end of the period	11,096	121,726	132,822
Net accounting value at the start of the period	1,837,460	106,401	1,943,860
NET ACCOUNTING VALUE AT THE END OF THE PERIOD	2,032,029	125,722	2,157,750

The valuations of licences are shown in the following table:

<i>In thousands of euros</i>	France ⁽¹⁾	Benelux ⁽²⁾	Italy	Total
Gross value at the start of the period	1,356,705	221,567	268,503	1,846,776
Impairment	9,317			9,317
Net accounting value at the start of the period	1,347,388	221,567	268,503	1,837,459
Gross amount at the end of the period	1,501,094	224,573	317,459	2,043,125
Impairment	11,096			11,096
NET ACCOUNTING VALUE AT THE END OF THE PERIOD	1,489,99	224,573	317,459	2,032,029

(1) Includes €25.6 million in Spain.

(2) Includes the Netherlands.

No single licence represents a material amount for the Group.

Particular attention was paid to the identification of evidence of impairment and impairment tests were conducted on goodwill and on the CGUs at 31 December 2020 (see Note 2).

For the period ending 31 December 2020, a provision of €1,768 thousand was recognised in respect of two French counties (*départements*).

Impairment tests were performed using the method described in the section entitled "Impairment of intangible assets, property, plant and equipment, and goodwill" in Note 1. No signs of impairment were identified in Spain in 2020.

5.3 Plant, property and equipment

Property, plant and equipment are initially measured at acquisition cost less any investment subsidies. Property, plant and equipment acquired as part of a business combination are measured at fair value at the acquisition date.

The main components of a non-current asset that has a useful life that is shorter than that of the asset itself must be identified so that it may be depreciated over its specific useful life.

At each balance sheet date, the purchase cost is reduced by the accumulated depreciation and any provisions for impairment that may have been recorded using the method described in Note 1 "Impairment of property, plant and equipment, intangible assets and goodwill".

Leases

The Group has applied IFRS 16 since 1st January 2019, resulting in:

- the recognition of rights of use (operating leases under IAS 17) and lease liabilities;
- the reclassification of assets and liabilities recognised in respect of existing finance leases;
- the reclassification of lease incentives as a reduction in rights of use.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated using the straight-line method over the useful lives set out below.

Class	Useful life	Method
Structure	60 years	Straight line
Construction components	From 7 to 30 years	Straight line
Technical facilities	From 5 to 15 years	Straight line
Other improvements, fixtures and fittings	From 3 to 5 years	Straight line
Medical equipment	From 2 to 10 years	Straight line
Equipment and furniture	From 2 to 10 years	Straight line
Software	From 1 to 7 years	Straight line
Transport equipment	5 years	Straight line

<i>In thousands of euros</i>	Land	Buildings	Plant and machinery	Other	In construction and advance payments	Total
Gross value at the start of the period	246,730	1,804,296	483,202	616,028	196,813	3,347,069
Changes in scope	54,850	317,098	25,215	33,848	2,502	433,513
Disposals	-14,894	-63,068	-8,209	-12,092	-21,541	-119,804
Acquisitions	17,925	185,158	30,463	25,429	229,899	488,874
Transfers	13,044	111,722	5,806	60,559	-152,530	38,601
Assets held for sale						
GROSS AMOUNT AT THE END OF THE PERIOD	317,656	2,355,205	536,477	723,773	255,142	4,188,254
Total amortisation at the start of the period	692	570,626	369,639	370,720	3,878	1,315,556
Changes in scope	244	55,723	19,359	18,793		94,119
Allowances	1	74,195	34,939	39,318	2,223	150,676
Disposals	-6	-16,650	-7,994	-11,484	-2,258	-38,392
Other		6,680	1,658	12,716		21,054
Assets held for sale						
TOTAL AMORTISATION AT THE END OF THE PERIOD	931	690,574	417,601	430,063	3,844	1,543,014
Net accounting value at the start of the period	246,038	1,233,670	113,563	245,309	192,934	2,031,514
NET ACCOUNTING VALUE AT THE END OF THE PERIOD	316,725	1,664,631	118,875	293,709	251,299	2,645,240

Borrowing costs

Pursuant to IAS 23, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (particularly constructions) are included in the cost of that asset.

The capitalised borrowing rate corresponds to the average cost of the Group's debt after hedging.

Borrowing costs for 2020 totalled €939 thousand. In 2019, they came to €1,533 thousand.

5.4 Change in cash flows from acquisitions of property, plant and equipment

Cash flows arising from purchases of property, plant and equipment and intangible assets break down as follows:

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Acquisitions of intangible assets	-44,652	-46,120
Change in debt on acquisitions of intangible assets	-2,314	-5,846
Acquisitions of property, plant and equipment ⁽¹⁾	-446,341	-313,444
Change in debt on acquisitions of PPE and Other	-26,797	39,139
PAYMENT FOR PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	-520,103	-326,271

(1) Reclassification of work in progress during the period of comparison.

5.5 Lease commitments

As per IFRS 16, the liability amount was determined on the basis of the term of property leases, corresponding to the non-cancellable period, and, where applicable, any options for renewal that the Group is reasonably certain to implement. The depreciation period for fixtures and fittings is 3-5 years, which is shorter than the average lease term.

The Group used two capitalisation exemptions proposed under the standard, in respect of leases with a term of less than 12 months and leases on properties with an individual replacement value of less than US\$5,000.

Non-repeated residual rents came to €76.5 million at 31 December 2020. These mostly concerned vehicle rentals and laundry equipment.

The discount rates applied are revised at the close of each annual reporting period.

Analysis of change in rights of use by class of underlying asset

<i>In thousands of euros</i>	Real estate
Rights of use as at 31 December 2019	3,441,069
Inflows of assets, net of renegotiations	238,455
Depreciation and amortisation	-370,721
Lease terminations	-177
Change in consolidation scope	178,145
Other changes	-29,890
RIGHTS OF USE AT 31 DECEMBER 2020	3,456,880

Analysis of variation in lease liabilities

<i>In thousands of euros</i>	
Lease liabilities as at 31 December 2019	3,646,694
Present value of debt and new leases	232,494
Debt repayment	-349,387
Reduction in lease duration/rent	-5,564
Change in consolidation scope	183,236
Other changes	5,091
LEASE LIABILITIES AS AT 31 DECEMBER 2020	3,712,564

Maturity analysis of lease liabilities as at 31 December 2020

<i>In thousands of euros</i>	Total	< 1 year	1 to 5 years	> 5 years
LEASE LIABILITIES	3,712,563	361,683	1,191,998	2,158,882

Analysis of sensitivity to changes in interest rates

The assumption of a 10 basis-point decline in interest rates, would increase the amount of debt in respect of lease liabilities by €46 million. The assumption of a 10 basis-point increase in interest rates would reduce debt in respect of lease liabilities by €47 million.

Note 6 • EQUITY

There are no rights, privileges or restrictions attached to the shares comprising the share capital. Nor are any shares reserved for issue under options or contracts for the sale of shares.

At 31 December 2020, the Group had registered capital of €525,190,790, consisting of 105,038 158 fully paid-up shares, all of the same class, with a par value of €5 each.

Due to the Covid-19 health crisis, the Board of Directors decided at its meeting of 29 April 2020 to withdraw its proposal to pay a dividend in respect of 2019.

Hybrid bonds

On 28 June 2017, the Group issued undated non-subordinated bonds with a redemption option in cash and/or in new and/or existing shares (ODIRNANE bonds) with cancellation of the shareholders' preferential subscription right, in the nominal amount of €240 million. These bonds have the following characteristics:

- a conversion premium of 35% which corresponds to a nominal share price of €40.21;
- fixed annual nominal rate of 2.50% that is paid semi-annually, starting on 1st January 2018 and running until 31 December 2022;
- bondholders may convert their bonds until 1st January 2023. In the event of conversion, they will receive either cash, shares or a combination of these, at Korian's discretion;
- as of 1st January 2023, these bonds will bear interest at the 6-month EURIBOR rate plus 900 basis points: Korian may suspend interest payments if a dividend has not been paid over the past 12 months.

On 21 September 2018, the Group also issued ODIRNANE bonds for a nominal amount of around €60 million. These new bonds were issued with the same terms and conditions (aside from the issue price) and are fully fungible with pre-existing ODIRNANE bonds.

At the date of writing of the present document, the conversion rate applied is 1.133 Korian shares per 1 ODIRNANE bond.

In accordance with IAS 32, these hybrid financial instruments were recognised as equity instruments, net of interest and issue costs, in the amount of €298.9 million at 31 December 2020 (€298.4 million on 31 December 2019).

Convertible bonds

On 3 March 2020, Korian announced that it had successfully placed its offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANE) due in 2027 for a nominal amount of approximately €400 million.

The bonds will be issued at par and their nominal unit value has been set at €61.53, corresponding to a conversion premium of 55% relative to the Company's reference share price.

At the date of writing of the present document, the conversion rate applied is 1.091 Korian shares per 1 OCEANE bond.

In accordance with IAS 32, this OCEANE issue was divided into a shareholders' equity component, amounting to €34 million (corresponding to the fair value of the call option sold in bearer form), and a debt component, amounting to €366 million.

Note 7 • EARNINGS PER SHARE

Net earnings per share are calculated by dividing the Group's consolidated net income by the weighted average number of shares outstanding during the period.

Diluted net earnings per share are calculated on the assumption that all outstanding dilutive options are exercised using the "treasury stock method" defined in IAS 33 "Earnings per Share".

Following the capital increase with preferential subscription rights in October 2020, and to ensure

comparability with data from previous financial years, the weighted average number of shares used to calculate earnings per share has been modified by applying an adjustment factor to reflect the fact that the capital increase was conducted at below the market price. This adjustment factor is based on the ratio between the share's value prior to detachment of preferential subscription rights and its value after detachment of said rights. The factor was applied up until the date of the capital increase.

	31.12.2020	31.12.2019
Net profit/(loss) attributable to owners of the Group (in thousands of euros)	39,402	114,681
Weighted average number of shares (in thousands)	92,127	89,132
EARNINGS PER SHARE	0.43	1.29
Net profit/(loss) attributable to owners of the Group (in thousands of euros)	39,402	114,681
Impact of return on components of shareholders' equity	-7,521	-8,247
Weighted average number of shares (in thousands)	92,127	89,132
Average number of shares in relation to stock options and free share adjustments	367	539
Average number of shares in relation to hybrid bond adjustments and OCEANE	13,286	8,320
Average number of shares used for calculation of diluted earnings per share	105,780	97,991
DILUTED EARNINGS PER SHARE (IN EURO)	0.30	1.09

Note 8 • FUNDING AND FINANCIAL INSTRUMENTS

8.1 Net financial result

Net financial income consists of net borrowing costs and other financial income items.

Net borrowing costs correspond to interest expense on bank loans and bonds and the costs of hedging.

Other items of financial income primarily include the amortisation of capitalised issue expenses, amortisation

in connection with the renegotiation and restructuring of debt and hedging instruments, bank fees and charges paid (including factoring expenses), the financial cost of employee benefits and financial expenses related to the recognition of rights of use in respect of leases (application of IFRS 16).

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Cost of gross debt⁽¹⁾	-83,870	-56,676
Cost of hedging	-7,865	-5,849
Income from cash & cash equivalents	0	6
Cost of net debt	-91,735	-62,519
Bank fees and commissions	-7,853	-6,346
Impact of restructuring and hedging	-156	-194
Capitalised financial expenses – borrowing costs and issue premiums	-4,741	-596
Financial expense of lease liabilities ⁽¹⁾	-111,085	-107,396
Other financial expenses	-4,699	-8,076
Other financial income	14,422	2,068
Other items of financial income	-114,112	-120,541
NET FINANCIAL INCOME	-205,847	-183,060

(1) Reclassification of interest expense during the period of comparison as per IAS17.

Sensitivity analysis of financial expenses

When hedging instruments are taken into account, financial expenses at the balance sheet date would vary by the following amounts in response to a change in market interest rates over one year:

- a 0.5% increase (50 basis points) in the yield curve would increase the Group's financial expense by €1.7 million;
- a 0.5% decrease (50 basis points) would increase the Group's financial expense by €3.4 million.

8.2 Net financial debt

Net financial debt consists of gross borrowings less liquid financial assets (marketable securities and cash).

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Borrowings from credit institutions and financial markets	2,426,486	1,665,731
o/w real estate debt in respect of financial counterparties (excluding IFRS 16)	1,470,870	1,062,303
Other financial liabilities	89,718	125,868
Bank overdrafts	11,849	7,583
Borrowings and financial debt (A)	3,998,922	2,861,485
Marketable securities	220,331	55,100
Cash	938,778	289,686
Cash (B)	1,159,109	344,786
NET DEBT (A) - (B)	2,839,813	2,516,700

Change in Group net debt as at 31 December 2020

On 31 December 2020, net debt was €2,840 million, which is €323 million more than on 31 December 2019. Net financial debt, excluding real estate debt, was €1,369 million, compared with €1,454 million on 31 December 2019.

Real estate debt increased by €409 million as a result of the higher rate of ownership of real estate assets, consistent with the Group's strategy.

During the year, Korian conducted several financing transactions, of which the most notable were:

- in March 2020, the issue of bonds convertible into and/or exchangeable for new shares and/or existing shares (OCEANE), due in 2027, for a nominal amount of approximately €400 million;
- in April 2020, the issue of €49 million in NSV bonds maturing in April 2035;
- in June 2020, the issue of a Sustainability Linked Euro PP, in the amount of €173 million, with an eight-year maturity. The total amount of this Euro PP came to €230 million, after a tap issue of €57 million, fully fungible with the original issue, was announced on 6 October 2020;

- in December 2020, a €55 million loan arranged with the European Investment Bank, with a 10-year maturity, to fund the development of the Ages&Vie network.

Finally, the Group arranged other funding transactions, most of which involving property, in support of its real estate investment drive.

At 31 December 2020, the Group's gross borrowings consisted of:

- a €500 million fully drawn term tranche of a syndicated bank loan;
- €1,804 million in bonds placed with private investors and borrowings from credit institutions;
- €78 million in NEU CP (commercial paper) to bolster the Group's liquidity;
- €12 million in outstanding bank overdrafts;
- €1,471 million, chiefly consisting of leases and mortgages with financial counterparties, and also including €41 million in other mortgage-backed debt, of which €182 million in NEU CP used as real estate bridge financing.

In addition, the Group had net cash of €1,159 million at the end of the financial year, excluding outstanding bank overdrafts, thanks notably to the capital increase which was settled in November for nearly €400 million and the real-estate partnership signed with BNP Paribas Cardif and EDF Invest for €336 million.

Change in borrowings⁽¹⁾

<i>In thousands of euros</i>	31.12.2019	New borrowings	Repayments	Changes in scope	Other	31.12.2020	Current	Non-current
Borrowings	2,728,034	1,204,555	-321,736	113,670	172,833	3,897,356	766,854	3,130,501
Employee profit sharing	40					40		40
Loans and other borrowings	125,828	766,264	-626,174	27,917	-204,158	89,678	173,369	-83,691
TOTAL BORROWINGS AND FINANCIAL DEBT	2,853,902	1,970,819	-947,910	141,587	-31,325	3,987,074	940,223	3,046,850

<i>In thousands of euros</i>	New borrowings in 2020	Cash	Non-cash	Repayments in 2020	Cash	Non-cash
Borrowings	1,204,555	1,197,010	7,545	-321,736	-321,736	
Employee profit sharing						
Loans and other borrowings	766,264	746,126	20,138	-626,174	-614,694	-11,481
TOTAL BORROWINGS AND FINANCIAL DEBT	1,970,819	1,943,136	27,683	-947,910	-936,430	-11,481

Breakdown of financial debt by interest rate category

<i>In thousands of euros</i>		31.12.2020	31.12.2019
Fixed rate	51%	2,052,270	1,333,165
Variable rate	49%	1,946,652	1,528,320
TOTAL		3,998,922	2,861,485

At 31 December 2020, the share of variable-rate borrowings in Group financial debt was 49%. The Group has financial instruments to hedge against fluctuations in interest rates. It uses standard derivative instruments (interest rate swaps, caps, floors, etc.).

Including financial instruments classified as cash flow hedges, 79% of variable-rate borrowings were hedged at 31 December 2020.

Debt secured by guarantees such as collateral, a mortgage or lease accounted for 16% of gross borrowings.

Management of interest rate risk

The Group uses derivative financial instruments (swaps and caps) to hedge against the interest rate risk arising from its variable-rate financing policy. The Group applies cash flow hedge accounting principles when the IFRS 9 hedging criteria are met.

The market value of instruments that were purchased to hedge interest rate risk at 31 December 2020 was -€38.5 million, after adjustment for counterparty default risk.

The sensitivity of the market value of derivatives to a change in market interest rates, before adjustment for counterparty default risk, was as follows at the balance sheet date:

- the effect of a 0.5% (50 basis points) increase in interest rates would result in a market value of -€22.3 million;
- the effect of a 0.5% (50 basis points) decrease in interest rates would result in a market value of -€52.1 million.

The table below shows the items of income, expenses, gains and losses recognised in profit or loss and in equity before deferred taxes in 2020 for each category of financial instrument.

(1) Excluding bank overdrafts for €11,849 thousand.

<i>In thousands of euros</i>	Impact on equity	Impact of hedging on profit or loss	Impact of undocumented items on profit or loss	Impact of counterparty default risk
Financial instruments eligible for hedge accounting	-4,653	-2,713		
Financial instruments ineligible for hedge accounting			26	
TOTAL	-4,653	-2,713	26	1,526

Assets	31.12.2019	Newly consolidated companies	Deconsolidated companies	Change	31.12.2020
Interest rate swaps					
Options	4,730			-2,428	2,302
Total hedging instruments – Assets	4,730			-2,428	2,302
Interest rate swaps					
Options		0		0	
Total ineligible financial instruments – Assets		0		0	
Total impact of counterparty default risk – Credit Value Adjustment	-110			24	-86
TOTAL FINANCIAL INSTRUMENTS – ASSETS	4,619	0		-2,404	2,216

Liabilities	31.12.2019	Newly consolidated companies	Deconsolidated companies	Change	31.12.2020
Interest rate swaps	27,055	6,964		5,122	39,141
Options	2,100	-1,822		-184	94
Total hedging instruments – Liabilities	29,155	5,142		4,938	39,236
Interest rate swaps	936			-26	909
Options					
Total ineligible financial instruments – Liabilities	936			-26	909
Total impact of counterparty default risk – Debit Value Adjustment	-1,075			-1,503	-2,578
TOTAL FINANCIAL INSTRUMENTS – LIABILITIES	29,016	5,142		3,409	37,567
NET TOTAL	24,396	5,142		5,813	35,351

Breakdown of financial debt by maturity

<i>In thousands of euros</i>	31.12.2020	31.12.2019
< 1 year	952,072	453,481
Short-term financial liabilities	952,072	453,481
1-5 years	1,813,595	1,861,588
> 5 years	1,233,256	546,416
Non-current financial liabilities	3,046,851	2,408,004
TOTAL	3,998,923	2,861,485

Bank covenants at 31 December 2020

The Group's €1 billion syndicated loan (consisting of a €500 million term tranche and a €500 million RCF) is subject to a financial covenant. Other bank loan arrangements are subject to similar covenants. The banks establishments concerned are informed of changes in the covenant criteria on a semi-annual basis.

	Korian ratio	Maximum/minimum ratio authorised at 31 December
Leverage ratio adjusted in accordance with contract terms and conditions.	3.0×	<4.5×

The calculation of the adjusted leverage ratio takes into account a €26.9 million adjustment for the one-off costs due to Covid-19 (see Note 2).

Bond issue covenants at 31 December 2020

The EURO PP, Schuldschein and Namensschuldverschreibung (NSV) are also subject to a covenant. Investors are informed of changes in these covenants on an annual basis.

	Korian ratio	Maximum/minimum ratio authorised at 31 December
Leverage ratio adjusted in accordance with contract terms and conditions.	3.2×	<4.5×
Secured debt ratio	2.1×	>1.5×

The calculation of the adjusted leverage ratio does not take into account the adjustment for the one-off costs due to Covid-19.

Counterparty risk

With regard to its financial activities (particularly cash flow management and derivative instruments used to hedge interest rate risk), the Group has risk management procedures in place and ensures it works with front-ranking financial institutions.

Currency risk

The Group is not exposed to currency risk as all of its subsidiaries are located in the eurozone and all transactions are conducted in euros.

8.3 Financial assets

Financial assets consist of:

- non-current financial assets: investments in unconsolidated companies, related receivables, guarantees and security deposits granted;
- current financial assets, which include short-term financial derivative instruments and cash and cash equivalents (marketable securities).

In accordance with IFRS 9, financial assets are classified in one of the following three categories:

- financial assets recognised at amortised cost;
- assets recognised at fair value in other comprehensive income;

- financial assets recognised at fair value in income.

Cash and cash equivalents

Cash and cash equivalents consist of immediately available liquid assets (cash at bank and in hand) and short-term, highly liquid investments that are readily convertible into known amounts of cash and are exposed to an immaterial risk of change in value (short-term deposits with an initial term of less than three months and euro-denominated money market funds classified in the AMF's "short-term money market fund" category).

The accounting value of financial assets is considered to be their fair value.

8.4 Cash and cash equivalents

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Marketable securities	220,331	55,100
Cash and cash equivalents	938,778	289,686
TOTAL	1,159,109	344,786

Marketable securities comprise term deposits or euro-denominated open-ended investment funds with variable capital (SICAV) classified in the AMF's "short-term money

market fund" category. Pursuant to IAS 7, they are highly liquid, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

8.5 Fair value of financial assets and liabilities

This table presents a breakdown of financial instruments recognised at fair value by measurement method. The different levels of fair value are defined as follows:

- level 1: prices quoted on an active market;
- level 2: observable data other than prices quoted on an active market (financial models);
- level 3: unobservable data.

In thousands of euros	2020	Financial assets recognised at fair value in income					Financial assets recognised at fair value in other comprehensive income		
		Financial assets at amortised cost		Non-consolidated equity investments	Impact of counterparty default risk-Credit Value Adjustment	Cash flow hedging derivatives	Fair value measurement		
		Cash and cash equivalents	Financial assets at amortised cost				Level 1	Level 2	Level 3
						Active markets	Observable data	Non-observable data	
Non-current assets									
Non-consolidated equity investments	22,755			22,755				22,755	
Security deposits	32,939	32,939							
Other non-current securities	9,044	9,044							
Financial assets	64,738	41,983		22,755				22,755	
Current assets									
Trade receivables and related accounts	315,301	315,301							
Other receivables	366,198	366,198							
Deposits and guarantees	3,700	3,700							
Other receivables and current financial assets	369,899	369,899							
Derivative instruments – assets	2,216				-86	2,302	2,216		
Marketable securities	220,331					220,331			
Cash and cash equivalents	938,778								
Cash and cash equivalents	1,159,109					220,331			

Non-consolidated equity investments notably include the acquisition of Vivason (France) for €16.2 million, which was completed in December 2020 and will be consolidated in the accounts from 1st January 2021.

In thousands of euros	2020	Financial liabilities at fair value through P&L					Financial liabilities recognised at fair value in other comprehensive income	Fair value measurement		
		Financial liabilities at amortised cost	Fair-value hedging instruments	Derivatives ineligible for hedge accounting	Impact of counterparty default risk – Debit Value Adjustment	Cash flow hedging derivatives		Level 1	Level 2	Level 3
								Active markets	Observable data	Non-observable data
Non-current liabilities										
Loans from credit institutions	1,659,631	1,659,631								
Funding of real estate debt	1,470,870	1,470,870								
Employee profit sharing	40	40								
Other financial liabilities	-83,691	-83,691								
Borrowings and financial debt	3,046,850	3,046,850								
Commitment to buy out non-controlling interests	36,302	36,302								
Other non-current debt	59,804	59,804								
Current liabilities										
Loans from credit institutions	766,854	766,854								
Funding of real estate debt										
Bank overdrafts	11,849	11,849								
Other financial liabilities	173,369	173,369								
Derivative instruments – liabilities	37,567			909	-2,578	39,236		37,567		
Trade payables and related accounts										
Residents' deposits	61,629	61,629								
Other liabilities	737,755	737,755								
Other liabilities and accruals	799,384	799,384								

The accounting value of financial liabilities (excluding derivatives) is equal to their fair value.

Note 9 • PROVISIONS

A provision is recognised when, at the end of the period, the Group has a present obligation (legal or constructive) and it is probable that an outflow of resources that do not embody future economic benefits will be required to settle it.

Provisions are discounted if the effect of time is material. Increases in the provision due to the passage of time are recognised as financial expenses.

A provision for restructuring can only be made if the restructuring was publicly announced and a detailed restructuring plan has been drawn up or restructuring is underway at the balance sheet date.

A provision is set aside for disputes (e.g. employee industrial disputes, tax audits, commercial disputes) if the Group has a liability towards a third party at the balance sheet date. The amount of the provision reflects the best estimate of future expenditures.

Non-current provisions

<i>In thousands of euros</i>	Tax	Social contributions	Other	Total
Opening balance	4,335	19,006	33,687	57,028
Allowances	2,258	8,313	5,973	16,545
Used	-272	-1,941	-2,040	-4,253
Reversals	-632	-8,477	-7,117	-16,226
Changes in scope	185	286	9,937	10,408
Reclassifications	1,076	239	-2,839	-1,524
CLOSING BALANCE	6,950	17,427	37,601	61,978

Current provisions

<i>In thousands of euros</i>	Tax	Social contributions	Other	Total
Opening balance	434	9,751	2,423	12,607
Allowances	700	958	3,816	5,473
Used	-548	-4,044	-5,454	-10,046
Reversals	0	-481	-490	-971
Changes in scope	0	0	875	875
Reclassifications	0	0	1,963	1,963
CLOSING BALANCE	586	6,183	3,132	9,901

Tax disputes not covered by IAS 12

Provisions for legal disputes over taxes not covered by IAS 12, e.g. VAT, provide a reserve against tax adjustments and tax disputes in which the amounts have been contested. No individual dispute represents a material amount as at 31 December 2020.

Employee-related disputes

The provisions set aside cover employee disputes and employment termination benefits. No individual dispute represents a material amount at 31 December 2020.

Risks relating to operating disputes ("Other" column)

The provisions set aside by the Group pertain to legal disputes concerning contracts (suppliers and real estate) and medical responsibilities. No individual dispute represents a material amount as at 31 December 2020.

Note 10 • INCOME TAX

10.1 Breakdown of Income tax

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Current taxes	-41,912	-75,743
Deferred tax	24,736	16,457
INCOME TAX	-17,176	-59,286

10.2 Reconciliation between the actual and the theoretical income tax expense

Since the Group considers that the French corporate value added tax (cotisation sur la valeur ajoutée des entreprises – CVAE) component of the territorial economic contribution (contribution économique territoriale – CET) meets the definition of an income tax under IAS 12, it recognises it as such in the consolidated financial statements in respect of the French subsidiaries.

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Net profit/(loss) attributable to owners of the Group	39,402	114,681
Non-controlling interests	2,702	1,544
Profit/(loss) from equity-accounted companies	776	0
Income tax expense	17,176	59,286
Profit/(loss) before tax	60,057	175,511
Theoretical tax rate	32.02%	34.43%
Theoretical income tax expense	18,983	60,428
Permanent differences	-1,669	-3,864
Impact of non-deductible financial expenses	781	1,725
Tax losses for the year not activated	4,025	2,131
Use of tax losses not activated	-4,784	-7,065
Adjustment of prior-year deferred taxes	5,788	195
Adjustments for prior-year taxes	-10,340	-6,347
Tax at the reduced rate	-10,115	-2,067
Impact of CVAE net of tax in France	15,968	14,309
Impact of IRAP in Italy	261	1,461
Impact of tax-exempt earnings	1,166	2,791
Difference between parent Group and subsidiary tax rates	-2,890	-5,551
Impact of the corporate tax rate change in the future		1,141
ACTUAL TAX EXPENSE	17,176	59,286
<i>Effective tax rate</i>	28.60%	33.78%

10.3 Deferred tax

Deferred taxes are recorded, using the balance sheet liability method, on temporary differences between the tax base of assets and liabilities and their carrying value existing at the balance sheet date, and on tax losses.

Deferred tax assets are recorded when it is likely that the Group will generate future taxable income against which unused tax losses can be offset.

In respect of deferred tax assets on tax losses carried forward, the Group used a multi-criteria approach taking into account the time horizon for recovery based on financial projections as well as the long-term strategy for recovering tax losses in each country.

Deferred taxes are calculated for each entity. They are offset when the tax is payable to the same tax authority and relates to the same taxable entity (tax consolidation group in France and Germany).

Deferred tax assets and liabilities are measured at the income tax rate that is expected in the year when the

asset is to be realised or the liability is to be settled, on the basis of the applicable tax regulations and using the tax rates that have been enacted or substantively enacted as of the balance sheet date.

Deferred taxes are presented on the balance sheet under specific headings recorded under non-current assets and non-current liabilities.

At 31 December 2020, the timing differences between French, Belgian and Italian entities were recorded at the rates most recently voted:

- in France: at 25.83%, effective in 2022;
- in Italy: at 27.90% since 1st January 2017, a base rate (IRES) of 24%, to which is added a complementary contribution of between 3.9% and 4.9% depending on the region;
- in Belgium: at 25.00%;
- the corporate tax rates in Germany were 15.3% or 30.33% depending on the type of company.

10.3.1 Breakdown of deferred taxes

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Intangible assets	508,333	419,414
Plant, property and equipment	156,402	164,472
Temporary differences on CVAE	5,509	6,354
Financial instruments	-9,930	-8,354
Tax loss carry-forwards	-32,936	-14,654
Pension provisions	-17,788	-20,711
Other provisions	-6,002	-16,427
Other temporary differences	-16,381	-11,496
Other assets/liabilities	-61,185	-60,230
NET OF DEFERRED TAXES (LIABILITIES)	526,023	458,368

Most of the Group's deferred taxes arise from the recognition of operating licences (intangible non-current assets) acquired during business combinations.

10.3.2 Net change in deferred taxes

<i>In thousands of euros</i>	31.12.2020	31.12.2019
Opening balance	458,368	443,155
Expense/(income)	-24,736	-16,457
Change in consolidation scope	86,419	52,711
Charged to equity	147	-19,769
Other changes	5,825	-1,273
CLOSING BALANCE	526,023	458,368

The group recognised deferred tax assets on tax losses carried forward in the amount of € 32.9 million at 31 December 2020, compared to €14.6 million at 31 December 2019. Most of these concern France, Germany and Belgium, in which tax losses may be carried forward indefinitely. However, their recognition by the Group is contingent upon the analysis of each individual situation.

At 31 December 2020, the deferred tax assets on tax losses carried forward of which recovery was considered unlikely came to €16.0 million (€16.9 million at 31 December 2019). The deferred tax assets not recognised at 31 December 2020 chiefly concern the following countries: France (€9.7 million), Germany (€4.4 million) and Belgium (€1.8 million).

These mostly consist of:

- in France, tax losses arising prior to tax consolidation that may be activated but are subject to significant constraints;
- in Germany, tax losses on companies not included in a tax group that have not been activated due to their low likelihood of recovery;
- in Belgium, tax losses not authorised for activation having been incurred at non-profit organisations (non-usable base of €16.1 million at 31 December 2020, with a tax rate of near zero).

Note 11 • COMMITMENTS AND CONTINGENT LIABILITIES

Disputes

There are no pending or potential governmental, legal or arbitration proceedings, including proceedings of which the Company is aware, that may have or, in the past 12 months, have had a material impact on the Company's and/or Group's financial position or profitability.

Note 12 • EVENTS AFTER THE REPORTING PERIOD

As part of the Group's expansion drive, the following material events have occurred since 31 December 2020:

Banking covenant

In January 2021, the Group renegotiated the formula for calculating its adjusted leverage ratio with the banks providing its syndicated loan. The authorised maximum

ratio is unchanged, at 4.5x, but the calculation formula is now as follows: $(\text{Consolidated Net Debt} - \text{Real Estate Debt}) / (\text{adjusted EBITDA} - 5.8\% * \text{Real Estate Debt})$.

	Korian ratio	Authorised maximum/minimum ratio at 31 December
Adjusted leverage ratio (new formula)	3.0x	<4.5x

Entry into UK market

In February 2021, Korian announced that it had entered into exclusive negotiations to acquire Berkley Care Group in the UK, a group with six high-end care homes in the South of England, providing outstanding quality care with

a high level of client satisfaction, in a very large market with a rising need for premium care. Korian will also acquire the real estate for 5 of the homes. The Group is expected to deliver c.£25 million of revenue in 2021.

Note 13 • OTHER INFORMATION

13.1 Scope of consolidation - Germany

The following information is provided to supplement that on Korian's scope of consolidation in Germany:

- German subsidiary PHÖNIX-ambulante intensive Pflege GmbH, which was consolidated in 2018, joins the Group's list of consolidated companies in Germany as provided in the Notes to the consolidated financial statements in the 2018 Registration Document (section 14.4.2).
- German subsidiary Doc Orange GmbH, as mentioned in Note 5.7 and in sections 14.4.2 and 14.3.2 of the 2017 and 2018 Registration Documents and the 2019 Universal Registration Document, respectively, is registered under the company name "BuP Betreuung und Pflege GmbH" in the trade and companies register.
- German subsidiary Zentrale Parsberg (Holding Weidlich), as mentioned in sections 14.4.2 and 14.3.2 of the 2018 Registration Document and the 2019 Universal Registration Document, respectively, is registered under the company name "PHÖNIX-Lebenszentren GmbH" in the trade and companies register.
- German subsidiary RIAG SENIORENZENTRUM as mentioned in Note 5.7 and in sections 14.4.2 and 14.3.2 of the 2017 and 2018 Registration Documents and the 2019 Universal Registration Document, respectively, is registered under the company name "RIAG Seniorenzentrum "Eneppetal" GmbH & Co. KG" in the trade and companies register.
- German subsidiary Ambulanter Dienst Kutlu GmbH, as mentioned in sections 14.4.2 and 14.3.2 of the 2018 Registration Document and the 2019 Universal Registration Document, respectively, has been registered under the company name "PflegeExperten GmbH" in the trade and companies register since 24 February 2020.
- German subsidiary CASA REHA HOLDING GMBH, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, has been registered under the company name "CR Korian Holding GmbH" in the trade and companies register since 20 January 2020.
- German subsidiary CURANUM AG, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, was registered in the trade and companies register until 3 March 2015 and again since 15 January 2020 under the company name "Korian Deutschland AG".
- German CURANUM Dienstleistung GmbH, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, has been registered under the company name "Korian Personaldienstleistung GmbH" in the trade and companies register since 18 April 2019.
- German subsidiary KORIAN MANAGEMENT VERWALTUNG GMBH, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, has been registered under the company name "Korian Textilservice GmbH" in the trade and companies register since 16 December 2019.
- German subsidiary NON-FOOD HANDELSGESELLSCHAFT KARLSRUHE FÜR SENIORENBEDARF MBH, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "NON - FOOD Handelsgesellschaft für Seniorenbedarf mbH" in the trade and companies register.
- German subsidiary BAD SCHWARTAU AVG ALTENHEIM-VERMIETUNG, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "Bad Schwartauer AVG Altenheim-Vermietung GmbH & Co. KG" in the trade and companies register.
- German subsidiary RIAG SENIORENZENTRUM "ZWEITE", as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "RIAG Seniorenzentrum "Zweite" GmbH & Co. KG" in the trade and companies register.
- German subsidiary RIAG SENIORENZENTRUM "ERSTE", as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "RIAG Seniorenzentrum "Erste" GmbH & Co. KG" in the trade and companies register.
- German subsidiary Häusliche Krankenpflege Charlotte König GmbH & Co., as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "Häusliche Krankenpflege Charlotte König GmbH & Co KG" in the trade and companies register.
- German subsidiary Schauinsland Pflegebetrieb Gmb, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "Schauinsland Pflegebetriebs-GmbH" in the trade and companies register.
- German subsidiary Ambulante Pflege Schauinsland Gbmh, as mentioned in section 14.3.2 of the 2019 Universal Registration Document, is registered under the company name "Ambulante Pflege Schauinsland GmbH" in the trade and companies register.

13.2 Related party transactions

Korian's policy for the compensation of its corporate officers is compliant with the AFEP-MEDEF Corporate Governance Code for Listed Companies (November 2016 version) (the "AFEP-MEDEF Code"). In line with the

recommendations of said AFEP-MEDEF Code, the compensation of executive corporate officers is set by the Board of Directors, pursuant to a proposal of the Compensation and Appointments Committee.

<i>In euros</i>	31 December 2020	31 December 2019
	Amounts paid	Amounts paid
Chief Executive Officer as of 26 January 2016		
Fixed annual compensation	213,750	450,000
Annual variable compensation	495,000	540,000
Benefits in kind	16,056	12,765
TOTAL	724,806	1,002,765
Chairman of the Board of Directors from 26 January 2016 until 1st October 2020		
Fixed annual compensation	194,062	345,000
Chairman of the Board of Directors since 1st October 2020		
Fixed annual compensation	64,688	
TOTAL	258,750	345,000

The amounts paid in 2020 take into account the exceptional 25% reduction (a) in the compensation that the Chief Executive Officer had been due to receive in 2020 (variable compensation in respect of 2019, paid in

2020, plus fixed annual compensation) and (b) in the fixed annual compensation paid to the Chairman of the Board in respect of 2020.

13.3 Statutory auditors' fees

Pursuant to French government decree No. 2008-1487, the following table presents the statutory auditors' fees for the 2020 fiscal year for all of the Group's consolidated companies.

<i>In thousands of euros</i>	Mazars 2020	EY 2020	Mazars 2019	EY 2019
Statutory auditors				
Issuer	284	284	286	295
Fully consolidated companies	1,314	1,542	1,286	1,534
Sub-total	1,598	1,826	1,572	1,829
Other services	351	444	542	601
Sub-total	351	444	542	601
TOTAL	1,949	2,270	2,114	2,430

"Other services" primarily concern due diligence missions performed in respect of acquisitions and equity transactions conducted during the period.

13.4 List of the Group's consolidated entities

a) Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Company. A subsidiary is considered to be controlled when the Company:

- has the power, directly or indirectly, to govern its operating and financial policies;
- obtains variable returns from its activities;
- the ability to use its power to influence the amount of these returns.

In general, controlled companies are those in which Korian directly or indirectly holds more than 50% of the voting rights.

b) Partnerships and associates

The Group consolidates some of its equity holdings using the equity method.

In December 2020, Korian entered into a property development partnership with Aedifica, a leading European investor in healthcare real estate, in the form of a joint venture ("maatschap") owned equally by the two partners. The purpose of the partnership is to invest in new property development projects in the Netherlands.

All of the German subsidiaries listed below (with the exception of the companies SENIORENPFLERGEHEIM GMBH BAD NEUSTADT A.D. SAALE, in Bad Neustadt an der Saale, and KORIAN MANAGEMENT AG, in Salzburg) and included on the consolidated statement of financial position, are exempt from the obligation to publish individual and consolidated accounts for fiscal year 2020, in accordance with Articles 264, 264b and 291 of the German Code of Commerce (*Handelsgesetzbuch* – HGB) and from the obligation to publish and (Group) management reports for FY 2020, as per Article 325 of said code.

The Group's parent company is Korian SA.

The percentages indicated below are the percentages of interest.

FC: Full consolidation

EM: Equity method

13.4.2 France

Legal entity

KORIAN SA	100	
MEDIDEP FONCIER	100	FC
SOCIETE IMMOBILIERE JANIN	100	FC
KORIAN SANTE	100	FC
ABILONE	100	FC
SCI KORIAN IMMOBILIER	100	FC
JONGKIND	100	FC
KORIAN DOMICILES	100	FC
LA MOULINIÈRE	100	FC
KORIAN PARTENAIRE	100	FC
PRIVATEL	100	FC
HOLDING HOSPITALIÈRE DE TOURAINE	100	FC
LE NORD COTENTIN	100	FC
CENTRE WILLIAM HARVEY	100	FC
HOLDING AUSTRUY BUREL	99	FC
PB EXPANSION	100	FC
SCI KORIAN BEZONS IMMOBILIER	51	FC
SCI KORIAN LA COTONNADE IMMOBILIER	51	FC
SCI KORIAN LES CATALAUNES IMMOBILIER	51	FC
SCI KORIAN LE GRAND PARC IMMOBILIER	51	FC
SCI KORIAN LIVRY SULLY IMMOBILIER	51	FC
SCI KORIAN LES RESTANQUES IMMOBILIER	51	FC

Legal entity

SCI KORIAN MORNAY IMMOBILIER	51	FC
SCI KORIAN ONCOPOLE TOULOUSE	51	FC
SCI KORIAN PARC DES DAMES IMMOBILIER	51	FC
SCI KORIAN VILLA AMARELLI IMMOBILIER	51	FC
SCI HOLDING IMMOBILIÈRE	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 1	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 2	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 3	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE	51	FC
SAS KORIAN IMMOBILIER FRANCE	100	FC
LA BASTIDE DE LA TOURNE	100	FC
SARL RESIDENCE FRONTENAC	100	FC
KORIAN LE BASTION	100	FC
RESIDENCE PERIER	100	FC
PERIER RETRAITE	100	FC
VEPEZA	100	FC
LA REINE MATHILDE	100	FC
RESIDENCE LES AJONCS	100	FC
KORIAN MAS DE LAUZE	100	FC
SCI BADERA	51	FC
VILLA BONTEMPS	100	FC
SOCIETE D'EXPLOITATION HOME SAINT GABRIEL	99	FC
LES ISSAMBRES	100	FC
ACCUEIL MEUNIERES	100	FC
CHAMTOU	100	FC
SOCIETE GERONTOLOGIQUE DU CENTRE OUEST - SGCO	100	FC
SOCIETE HOSPITALIERE DE TOURAINE	100	FC
KORIAN VILLA D'ALBON	100	FC
SCI LE TEILLEUL	100	FC
KORIAN LE DIAMANT	100	FC
COMPAGNIE FONCIERE VERMEILLE	51	FC
BELLECOMBE	100	FC
KORIAN LES ARCADES	100	FC
RÉSIDENCE MAGENTA	100	FC
VILLA SAINT DOMINIQUE	100	FC
LE CLOS CLEMENT 77 - RESIDENCE DU BOIS CLEMENT	100	FC
KORIAN BRUNE	100	FC
KORIAN LES LILAS	100	FC
SAINT-CYR GESTION	100	FC
REANOTEL	100	FC
KORIAN FLORIAN CARNOT	100	FC
MEUDON-TYBILLES	100	FC
LES LIERRES GESTION	100	FC
L'AIR DU TEMPS RESIDENCES STRASBOURG ROBERTSAU	100	FC
LES HAUTS D'ANDILLY	100	FC
ATRIA	100	FC
LES BEGONIAS	100	FC
LA REINE BLANCHE	100	FC
LES BLES D'OR	100	FC

Legal entity

LES TEMPS BLEUS	100	FC
CARLOUP SANTE	100	FC
LE CASTELLI	100	FC
LES FONTAINES	100	FC
ISERE SANTE	100	FC
LAFFITTE SANTE	100	FC
S.C.I. LE MAIL IMMOBILIER	100	FC
LE MAIL SANTE	100	FC
MASSENET SANTE	100	FC
MEDOTELS	100	FC
RESIDENCE FREDERIC MISTRAL	100	FC
KORIAN CLOS DES VIGNES	100	FC
KORIAN VILLA POPYRI	100	FC
KORIAN VILLA D'AZON	100	FC
KORIAN LES CASSISSINES	100	FC
KORIAN VILLA SPINALE	100	FC
KORIAN L'ASTREE	100	FC
KORIAN LA FONTANIERE	100	FC
GEM VIE	100	FC
SOCIETE D'ETUDES ET DE REALISATIONS POUR LE NOUVEL AGE SERENA	100	FC
KORIAN AU FIL DU TEMPS	100	FC
KORIAN PLAISANCE	100	FC
KORIAN SAVERNE	100	FC
KORIAN VAL DES SOURCES	100	FC
KORIAN VILL'ALIZE	100	FC
KORIAN L'ESCONDA	100	FC
LE PETIT CASTEL	100	FC
PEROU	100	FC
LES PINS BLEUS	100	FC
RESIDENCE DE PONTLIEUE	100	FC
HOMERE HOTELLERIE MEDICALISEE RETRAITE	100	FC
LA SAISON DOREE	100	FC
SAINT FRANCOIS DE SALES	100	FC
SARL VILLANDIERES NIMES	100	FC
CLINIQUE DE SOINS DE SUITE ET READAPTATION CHATEAU DE GLETEINS	100	FC
LA PINÈDE	100	FC
CHATEAU DE LA VERNEDE	100	FC
KORIAN LES OLIVIERS	100	FC
CENTRE DE RÉADAPTATION FONCTIONNELLE DE CAEN	100	FC
CLINIQUE CARDIOLOGIQUE DE GASVILLE	100	FC
CLINIQUE DE MEDECINE PHYSIQUE ET DE READAPTATION FONCTIONNELLE "LES GRANDS CHENES"	100	FC
LES FLOTS	100	FC
IMMO 2	100	FC
LE BELVEDERE PLAGES	100	FC
LE BELVEDERE	100	FC
CENTRE MÉDICAL INFANTILE MONTPRIBAT	100	FC
CENTRE DE REEDUCATION FONCTIONNELLE DE SIOUVILLE	100	FC
CLINIQUE NAPOLEON	100	FC
SCI NAPOLEON	100	FC

Legal entity

LE MONT BLANC	99	FC
CLINIQUE DU CANAL DE L'OURCQ	100	FC
HAD YVELINES SUD	100	FC
SOCIÉTÉ NOUVELLE DE LA CLINIQUE DU MESNIL	100	FC
CENTRE DE SOINS DE SUITE DE SARTROUVILLE	100	FC
KORIAN LES TROIS TOURS	100	FC
OREGON	100	FC
SOCIETE D'EXPLOITATION DE LA CLINIQUE MEDICALE DE SAINT COME A JUVISY	100	FC
CLINIQUE DE SACLAS	100	FC
SOCIETE CLINIQUE DE SOINS DE SUITE DE NOISY LE SEC	100	FC
CLINIQUE DE LIVRY-SULLY	100	FC
SOCIETE D'EXPLOITATION DE LA CLINIQUE DU PERREUX	100	FC
NEWCO BEZONS	100	FC
CLINIQUE DE CONVALESCENCE DU CHATEAU DE CLAVETTE	100	FC
SERIENCE SOINS DE SUITE ET DE READAPTATION	100	FC
SARL DE BIOUX SANTE	100	FC
THALATTA	100	FC
RESIDENCE LES AINES DU LAURAGAIS	100	FC
GRAND'MAISON	100	FC
KORIAN PASTORIA	100	FC
SA MEDICA FRANCE	100	FC
SAS CLINIQUE DE SANTE MENTALE SOLISANA	100	FC
SAS CLINIQUE DU VAL DE SEINE	100	FC
SARL CLINIQUE LES ALPILLES	100	FC
SARL CLINIQUE DU MONT VENTOUX	100	FC
SARL CLINIQUE DE SANTE MENTALE DU GOLFE	100	FC
SAS CLINIQUE ALMA SANTE	100	FC
SAS CLINIQUE DU CHATEAU DE MORNAY	100	FC
SAS CLINIQUE SAINTE COLOMBE	100	FC
SARL CLINIQUE LA CONDAMINE	100	FC
SARL CLINIQUE DE SANTE MENTALE VILLA BLEUE	100	FC
SARL CLINIQUE MAISON BLANCHE	100	FC
SAS CLINIQUE MONTJOY	100	FC
SAS CLINIQUE DE SANTE MENTALE DE PIETAT	100	FC
SAS CLINIQUE DE SANTE MENTALE SAINT MAURICE	100	FC
SAS CLINIQUE LA PALOUMERE	100	FC
SAS CLINIQUE LA VARENNE	100	FC
SAS CLINIQUE LA ROSERAIE	100	FC
SARL CLINIQUE LE CLOS DE BEAUREGARD	100	FC
SAS CLINIQUE DU CHAMBON	100	FC
SAS CLINIQUE LES BRUYERES	100	FC
SAS LES JARDINS D'HESTIA	100	FC
SARL GMR	100	FC
SAS AUBERGERIE DE QUINCY	92	FC
SAS AUBERGERIE DU 3ème AGE	92	FC
SARL RESIDENCE DES PINS	100	FC
SAS GASTON DE FOIX	100	FC
SARL RESIDENCE DE CHAINTREAUVILLE	96	FC
SAS DLS GESTION	100	FC

Legal entity

SARL LA FONTAINE BAZEILLE	100	FC
SAS LES TERRASSES DU XXEME	100	FC
SAS RESIDENCE LES MATHURINS	100	FC
SAS LE VAL D'ESSONNE	100	FC
SARL MAISON DE RETRAITE LES GARDIOLES	100	FC
SARL LA PAQUERIE	100	FC
SARL LA COLOMBE	100	FC
SARL LES TAMARIS	100	FC
SARL RESID'GEST	100	FC
SARL RA DE LAXOU	100	FC
SARL RA DES SABLES	100	FC
SARL RA DE LYON GERLAND	100	FC
SARL RA DU MANS	100	FC
SARL LE MOLE D'ANGOULINS	100	FC
SAS RA DE NEUVILLE ST REMY	100	FC
SARL MAISON DE RETRAITE SOULAINES	100	FC
SAS DOMAINE DES TROIS CHEMINS	100	FC
SAS LE MONT SOLEIL	100	FC
SARL RESIDENCE BELLEVUE	100	FC
SARL RESIDENCE AGAPANTHE	100	FC
SARL RESIDENCE LA GRANDE PRAIRIE	100	FC
SARL RESIDENCE PIN BALMA	100	FC
SARL LE HAMEAU DE PRAYSSAS	100	FC
SAS LE HAMEAU DE LA SOURCE	100	FC
SAS RESIDENCE CLAUDE DEBUSSY	100	FC
SARL LES OLIVIERS	100	FC
SAS MAISON DE RETRAITE LE CHALET	100	FC
SARL LA CAMPAGNARDE	100	FC
SARL DU CHÂTEAU	100	FC
SARL BUEIL	100	FC
SAS RESIDENCE DE L'ABBAYE	100	FC
SAS LA VALLEE BLEUE	100	FC
SAS LES CIGALES	100	FC
SAS LES TOURELLES	100	FC
SAS LA DETENTE	100	FC
SAS SAINT FRANCOIS DU LAS	100	FC
SARL MAISON DE RETRAITE LES ALYSSES	100	FC
SAS LA VILLA DU CHÊNE D'OR	100	FC
SAS LA VILLA DU PARC	100	FC
SARL LE DOMAINE DE COLLONGUES	100	FC
SAS LE CLOS VERMEIL	100	FC
SAS RELAIS TENDRESSE SAINTE MARGUERITE	100	FC
SARL MEDI-SAISONS	100	FC
SAS L'AMARYLLIS	100	FC
SAS LA LOUISIANE	100	FC
SAS LES PALMIERS	100	FC
SARL LUBERON SANTE	100	FC
SARL INVAMURS	100	FC
SAS SOCEFI	100	FC

Legal entity

SAS FINANCIERE DE LETRETTE	100	FC
SARL PASTHIER PROMOTION	100	FC
SCI CHAMBERY JOURCIN	100	FC
SCI BRUAY SUR ESCAUT	100	FC
SCI SAINT GEORGES DE DIDONNE	100	FC
SCI DE LAXOU MAXEVILLE	51	FC
SCI DES SABLES	100	FC
SCI DE LYON-GERLAND	100	FC
SCI SAINT-MALO	100	FC
SCI DU MANS	100	FC
SCI PIERRE DEBOURNOU	100	FC
SCI DE LA RUE BICHAT	100	FC
SCI CENTRE DE CONVALESCENCE DE NEUVILLE	100	FC
SCI CENTRE MEDICAL LES ALPILLES	100	FC
SCI VALMAS	100	FC
SCI ALMA SANTE	100	FC
SCI SAINT MAURICE	100	FC
SCI LA PALOUMÈRE	100	FC
SCI LA VARENNE	100	FC
SCI LA ROSERAIE	100	FC
SOCIETE CIVILE IMMOBILIERE DE MONTVERT	100	FC
SCCV BAZEILLE DEVELOPPEMENT	100	FC
SCI LES TROIS CHEMINS	100	FC
SARL DU PRE DE LA GANNE	100	FC
SCI SYR IMMOBILIER	100	FC
SARL LE BOIS DU CHEVREUIL	100	FC
SAS ALEXMAR	100	FC
SNC IMMOBILIERE DE DINARD	100	FC
SAS MS FRANCE	60	FC
SCI FALCA	51	FC
SARL RESIDENCE VICTOR HUGO	100	FC
LE CLOS DE L'ORCHIDEE	100	FC
SOCIETE DU CHÂTEAU DE LORMOY	100	FC
SCI KORIAN SAVERNE IMMOBILIER	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 4	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 5	51	FC
SAS KORIAN IMMOBILIER ALLEMAGNE 6	51	FC
RESIDENCE FONTDIVINA	100	FC
AGES ET VIE GESTION	70	FC
AGES ET VIE HABITAT	70	FC
AGES ET VIE SERVICES	70	FC
CLINIDEV SAS	100	FC
CLINIDOM SAS	100	FC
KD H	100	FC
SCI LA CROIX DU MARECHAL	100	FC
SCI FPM	100	FC
LES OMEGADES	100	FC
OMEGA SAS	100	FC
SCCV HENRIADE	100	FC

Legal entity

SCI BEAUSEJOUR	100	FC
HOLDING LES ACACIAS	100	FC
KORIAN IMMOBILIER ALLEMAGNE 7	100	FC
LA GALICIA	99	FC
SCPR CROIX DU MARECHAL	100	FC
BOIS LONG	100	FC
JARDINS D'EPARGNES	100	FC
ROSA BELLA	100	FC
LA CHENAIE	100	FC
LA CHENERAIE	100	FC
HENRIADE	100	FC
LASIDOM	100	FC
CLOS D'ARMAGNAC	100	FC
ENTRE DEUX MERS	100	FC
LES DOMAINES DE CESTAS	100	FC
ROSES DU BASSIN	100	FC
LES ACACIAS (BRIANÇON)	100	FC
LES ACACIAS (GAN)	100	FC
MARIENIA	100	FC
PETITS-FILS DEVELOPPEMENT	100	FC
PETITS-FILS	100	FC
SCI FONCIERE A&V	30	FC
KD SAP	100	FC
KD SANTE SECURITE	100	FC
SCI KORIAN OUILLINS IMMOBILIER	51	FC
SAS KORIAN ASSET & PROPERTY MANAGEMENT	100	FC
DAMIEN	100	FC
SAS LE PONTET	100	FC
SAS LES CLARINES	100	FC
SAS LA VALLONIE	100	FC
SAS CDS 2	100	FC
SARL H.ECO	51	FC
SAS LA SOLANE	100	FC
SAS VAL PYRENE	100	FC
SAS CRFS GUSTAVE ZANDER	100	FC
SA SAEM - INSTITUT ZANDER	100	FC
SCI GARIBALDI SIERROZ	51	FC
SCI LE ZANDER	51	FC
MOVE IN MED	100	FC
OMEDYS	70	FC
KORIAN IMMOBILIER ALLEMAGNE 8	100	FC
KORIAN SOLUTION	100	FC
HMIMH	72	FC
LES ESSENTIELLES CAEN	100	FC
LES ESSENTIELLES CONFLANS-STE-HONORINE	100	FC
LES ESSENTIELLES HOLDING	100	FC
LES ESSENTIELLES LIMEIL-BREVANNES	100	FC
LES ESSENTIELLES L'ISLE ADAM	100	FC
LES ESSENTIELLES NEGREPELISSE	100	FC

Legal entity		
LES ESSENTIELLES PONT-AVEN	100	FC
LES ESSENTIELLES ROUEN	100	FC
LES ESSENTIELLES STRASBOURG - POURTALES	100	FC
LES ESSENTIELLES SAINT SOULLE	100	FC
LES ESSENTIELLES VINCENNES	100	FC
SCI HOLDING IMMOBILIER 2	100	FC
KORIAN ETOILE IMMOBILIER SCI	100	FC
KORIAN RSS IMMOBILIER SCI	100	FC
KORIAN & PARTENAIRE IMMOBILIER 2	51	FC
ANTIN INFRASTRUCTURE PARTNERS LUXEMBOURG	100	FC
ANTIN IMMO BORDEAUX	100	FC
ANTIN IMMO EPINAL	100	FC
ANTIN IMMO HOLDING	100	FC
ANTIN IMMO INICEA	100	FC
ANTIN IMMO SAINT- AVOLD	100	FC
ANTIN IMMO SAINT-BRIEUC	100	FC
INICEA HOLDING	100	FC
CLINIQUE DES VALLEES	100	FC
CLINIQUE VILLA DES ROSES	100	FC
CENTRE LYONNAIS DE PSYCHIATRIE AMBULATOIRE	100	FC
IMMOBILIERE DES VALLEES	100	FC
IMMOBILIERE DES ROSES	100	FC
GIE INICEA SERVICES	100	FC
CLINIQUE LA MARE Ô DANS	100	FC
CLINIQUE JEANNE D'ARC	100	FC
CLINIQUE DU PAYS DE SEINE	100	FC
CLINIQUE DE VONTES	100	FC
POLE DE SANTE MENTALE LA CONFLUENCE	100	FC
SCI LA CONFLUENCE SAINT-CYR	100	FC
CLINIQUE LES HORIZONS	100	FC
CLINIQUE MAYLIS	100	FC
CLINIQUE DE REGENNES	100	FC
LA CORNE DE L ABONDANCE	100	FC
CENTRE DE PSYCHIATRIE AMBULATOIRE DE CENON	100	FC
CENTRE CALADOIS DE PSYCHIATRIE AMBULATOIRE	100	FC
CENTRE MONTOIS DE PSYCHIATRIE AMBULATOIRE	100	FC
CENTRE AUBERGENVILLOIS DE PSYCHIATRIE AMBULATOIRE	100	FC
CENTRE PSYCHIATRIQUE LIVRYEN AMBULATOIRE	100	FC
CENTRE NABORIEN DE PSYCHIATRIE AMBULATOIRE	100	FC
CENTRE SPINALIEN DE PSYCHIATRIE AMBULATOIRE	100	FC
INICEA FONCIERE 1	100	FC
INICEA JOUVENCE NUTRITION	100	FC
FONCIERE JOUVENCE NUTRITION	100	FC
INICEA VAL JOSSELIN	100	FC
FONCIERE VAL JOSSELIN	100	FC
TECHNOSENS	70	FC

13.4.3 Germany

Legal entity		
CR KORIAN HOLDING GMBH, München	100	FC
CASA REHA BETRIEBS- UND BETEILIGUNGSGESELLSCHAFT MBH, München	100	FC
PROVITA HEIMBETRIEBSGESELLSCHAFT MBH, München	100	FC
SENIORENHEIM LEHNDORFER HOF GMBH, München	100	FC
SENIOREN DSC GMBH DIENSTLEISTUNGS- UND SERVICE CENTER, München	100	FC
HAUS ALTKÖNIG HEIMBETRIEBSGESELLSCHAFT MBH, München	100	FC
CASA REHA HEIMBETRIEBSGESELLSCHAFT MBH, München	100	FC
SENIORENRESIDENZ AM ERLLENHOFSEE BETRIEBSGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG, München	100	FC
SENIORENPFLERGEHEIM GMBH BAD NEUSTADT A.D. SAALE, Bad Neustadt a.d. Saale	75	FC
F & B SENIOREN SERVICE-CENTER GMBH, München	100	FC
S&K TEXTIL SENIOREN DIENSTLEISTUNGS-CENTER GMBH, München	100	FC
NON - FOOD HANDELSGESELLSCHAFT FÜR SENIORENBEDARF MBH, München	100	FC
CASA REHA ALTENPFLEGEHEIM GMBH, München	100	FC
CASA REHA VIII IMMOBILIEN VERWALTUNGSGESELLSCHAFT OBJEKT LOLLAR GMBH, München	100	FC
CASA REHA IX IMMOBILIEN BETEILIGUNGSGESELLSCHAFT OBJEKT LOLLAR MBH, München	100	FC
CASA REHA VIII IMMOBILIENGESELLSCHAFT OBJEKT LOLLAR MBH & CO. KG, München	100	FC
XXIV. CASA REHA IMMOBILIENVERWALTUNGSGESELLSCHAFT MBH, München	100	FC
XXVIII. CASA REHA IMMOBILIENVERWALTUNGSGESELLSCHAFT MBH, München	100	FC
XX. CASA REHA VERWALTUNGS- UND IMMOBILIENERWERBS GMBH & CO. KG, München	100	FC
CASA REHA SENIORENPFLERGEHEIM GMBH, München	100	FC
SOZIALKONZEPT BETRIEBS- UND BETEILIGUNGS GMBH, München	100	FC
SOZIALKONZEPT BARBARAHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT CHARLOTTENHOF BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN MBH, München	100	FC
SOZIALKONZEPT CHRISTINENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT DOROTHEENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT HERMINENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT LORETTAHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT MARIETTENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT CÄCILIEHOF BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN MBH, München	100	FC
SOZIALKONZEPT FRIEDERIKENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT HELENEHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT LUISENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT MAGDALENEHOF BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN MBH, München	100	FC
SOZIALKONZEPT MARIENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT IM ROSEN-PARK GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT SCHULZE-KATHRINHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT SOPHIENHOF GMBH BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN, München	100	FC
SOZIALKONZEPT KATHARINENHOF BETRIEBSGESELLSCHAFT SOZIALER EINRICHTUNGEN MBH, München	100	FC
GO DRACHENFELSSEE 506. VV GMBH, München	100	FC
GO DRACHENFELSSEE 510. VV GMBH, München	100	FC
ALTER EGO SIEBENUNDVIERZIGSTE BETEILIGUNGSGESELLSCHAFT MBH, München	100	FC
SO TEC GMBH, München	100	FC
SOZIALKONZEPT BETEILIGUNGS GMBH, München	100	FC

Legal entity

SERVEX DIENSTLEISTUNGS GMBH, München	100	FC
SOZIAL SERVICE EINRICHTUNGS- UND GESCHÄFTSBESORGUNGS GMBH, München	100	FC
AFARIA GRUNDSTÜCKSVERWALTUNGS GMBH & CO. OBJEKT LOLLAR KG, Mainz	94	FC
ASTELLA GRUNDSTÜCKSVERWALTUNGSGESELLSCHAFT MBH & CO. VERMIETUNGS KG, Mainz	94	FC
KORIAN MANAGEMENT AG, München	100	FC
KORIAN MANAGEMENT AG, Salzburg	100	FC
KORIAN MANAGEMENT GRUNDBESITZ GMBH, München	100	FC
KORIAN DEUTSCHLAND AG, München	100	FC
KORIAN HOLDING GMBH, München	100	FC
CURANUM BETRIEBS GMBH WEST, München	100	FC
KORIAN AKADEMIE GMBH, München	100	FC
GAP MEDIA SERVICE GMBH, München	100	FC
SERVICE GESELLSCHAFT WEST GMBH, München	100	FC
KORIAN PERSONALDIENSTLEISTUNG GMBH, München	100	FC
CURANUM BETRIEBS GMBH, München	100	FC
ALTENHEIM BETRIEBSGESELLSCHAFT WEST GMBH, München	100	FC
CURANUM FRANZISKUSHAUS GMBH, München	100	FC
CURANUM BETRIEBS GMBH MITTE, München	100	FC
BUP BETREUUNG UND PFLEGE GMBH, München	100	FC
BAD SCHWARTAUER AVG ALTENHEIM-VERMIETUNG GMBH & CO. KG, München	100	FC
RIAG SENIORENZENTRUM "ZWEITE" GMBH & CO. KG, München	100	FC
RIAG SENIORENZENTRUM "ERSTE" GMBH & CO. KG, München	100	FC
RIAG SENIORENZENTRUM "ENNEPETAL" GMBH & CO. KG, München	100	FC
CURANUM LIESBORN GMBH & CO. KG, München	100	FC
KORIAN TEXTILSERVICE GMBH, München	100	FC
PHÖNIX - HAUS SILBERDISTEL - ALTEN- U. PFLEGEHEIM GMBH, München	100	FC
PHÖNIX - HAUS ROGGENBERG - PFLEGEHEIM GMBH, München	100	FC
PHÖNIX - HAUS KARWENDEL - ALTEN- UND PFLEGEHEIM GMBH, München	100	FC
PHÖNIX-HAUS ROSMARIN SENIOREN- UND PFLEGEZENTRUM GMBH, München	100	FC
SENIORENWOHNANLAGE OETTINGEN GMBH, München	100	FC
ALTEN-PFLEGEHEIM VEITSBRONN GMBH, München	100	FC
PHÖNIX SENIORENRESIDENZ ELSTERTALBLICK GMBH, München	100	FC
PHÖNIX SOZIALZENTRUM IM LERCHENFELD GMBH, München	100	FC
PHÖNIX SOZIALZENTRUM WINDSBACH GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM IM BRÜHL GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM TAUNUSBLICK GMBH, München	100	FC
PHÖNIX-HAUS AM STEINSGRABEN SENIOREN- UND PFLEGEZENTRUM GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM ULMENHOF GMBH, München	100	FC
PHÖNIX - HAUS SONNENGARTEN WOHN- UND PFLEGEZENTRUM GMBH, München	100	FC
PHÖNIX - SENIORENZENTRUM GRAF TILLY GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM HERZOG ALBRECHT GMBH, München	100	FC
PHÖNIX-SENIORENRESIDENZ AM TEICHBERG GMBH, München	100	FC
SENIORENRESIDENZ DETTELBACH GMBH, München	100	FC
SENIOREN- UND FACHPFLEGEZENTRUM GMBH (GRETEL-EGNER-HAUS), München	100	FC
SOLIDARIA SENIORENRESIDENZEN GGMBH, München	100	FC
PHÖNIX - SENIORENZENTRUM HESSENALLEE GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM FRONMÜLLERSTRASSE GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM GARTENSTADT GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM AM BODENSEERING GMBH, München	100	FC

Legal entity

PHÖNIX-SENIORENZENTRUM ST. HEDWIG GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM NEUPERLACH GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM AHORNHOF GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM AM MUPPBERG GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM MAINPARKSEE GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM AM SCHLOSSTEICH GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM ZWEI LINDEN GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM WEIDENPESCH GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM EVERGREEN MAXHÜTTE GMBH, München	100	FC
PHÖNIX-SENIORENZENTRUM EVERGREEN GMBH, München	100	FC
PHÖNIX-Lebenszentren GmbH, München	100	FC
SERVAS GMBH - SERVICELEISTUNGEN FÜR DEN ALTENHILFESEKTOR, München	100	FC
WBW GMBH, München	100	FC
LEOS GMBH, München	100	FC
GERICARE GMBH, München	100	FC
SOTERIA MANAGEMENTGESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG, München	100	FC
KLINIK AM STEIN PROJEKTENTWICKLUNGSGESELLSCHAFT MBH & CO. KG, München	100	FC
KLINIK AM STEIN VERWALTUNGS GMBH, München	100	FC
EVERGREEN HOLDING GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM BERGNEUSTADT GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM BUTZBACH GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM LANDSCHEID GMBH, München	100	FC
EVERGREEN PFLEGEZENTRUM AM ALTEN POSTSTADION GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM RECKLINGHAUSEN GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM SAARBURG GMBH, München	100	FC
EVERGREEN PFLEGE- UND BETREUUNGSZENTRUM PADERBORN GMBH, München	100	FC
BLITZ 07-712 GMBH, München	100	FC
HELVITA SENIORENZENTREN GMBH, München	100	FC
ALPHEIDE-SENIORENZENTRUM GMBH, München	100	FC
SENIOREN-DOMIZIL FAMILIE WOHNSIEDLER GMBH, München	100	FC
HAUS AMSELHOF SENIORENRESIDENZ GMBH, München	100	FC
HELVITA WIRTSCHAFTSDIENSTE GMBH, München	100	FC
SENIORENPFLEGE HABLOCH GMBH, München	100	FC
SENTIVO GMBH, München	100	FC
SENTIVO SOLINGEN GMBH, München	100	FC
SENTIVO MÖNCHENGLADBACH GMBH, München	100	FC
SENTIVO RHÖNDORF GMBH, München	100	FC
SENTIVO EITORF GMBH, München	100	FC
PFLEGEEXPERTEN GMBH, München	100	FC
SENIORENHEIM AN DER PAAR GMBH, München	100	FC
CURANUM VERWALTUNGS GMBH, München	100	FC
PFLEGE AUS EINER HAND GMBH, München	100	FC
KÖNIG BETEILIGUNGS-VERWALTUNGS-GMBH, München	100	FC
KORIAN HÄUSLICHE KRANKENPFLEGE BETEILIGUNGS-GMBH, München	100	FC
HÄUSLICHE KRANKENPFLEGE CHARLOTTE KÖNIG GMBH & CO KG, München	100	FC
SCHAUINSLAND PFLEGEBETRIEBS-GMBH, München	100	FC
AMBULANTE PFLEGE SCHAUINSLAND GMBH, München	100	FC
PHÖNIX-AMBULANTE INTENSIVE PFLEGE GMBH, München	100	FC
QUALIVITA BETEILIGUNGS-GMBH, Peine	100	FC

Legal entity

SENIORENZENTRUM LANGENKAMP GMBH, Peine	100	FC
SENIORENZENTRUM LÜBBECKE GMBH, Peine	100	FC
SENIORENZENTRUM AM PFARRGARTEN GMBH, Peine	100	FC
JOHANNES SENIORENDIENSTE GMBH, Peine	100	FC
SENIORENZENTRUM NIENHAGEN QUALIVITA GMBH, Peine	100	FC
SENIOREN-ZENTRUM AM SEE VERWALTUNGS-GMBH, Saerbeck	100	FC
SENIOREN-ZENTRUM AM SEE GMBH & CO. KG, Saerbeck	100	FC
TAGESPFLEGE QUALIVITA GMBH, Dahlenburg	100	FC
AMBULANTE PFLEGE NINO ALLEE GMBH, Peine	100	FC
SENIORENBETREUUNGSGESELLSCHAFT STELLE GMBH & CO. KG, Stelle	100	FC
SENIOREN- UND PFLEGEHEIM ILSEDE AM MARKT GMBH, Ilsede	100	FC
SENIORENZENTRUM PEINE AM HERZBERG GMBH, Peine	100	FC
QUALIVITA SERVICE WOHNEN GMBH, Peine	100	FC
AMBULANTE PFLEGE QUALIVITA GMBH, Peine	100	FC
QV-SERVICE GMBH, Peine	100	FC
NOVENT PFLEGEBETRIEBE GMBH, München	100	FC
MOBILE KRANKENPFLEGE MAIER GMBH & CO. KG, Hunderdorf	100	FC

13.4.4 Italy

Legal entity		
SEGESTA SPA	100	FC
SEGESTA2000 SRL	100	FC
SEGESTA GESTIONI SRL	100	FC
MOSAICO HOME CARE SRL	100	FC
VILLA DELLE TERME SPA	100	FC
SEGESTA LATINA SPA	100	FC
CRCT IL GBBIANO SRL	100	FC
SEGESTA MEDITERRANEA SRL	100	FC
VILLA SAN CLEMENTE SRL	100	FC
ELIA DOMUS SRL	100	FC
AUREA SALUS SRL	100	FC
KINETIKA SARDEGNA SRL	100	FC
VITTORIA SRL	70	FC
PLATINUM SPA	100	FC
CARE SERVICE SPA	100	FC
RESIDENZA FORMIGINE SRL	75	FC
IL FAGGIO SRL	100	FC
CROCE DI MALTA SRL	100	FC
FRATESOLE SRL CLIN	100	FC
NATIVITAS	51	FC
RSA FRATESOLE SRL	100	FC
SOGEMI SRL	100	FC
ASSISI PROJECT SPA	60	FC
SMERALDA RSA DI PADRU SRL	95	FC
RESIDENZA VILLA CARLA SRL	100	FC
CENTRO MEDICO SPECIALISTO SRL	90	FC
CENTRO SPECIALISTICO PER LA CURA DEL DIABETE SRL	90	FC
GILAR SRL	100	FC
ISAV SPA	100	FC
LABORATORIO ANALISI CLINICHE DELLE VALLI SRL	100	FC
CENTRO RADIOLOGICO LAERTINO SRL	90	FC
CENTRO DIAGNOSTICO MEDICINA NUCLEARE SRL	90	FC
SERVIZI ASSISTENZIALI DOMICILIARI SRL	70	FC
SANEM2001 SRL	100	FC
STUDIO SERENISSIMA SRL	100	FC
VILLA SILVANA SPA	100	FC
SONDRIO RINNOVA SRL	100	FC
MEDICAL HOUSE VIGNE NUOVE SRL	100	FC
CASA DI CURA CARACCILO SRL	100	FC
CLIPPER SRL	43	ME
OVER SPA	43	ME
OVER CARE SRL	43	ME
OVER REAL ESTATE SRL	43	ME
OVER SONDRIO SRL	43	ME
OVER SUITE SRL	43	ME
OVER VILLAS SRL	43	ME
CASA DI CURA SAN CAMILLO SRL	70	FC

Legal entity

SANTA CHIARA SRL	70	FC
FORTIS SRL	70	FC
IMMOBILIARE MARINA DI SORSO SRL	100	FC
MEDICA SUD SRL	90	FC
IL CHIOSCO SRL	100	FC
OVER&OVER SRL	43	ME
RSA BERZO INFERIORE SRL	100	FC
RSA BORNO SOCIETA DI PROGETTO SPA	100	FC
MSH S.R.L	100	FC
ELIDE SRL	45	FC
II FOCOLARE SRL	90	FC
IDEASS SPA	90	FC

13.4.5 Belgium**Legal entity**

RUSTOORD DE VLAAMSE ARDENNEN	100	FC
PSYCHOGERIATRISCH CENTRUM	100	FC
RESIDENTIE MILSENHOF	100	FC
SENIORENRESIDENTIE AURORA	100	FC
BERCKENBOSCH NV	100	FC
RESIDENTIE SPOENPARK	100	FC
RESIDENTIE BONEPUT	100	FC
RESIDENCE LES CHEVEUX D'ARGENT	100	FC
CORDIA HOLDING	100	FC
PROCURAS	100	FC
RVT DELLEBRON	100	FC
HOME EKSTERVELD	100	FC
GOLDEN MORGEN	100	FC
SINT- LENAARTSHOF	100	FC
MAASMEANDER	100	FC
SENIORIE DE MARETAK	100	FC
RESIDENCE MELOPEE	100	FC
DE NOOTELAER	100	FC
TEN PRINS	100	FC
RESIDENCE L'AIR DU TEMPS	100	FC
RESIDENCE BETHANIE	100	FC
RESIDENTIE EDELWEIS	100	FC
RESIDENCE AUX DEUX PARCS	100	FC
MRS LE RICHEMONT	100	FC
RESIDENTIE KASTEELHOF	100	FC
RESIDENCE LE PROGRES	100	FC
RESIDENTIE PALOKE	100	FC
HOME RESIDENCE DU PLATEAU	100	FC
RESIDENTIE PRINSENPAK	100	FC
RESIDENCE LA PASSERINETTE	100	FC
RESIDENCE RY DU CHEVREUIL	100	FC
RESIDENCE SEIGNEURIE DU VAL	100	FC

Legal entity

RESIDENTIE VAERENHOF	100	FC
RESIDENCE AU BON VIEUX TEMPS	100	FC
SL FINANCE	100	FC
SENIOR LIVING GROUP NV	100	FC
SL INVEST	100	FC
SL IMMO	100	FC
WIELANT-FUTURO	100	FC
DAMIEN/HERIS SENISERVICES SA	100	FC
MAISON DE XX AOUT SA	100	FC
ONAFHANKELIJKE THUISZORG VLAANDEREN	100	FC
PLAZA CATERING	100	FC
LES RECOLLETS SA	100	FC
RESIDENTIE SENIORPLAZA	100	FC
SENIOR ASSIST HOME CARE	100	FC
SENIORPLAZA CONCEPT	100	FC
SENIORPLAZA INVEST	100	FC
ARCHE DE VIE SA	100	FC
LE DOMAINE DES AMARYLLIS SPRL	100	FC
RESIDENCE 3 SA	100	FC
RESIDENCE REINE ASTRID SA	100	FC
BELLEVUESA	100	FC
CLAIRE DE VIESPRL	100	FC
LES CHARMILLESSA	100	FC
LE COLVERTSPRL	100	FC
HUYSE ELCKERLYC	100	FC
KAREN SPRL	100	FC
DE LAEKSA	100	FC
WOON & ZORG EXPLOITATIE ICHTEGEM BVBA	100	FC
WOON & ZORG EXPLOITATIE LUMMEN BVBA	100	FC
NEW TRAMONTANE	100	FC
DU PARCSA	100	FC
NOUVELLE RESIDENCE LE SAULE SPRL	100	FC
SENIOR HOUSING	51	FC
LES SITELLES SA	100	FC
CHATEAU SOUS BOIS SPRL	100	FC
VII VOYES SPRL	100	FC
HEYDEVELD BVBA	100	FC
JOHAN VRIJDAGHS BVBA	100	FC
CLEANING AT HOME	100	FC
CLEANING FOR YOU	100	FC
RESIDENTIE DE OUDE MELKERIJ BVBA	100	FC
WELFARE ESTATES NV	52	FC

13.4.6 Netherlands

Legal entity		
STEPPING STONES HOME & CARE HOLDING B.V.	100	FC
HESTIA B.V.	100	FC
DORES HERSTELZORG B.V.	100	FC
SENIOR LIVING B.V.	100	FC
KORIAN ZORG HOLDING B.V.	100	FC
KORIAN MANAGEMENT SERVICES B.V.	100	FC
KORIAN FACILITIES B.V.	100	FC
KORIAN HOSPITALITY B.V.	100	FC
ROSORUM ZORGEEXPLOITATIE B.V.	100	FC
STEPPING STONES VASTGOED B.V.	100	FC
STEPPING STONES HOME & CARE ZORG B.V.	100	FC
HET GOUDEN HART B.V.	100	FC
STEPPING STONES LEUSDEN B.V.	100	FC

13.4.7 Spain

Legal entity		
KORIAN RESIDENCIAS SPAIN 2018 SLU	100	FC
MANACOR SENIOR SA	100	FC
GROUPE OMEGA ESPAÑA SL	100	FC
PICAFORT SENIORS SAU	100	FC
RESIDENCIAS FAMILIARES PARA MAYORES SL	100	FC
TORRECHANTRE SL	100	FC

6.2 Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2020

To the Shareholders,

Opinion

In performance of the assignment for which we have been appointed by your General Meetings of shareholders, we have audited Korian's consolidated financial statements for the financial year ended 31 December 2020, as appended to this report.

We hereby certify that, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, the consolidated financial statements are true and accurate and give a fair view of the transactions during the past financial year, as well as of the financial position and assets at the end of the financial year, of the whole comprised of the persons and entities within the consolidation scope.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

► Audit framework

We performed our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the section of this report entitled "Responsibilities of statutory auditors in relation to the audit of consolidated financial statements".

► Independence

We performed our audit assignment, from 1st January 2020 to the date of our report, in accordance with the independence rules applicable to us. In particular, we did

not provide services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or the French code of ethics for statutory auditors (*Code de déontologie des Commissaires aux comptes*).

Justification for our assessments - Key audit matters

In light of the global health crisis caused by the COVID-19 pandemic, the financial statements for 2020 were not prepared and audited under the usual conditions. Indeed, the crisis, along with the exceptional measures implemented to cope with the public health emergency, has had multiple consequences for companies, notably impacting their business activity and funding, while giving rise to heightened uncertainties about their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an effect on companies' internal organisational models and the conditions for performing audits.

It is against this complex and constantly-changing backdrop that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification for our assessments, we draw your attention to the key audit matters relating to the risks of material misstatement which, in our professional judgement, were the most significant for the audit of the consolidated financial statements for the period, as well as the responses we provided to these risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and the opinion we formed, as expressed above. We do not express an opinion on any items in these consolidated financial statements considered separately.

Measurement of goodwill and operating licences

Identified risk	Our response
<p>At 31 December 2020, the net value of goodwill and operating licences amounted to €4,937 million.</p> <ul style="list-style-type: none"> • Goodwill, for which the calculation methods are presented in Note 5.1 to the consolidated financial statements, is recognised as an asset in the balance sheet for a net total of €2,906 million. • Operating licences acquired in connection with corporate mergers are non-amortisable intangible assets recognised for a net carrying amount of €2,032 million, representing the value assigned to the operating licences granted by regulatory authorities in France, Belgium and Italy. They are measured at the time of business combinations at their fair value at the acquisition date in accordance with the procedures described in Note 5.2 "Intangible assets" in the notes to the consolidated financial statements. <p>At each balance sheet date, or more frequently if there is any indication of impairment, management ensures that the net carrying amount of goodwill and operating licences does not exceed their recoverable amount. The recoverable amount of licences is the higher of net value of exit costs and value in use. Impairment testing is performed at the level of the cash generating unit (CGU).</p> <ul style="list-style-type: none"> • For the purposes of calculating goodwill, the CGU corresponds to the following countries: France, Germany, Benelux, Italy and Spain. • In the case of operating licences, since 2018, the CGU corresponds to a French <i>département</i> (county) and to a region in Italy and Belgium, for each activity type (retirement home or clinic). Indeed, market, business and regulatory changes, as well as the way in which the Group runs its operations have led it to consider each CGU as a territorial unit for each activity. The procedures and the details of the assumptions applied in performing these tests are presented in "Impairment of intangible assets, property, plant and equipment, and goodwill" of Note 1 to the consolidated financial statements. <p>The value in use of these assets is calculated on the basis of the value of the discounted future cash flows of the CGUs or groups of CGUs and is based on management's assumptions and estimates, in particular cash-flow projections, taken from the four-year business plans, consistent with the strategy plan, the average growth rate used to estimate these flows, and the discount rate applied to them.</p> <p>The assessments of the recoverable value of goodwill and of the operating licences is a key audit matter due to their weight in your group's accounts and the importance of management's judgement in determining the assumptions on which the value in use estimates are based.</p>	<p>We examined the compliance of the methodology applied with the accounting standards in effect.</p> <p>We also conducted a critical review of the manner in which these impairment tests are applied. In particular, we:</p> <ul style="list-style-type: none"> • compared the accounting basis tested by management with the items appearing in the consolidated financial statements, to ensure the tests performed concern all goodwill and operating licenses recognised; • examined the methods for calculating value in use as assessed by discounting future cash flows: <ul style="list-style-type: none"> – reviewed the budget process and key controls associated with this process; – reviewed the criteria used by management in determining the CGU corresponding to a territorial unit for each activity; – examined, on a test basis, of the consistency of the cash flow forecasts with the 2021 budgets prepared by the management, and with the strategic plan approved by the Board of Directors; – compared, on a test basis, the forecasts used during the previous period for the 2020 financial year with the achievement thereof, in order to analyse the fulfilment of prior objectives; • examined the perpetual growth rates and the discount rates used by management in calculating value in use by comparing them to our own estimate of these rates, for which we included financial measurement specialists in our teams; • verified, on a test basis, the arithmetical accuracy of the calculations of the values in use applied. <p>We also assessed the appropriateness of the information disclosed in "Impairment of intangible assets, property, plant and equipment, and goodwill" of Note 1 to the consolidated financial statements and verified the arithmetical accuracy of the sensitivity analysis presented.</p>

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verification required by law of the information about the Group presented in the Board of Directors' management report.

We have no observation to make as to its accuracy or consistency with the consolidated financial statements.

Pursuant to Article L. 225-102-1 of the French Commercial Code, we hereby confirm that the information presented in the Management Report includes a statement of non financial performance, it being specified that, in accordance with Article L. 823-10 of said Code we did not verify the truthfulness of these disclosures or their consistency with the consolidated financial statements. Accordingly, these must be the subject of a report prepared by an independent third party.

Other verifications or disclosures required by applicable laws and regulations

► Presentation format for annual financial statements to be included in the annual financial report

In accordance with section III of Article 222-3 of the AMF General Regulation, the management of your Company has informed us of its decision to postpone the application of the European Single Electronic Format (ESEF), as specified by delegated regulation (EU) No. 2019/815 of 17 December 2018 for fiscal years beginning on or after 1st January 2021. As such, the present report does not contain any conclusions with regard to compliance with said format of the presentation of the financial statements to be included in the annual financial report as per section I of Article L. 451-1-2 of the French Monetary and Financial Code.

► Appointment of the statutory auditors

MAZARS was appointed as statutory auditor of Korian SA in your original Articles of Association of 1st January 2003, and ERNST & YOUNG et Autres was appointed by your General Meeting of 23 June 2011.

At 31 December 2020, MAZARS was in the eighteenth uninterrupted year of its assignment (including fifteen years since the Company's shares were admitted to trading on a regulated market) and ERNST & YOUNG et Autres was in its tenth year

Prior to our appointment, ERNST & YOUNG Audit had been the Group's statutory auditor from 2006.

Responsibilities of management and those charged with Governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view in accordance with the IFRS framework as adopted in the European Union, as well as for setting up the internal controls it deems necessary to prepare consolidated financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting necessary information in the financial statements, if appropriate, relating to the continuity of operations, and for applying the going concern accounting principle, unless it intends to wind up the Company or cease doing business.

The Audit Committee is responsible for overseeing the process used to prepare financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, if applicable, the internal audit system, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the statutory auditors in relation to the audit of the consolidated financial statements

► Audit approach and objective

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may be due to fraud or error and are considered material if it can reasonably be expected that, taken individually or cumulatively, they may influence the economic decisions that users of the financial statements take based thereon.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of the management of your Company.

In accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgement throughout the audit assignment. It also:

- identifies and assesses the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects information that it deems sufficient and appropriate to form the basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, because fraud may involve collusion, falsification, voluntary omissions, misrepresentations or circumventing internal controls;
- reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;
- assesses whether the accounting methods used are appropriate and whether the accounting estimates made by management are reasonable, as well as the information about them provided in the consolidated financial statements;
- assesses whether management's application of the going concern accounting principle is appropriate and, depending on the information collected, whether or not there exists significant uncertainty about events or circumstances that may jeopardise the Company's ability to continue its business. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that there a material uncertainty exists, he draws the attention of the readers of his report to the information provided in the consolidated financial statements about such uncertainty or, if this information is not provided or is not relevant, he issues a qualified certification or refuse certification;
- assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view thereof;
- obtains sufficient appropriate audit evidence regarding the financial information about the persons or entities included in the consolidation scope to express an opinion on the consolidated financial statements. It is responsible for managing, supervising and performing the audit of the consolidated financial statements, as well as for the opinion expressed about the financial statements.

► Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit work and the audit program implemented, as well as the conclusions drawn from our work. Where applicable, we also report significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that we consider to have been the most significant for the audit of the financial statements for the year ended 2020 and which, therefore, constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement required by Article 6 of regulation (EU) No. 537/2014 confirming our independence within the meaning of the rules applicable in France as laid down, in particular, by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French code of ethics for statutory auditors (*Code de déontologie de la profession de commissaire aux comptes*). If applicable, we discuss with the Audit Committee the risks to our independence and the safeguards in place.

Courbevoie and Paris-La Défense, 26 February, 2021

The Statutory Auditors

MAZARS
Anne Veaute

ERNST & YOUNG et Autres
May Kassis-Morin

6.3 Annual financial statements at 31 December 2020

Separate financial statements (unless otherwise indicated, all amounts are expressed in thousands of euros (€k)).

Statement of financial position

Assets

Assets	31.12.2020	31.12.2019
Intangible assets	73,303	51,517
Plant, property and equipment	15,616	14,261
Non-current financial assets	3,742,171	3,190,275
<i>o/w equity interests and related loans and receivables</i>	3,152,348	2,698,467
Total non-current assets	3,831,090	3,256,053
Progress payments and instalments to suppliers	2	228
Raw materials, supplies	4,651	-
Trade receivables	139,857	143,745
Other receivables	1,712,925	1,495,905
Cash	699,692	166,553
Marketable securities	216,396	50,898
Prepaid expenses	13,103	8,706
Total current assets	2,786,626	1,866,035
Debt issuance costs/Bond redemption premiums	14,662	11,525
TOTAL ASSETS	6,632,378	5,133,613

Liabilities

Liabilities	31.12.2020	31.12.2019
Share capital	525,191	413,641
Share premium	1,283,778	1,003,503
Legal reserve	38,272	34,924
Retained earnings	100,709	38,079
Other reserves	128,516	128,516
Profit/(loss)	4,980	66,961
Regulated provisions	4,358	2,432
Net position	2,085,804	1,688,056
Provisions for risks and expenses	4,678	5,151
Other bonds	2,230,511	1,563,962
Loans from credit institutions	1,017,770	777,445
Sundry loans and other liabilities	1,209,364	1,015,453
Trade payables	44,920	28,836
Tax and social security liabilities	26,709	37,276
Suppliers of non-current assets	8,456	14,478
Other liabilities	3,537	2,847
Total operating liabilities	4,545,945	3,445,448
Deferred income	629	109
TOTAL LIABILITIES	6,632,378	5,133,613

Income statement

	31.12.2020	31.12.2019
Operating income	139,053	130,980
Sales of goods	-	-
Revenue	139,053	130,980
Capitalised production (long-term inventory)	11,043	9,385
Operating subsidies	1	-
Reversals of provisions and invoiced expenses	5,766	1,483
Other revenue	1,210	3
Total	157,073	141,851
Change in inventories	-4,651	-
Goods purchased for resale	-	-
Other external purchases and expenses	106,689	76,119
Income tax and other taxes	2,775	2,826
Wages	47,973	39,414
Social security contributions	22,683	17,189
Allowances		
• depreciation and amortisation of non-current assets	18,399	10,712
• depreciation and amortisation of current assets	-	33
• provisions for risks and expenses	70	3,839
Other expenses	2,053	1,089
TOTAL OPERATING EXPENSES	195,991	151,221
Operating results	-38,918	-9,370
Share of profit or loss	-529	186
Financial income	85,048	115,122
Financial expenses	66,446	55,399
Net financial income	18,602	59,723
Net profit/(loss) from continuing operations	-20,845	50,539
Non-recurring income	1,531	6,630
Non-recurring expenses	3,018	381
Non-recurring profit/(loss)	-1,487	6,249
Income tax	-27,313	-10,173
Net accounting profit/(loss)	4,981	66,961

Notes to the individual company financial statements at 31 December 2020

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Korian SA, which has its registered office at 21-25, rue Balzac in the 8th arrondissement of Paris, prepares the consolidated financial statements in its capacity as parent company of the Group.

Note 1 • ACCOUNTING RULES AND METHODS

The financial statements were prepared in compliance with Regulation No. 2014-03 of the French Accounting Standards Authority¹ (ANC) relating to the French General Chart of Accounts (PCG) and any subsequent rules and regulations in effect. The generally accepted accounting principles set out in the French General Chart of Accounts were observed, in accordance with the principle of conservatism and on the basis of the following assumptions:

- going concern;
- independence of accounting periods;
- consistency of accounting methods across accounting periods; and
- observance of general rules for preparing and presenting accounting financial statements.

The basic valuation method used is the historical cost method. The main accounting methods used are described below.

Note 2 • MAIN ACCOUNTING METHODS

2.1 Intangible assets

Non-current assets are carried at their acquisition cost, which is the purchase price plus any costs that can be directly attributed to the acquisition. Software licenses are capitalised and amortised over a period of five years. Purchased software is capitalised and amortised over a period of three years, while stand-alone applications developed internally are capitalised and amortised over a period of five years. In some cases, involving the use of IT developments over long periods, the costs of IT projects are amortised over a useful lifespan of more than five years, up to a maximum of seven years.

2.2 Property, plant & equipment

Property, plant and equipment are carried at their acquisition cost, which includes the purchase price and any directly attributable costs.

Depreciation of all Group PPE is calculated on a straight-line basis over the following expected useful lives:

- building fixtures (varies depending on components): 7 to 50 years;
- industrial equipment: 5 years;
- furniture and office equipment: 10 years;
- IT equipment: 3 years.

2.3 Equity investments and other long-term investments

Equity investments are measured at their acquisition cost plus any incidental expenses, which are amortised over an accelerated period of five years. If the acquisition cost is greater than the value in use or the market value, a provision for impairment is recognised in the amount of the difference.

The market value is measured using observed recent market data.

The value in use of each subsidiary's equity is the difference between the subsidiary's enterprise value and its net debt on the balance sheet date.

The enterprise value of each subsidiary is calculated on the basis of future cash flows, which are in turn based on the economic assumptions and estimated operating conditions applied by Group management for business activity under consideration (France Seniors and France Santé businesses), according to the following principles:

- pre-tax cash flows are based on the Group's revised annual budget, as prepared by the Financial Control department and approved by the Board of Directors;
- discount rates are based on the estimated weighted average cost of capital for each country (6% for France,

7% for Spain, 5.5% for Germany, 6% for Belgium and 7.5% for Italy);

- the average growth rate used is 1.75%;
- the business plan applied is the Group strategic plan.

At 31 December 2020, the valuation of equity interests resulted in the recognition of a reversal, net of allowances, of -€787 thousand.

2.4 Raw materials, supplies

Inventories are valued at the lesser of cost or net realisable value. The cost of inventories of raw materials, goods, personal protection equipment (PPE) and other supplies consists of the purchase price excluding taxes, less discounts, rebates and other deductions obtained, plus incidental costs of purchase (transport, unloading charges, customs duties, purchasing commissions, etc.). These inventories are measured using the First In, First Out (FIFO) method.

Stocks of equipment in relation to the Covid-19 pandemic were recognised in the amount of €4,651,449.

2.5 Receivables

Receivables are measured at their nominal value. Where necessary, an impairment provision is recorded to account for past or potential collection difficulties.

2.6 Financial instruments and hedge accounting

The rules for hedge accounting are specified in the French General Chart of Accounts ("PCG") under Articles 628-6 to 628-17, which were added to the French Accounting Standards Authority (ANC) Regulation No. 2015-05 on financial futures and hedging transactions. They apply to all hedges regardless of type.

2.7 Marketable securities

Marketable securities are valued at the lower of their acquisition cost or market value. Treasury shares are recognised at acquisition cost. An impairment provision is recognised when the market value is less than the acquisition cost.

2.8 Cash and cash equivalents

Cash consists of bank balances.

In 2018, the Company signed a cash pooling agreement with most of Korian Group's French and foreign subsidiaries. Other Group companies obtain financing from Korian through loans or current accounts.

2.9 Currency risk

All payments are made within the Eurozone.

2.10 Interest rate risk

Half of the Company's borrowings are at a variable rate and interest-rate risk is hedged using derivative instruments.

2.11 Bond issuance and borrowing costs

Bond issuance and borrowing costs are recorded under external expenses and are amortised over the life of the bond.

Note 3 • KEY EVENTS DURING THE YEAR

3.1 Main financing activities

On 3 March 2020, Korian announced that it had successfully placed its offering of bonds convertible into new shares and/or exchangeable for existing shares (OCEANE) due in 2027 for a nominal amount of approximately €400 million. The net proceeds of the issue will be used by the Company to finance its general operational requirements and growth, including real-estate investments and acquisitions, and to refinance acquisitions carried out during the first quarter of 2020.

On 19 March 2020, Korian signed off a new NSV bond issue (*Namenschuldverschreibung*), governed by German law), with a 15-year maturity, in the amount of €49 million. These pay an annual coupon of 2.50%. The bonds were settled and delivered on 9 April 2020.

In April 2020, Korian signed an agreement with its banking syndicate to extend the maturity of its revolving credit facility (RCF) tranche of its syndicated loan agreement by one year. At around €500 million, and now maturing in 2025, this facility gives the Group heightened visibility and greater financial headroom thanks to the support of its partner banks.

In June 2020, Korian announced the successful issue of its first Sustainability Linked Euro PP, in the amount of €173 million, maturing in June 2028. In addition, the Group announced a tap issue, fully fungible with the original issue, in the amount of €57 million, on 6 October 2020.

In October 2020, Korian announced the launch of a capital increase of which the total gross amount, including the issue premium, came to €400,250,657.60, corresponding to the issue of 22,113,296 new shares with a nominal value of €5 at a subscription price of €18.10 per unit.

3.2 Principal acquisitions

In February 2020, Korian acquired the group 5 Santé, consisting of six clinics specialising in the treatment of chronic diseases and located in the French regions of Auvergne-Rhône-Alpes and Occitania. These have more than 500 beds and around 100 outpatient units overall, with total annual revenue estimated at €44m.

In December, Korian acquired the group Inicea, France's third-largest private psychiatric hospital operator, worth around €360 million in all, of which around €140 million in real estate. Its annual 2020 revenue is estimated at €104 million.

3.3 Share capital

The Company's share capital now stands at €525,190,790 (compared to 413,641,350 in 2019) and is divided into 105,038,158 shares (compared to 82,728,270 in 2019).

3.4 Non-current financial assets

The €419.7 million increase in "Equity interests" is chiefly attributable to the acquisition in 2020 of Inicea Group (for around €290 million), as well as the merger with 5 Santé (contribution of around €40 million in securities) and the capital increases made to bolster subsidiary balance sheets (namely, Stepping Stones in the Netherlands, at €15 million, and Korian Residencias Spain, at €12 million).

Note 4 • MAIN ITEMS ON THE STATEMENT OF FINANCIAL POSITION

4.1 Non-current assets, depreciation and amortisation

Non-current assets	31.12.2019	Acquisitions	Disposals	31.12.2020
Concessions, patents and similar rights	75,364	30,233	-220	105,377
Non-current assets in progress	12,166	1,922		14,158
Business goodwill (technical merger loss)	-	-	-	-
General fittings	4,606	903	-	5,509
Office and IT equipment	26,396	4,394	-70	30,720
Equity interests and related loans and receivables	2,706,406	454,446	-	3,160,852
Other fixed financial assets	491,807	112,809	-14,794	589,822
TOTAL	3,316,745	604,707	-15,084	3,906,438

Depreciation and amortisation	31.12.2019	Allowances	Reversals	31.12.2020
Concessions, patents and similar rights	38,600	7,653	-21	46,232
General fittings	1,625	417	-	2,042
Office and IT equipment	15,488	3,092	-10	18,570
TOTAL	55,713	11,162	-31	66,844

Provisions	31.12.2019	Allowances	Reversals	31.12.2020
On equity interests	7,663	787	-	8,504
On the technical merger loss	-	-	-	-
On borrowings	-	-	-	-
TOTAL	7,663	787	-	8,504

Depreciation and amortisation expenses were recognised under operating expenses. Adjustments to provisions on equity investments were recognised under financial income.

“Non-current assets in progress” mainly correspond to capitalised production and service provider costs incurred on the development and roll-out of internal software packages, software and hardware (€14,158 thousand).

4.2 Equity interests

Korian is the Group's parent company. It holds the shares of the companies listed in the table below (amounts are in euros).

SUBSIDIARIES AND EQUITY INTERESTS REPRESENTING MORE THAN 1% OF KORIAN SA'S SHARE CAPITAL IN 2020

Financial information	Share of capital held	Carrying amount of securities held		Share capital	Earnings for last financial year	Shareholders' equity (other than capital)	Dividends recognised during the year	Loans and advances granted, not yet repaid
		Gross	Net					
Subsidiaries and other equity interests								
Subsidiaries								
SLG	100.00%	142,848,576	142,848,576	25,595,679	4,535,513	67,167,851	-	26,140,574
Segesta	100.00%	385,511,361	385,511,361	6,842,865	31,290,175	253,267,860	-	17,709,645
Korian Residencias Spain	100.00%	75,373,843	75,373,843	75,376,843	-560,607	-1,946,810	-	-
Medica France	100.00%	1,005,896,274	1,005,896,274	50,976,012	20,780,348	116,098,456	-	831,942,851
Korian les Bégonias	84.59%	121,707,160	121,707,160	-	213,608	-470,238	3,573,698	-
Medotels	99.57%	149,254,403	149,254,403	1,129,751	38,968,719	97,357,733	15,574,330	117,423,041
Equity interests								
Korian Deutschland	0.40%	469,727,701	469,727,701	121,478	-11,011,960	323,630,798	-	25,075,079

SUBSIDIARIES AND EQUITY INTERESTS REPRESENTING MORE THAN 1% OF KORIAN SA'S SHARE CAPITAL IN 2020

Financial information	Carrying amount of securities held		Dividends recognised during the year	Loans and advances granted, not yet repaid
	Gross	Net		
Subsidiaries and other equity interests				
French subsidiaries				
Korian Management	800,275	415,416	-	7,445,955
Medidep Foncier	2,875,031	2,875,031	2,148,356	-
Korian Santé	8,000,920	8,000,920	233,608	84,361,873
Korian & Partenaires Immobilier 2 - KPI2	23,526,624	23,526,624	-	-
Korian Domiciles	100,000	100,000	-	48,771,659
La Moulinière	1,996,919	81,637	335,107	-
Korian Partenaire	5,000	5,000	-	5,936,282
Korian Asset-Property Management	1,000	1,000	-	593
Privatel	7,419,922	7,419,922	-	11,959,646
Holding Hospitalière de Touraine	1,551,438	1,551,438	404,060	802,158
Le Nord Cotentin	10,637,761	10,637,761	174,483	-
Centre William Harvey	18,425,594	18,425,594	1,374,884	168,118
Holding AB	3,967,264	3,967,264	1,916,053	-
SAS Korian Immobilier Allemagne	618,530	618,530	-	-
OPPCI Korian Immobilier	14,510,000	14,510,000	-	-
SCI Korian Développements Immobiliers	213,162	213,162	-	18,205,219
La Bastide de la Tourne	12,707,293	12,707,293	207,130	-
Villa Berat	584,388	584,388	-	-
Grand'Maison	7,138,788	7,138,788	2,364,362	442,342
Les Issambres	2,495,000	2,495,000	3,425,666	1,149,436
SCI Le Teilleul	3,547,651	2,987,070	520,198	-
Korian Les Arcades	14,953,525	14,953,525	521,742	963,435
Résidence Magenta	18,272,718	18,272,718	573,119	80,349

Financial information	Carrying amount of securities held		Dividends recognised during the year	Loans and advances granted, not yet repaid
	Gross	Net		
Subsidiaries and other equity interests				
Le Clos Clément 77 Résidence du Bois Clément	4,609,661	4,609,661	2,287,955	-
Korian Brune	17,902,471	17,902,471	752,836	1,716,612
Korian les Lilas	11,415,425	11,415,425	442,560	-
Saint Cyr Gestion	2,233,644	2,233,644	1,240,740	-
Korian Florian Carnot	12,798,013	12,798,013	1,386,065	-
Lierres Gestion	5,114,002	5,114,002	1,862,936	44,216
Clinique de soins de suite et de réadaptation Château de Gleteins	7,078,053	7,078,053	191,862	725,853
Korian les 4 Fontaines	2,855,691	2,855,691	2,899,685	-
Korian les Oliviers	11,528,594	11,528,594	1,589,168	1,447,839
Centre de réadaptation fonctionnelle de Caen	5,880,337	5,880,337	559,454	94,449
Clinique cardiologique de Gasville	4,492,332	171,548	-	2,794,688
Centre médical infantile Montprieat	9,439,235	9,439,235	-	-
Clinique du Canal de l'Ourcq	987,532	987,532	-	7,841,690
HAD Yvelines Sud	7,162,403	7,162,403	518,024	12,231,696
Société nouvelle de la clinique du Mesnil	18,415,745	18,415,745	846,019	-
Centre de soins de suite de Sartrouville	11,319,598	11,319,598	1,184,480	-
Clinique de Saclas	14,811,685	14,811,685	872,675	-
Société Clinique soins de suite Noisy-le-Sec	8,217,300	8,217,300	92,707	-
Clinique de Livry-Sully	10,488,743	10,488,743	1,418,261	-
Société d'exploitation clinique du Perreux	15,259,708	15,259,708	1,700,531	-
Korian Solutions	1,000	1,000	-	5,452,522
Newco Bezons	8,160,371	8,160,371	840,829	-
Foreign subsidiaries				
Stepping Stones Home & Care Holding BV	53,913,116	53,913,116	-	-
Equity investments in France				
SCI Perreux	60,980	60,980	-	-
Foncière Ages&Vie	6,519,600	6,519,600	-	15,148,487
Furtado Gestion	248,200	-	-	-
Société gérontologique du Centre Ouest – SGCO	34,139	34,139	63,409	-
Société hospitalière de Touraine	2,736,389	2,736,389	485,900	-
Les Flots	967,416	399,318	-	-
Centre de rééducation fonctionnelle de Siouville	537,749	85,555	-	1,413,517
Le Mont Blanc	1,906	1,906	-	7,612,868
Les Trois Tours	3,481,187	3,481,187	1,222,336	-
SCI Holding Immobilier 2	10	10	-	993
INICEA Antin infrastructure Partners Luxembourg	290,317,358	290,317,358	-	-
SAS LE PONTET	1,382,893	1,382,893	-	-
SAS LES CLARINES	2,760,315	2,790,315	852,212	-
SAS LA VALLONIE	4,262,730	4,262,730	-	-
SAS CDS 2	100,000	46,100	-	1,134
SAS LA SOLANE	10,943,191	10,943,191	869,334	-
SAS VAL PYRENE	3,953,894	3,953,894	352,392	-
SA SAEM - INSTITUT ZANDER	10,797,577	10,797,577	1,208,592	-

4.3 Receivables maturity schedule

Statement of receivables in 2019	Total	Due in < 1 year	Due in > 1 year
Loans and receivables related to equity interests	491,412	1	491,411
Other financial assets	396	-	396
Other trade receivables	143,749	143,749	-
Personnel and related accounts	111	111	-
Social security and other welfare organisations	251	251	-
Government and local authorities			
• Income tax	-	-	-
• Value added tax	3,637	3,637	-
• Other	550	550	-
Group and associates	1,489,192	-	1,489,192
Sundry debtors	2,160	2,160	-
Prepaid expenses	8,706	1,208	7,499
TOTAL	2,140,164	151,667	1,988,498

Statement of receivables in 2020	Total	Due in < 1 year	Due in > 1 year
Loans and receivables related to equity interests	589,366	-	589,366
Other financial assets	456	-	456
Other trade receivables	139,857	139,857	-
Personnel and related accounts	630	630	-
Social security and other welfare organisations	398	398	-
Government and local authorities	564	564	-
• Income tax	8,963	8,963	-
• Value added tax	5,970	5,970	-
• Other	181	181	-
Group and associates	1,684,134	1,684,134	-
Sundry debtors	9,058	9,058	-
Prepaid expenses	13,103	2,411	10,692
TOTAL	2,452,680	1,852,166	600,514

4.4 Marketable securities and cash

Available cash in bank was stated at its nominal value.

Korian's treasury shares are valued using the weighted average price method. The table below shows the change in treasury shares over the year.

<i>In euros</i>	Number	Amount
Balance as at 31.12.2019	22,025	898,495
2020 Purchases	919,921	30,242,758
2020 Sales	894,506	29,744,922
2020 Net gain/(loss) on disposal	-	515,344
BALANCE AS AT 31.12.2020	47,440	1,396,331

4.5 Prepaid expenses

Prepaid expenses are detailed in the table below:

Prepaid expenses	2020	2019
Maintenance	1,301	565
Swap cash payments and interest expense on derivative instruments	10,692	7,499
Other	1,110	621
Rent	-	21
TOTAL	13,103	8,706

4.6 Deferred income

Deferred income is detailed in the table below:

Deferred income	2020	2019
Swap cash payments and interest expense on derivative instruments	565	-
Management commissions	64	109
TOTAL	629	109

4.7 Accrued income and expenses

Accrued income or expense	Income	Expense
Accrued interest on loans	10,276	1,354
Accrued interest on bonds	-	17,511
Accrued interest on swaps	-	1,054
Suppliers, invoices not yet received	-	27,536
Non-Group trade receivables, invoices to be issued	7,566	113
Group trade receivables, invoices to be issued	1,470	-
Social security liabilities	608	11,218
Social security contributions on social security liabilities	7	8,140
Accrued income/expenses – Government	5,023	2,035
Accrued interest on current accounts	9,205	705
Accrued bank interest	13	81
Other	5,264	-
TOTAL	39,432	69,747

4.8 Changes in shareholders' equity

STATEMENT OF CHANGES IN EQUITY

Changes in shareholders' equity	<i>In thousands of euros</i>
At start of year	1,688,056
Capital increase	111,550
Additional paid-in capital	280,275
Legal reserve	3,348
Other reserves	-
Retained earnings	62,630
Allocation of 2019 net income	-66,961
2020 profit/(loss)	4,980
Regulated provisions	1,926
AT YEAR END	2,085,804

"Regulated provisions" pertain to accelerated amortisation of security purchase costs.

4.9 Provisions for risks and expenses

Provisions for risks and expenses are detailed in the table below:

<i>In thousands of euros</i>	31.12.2019	Allowances	Reversals		31.12.2020
			Used	Not used	
Other provisions for risks and expenses	3,811	3			3,814
Provisions for wage-related claims and disputes	1,340	94	-570		864
TOTAL	5,151	97	-570		4,678

Provisions for wage-related claims and disputes mainly concern industrial tribunal cases. Other provisions include provisions taken for miscellaneous legal disputes.

4.10 Financial liabilities

Amounts owed to credit institutions	2020	2019
Bank overdrafts	81	77
Redemption premium	835	723
Total	916	800
Bank loans		
• <1 year	163,750	60,000
• >1 year	591,250	500,000
Accrued interest	1,354	644
Total bank loans	756,354	560,644
Issuance of short-term negotiable debt securities	260,500	216,000
TOTAL BANK DEBT	1,017,770	777,444

On 31 December 2020, Korian's gross borrowings consisted of:

- €500 million in borrowings under the syndicated loan;
- €164 million of medium-term borrowings;
- €261 million in short-term negotiable debt securities (previously commercial paper);
- €1.3 million in accrued interest.

4.11 Liabilities maturity schedule

Statement of debt as at 31 December 2019	Total	<1 year	< 1 year and < 5 years	>5 years
Other bonds	1,563,962	84,962	1,228,000	251,000
Loans and other borrowings	777,445	277,445	500,000	-
Sundry loans and other financial liabilities	911	852	-	59
Trade payables and related accounts	28,836	28,836	-	-
Personnel and related accounts	8,729	8,729	-	-
Social security contributions, other social contributions	6,532	6,532	-	-
Govt: income tax	7,053	7,053	-	-
Govt.: VAT	13,110	13,110	-	-
Govt.: other taxes	1,852	1,852	-	-
Suppliers of non-current assets	14,478	14,478	-	-
Group and associates	1,014,542	1,014,542	-	-
Other liabilities	2,847	2,847	-	-
Deferred income	109	109	-	-
TOTAL	3,440,406	1,461,347	1,728,000	251,059

Statement of debt as at 31 December 2020	Total	<1 year	< 1 year and < 5 years	>5 years
Other bonds	2,230,511	292,511	953,000	985,000
Loans and other borrowings	1,017,770	426,520	591,250	-
Sundry loans and other financial liabilities	1,155	1,096	-	59
Trade payables and related accounts	44,920	44,920	-	-
Personnel and related accounts	11,240	11,240	-	-
Social security contributions, other social contributions	8,062	8,062	-	-
Govt: income tax	-	-	-	-
Govt.: VAT	6,279	6,279	-	-
Govt.: other taxes	1,128	1,128	-	-
Suppliers of non-current assets	8,456	8,456	-	-
Group and associates	1,208,209	1,208,209	-	-
Other liabilities	3,537	3,537	-	-
Deferred income	629	629	-	-
TOTAL	4,541,896	2,012,587	1,544,250	985,059

Note 5 • MAIN ITEMS ON THE STATEMENT OF FINANCIAL POSITION AND THE INCOME STATEMENT

5.1 Revenue

Most of 2020 revenue, which totalled €128,612 thousand in France (€125,387 thousand in 2019) and €10,441 thousand in international markets (€5,594 thousand in 2019), was derived from services provided within Korian group, with the following breakdown:

	2020	2019
Subsidiary management fees	101,058	88,826
Service agreements	23,888	17,560
Invoicing of subsidiaries	9,667	1,190
Reinvoiced employee expenses	1,581	1,141
Reinvoiced property rental expenses	1,552	21,963
Other reinvoiced items	1,307	301
TOTAL	139,053	130,981

The increase in revenue reflects the rise in subsidiary management fees and invoicing, as a result of the higher cost base applied to the re-invoicing of subsidiaries in 2020.

5.2 Operating expenses

Purchases and external expenses

The most significant purchases and external expenses are shown in the following:

Non-recurring income and expenses	2020	2019
Professional fees	46,524	30,087
Covid-19 equipment	12,235	-
Technical assistance services	10,240	10,669
Maintenance	7,490	5,577
Other expenses	7,047	6,495
Subcontracting	5,097	5,645
Property Leases	3,410	2,552
Banking services	3,212	2,916
Telecommunications	2,992	2,425
Travel expenses	2,878	4,587
Purchases to reinvoice	2,016	1,605
Equipment rental expenses	1,961	1,693
Temporary employee expenses	1,236	909
Recruitment costs	351	960
TOTAL	106,689	76,120

In 2020, Korian SA paid its Statutory Auditors, Mazars and Ernst & Young, total fees of €568 thousand for the statutory auditing and certification of its annual accounts. Most of the increase in professional fees was attributable to the

Group's acquisitions. Spending on purchases of equipment in relation to Covid-19 came to €12,235 thousand.

Taxes

See the table below:

Non-recurring income and expenses	2020	2019
Taxes and duties on compensation	1,239	714
Corporate value-added tax/Corporate real estate contribution	817	1,006
Real estate tax	382	257
Non-recoverable VAT	-	444
Vehicle tax	89	83
Organic	223	209
Other taxes	25	112
TOTAL	2,775	2,825

Wages and social security contributions

See the table below:

Non-recurring income and expenses	2020	2019
Wages and salaries	47,973	39,414
Social security contributions	22,683	17,189
TOTAL	70,656	56,603

5.3 Average workforce

The average workforce over the year was 623 employees. The breakdown is provided below:

Type of employee	2020	2019
Managerial staff	516	411
Other employees	107	102
TOTAL	623	513

5.4 Financial income and expenses

See the table below:

Financial income and expenses	2020		2019	
	Income	Expense	Income	Expense
Financial income from equity interests	61,866	-	90,468	-
Interest on current accounts	9,205	705	7,271	1,888
Interest on borrowings	-	54,199	-	43,887
Cost of financial instruments	-	7,667	-	6,412
Income from loans	10,355	-	14,803	-
Provisions	265	840	414	3,053
Other	3,357	3,035	2,166	159
TOTAL	85,048	66,446	115,122	55,399

5.5 Non-recurring income and expenses

See the table below:

Non-recurring income and expenses	Income	Expense
Disposal of property, plant and equipment	-	-
Tax accelerated depreciation	17	400
Securities transactions	1	260
Non-recurring sundry income and expenses	1,032	2,358
Provision reversals	480	-
TOTAL	1,530	3,018

Note 6 • BREAKDOWN OF STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ITEMS FOR AFFILIATES AND EQUITY HOLDINGS

Financial income and expenses as at 31 December 2019	Amount for affiliated companies	Amount for equity interests
Loans	490,411	-
Gross equity interests	2,706,084	321
Debit balance current accounts	1,489,195	-
Credit balance current accounts	1,014,542	-
Financial expenses	1,888	-
Financial income	112,499	43

Financial income and expenses as at 31 December 2020	Amount for affiliated companies	Amount for equity interests
Loans	588,366	-
Gross equity interests	3,162,227	-
Debit balance current accounts	1,684,134	-
Credit balance current accounts	1,208,209	-
Financial expenses	699	-
Financial income	83,662	-

Note 7 • OFF-BALANCE SHEET COMMITMENTS

7.1 Joint and several guarantees on rental payments

Since the Group's creation, Korian has secured the leases between its subsidiaries and institutional lessors, chiefly by means of a surety or a rental guarantee. In addition, under the finance lease transactions arranged since December 2009, Korian is guarantor for the lease commitments of its subsidiaries.

7.2 Commitments given

To relieve its subsidiaries Curanum AG and Korian Management AG of their obligation to publish financial statements in Germany, Korian provides them with an annual "letter of support".

7.3 Disputes

To the knowledge of the Company and its legal advisors, there are no disputes that are not covered by provisions and which are likely to have a material impact on its business, results or financial position.

7.4 Pension commitments

The estimated current value of the Company's pension commitments to all of its employees is based on the following assumptions:

- calculation method used: projected credit unit;
- female mortality table: TGF05;
- male mortality table: TGH05;
- discount rate: 0.60%;

- single collective bargaining agreement: CCU (single CBA);
- retirement age: 60 to 64 years;
- conditions: retirement is at the employee's initiative.

Severance payments totalled €2,568 thousand at 31 December 2020, compared to €2,004 thousand at 31 December 2019. No provisions were taken for this amount in the Company's financial statements.

7.5 Derivative financial instruments (at fair value)

The Company uses derivative financial instruments (swaps and caps) to hedge the interest rate risk associated with its variable-rate financing.

The fair value of these instruments is shown in the table below:

<i>In millions of euros</i>	Value as at 31 December 2020	Nominal
Swap	-31.3	590
Cap	0.51	378.8

7.6 Asset and liability guarantees received

In accordance with its usual practice, the Group has liability guarantees in place in respect of its acquisitions.

7.7 Asset and liability guarantees given

With respect to disposals of non-Group companies, Korian has arranged liability guarantees, in accordance with practices in force.

7.8 Bank guarantees given

On 21 July 2016, Korian arranged a syndicated loan contract which was subsequently amended and extended in May 2019 and now matures in May 2024. Under this new syndicated loan agreement, compliance with the debt ratio (net debt - real estate debt)/(EBITDA - 6.5% of real estate debt) must be tested Group-wide on a semi-annual basis. The leverage thus calculated must not exceed 4.5x on 30 June and on 30 December, over the term of the loan.

7.9 Bank guarantees received

Korian holds a €976 thousand independent bank guarantee payable on first demand.

7.10 Share-based payments

Free shares plan implemented from 2017

The free shares granted to certain members of General Management and corporate officers are contingent on the fulfilment of performance conditions:

- 2018 plan: based on the revenue and EBITDA per share generated in 2020 and Korian's share price relative to the performance of the SBF 120 index over the vesting period;
- 2019 plan: based on the revenue and EBITDA per share generated in 2021 and Korian's share price relative to the performance of the SBF 120 index over the vesting period.

Once vested, the shares may be freely disposed of, except by corporate officers of Korian SA, which will have an obligation to hold at least 25% of these shares.

The 2020 Free Shares Plan

The free shares granted to certain members of General Management and corporate officers are contingent on the fulfilment of performance conditions in respect of:

- revenue in 2022;
- Korian's share price relative to the SBF 120's performance over the vesting period;

- operating free cash flow in 2022;
- CSR criteria.

Once vested, the shares may be freely disposed of, except by corporate officers of Korian SA, which will have an obligation to hold at least 25% of these shares.

Note 8 • OTHER INFORMATION**8.1 Compensation paid to executive bodies**

The following compensation was paid to the executive bodies for fiscal year 2020:

- fixed compensation for 2020: €2,385 thousand;
- variable compensation: €1,838 thousand;
- other benefits, including company cars: €50 thousand.

8.2 Compensation paid to management bodies

For 2020, a gross amount of €300,000 in attendance fees was paid to the members of the Board of Directors.

The members of the Board are also entitled to reimbursement, on production of receipts, of travel expenses incurred in attending Board and specialised committee meetings.

In accordance with the Rules of Procedure of the Board of Directors, an annual total sum of €400,000 has been set aside for the compensation of directors, with the following distribution:

- The sum of €300,000 shall be divided among the board directors as a fixed payment and on the basis of their actual attendance at Board and Committee meetings.

- The sum of €70,000 has been set aside for the purpose of paying, in accordance with the proportions determined by the Board of Directors, (i) additional compensation for non-resident independent directors, according to their physical presence at Board and Committee meetings, and (ii) additional compensation for directors attending Board and/or Committee meetings not provided for in the annual meetings schedule approved by the Board of Directors.
- The sum of €30,000 shall be divided between the Audit Committee Chairman, the Compensation and Appointments Committee Chairman and the Ethics, Quality and CSR Committee Chairman, who shall respectively receive one half (1/2), one third (1/3) and one sixth (1/6) of said amount.

The sum of €300,000 shall be divided among the directors in accordance with the following rules:

- 45% of the above amount shall be divided equally among Board members as a fixed payment, independent directors being entitled to sextuple fees;
- 30% of the above amount shall be divided among Board members in proportion to the number of Board meetings they attend;
- 25% of the above amount shall be divided among the members of the various committees in proportion to the number of committee meetings they attend, with the Chairman of each committee entitled to double fees.

Note 9 • TAX CONSOLIDATION

In the absence of a written tax consolidation agreement, relations between companies in the tax consolidation group are governed by the neutrality principle. Accordingly, income tax expense is incurred by subsidiaries as if they were taxed separately.

The annual tax savings achieved through the consolidated tax group, resulting from the various tax deficits, adjustments, and tax credits, is retained by the parent company Korian and is treated as an immediate gain for the fiscal year.

As the parent company, Korian will bear the income tax expense calculated on the basis of the group's taxable profit.

The Korian consolidated tax group comprised 129 companies in 2020 (including Korian). In the absence

of tax consolidation, the Group's net income tax expense for 2020 would have been €25,383 thousand. The tax consolidation regime generated a tax saving of €25,383 thousand for the parent company.

After adjusting for dividends not eligible for the parent-subsidiary scheme, the current taxable income of the tax consolidation group came to €8,732 thousand in 2020.

The Group also received €530 thousand in tax credits for its patronage initiatives.

Korian SA posted tax income of €27,313 thousand on a standalone basis, consisting mainly of a €25,383 thousand gain on tax consolidation and €525 thousand in tax credits for corporate patronage.

9.1 Breakdown of income tax in 2019

	Before tax	Income tax	After tax
Net profit/(loss) from continuing operations	50,539	-	50,539
Non-recurring profit (loss)	6,249	-	6,249
Impact of tax consolidation and tax credits	-	-10,173	-10,173
Accounting profit/(loss)	56,788	-10,173	66,961

9.2 Increases and decreases in future tax liabilities

Increases

• Reallocation of tax losses to subsidiaries	€69,599,804
• For a future tax expense of	€22,285,857

Decreases

• Organic	€209,391
• For a future tax reduction of	€67,005

9.3 Breakdown of income tax in 2020

	Before tax	Income tax	After tax
Net profit/(loss) from continuing operations	-20,845		-20,845
Non-recurring profit (loss)	-1,487		-1,487
Impact of tax consolidation and tax credits		-27,313	-27,313
Accounting profit/(loss)	-22,332	-27,313	4,981

9.4 Increases and decreases in future tax liabilities

Increases

• Reallocation of tax losses to subsidiaries	€63,312,638
• For a future tax expense of	€17,987,120

Decreases

• Organic	€223,060
• For a future tax reduction of	€63,371

6.4 Statutory Auditors' report on the annual financial statements

For the year ended 31 December 2020

To the Shareholders,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meetings, we have audited Korian SA's annual financial statements for the financial year ended 31 December 2020, as appended to this report.

We hereby certify that the individual financial statements, with regard to generally accepted accounting principles in France, provide a true and fair view of the assets, financial position and results of the Company.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for the opinion

► Audit framework

We performed our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the section "Responsibilities of statutory auditors relating to the audit of annual financial statements" of this report.

► Independence

We performed our audit assignment, from 1st January 2020 to the date of our report, in accordance with the independence rules applicable to us. In particular, we did not provide services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or by the French code of ethics for statutory auditors (*Code de déontologie des Commissaires aux comptes*).

Justification for our assessments - Key audit matters

In light of the global health crisis caused by the COVID-19 pandemic, the financial statements for 2020 were not prepared and audited under the usual conditions. Indeed, the crisis, along with the exceptional measures implemented to cope with the public health emergency, has had multiple consequences for companies, notably impacting their business activity and funding, while giving rise to heightened uncertainties about their future

prospects. Some of these measures, such as travel restrictions and remote working, have also had an effect on companies' internal organisational models and the conditions for performing audits.

It is against this complex and constantly-changing backdrop that, pursuant to the provisions of Articles L. 823-9 et R. 823-7 of the French Commercial Code regarding the justification for our assessments, we draw your attention to the key audit matters relating to the risks of material misstatement which, in our professional judgement, were the most significant for the audit of the annual financial statements for the period, as well as the responses we provided to these risks.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and the opinion we formed, as expressed above. We do not express an opinion on any items in these annual financial statements considered separately.

Measurement of equity interests

► Key audit matter

As at 31 December 2020, equity interests recognised as assets had a net carrying amount of €3,152 million. These are recorded at their acquisition cost, including ancillary costs, and impairment is recognised if this value exceeds their value in use and their market value.

As stated in Note 2.3 "Equity investments and other long-term investments" to the financial statements, value in use is the difference between a subsidiary's enterprise value and its net debt. Enterprise value is calculated on the basis of assumptions and estimates applied by Group management for the business under consideration (France Seniors and France Santé), notably projections of future cash flows discounted over four years based on its 2021 budget.

The market value is measured using observed recent market data.

Due to the weight of equity interests on the balance sheet and the importance of management's judgement in determining the assumptions on which the value in use estimates are based, we deemed that the measurement of equity interests is a key audit matter.

► Our response

In order to assess whether the estimate of the value in use of equity interests is reasonable, on the basis of the information provided to us, our work consisted primarily of:

- reviewing the budget process and key controls associated with this process;
- obtaining the methods used to calculate the value in use, in particular cash flow and operating forecasts for the facilities operated by the entities representative of these equity interests, in order to:
 - assess the consistency thereof with the 2021 budgets established by management and approved by the Board of Directors;
 - assess whether the assumptions used to project flows over the 2022-2024 period;
 - compare the forecasts used for prior impairment tests with the corresponding performances in order to assess the performance of prior objectives;
- verifying, on a test basis, the arithmetical accuracy of the calculations of the values in use applied by the Company.

Finally, we examined the relevance of the market data applied by management in determining market values.

Specific verifications

In accordance with the auditing standards applicable in France, we also performed the specific verifications required by law.

► Information provided in the management report and other documents sent to the shareholders on the financial position and the annual financial statements

We have no observations to make regarding the truthfulness of the information contained in the Board of Directors' management report and in the other documents sent to shareholders concerning the Group's financial position and the annual financial statements, or the consistency of that information with said annual financial statements.

We confirm the truthfulness and consistency of the information provided pursuant to Article D.441-4 of the French Commercial Code on supplier payment deadlines.

► Report on corporate governance

We confirm that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

With respect to the information provided pursuant to Article L. 22-10-9 of the French Commercial Code on the compensation and benefits paid or granted to corporate

officers, and any commitments granted to them, we have verified its consistency with the financial statements and with the figures used to prepare the financial statements and, where applicable, with the information obtained by your Company from the companies that it controls and which it includes in its scope of consolidation. Based on this work, we certify the accuracy and truthfulness of this information.

Concerning the information on factors that your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer that is provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no observations to make with regard to this information.

► Other information

In accordance with the law, we have verified that the required information concerning the acquisition of equity investments and controlling interests, as well as the identities of the holders of equity rights and voting rights, have been disclosed to you in the management report.

Other verifications or disclosures required by applicable laws and regulations

► Presentation format for annual financial statements to be included in the annual financial report

In accordance with section III of Article 222-3 of the AMF General Regulation, the management of your Company has informed us of its decision to postpone the application of the European Single Electronic Format (ESEF), as specified by delegated regulation (EU) No. 2019/815 of 17 December 2018 for fiscal years beginning on or after 1st January 2021. As such, the present report does not contain any conclusions with regard to compliance with said format of the presentation of the financial statements to be included in the annual financial report as per section I of Article L. 451-1-2 of the French Monetary and Financial Code.

► Appointment of statutory auditors

MAZARS was appointed as statutory auditor of Korian SA in the original Articles of Association of 2003, and ERNST & YOUNG et Autres was appointed by the General Meeting of 23 June 2011.

At 31 December 2020, MAZARS was in the eighteenth uninterrupted year of its assignment (including fifteen years since the Company's shares were admitted to trading on a regulated market) and ERNST & YOUNG et Autres was in its tenth year.

Prior to our appointment, ERNST & YOUNG Audit had been the Group's statutory auditor from 2006.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for preparing annual financial statements that present a true and fair view in accordance with French accounting principles, as well as for setting up the internal controls it deems necessary to prepare annual financial statements that are free of material misstatements, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, any information relating to the continuity of operations, and applying the going concern accounting principle, unless it intends to liquidate the Company or cease doing business.

The Audit Committee is responsible for overseeing the process used to prepare financial information and for monitoring the effectiveness of the internal control and risk management systems, as well as, if applicable, the internal audit system, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of statutory auditors relating to the audit of annual financial statements

► Audit approach and objective

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may be due to fraud or error and are considered material if it can reasonably be expected that, taken individually or cumulatively, they may influence the economic decisions that users of the financial statements take based thereon.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of the management of your Company.

In accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgement throughout the audit assignment. It also:

- identifies and assesses the risks that the annual statements contain material misstatements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects evidence that it deems sufficient and appropriate to form the basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than that of a material misstatement due to error, because fraud may involve collusion, falsification, voluntary omissions, misrepresentations or circumventing internal controls;
- reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;
- assesses whether the accounting methods used are appropriate and whether the accounting estimates made by management are reasonable, as well as the information about them provided in the annual financial statements;
- assesses whether management's application of the going concern accounting principle is appropriate and, depending on the information collected, whether or not there exists significant uncertainty about events or circumstances that may jeopardise the Company's ability to continue its business. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditors conclude that a material uncertainty exists, they draw the attention of readers of their report to the information provided in the annual financial statements regarding this uncertainty or, if this information is not provided or is not relevant, they issue a qualified certification or a refusal to certify;
- evaluates the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events in a manner that gives a true and fair view thereof.

► Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit work and the audit program implemented, as well as the conclusions drawn from our work. Where applicable, we also report significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that we consider to have been the most significant for the audit of the financial statements for the year ended 2020 and which, therefore, constitute the

key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement required by Article 6 of regulation (EU) No. 537-2014 confirming our independence within the meaning of the rules applicable in France as laid down, in particular, by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French code of ethics for statutory auditors (*Code de déontologie de la profession de commissaire aux comptes*). If applicable, we discuss with the Audit Committee the risks to our independence and the safeguards in place.

Courbevoie and Paris-La Défense, 26 February 2021

The Statutory Auditors

MAZARS
Anne Veaute

ERNST & YOUNG et Autres
May Kassis-Morin

6.5 Statutory Auditors' special report on related-party agreements

General Meeting convened to approve the financial statements for the financial year ended 31 December 2020

To the Shareholders,

In our capacity as the statutory auditors of your Company, we hereby present our report on regulated agreements.

It is our duty to inform you, on the basis of the information that has been provided to us, about the characteristics and material terms of regulated agreements that have been reported to us or that we discovered in performing our assignment, as well as the grounds showing that these are in the Company's interest. However, it is not our role to comment on whether they are beneficial or appropriate, or to ascertain whether any other agreements exist. Pursuant to article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether entering into these agreements was beneficial, with a view to approving them.

In addition, and if applicable, it is our duty to provide you with the information required by Article R. 225-31 of the French Commercial Code on the execution, during the past financial year, of regulated agreements approved by a General Meeting.

We have performed the due diligence that we deemed necessary in accordance with the professional guidelines issued by the French national institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) in relation to this assignment.

Agreements submitted for approval at the General Meeting

We inform you that we have not received notice of any agreements that have been authorised and entered into during the past financial year and that would have to be submitted to the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved at General Meetings

We hereby inform you that we have not been advised of any agreements already approved at prior General Meetings and which remained in force during the past fiscal year.

Courbevoie and Paris-La Défense, 26 February 2021

The Statutory Auditors

MAZARS
Anne Veaute

ERNST & YOUNG et Autres
May Kassis-Morin

7.

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Korian is a French public limited company (société anonyme). It is listed on the Paris stock exchange.

This chapter contains the key data on its legal form and Articles of Association.

It also provides information on the Korian share and the market on which it is traded.

7.1 Information on the company

7.1.1 Information on the Company's legal status

Registered office, legal form and applicable legislation

Company name	Korian
Registered office	21-25, rue Balzac, 75008 Paris
Telephone number and website	+33 (0)1 55 37 52 00 www.korian.com
Legal form	A French public limited company (<i>société anonyme</i>) with a Board of Directors
Applicable legislation	French law
Date of incorporation and term of the Company	The Company was registered for a period of 99 years as of its date of registration on 25 March 2003
Trade and Companies Register (RCS) number	447 800 475 - RCS Paris
Business identification number (SIRET)	447 800 475 00124
Business identifier code (APE)	7022 Z
Legal entity identifier (LEI)	969500WEPS61H6TJM037
Financial year	The Company's financial year begins on 1 st January and ends on 31 December. The duration of the financial year is 12 months.

7.1.2 Memorandum and Articles of Association

The Articles of Association are available in full in the Governance section on the Company's website www.korian.com.

7.1.2.1 Amendments to the Articles of Association

The Company's Articles of Association have been amended by the resolutions passed at the 2020 General Meeting, namely:

- the 30th resolution, amending Articles 11.1.5, 11.3, 13 and 15.1 of the Company's Articles of Association, to ensure their compliance with the new legal and regulatory provisions in force (concerning Directors' compensation, the role of the Board of Directors, commitments undertaken to the benefit of executive corporate officers, and the prerequisite conditions for registering to participate in General Meetings);
- the 31st resolution, amending Article 11.2.3 of the Company's Articles of Association, allowing the Board of Directors to take decisions by way of written consultation.

Article 6 of the Company's Articles of Association "Amount of capital" has also been amended in respect of the Chief Executive Officer's decisions, acknowledging (i) the increases in share capital following the creation of new

shares to be granted to beneficiaries of performance share plans, and (ii) the capital increase with preferential rights, in the amount of approximately €400 million.

7.1.2.2 Corporate purpose

Article 3 of the Company's Articles of Association states that its corporate purpose involves:

- "all management, management consultancy and ownership activities relating to companies specialised in the healthcare and elderly care sector, specifically in nursing homes for dependent elderly people, post-acute and rehabilitation care facilities, psychiatric clinics, home care for dependent elderly persons and, more generally, dependency care and services for elderly people; and
- more generally, the acquisition of equity interests, by any means, in all existing or future companies, businesses or enterprises, and all financial, commercial, industrial, real and personal property transactions that may be directly or indirectly related to one of the purposes specified above or any similar or related purpose that may favour the development of the Company's assets.

7.1.2.3 Rights attached to each share

Articles 7 and 9 of the Company's Articles of Association set out the rights attaching to each share.

► Article 7. Shares

"Shares may be held in registered or bearer form at the discretion of the shareholder. Whether in registered or bearer form, shares shall be entered in an account under the conditions and in the manner prescribed by applicable legal and regulatory provisions.

However, any shareholder, whether an individual or a legal entity, that owns, directly or via entities it controls within the meaning of Article L. 233-3 of the French Commercial Code ("Code de commerce"), a percentage of the shares or voting rights of the Company at least equal to one-twentieth (5%) of the share capital or voting rights (a "**Concerned Shareholder**") must register all shares held in its own name and ensure that the entities it controls within the meaning of Article L. 233-3 of the French Commercial Code also register all shares held in their own name.

Any Concerned Shareholder who fails to comply with this requirement may be penalised under the conditions laid down by the law and regulations.

The Company is authorised to invoke, at any time, the legal and regulatory provisions in force with respect to the identification of holders of securities that grant immediate or future voting rights at the Company's shareholders' meetings and to the communication of all information relating to those holders. Failure of the holders of the securities or their intermediaries to comply with their obligation to communicate the information mentioned above may, subject to any relevant legal and regulatory constraints, cause the suspension or withdrawal of the right to vote and any right to dividend payments related to the shares."

► Article 9. Rights attached to shares

"Each share confers the right to ownership of the Company's assets, to a share of the profits and to the liquidation surplus due to the shareholders in proportion to the number of existing shares.

All shares comprising or that may comprise the share capital will always be treated equally as regards tax liabilities. Consequently, all taxes and duties that may, for any reason, as a result of repayment of the principal amount of these shares, become payable for certain shares only, either during the Company's existence or on its liquidation, will be divided among all of the shares comprising the capital at the time of these repayments, so that all current and future shares confer on their owners, while taking into account, where necessary, the nominal amount rather than the written-down amount of the shares and the rights of the shares of various categories, the same effective benefits and the entitlement to receive the same net amount.

Voting rights attached to capital shares are proportional to the percentage of the share capital that they

represent, with the same par value. Each share entitles the holder to one (1) vote, it being specified that this ratio of one (1) vote per share will prevail notwithstanding any non-imperative legislative or regulatory change to the contrary (such as the automatic conferring of double voting rights in certain situations). No double voting rights are granted as per the last paragraph of Article L. 225-123 of the French Commercial Code.

The subscription right attached to shares belongs to the bare owner, unless otherwise agreed by the parties.

Ownership of a share automatically assumes acceptance of the Company's Articles of Association and the decisions of its Ordinary General Meetings and the Board of Directors acting as delegated by the Ordinary General Meetings.

Whenever it is necessary to possess several shares in order to exercise a right, single shares or shares held in a number below the requisite number of shares do not entitle their holders to any right against the Company, it being up to the shareholder in such a case to personally seek to group together the requisite number of shares."

7.1.2.4 Statutory threshold crossing disclosures

Article 8 of the Company's Articles of Association concerns the crossing of statutory disclosure thresholds.

"Shares shall be freely traded and transferred.

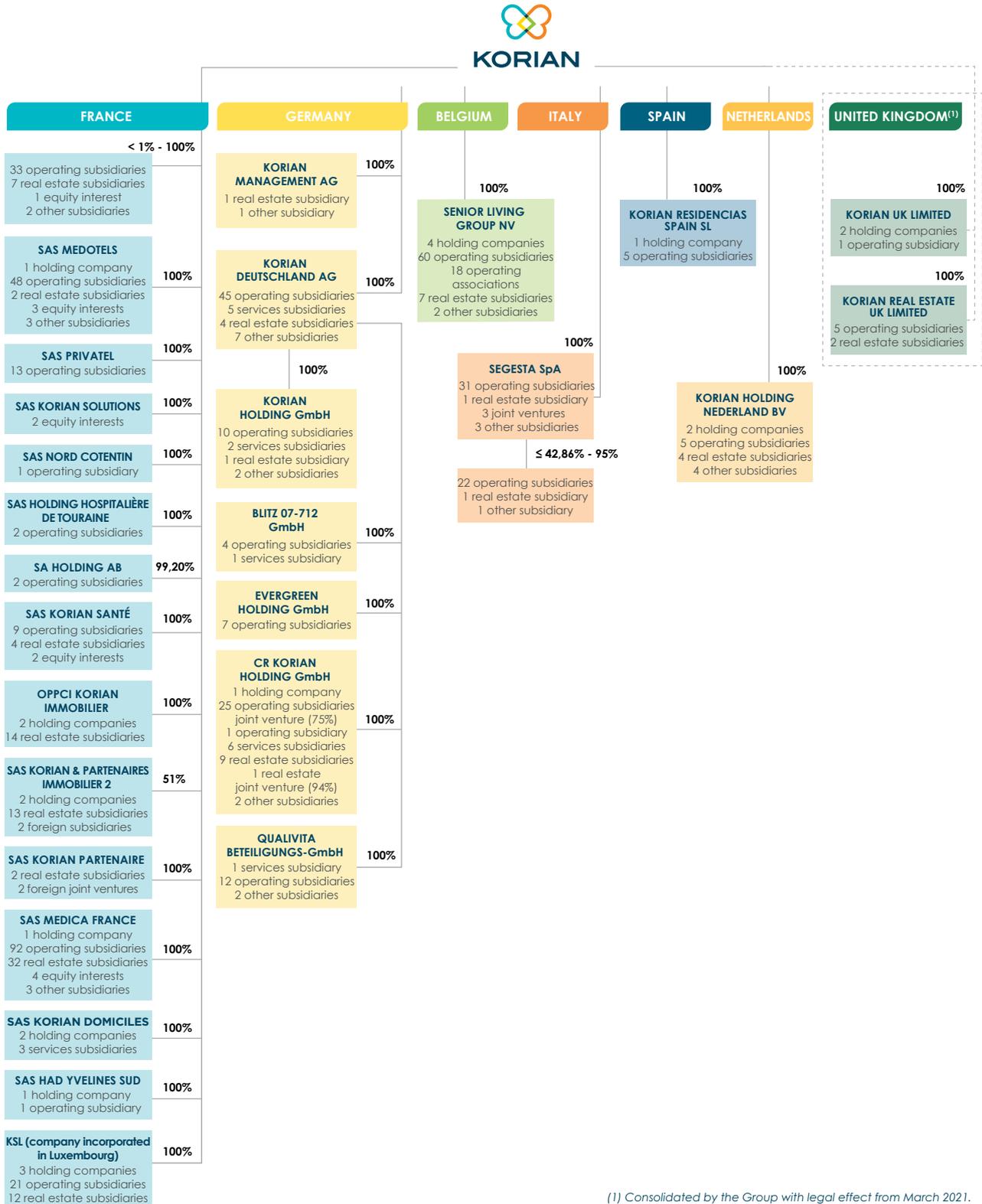
Any individual or legal entity acting alone or in concert with others, who acquires or relinquishes, directly or indirectly, at least two-hundredths (0.5%) of the share capital or voting rights of the Company, or a multiple of this percentage, is required to notify the Company by registered letter with acknowledgement of receipt, addressed to the Company's head office, within four (4) trading days of each threshold being crossed, and to state the number of shares and voting rights held (alone, directly or indirectly, or in concert with others), together with (a) the number of shares held giving future access to share capital and the number of voting rights attached to them, (b) the shares and voting rights already issued that this person may acquire, pursuant to an agreement or a financial instrument and (c) all information set forth in Article L. 233-7 of the French Commercial Code. Investment fund management companies are required to provide this information for all shares in the Company held by the funds they manage.

If they are not regularly disclosed in accordance with the conditions set forth above, any shares in excess of the fraction that should have been disclosed are, within the conditions and limits laid down by law, deprived of voting rights in all shareholders' meetings for a period of two (2) years following the date on which proper disclosure is made.

This penalty will only be applied at the request of one or more shareholders holding at least two-hundredths (0.5%) of the Company's share capital or voting rights, such request being included in the minutes of the Ordinary General Meeting."

7.1.3.2 Simplified legal structure of Korian group as at 24 February 2021

The Group's simplified legal structure as at 24 February 2021 is shown below:



(1) Consolidated by the Group with legal effect from March 2021.

7.2 Information on the share capital

7.2.1 Share capital

As at 31 December 2020, Korian's share capital was divided into 105,038,158 shares with a nominal value of €5 each, for a total of €525,190,790. All shares are fully paid up.

Each share carries one vote at General Meetings of shareholders.

In accordance with Article 9 of the Company's Articles of Association, no shares carry double voting rights.

The Company conducted several consecutive capital increases in 2020:

- on 31 March 2020, it issued 2,637 new shares with a nominal value of €5 each, raising €13,185 in capital, following the issuance of fully vested shares to certain employees and corporate officers (see section 7.2.4.3 of this universal registration document);
- on 4 August 2020, it issued 189,833 new shares with a nominal value of €5 each, raising €949,165 in capital, following the issuance of fully vested shares to certain employees and corporate officers, including 42,771 shares to Mrs Sophie Boissard, Chief Executive Officer (see section 7.2.4.3 of this universal registration document);
- on 13 September 2020, it issued 4,122 new shares with a nominal value of €5 each, raising €20,610 in capital, following the issuance of fully vested shares to certain employees and corporate officers (see section 7.2.4.3 of this universal registration document);
- on 2 November 2020, it issued 22,113,296 new shares with a nominal value of €5 each, raising €110,556,480 in capital. The Company's share capital subsequently increased to €525,190,790, divided into 105,038,158 shares.

7.2.2 Changes in the Company's share capital over the last three years

Date	Type of transaction	Number of shares issued	Capital increase	Issue premium	Nominal value	Number of shares	Amount of share capital
31 March 2018	Confirmation by the Chief Executive Officer of the creation of new shares allocated to French beneficiaries in respect of the 2015 performance shares plan.	1,220	€6,100		€5	80,983,563	€404,917,815
12 July 2018	Confirmation by the Chief Executive Officer of the creation of shares granted in respect of dividend payments in new shares.	992,862	€4,964,310		€5	81,976,425	€409,882,125
31 March 2019	Confirmation by the Chief Executive Officer of the creation of new shares allocated to foreign beneficiaries in respect of the 2014 performance shares plan.	9,138	€45,690		€5	81,985,563	€409,927,815
1 st July 2019	Confirmation by the Chief Executive Officer of the creation of shares granted in respect of dividend payments in new shares.	742,707	€3,713,535		€5	82,728,270	€413,641,350
31 March 2020	Confirmation by the Chief Executive Officer of the creation of new shares allocated to certain employees and corporate officers in respect of the 2015 performance shares plan.	2,637	€13,185		€5	82,730,907	€413,654,535
4 August 2020	Confirmation by the Chief Executive Officer of the creation of new shares allocated to certain employees and corporate officers in respect of the 2017 performance shares plan.	189,833	€949,165		€5	82,920,740	€414,603,700
13 September 2020	Confirmation by the Chief Executive Officer of the creation of new shares allocated to certain employees and corporate officers in respect of the 2017 performance shares plan.	4,122	€20,610		€5	82,924,862	€414,624,310
2 November 2020	Confirmation by the Chief Executive Officer of the completion of the capital increase	22,113,296	€110,566,480	€289,684,177.60	€5	105,038,158	€525,190,790

7.2.3 Issued and unissued authorised capital

7.2.3.1 Delegations and authorisations currently valid

The following table shows the delegations and authorisations granted to the Board of Directors by the General Meeting of shareholders and currently valid in respect of capital increases and the extent to which these were used during the 2020 financial year.

Nature of authorisation/ delegation	Date of the General Meeting (resolution number)	Maximum authorisation granted	Duration (Expiry date)	Use of authorisation in 2020	Residual authorised capital increase amount at 31 December 2020
Authorisation to trade in the Company's shares	22 June 2020 (16 th)	10% of share capital (and maximum number of treasury shares capped at 10% of share capital) Maximum total amount for the purposes of the share buyback programme: €496,385,400	18 months (22 December 2021)	47,440 treasury shares held in respect of the liquidity agreement (representing 0.05% of share capital at 31 December 2020)	-
Authorisation to reduce the share capital by cancelling treasury shares (currently held by the Company or as part of the share buyback programme)	22 June 2020 (17 th)	10% of share capital per 24-month period	26 months (22 August 2022)	N/A	-
Delegation of authority to issue, outside takeover bid periods, ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital and/or the right to receive debt securities, with preferential subscription rights	22 June 2020 (18 th)	€206,827,000 in equity securities ⁽¹⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	26 months (22 August 2022)	Capital increase for a total nominal amount of €110,566,480 completed on 2 November 2020	€96,260,520 in equity securities , the new ceiling common to resolutions 18, 19, 20, 21, 22, 23, 24 and 25 of the 2020 General Meeting
Delegation of authority to issue, outside takeover bid periods, by way of a public offering (other than those offerings referred to in Article L. 411-2 I of the French Monetary and Financial Code), ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital and/or the right to receive debt securities, without preferential subscription rights	22 June 2020 (19 th)	€41,365,400 in equity securities ⁽¹⁾⁽³⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	26 months (22 August 2022)	N/A	-
Delegation of authority to issue, outside takeover bid periods, ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital and/or the right to receive debt securities, without preferential subscription rights, to qualified investors or an investors' club, as provided in Article L. 411-2 I of the French Monetary and Financial Code)	22 June 2020 (20 th)	10% of share capital ⁽¹⁾⁽³⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	26 months (22 August 2022)	N/A	-
Authorisation to increase the number of securities to be issued in the event of issuance of shares, with or without preferential subscription rights, outside takeover bid periods	22 June 2020 (21 st)	15% of the initial issue ⁽¹⁾⁽²⁾⁽³⁾	26 months (22 August 2022)	N/A	-

(1) Ceiling common to resolutions 18, 19, 20, 21, 22, 23, 24 and 25 of the 2020 General Meeting as described in this table.

(2) Ceiling common to resolutions 18, 19, 20, 21, 23, 24 and 25 of the 2020 General Meeting as described in this table.

(3) Ceiling common to resolutions 19, 20, 21, 22, 23, 24 and 25 of the 2020 General Meeting as described in this table.

Nature of authorisation/ delegation	Date of the General Meeting (resolution number)	Maximum authorisation granted	Duration (Expiry date)	Use of authorisation in 2020	Residual authorised capital increase amount at 31 December 2020
Authorisation, in the event of the issuance of ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital and/or the right to receive debt securities, without preferential subscription rights, to set the issue price in accordance with the terms approved by the General Meeting	22 June 2020 (22 ⁽¹⁾)	10% of the share capital per 12-month period, subject, in all cases, to the ceiling set by the resolution pursuant to which the issue is implemented (i.e. the 19 th or 20 th resolution of the 2020 General Meeting), and deducted from said ceiling ⁽¹⁾⁽³⁾	26 months (22 August 2022)	N/A	-
Authorisation to issue, outside takeover bid periods, ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital and/or the right to receive debt securities, without preferential subscription rights, to pay for contributions in kind granted to the Company and which consist of equity securities and/or transferable securities conferring access to share capital	22 June 2020 (23 ⁽¹⁾)	€41,365,400 in equity securities ⁽¹⁾⁽³⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	26 months (22 August 2022)	N/A	-
Delegation of authority to issue, outside takeover bid periods, ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital, in the event of a public exchange offer initiated by the Company, without preferential subscription rights	22 June 2020 (24 ⁽¹⁾)	€41,365,400 in equity securities ⁽¹⁾⁽³⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	26 months (22 August 2022)	N/A	-
Delegation of authority to increase the share capital by issuing ordinary shares in the Company or any transferable securities conferring access, immediately or at some future time, to shares to be issued by the Company, without preferential subscription rights, for a category of persons as provided for in Article L. 225-138 of the French Commercial Code	22 June 2020 (25 ⁽¹⁾)	€41,365,400 in equity securities ⁽¹⁾⁽³⁾ €1,000,000,000 in debt securities conferring access to share capital ⁽²⁾	18 months (22 December 2021)	N/A	-
Delegation of authority to increase the share capital by capitalising reserves, earnings, premiums or other funds outside takeover bid periods	22 June 2020 (26 ⁽¹⁾)	€20,000,000	26 months (22 August 2022)	N/A	-
Authorisation to grant free shares in the Company, either existing or to be issued, to employees and/or corporate officers of the Company and its subsidiaries	22 June 2020 (27 ⁽¹⁾)	1% of share capital (and 0.1% of share capital for executive corporate officers of the Company)	38 months (22 August 2023)	333,175 shares granted on 30 July 2020 (of which 21,384 shares to the Chief Executive Officer), as adjusted on 3 December 2020 (see French legal gazette, (BALO), notice no. 2004744).	0.68% of share capital (and 0.07% of share capital for executive corporate officers of the Company)

(1) Ceiling common to resolutions 18, 19, 20, 21, 22, 23, 24 and 25 of the 2020 General Meeting as described in this table.

(2) Ceiling common to resolutions 18, 19, 20, 21, 23, 24 and 25 of the 2020 General Meeting as described in this table.

(3) Ceiling common to resolutions 19, 20, 21, 22, 23, 24 and 25 of the 2020 General Meeting as described in this table.

Nature of authorisation/delegation	Date of the General Meeting (resolution number)	Maximum authorisation granted	Duration (Expiry date)	Use of authorisation in 2020	Residual authorised capital increase amount at 31 December 2020
Delegation of authority to issue ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital, immediately or at some future time, for members of a Company or Group savings plan, without preferential subscription rights	22 June 2020 (28 th)	2.5% of share capital	26 months (22 August 2022)	N/A	-
Delegation of authority to issue ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital, immediately or at some future time, without preferential subscription rights, for certain categories of beneficiary for the purpose of an employee shareholding scheme	22 June 2020 (29 th)	0.15% of share capital, this ceiling being subtracted from the overall ceiling of 2.5% of the share capital as provided by the 28 th resolution of the General Meeting of 22 June 2020	18 months (22 December 2021)	N/A	-

7.2.3.2 Financial delegations of authority and authorisations submitted to the General Meeting convened to approve the 2020 financial statements

It is essential that the Board of Directors has the flexibility it needs in selecting the various types of securities it may issue and the opportunities available in financial markets if it is to conduct the transactions best suited to the Company's requirements and the general context. Accordingly, shareholders at the General Meeting

convened to approve the 2020 financial statements will be asked to grant the following delegations of financial authority, which will cancel and supersede the 16th, 28th and 29th delegations of financial authority described in the table above.

Nature of authorisation/delegation	Resolution number	Maximum authorisation granted	Duration
Authorisation to trade in the Company's shares	18 th	10% of share capital (and maximum number of treasury shares capped at 10% of share capital) Maximum total amount for the purposes of the share buyback programme: €787,786,125	18 months
Delegation of authority to issue ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital, immediately or at some future time, for members of a Company or Group savings plan, without preferential subscription rights	19 th	2.5% of share capital	15 months
Delegation of authority to issue ordinary shares in the Company and/or transferable securities conferring access to the Company's share capital, immediately or at some future time, without preferential subscription rights, for certain categories of beneficiary for the purpose of an employee shareholding scheme	20 th	0.15% of share capital, this ceiling being subtracted from the overall ceiling of 2.5% of the share capital as provided by the 19 th resolution described in this table.	18 months

7.2.3.3 Securities not representing capital

None.

7.2.4 Potential share capital

7.2.4.1 ODIRNANE bond issue

On 18 September 2018, Korian announced that it had successfully placed an issue of fungible undated, unsubordinated and unsecured bonds with an option for repayment in cash and/or new and/or existing shares (ODIRNANE) (the "**New Bonds**"), without preferential subscription rights, for a nominal amount of approximately €60 million.

These New Bonds were issued with a view to refinancing the unlisted hybrid bonds issued in June 2017 for an amount of €60 million. The New Bonds are subject to the same terms (aside from the issue price) as the undated, unsubordinated and unsecured bonds convertible into new and/or existing shares (ODIRNANE) issued by Korian on 28 June 2017 (the "**Existing Bonds**") for around €240 million and, following the settlement and delivery of the New Bonds on 21 September 2018, are fully fungible with the Existing Bonds and traded on the same listing line (jointly referred to as the "**Bonds**"). The New Bonds were issued at a price of €40.90, including interest accrued over the period from 1st July 2018 to 21 September 2018 for an amount of €0.22 per Bond. The New Bonds were settled and delivered on 21 September 2018.

The New Bonds were offered via an accelerated book-building process through a private placement arranged exclusively with institutional investors in France and/or outside France (excluding the United States of America, Canada, Australia and Japan). The placement was conducted pursuant to Article L. 411-2(1) (formerly Article L. 411-2 II) of the French Monetary and Financial Code, as per the 17th resolution approved at the Company's Extraordinary General Meeting held on 14 June 2018. An application was made for admission of the New Bonds to trading on Euronext in Paris with effect as from the settlement-delivery date.

As a result of the capital increase on 2 November 2020, the conversion ratio increased from 1.038 Korian shares per ODIRNANE bond to 1.133 Korian shares per ODIRNANE bond (calculated to three decimal places by rounding up to the nearest thousandth).

In addition, with respect to this capital increase, the ability to exercise Bond conversion rights was suspended from 12 October 2020 until 12 January 2021, as per the Chief Executive Officer's decisions of 2 October 2020.

Potential maximum dilution of all of the Bonds amounts to 8.05% of the Company's share capital at 31 December 2020, implying a conversion ratio of 1.133 Korian shares per ODIRNANE bond.

7.2.4.2 OCEANE bond issue

On 3 March 2020, Korian announced that it had successfully completed the placement of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE) in the nominal amount of approximately €400 million (the "**Bonds**").

The net proceeds from this issue are to be used to fund the Company's general requirements and growth, including investments in real estate and acquisitions and the refinancing of acquisitions in the first quarter 2020. The bonds were issued at par and their nominal unit value was set at €61.53, corresponding to a conversion premium of 55% relative to the Company's reference share price. As of the issue date of 6 March 2020, and until they mature on 6 March 2027, the Bonds will bear a nominal annual coupon of 0.875%, to be paid annually in arrears on the 6 March of each year.

Bondholders will have the right to allocate/exchange new and/or existing Company shares at an initial conversion/exchange ratio of one share per Bond, subject to any subsequent adjustments. The Bonds were settled and delivered on 6 March 2020.

The placement was arranged with accredited investors in France and/or other countries (with the exception of the United States of America, Canada, Australia and Japan). The placement was conducted pursuant to Article L. 411-2 of the French Monetary and Financial Code, as per the 17th resolution approved at the Company's Extraordinary General Meeting held on 14 June 2018. An application was made for admission of the Bonds to trading on Euronext in Paris with effect as from the issue date.

As a result of the capital increase on 2 November 2020, the conversion ratio increased from 1 Korian share per OCEANE bond to 1.091 Korian shares per OCEANE bond (calculated to three decimal places by rounding up to the nearest thousandth).

In addition, with respect to this capital increase, the ability to exercise Bond conversion rights was suspended from 12 October 2020 until 12 January 2021, as per the Chief Executive Officer's decisions of 2 October 2020.

Potential maximum dilution from conversion of the Bonds amounted to 6.75% of the Company's share capital at 31 December 2020, implying a conversion ratio of 1.091 Korian shares per OCEANE bond.

7.2.4.3 Long-term compensation plans

► Stock option and share purchase plans

At 31 December 2020, there were no Company stock option or share purchase plans underway.

► Performance unit and performance share plans

The 2020 General Meeting authorised the Board of Directors, for a period of 38 months, to allocate free existing shares and/or shares to be issued for employees and corporate officers, or certain categories of said personnel, working for the Company and/or subsidiaries or

business combinations to which it is directly or indirectly related, pursuant to the conditions as provided in Articles L. 225-197-2 and L. 225-197-1 II of the French Commercial Code.

In accordance with Article L. 225-197-1 II of the French Commercial Code, the Board of Directors set the retention requirement for holding these shares in registered form at 25% for executive corporate officers of the Company and 5% for executive corporate officers of the Company's subsidiaries, until such time as their term of office expires.

Details of allocation plans and outstanding shares are provided in the table below.

RECORD OF PERFORMANCE UNIT/PERFORMANCE SHARE ALLOCATIONS AT 31 DECEMBER 2020

(TABLE 9 IS COMPILED IN COMPLIANCE WITH THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE)

Allocations of performance units/ performance shares	2015 Plan	2016 Plan	2017 Plan	2018 Plan ⁽¹⁾	2019 Plan ⁽¹⁾	2020 Plan ⁽¹⁾	2020 Plan ⁽¹⁾
General Meeting date	26 June 2014	25 June 2015	22 June 2017	14 June 2018	6 June 2019	22 June 2020	22 June 2020
Date of Board of Directors' meeting	16 September 2015	14 September 2016	18 July 2017 13 September 2017	14 June 2018 12 September 2018 22 October 2018	6 June 2019	30 July 2020	30 July 2020
Total number of performance units/ performance shares vested	90,649	146,358	340,615	136,427	162,914	320,025	13,150
o/w the Chief Executive Officer, Sophie Boissard, was awarded	0	18,684	62,459	0	0	21,384	0
Vesting date of performance units/ performance shares	31 March 2018 (for French tax residents) 31 March 2020 (for foreign tax residents)	30 June 2019	4 August 2020 13 September 2020 1 st November 2020	30 June 2021 12 September 2021 22 October 2021	6 June 2022	31 July 2023	31 July 2023
Settlement date	31 March 2018 (for French tax residents) 31 March 2020 (for foreign tax residents)	Between 1 st and 30 July 2019	4 August 2020 13 September 2020 1 st November 2020	30 June 2021 12 September 2021 22 October 2021	6 June 2022	31 July 2023	31 July 2023
Performance conditions	Share price, EBITDA, revenue	EBITDA, revenue and performance of the Korian share price relative to the SBF 120 index	EBITDA per share, revenue and performance of the Korian share price relative to the SBF 120 index	EBITDA per share, revenue and performance of the Korian share price relative to the SBF 120 index	EBITDA per share, revenue and performance of the Korian share price relative to the SBF 120 index	Revenue, operating free cash flow ⁽²⁾ , performance of the Korian share price relative to the SBF 120 index and CSR criteria	N/A
Total number of performance units/ performance shares vested	3,857 ⁽³⁾	53,800 (of which 26,897 shares granted)	193,955	N/A	N/A	N/A	N/A
Total number of performance units/ performance shares cancelled or lapsed ⁽⁴⁾	86,887	92,558	58,542	26,936	16,779	3,685	0
Total number of performance units/ performance shares in the process of vesting	N/A	N/A	N/A	109,491	146,135	316,340	13,150

(1) Following the capital increase with preferential subscription rights, the number of shares granted was adjusted pursuant to the Board of Directors' decision of 3 December 2020 (see French legal gazette (BALO) notice no. 2004744). This adjustment was made for the purpose of preserving the rights of free share beneficiaries by ensuring the aforementioned capital increase has a neutral impact, in accordance with the regulations governing the related share plans and applicable laws. The number of shares in the process of vesting and the number of shares cancelled or lapsed were also adjusted.

(2) Following the entry into force of IFRS 16, the Company no longer deems EBITDA to be a relevant indicator of its operating performance, unlike operating free cash flow.

(3) The number of shares vested to foreign residents was adjusted such that an additional 95 shares were granted, in accordance with the rules of the plan in question as adopted on 16 September 2015 and as acknowledged by the Chief Executive Officer on 31 March 2020. This adjustment was made for the purpose of ensuring that foreign residents receive equal treatment to other beneficiaries in respect of the specific vesting period applicable to them.

(4) Due to the departure of the beneficiaries.

In accordance with the provisions of Article L. 225-197-1 paragraph 5 of the French Commercial Code:

- following the vesting, on 31 March 2020, of 2,637 shares to certain Group employees and corporate officers (free share plan approved by the Board of Directors on 16 September 2015), the Chief Executive Officer acknowledged on 31 March 2020 that the Company's share capital had increased by €13,185, from €413,641,350 to €413,654,535 (divided into 82,730,907 shares), via the issuance of 2,637 new shares with a nominal value of €5 each;
- following the vesting, on 4 August 2020, of 189,833 shares to certain Group employees and corporate officers (free share plan approved by the Board of Directors on 18 July and 13 September 2017), the Chief Executive Officer acknowledged on 4 August 2020 that the Company's share capital had increased by €949,165 from €413,654,535 to €414,603,700 (divided into 82,920,740 shares), via the issuance of 189,833 new shares with a nominal value of €5 each;
- following the vesting, on 13 September 2020, of 4,122 shares to certain Group employees and corporate

officers (free share plan approved by the Board of Directors on 18 July and 13 September 2017), the Chief Executive Officer acknowledged on 13 September 2020 that the Company's share capital had increased by €20,610, from €414,603,700 to €414,624,310 (divided into 82,924,862 shares), via the issuance of 4,122 new shares with a nominal value of €5 each.

► **Information on the 10 main non-corporate officers allocated the highest number of shares**

- Pursuant to Article L. 225-184 of the French Commercial Code, the Company confirms that it has not granted any stock option and/or share buyback plans in respect of the 10 main non-corporate officers who were allocated the highest number of shares, nor are any such plans currently being exercised by them.
- Pursuant to Article L. 225-197-4 of the French Commercial Code, the following table shows the shares allocated to the 10 main non-corporate officer beneficiaries and the shares definitively vested in their favour.

Shares allocated to the 10 main non-corporate officer beneficiaries and the number of shares definitively vested in their favour	2017 performance shares plan	2018 performance shares plan ⁽¹⁾	2019 performance shares plan ⁽¹⁾	2020 performance shares plan ⁽¹⁾
Shares allocated	102,881	50,444	32,470	93,700
Shares vested	68,738	N/A	N/A	N/A

(1) Following the capital increase with preferential subscription rights, the number of shares granted was adjusted pursuant to the Board of Directors' decision of 3 December 2020. This adjustment was made for the purpose of preserving the rights of free share beneficiaries by ensuring the aforementioned capital increase had a neutral impact, in accordance with the regulations governing the related share plans and applicable laws.

7.2.5 Factors which may have an impact in the event of a takeover bid

In accordance with Article L. 22-10-11 of the French Commercial Code, the following factors may have an impact in the event of a takeover bid:

- the capital structure and direct or indirect investments in the Company's capital of which the Company is aware in accordance with articles L. 233-7 and L. 233-12 of the French Commercial Code are described in paragraphs 7.2.1, 7.2.3 and 7.3.1 of this universal registration document;
- the restrictions imposed on the exercise of voting rights and share transfers or contractual clauses brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code are described in the Company's Articles of Association;
- the rules governing the appointment and replacement of the members of the Board of Directors are outlined in the Company's Articles of Association. The Company's Articles of Association may be amended in accordance with Articles L. 225-96 *et seq.* of the French Commercial Code;
- the powers of the Board of Directors are described in section 4.1.3.2.1 "Duties and powers of the Board of Directors" of this universal registration document, as well as in section 7.3.2.3 concerning the implementation of the share buyback programme and the liquidity agreement;
- the agreements providing for benefits for corporate officers in the event their positions are terminated due to a takeover bid are discussed in section 4.2.1.1 "Severance pay" of this universal registration document;
- the financing contracts entitling the Company's creditors to accelerate the repayment of loans made to the Company in the event of a change in control of the Company are described in section 5.3.2.2 and Note 8 of section 6.1 of this universal registration document;
- in accordance with Article L. 214-165 of the French Monetary and Financial Code, the board of the mutual fund managing the Company's employee shareholding plan decides on the contribution of shares to be made to tender or exchange offers.

7.2.6 Significant acquisitions of equity investments or controlling interests

In accordance with Article L. 233-6 of the French Commercial Code, significant equity investments and controlling interests acquired in other companies having their registered offices in France, and that were

completed during the financial year ended 31 December 2020, are presented in Notes 2 and 13.4 of section 6.1 of this universal registration document.

7.3 Shareholders

7.3.1 Change in share capital over the last three years

Changes in the allocation of the Company's share capital between 31 December 2018 and 31 December 2020 are shown in the table below.

Shareholders	31 December 2020			31 December 2019			31 December 2018		
	Number of shares	% of share capital	% of voting rights ⁽¹⁾	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Predica	25,545,708	24.32%	24.32%	20,167,668	24.38%	24.38%	19,001,453	23.18%	23.18%
Holding Malakoff Humanis	8,048,260	7.66%	7.66%	6,353,892	7.68%	7.68%	5,203,892	6.35%	6.35%
Investissements PSP ⁽²⁾	6,839,996	6.51%	6.51%	5,400,000	6.53%	6.53%	11,100,000	13.5%	13.54%
Korian SA ⁽³⁾	47,440	0.05%	0.05%	22,025	0.02%	0.02%	46,386	0.05%	0.05%
Free float	64,556,754	61.46%	61.46%	50,784,685	61.39%	61.39%	46,624,694	56.88%	56.88%
TOTAL	105,038,158	100.00%	100.00%	82,728,270	100.00%	100.00%	81,976,425	100.00%	100.00%

(1) % of voting rights = gross voting rights, including rights attaching to treasury shares. Treasury shares do not carry rights to vote at General Meetings. Number of exercisable voting rights at 29 October 2020: 105,038,158.

(2) It is stated that Investissements PSP's mandate terminated at the end of the 2020 General Meeting. Consequently, Investissements PSP is no longer represented on Korian SA's Board of Directors.

(3) Treasury shares held in respect of the liquidity agreement.

To the Company's knowledge, no other shareholder held more than 5% of the share capital or voting rights during the period from 31 December 2019 to 31 December 2020.

In addition, the Company's employee shareholding plan held 97,733 Korian shares at 31 December 2020.

7.3.2 Treasury shares

7.3.2.1 Treasury shares owned by Company subsidiaries

None of the Company's subsidiaries own treasury shares.

7.3.2.2 Treasury shares owned by the Company

At 31 December 2020, the Company owned 47,440 treasury shares in respect of its liquidity agreement with ODDO BHF and Natixis, accounting for 0.05% of the share capital. These shares do not carry voting rights and or the right to dividends or share premiums.

► Liquidity agreement

The tripartite agreement entrusts responsibility for the share buyback programme to financial market specialist Natixis and investment services provider ODDO BHF, to buy back shares in the name, and on behalf of, the Company, in accordance with Articles 5 and 13 of Regulation (EU) 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse, and pursuant to the code of ethics and professional conduct issued by AMAFI (French

association of financial market professionals) on 8 March 2011, as recognised by the French Financial Markets Authority (AMF) in its decision of 21 March 2011.

The Company provides the AMF with monthly notifications of the purchases and sales of securities made in respect of the liquidity agreement, issues half-yearly statements on the liquidity agreement and publishes them on its website.

Pursuant to the liquidity agreement with ODDO BHF and Natixis concerning Korian's shares, the following assets were booked in the liquidity account at their trade date on 31 December 2020:

- 47,440 Korian shares;
- €3,486,344.70.

The following assets were booked in the liquidity account at the date of signature of the contract:

- 21,934 Korian shares;
- €3,929,068.00.

The following transactions were conducted between 30 June 2020 and 31 December 2020:

- 1,811 purchases;
- 2,187 sales.

7.3.2.3 Share buyback programme

At the General Meeting convened to approve the 2021 General Meeting, the Company will request the renewal of the 16th resolution of the 2020 General Meeting authorising the Board of Directors to purchase or arrange for the purchase of the Company's shares over an 18-month period (including as part of a liquidity agreement).

This authorisation, which is granted by the 18th resolution, will replace the authorisation granted by the 16th resolution passed at the 2020 General Meeting.

The programme was established in accordance with Article 241-1 *et seq.* of the AMF General Regulation and the Commission Delegated Regulation (EU) 2016/1052, supplementing Regulation (EU) 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes, as well as market practises approved by the AMF. The table below shows the terms and conditions of the new programme for the Company to buy back its own shares to be submitted to the vote at the 2021 General Meeting.

Securities concerned	Ordinary shares
Maximum amount of share capital for which the purchase has been authorised by the General Meeting	The number of shares purchased in respect of this delegation will be subject to a dual limitation, such that: <ol style="list-style-type: none"> the number of shares purchased by the Company in the course of the buyback programme shall not exceed 10% of Company's share capital, at any given time. This percentage applies to share capital adjusted to take into account any equity transactions that may have been conducted subsequent to the 2021 General meeting, it being specified that: (i) when the Company's shares are purchased to promote liquidity in accordance with the requirements of the AMF General Regulation, the number of shares taken into account to calculate the aforementioned 10% limit is the number of shares purchased, less the number of shares resold during the term of the authorisation, and (ii) the number of shares purchased with a view to retaining them and subsequently delivering them for the purpose of payment or exchange during a merger, demerger or transaction involving the contribution of assets may not exceed 5% of its share capital; the number of shares held by the Company at any given time does not exceed 10% of the shares constituting the share capital of the Company on the date in question.
Maximum purchase price	€75 (excluding acquisition costs) (or the equivalent amount on the same date in any other currency or monetary unit established by reference to several currencies).
Maximum amount of funds available for the purposes of this programme	€787,786,125 (or the equivalent amount on the same date in any other currency or monetary unit established by reference to several currencies).
Objectives	<ul style="list-style-type: none"> award or sell shares to employees under the Company's profit-sharing scheme or any employee savings plan as provided for by law, in particular Article L. 3332-1 <i>et seq.</i> of the French Labour Code; and/or award free shares or free performance shares to employees and/or corporate officers of the Company and/ or the group; and/or deliver shares to cover commitments under share option plans and/or similar plans to employees and/or corporate officers of the Group, and/or any other forms of awards of shares to employees and/or corporate officers of the Company and/or of the Group; and/or deliver shares in connection with the exercise of rights attached to transferable securities conferring access to the Company's share capital by the redemption, conversion, exchange or presentation of a warrant or in any other manner; and/or cancel all or some of the securities thus repurchased; and/or retain and deliver shares as part of an exchange during mergers, demergers, or transactions involving the contribution of assets, or in exchange, in payment, or otherwise as part of external growth transactions; and/or purchase shares following a reverse stock split of the Company's shares, in order to facilitate reverse stock split transactions and the management of fractional shares; and/or stimulate the secondary market or promoting the liquidity of the Company's shares by an investment services provider acting under the terms of a liquidity agreement that complies with practices permitted by law; and/or enable the Company to trade in its own shares for any other purpose authorised, or that may be authorised in the future, by the laws and regulations in force. In such cases, the Company would inform its shareholders by way of a press release.
Buyback terms and conditions	Shares may be acquired, sold, transferred or exchanged at any time (except during periods when a takeover bid for the Company has been launched), within the limits set by law and the regulations currently in force or that may become effective in future, on one or more occasions, by any means and on any market, including trading on regulated markets, a multilateral trading system, a systematic internaliser, or OTC markets, including block purchases or sales (with no limit on how much of the buyback programme can be carried out in this manner), by public offerings, or through the use of option mechanisms or other financial futures or forward contracts, or by delivering shares in connection with an issue of securities conferring rights to acquire the Company's share capital, either directly or indirectly via an investment service provider, and at the times when the Board of Directors, or the person acting on a delegation of authority from the Board of Directors so decides.
Duration of programme	18 months starting from the date of the 2021 General Meeting.

Pursuant to Articles L. 22-10-62 *et seq.* of the French Commercial Code, the Company is authorised to trade in or otherwise conduct transactions involving its own shares within the limits and for the purposes laid down by the authorisations granted to it by the General Meeting.

Korian confirms that the share buybacks conducted during the 2020 financial year were performed solely for

the purposes of its liquidity agreement with ODDO BHF and Natixis (see section 7.3.2.2 of this universal registration document).

Furthermore, the Company had not used any derivatives in connection with its share buyback programme and has no open positions (buy or sell) at 31 December 2020.

7.3.3 Employee share ownership

At 31 December 2020, the portion of Korian's share capital owned by its employees and former employees was 0.4%, i.e. the equivalent of 406,467 shares, of which 97,733 via an employee mutual investment fund (FCPE).

7.3.4 Shareholders' agreement concerning the Company's share capital

To the Company's knowledge, there is no shareholders' agreement or shareholders' pact in place with respect to the securities composing the Company's share capital.

7.3.5 Individuals or legal entities acting in concert

To the Company's knowledge, there are no individuals or legal entities acting in concert.

7.3.6 Dividend policy

The payment of dividends or any other distribution depends on the general environment and on the Group's financial situation, notably its net profit and investment policy.

The Company has, for several years, paid a dividend of €0.60 per share, with an option to be paid in new shares.

Given the scale of the ongoing health crisis, and in solidarity with all of the Group's stakeholders, the Board of Directors, at its meeting of 29 April 2020, decided to submit a motion to the 2020 General Meeting that all distributable

income be allocated to retained earnings, such that no dividends be paid in respect of the 2019 financial year.

For the year ended 31 December 2020, the Board of Directors will submit a motion at the next General Meeting of shareholders, on 27 May 2021, to pay a dividend of €0.30 per share, with an option to receive payment in new shares.

Dividend distribution for the last three financial years is summarised in a table in section 5.4.1 of the present universal registration document.

7.3.7 Threshold-crossing disclosures

Any individual or legal entity, acting alone or in concert with others, who acquires shares or voting rights in excess of the regulatory thresholds in force (Article L. 233-7 of the French Commercial Code), must disclose all of the information required by said regulations. The same disclosure rules apply when holdings of shares or voting rights fall below the regulatory thresholds in force.

Threshold-crossing disclosures filed by the Company's shareholders and the disclosures filed by corporate officers in connection with transactions involving the Company's shares are available on the AMF's website (www.amf-france.org).

To the Company's knowledge, no legal threshold crossings had been announced at the date of publication of this document.

7.4 Information on the Korian share

7.4.1 Listing market and indices

Korian SA is listed on the Euronext Paris stock exchange (Compartment A) and is eligible for the deferred settlement system (SRD).

Share profile – Korian SA

	ISIN code	FR0010386334
	Stock markets	Continuous trading on the Euronext Paris stock exchange (Compartment A)
	Present on main indices	Ticker: KORIAN (Euronext), KORIAN.PA (Reuters), KORIAN.FP (Bloomberg) SBF 120, CAC Health Care, CAC Mid 60, CAC Mid & Small and MSCI Global Small Cap
	Share eligibility	SRD (Deferred Settlement System) and PEA (share savings plan)
	Nominal value	€5
	Number of outstanding shares at 31 December 2020	105,038,158
	Share price at 31 December 2020	€31.34
	Market capitalisation at 31 December 2020	€3,291,895,872

7.4.2 Korian share price and transaction volumes

Change in adjusted share price

Month	Share price (€)			Number of shares traded	Share capital (in millions of euros)
	Average (closing)	High	Low	Monthly volumes	Monthly total
January 2020	38.951	39.846	37.870	2,025,911	85.39
February 2020	40.267	42.174	37.149	2,260,837	97.73
March 2020	29.538	38.516	24.033	7,593,611	251.23
April 2020	26.169	29.483	23.239	4,545,957	128.34
May 2020	28.299	30.443	26.250	3,461,502	106.25
June 2020	30.539	32.420	28.374	2,871,660	95.00
July 2020	30.473	34.544	28.892	3,418,788	114.55
August 2020	30.096	32.328	29.243	2,048,725	66.84
September 2020	28.787	30.647	25.012	2,969,358	90.65
October 2020	26.073	28.097	23.600	5,927,121	158.14
November 2020	28.226	30.180	24.340	4,586,900	129.6
December 2020	29.801	31.540	27.900	2,988,921	88.722
High, low and average for the period	28.299	42.174	23.239	3,724,941	177.70
TOTAL				44,699,291	1,412.44

Source: Euronext Paris (monthly information, high, low and average for the period).

Management of directly registered share account

The directly registered share account is managed by the following institution:

CACEIS CORPORATE TRUST

14, rue Rouget de Lisle, 92130 Issy-les-Moulineaux.

Management of liquidity agreement

The liquidity agreement is managed by ODDO BHF.

Analyst coverage

Alpha Value
Berenberg
Bryan Garnier
CM-CIC
EQUITA
Exane-BNP Paribas
Gilbert Dupont
HSBC
Kepler Cheuvreux
Mainfirst Bank
MidCap Partner
ODDO BHF
Portzamparc
Société Générale

7.4.3 Provision of information to shareholders

7.4.3.1 Financial communication schedule for 2021

24 February 2021: 2020 annual earnings.

19 April 2021: Q1 2021 revenue.

27 May 2021: 2021 General Meeting.

16 June 2021: Capital Markets Day.

29 July 2021: H1 2021 earnings.

28 October 2021: Q3 2021 revenue.

This schedule is provided for information purposes only and may be changed if necessary.

Publications will be issued after the close of trade on the Euronext Paris.

7.4.3.2 Information for individual shareholders and institutional investors

Since listing on the stock market, Korian has maintained a trusting relationship with both its individual and institutional investors founded on dialogue and transparency.

Korian is committed to informing its shareholders about its business activity, strategy and growth prospects in a transparent and accurate manner and on a lasting basis.

► Information media

To this end, Korian ensures all of its reported financial information (press releases, universal registration document, financial presentations, etc.) is available to the public, in French and English, on its website www.korian.com.

Universal registration document, annual financial report and integrated report

These documents are available for download on the Korian website and may be obtained from the Company in printed form, free of charge, upon request.

► Shareholder meetings

Korian takes active steps to engage its individual and institutional shareholders in an ongoing dialogue by taking part in a host of events and meetings throughout the year:

Annual General Meeting

Korian's General Meeting is one of the recurring highlights of the Company's relationship with shareholders, providing an opportunity for listening and discussion with the Board of Directors. It notably provides an opportunity to discuss the key developments and the strategy implemented over the course of the preceding financial year. It enables all shareholders to take part in important decisions concerning the Group and express their opinion via the resolutions put to the vote.

Investor meetings

Korian takes part in numerous one-to-one investor meetings, sector conferences and roadshows, in France and abroad (London, Frankfurt, Brussels, Geneva and the United States).

Information meetings and site visits

Two SFAF (French Society of Financial Analysts) meetings are held every year to present the Company's annual and interim results to the financial community (investors, analysts, financial press, etc.).

Korian also organises visits to its care homes in France for small groups of investors.

7.5 Conditions for shareholder participation in General Meetings

Shareholder participation in General Meetings is governed by the legislation and regulations in force applicable to companies whose shares are admitted to trading on a regulated market, and by Article 15 of the Company's Articles of Association specifying the terms and conditions of such participation.

Pursuant to Article 15 of the Articles of Association, all shareholders may, subject to the Board of Directors' approval upon convening the General Meeting, take part via videoconference and vote by any means of telecommunication or remote transmission, including the Internet, in accordance with the regulations applicable to its usage in force at that time. This decision shall be indicated in the notice of meeting and in the convening notice.

The Company's last General Meeting was held on 22 June 2020 on first call.

Following the publication of Ordinance 2020-321 of 25 March 2020 pertaining to the rules of deliberation and assembly for legal persons subject to private law, introduced as a result of the coronavirus (Covid-19) pandemic, the 2020 General Meeting was held without the physical presence of shareholders.

8.

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8.1 Person responsible for the universal registration document

8.1.1 Person responsible for the universal registration document

Person responsible for the universal registration document: Mrs Sophie Boissard, Chief Executive Officer.

8.1.2 Responsibility statement

I certify that the information contained in this universal registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and results, as well as those of its consolidated subsidiaries, and that the management report included in this universal registration document provides a fair view of the development of the business, results and financial position of the Company and of all of its consolidated subsidiaries, and a description of the main risks and uncertainties they face.

Paris, 20 April 2021

Mrs Sophie Boissard

Chief Executive Officer

8.2 Entities responsible for auditing the financial statements

Statutory Auditors are selected by the Board of Directors on the recommendation of the Audit Committee, which is responsible for ensuring compliance with the rules requiring the rotation of firms and key signatory partners, in accordance with legal and regulatory provisions.

8.2.1 Appointed Statutory Auditors

Name	Date reappointed	Date appointment ends
Mazars Tour Exaltis 61 rue Henri-Regnault 92400 Courbevoie	25 June 2015	Annual General Meeting voting on the financial statements for the year ended 31 December 2020 ⁽¹⁾
Ernst & Young et Autres Tour First 1 place des Saisons 92037 Paris La Défense	22 June 2017	Annual General Meeting voting on the financial statements for the year ending 31 December 2022

(1) You will be asked at the 2021 Meeting to renew the mandate of the joint Appointed Statutory Auditor, Mazars, for a six-year term expiring after the General Meeting convened to approve the financial statements for the financial year ending 31 December 2026.

8.2.2 Alternate Statutory Auditor

Name	Date reappointed	Date appointment ends
Mazars alternate auditor Mr. Jérôme de Pastors Tour Exaltis 61 rue Henri-Regnault 92400 Courbevoie	25 June 2015	Annual General Meeting voting on the financial statements for the year ended 31 December 2020 ⁽¹⁾

(1) Article L. 823-1, paragraph 2, of the French Commercial Code, which codified the "Sapin 2 Act", eliminated the requirement to appoint an Alternate Statutory Auditor if the Appointed Statutory Auditor is not an individual or sole proprietorship. Therefore, on 24 February 2021, the Board of Directors decided not to proceed with the renewal of the mandate of the Alternate Statutory Auditor expiring after the 2021 Meeting or with the replacement of Mr. Jérôme de Pastors.

Mazars and Ernst & Young et Autres are in compliance with the regulations on the rotation of signatory partners (article L. 822-14 of the French Commercial Code and article 17 of Regulation (EU) N° 537/2014) as:

- Mrs Anne Veaute, Mazars' signatory partner, certified the Company's financial statements for the first time for the financial year ended 31 December 2019;
- Mrs May Kassis-Morin, Ernst & Young et Autres' signatory partner, certified the Company's financial statements for the first time for the financial year ended 31 December 2017, at the conclusion of a three-year period during which the financial statements were certified by Mrs Sophie Duval.

8.3 Glossary

The table below contains definitions of the terms and acronyms that are used in this universal registration document.

Term or acronym	Definition
Belgian federal food chain safety agency (AFSCA)	A Belgian organisation whose main role is to ensure food chain safety and the quality of food in order to protect the health of humans, animals and plants. To do so, the AFSCA devotes considerable energy to preventing and managing crises and endeavours to respond appropriately and efficiently to events that threaten the food chain.
French national agency for the assessment and quality of social and medical-social facilities and services (ANESM)	A French organisation whose purpose is to develop a culture of care and respect within medical-social facilities and services that look after vulnerable people (particularly the elderly). The ANESM provides guidelines and recommendations concerning clinical best practices. It assesses their implementation and submits the results for appraisal to a supervisory authority.
Regional health agency (ARS)	A public administrative body of the French government responsible for implementing health policy in a given region.
Personal independence allowance (PIA)	An allowance granted in France to persons aged 60 and above who are losing their autonomy and require help in performing essential daily functions.
Regional Health Authority (RHA) – Azienda Sanitaria Locale	In the Italian healthcare system, a public regional authority which manages all healthcare operators, from hospitals to home care providers, under a single budget.
Benevolence, Ethics and Care for all (BEST)	Method of medical care combining comforting gestures and soothing words to improve care and the quality of daily life for persons with illnesses. This method is taught to Korian employees in France as part of their specific training and was first launched in January 2011.
Day care centre (DCC)	Term used in Belgium to refer to centres located in, or associated with, Care Homes or Nursing and Care Homes. They provide treatment and, where necessary, therapeutic and social care during the day to persons over the age of 60 who are experiencing loss of autonomy.
Post-acute and rehabilitation care clinics	Clinics in which patients are hospitalised for the medium or long term and that provide physical therapy, rehabilitation and reinsertion assistance for patients following an acute episode of chronic disease, an accident or post-operative trauma.
Healthcare Vigilance and Risk Management Committee (COVIRIS)	A French committee that coordinates all existing risk management systems, identifies and analyses risks ex-ante and ex-post, defines priority actions and monitors their implementation, assesses their efficiency, and raises awareness among the facility's professional staff.
User Relations Commission (CDU)	Formerly known as the User Relations and Dependency Care Quality Commission (CRUQPC). A French authority whose main purpose is to ensure that users' rights are observed and to make processes easier for them to express any difficulties they may have.
Social Life Council (CVS)	Framework within which residents and families are invited to participate in the life of the facility.
Organic growth	The Group's organic growth is calculated as follows: <ul style="list-style-type: none"> • change in revenue from one year to the next for facilities that are already operating; • revenue generated from facilities opened in the current year or in the previous year; • change in revenue from one year to the next for facilities that have been renovated or whose capacity was increased in the current year or in the previous year; • change in revenue for acquired facilities between the equivalent period the previous year and the current year.
Medical waste from activities with risk of infection	Waste from healthcare activities which could present infectious, chemical, toxic or radioactive risks and which must be controlled in order to protect hospitalised patients, healthcare staff and those who remove the waste, as well as the environment.
Departmental Directorate for the Protection of Populations (DDPP)	A French organisation that groups together veterinary services and regulatory services governing competition, consumption and fraud prevention. Its primary purpose is to implement public population protection policies.
Professional Risk Evaluation Document (DUERP)	In France, a mandatory document for all companies, regardless of their workforce or business sector, prepared by the employer. It lists the risks that exist within the company and must be updated annually and each time a change is made to working conditions. This document must be made available to the CHSCT (Committee for Health, Security and Working Conditions), staff representatives and company employees, as well as health and safety inspectors.
EBITDA	Corresponds to EBITDAR, net of rental expenses.
EBITDAR	A Group performance indicator enabling it to monitor the operating performances of its entities. It corresponds to operating income before rental expenses not covered by IFRS 16 "Leases", depreciation, amortisation and provisions, other operating income and expenses, and gains and losses on the acquisition and disposal of consolidated entities of operating segments.

Term or acronym	Definition
Full-Time Equivalent (FTE)	A unit to measure the employment of employed persons or students in a way that makes them comparable even if they work or study a different number of hours per week. The FTE is obtained by comparing the number of hours an individual devotes to work or studies with the average number of hours of a full-time worker or student.
Long-term care nursing home (LTCNH)	A medical facility authorised by the French government to host dependent elderly persons and with a care team responsible for providing the required medical care to each resident according to their personal circumstances.
Serious Adverse Events (SAE)	Events liable to cause dysfunctions or undermine the principle of best care practices. They are qualified as "serious" if they cause hospitalisation or lead to prolonged hospitalisation, an inability to leave the unit or a life-threatening risk.
French Private Hospitals Federation (FHP)	A French organisation covering around 1,250 private healthcare facilities in France and organised into regional unions and specialised unions. It consults with the public authorities on major issues that involve the future of the healthcare system.
French federation of non-profit private hospitals and healthcare facilities (FEHAP)	A French benchmark federation in the private non-profit post-acute and psychiatric, social and medical-social sectors, grouping together over 3,200 healthcare facilities and care service providers.
Iso-Resource Groups (IRG)	A French national indicator developed to ascertain a person's level of dependency. It classifies individuals into six groups according to their level of dependency.
French National Authority for Health	An independent public scientific organisation tasked with improving medical quality in France.
Hospital Home Care (HHC)	Full-time hospitalisation where treatment is provided in the patient's home.
INAMI	In Belgium, the Institut National d'Assurance Maladie-Invalidité (national medical insurance association) is a public social security body that organises, manages and monitors mandatory healthcare insurance and payments.
Coordinating state-accredited nurses (IDEC)	In France, state-accredited nurses handling hands-on management duties.
Care home for the elderly (MRPA)	A term used in Belgium to refer to (care) beds in care homes reserved for the elderly.
Nursing and care home (MRS)	A term used in Belgium to refer to (nursing) beds in care homes. These beds are reserved for highly dependent people who do not require acute care but for whom a higher level of care is provided.
Medicine-Surgery-Obstetrics (MSO)	Acronym used to define facilities that provide acute care.
Pflegeheime	A German term for long-term care nursing homes.
Residenze sanitarie per anziani (RSA)	An Italian term for long-term care nursing homes.
Corporate social responsibility (CSR)	The incorporation of social, environmental and corporate governance issues into the company's policies, activities and interactions with all stakeholders.
Safety and Maintenance Managers (SMM)	In France, managers who are present in each region and who are primarily tasked with implementing and monitoring safety standards, and with monitoring maintenance operations. They coordinate with the technical managers in each facility to ensure best practices are implemented and monitor them.
Home nursing services (HNS)	Social and medical-social bodies that provide nursing services in the patient's everyday environment (home, long-term care nursing home or collective housing) so as to shorten or, if possible, avoid hospital stays.
Quality Management System (QMS)	Term used in Italy to refer to the reporting system set up by facilities that have ISO 9001-2008 certification, based on a quality manual, appropriate procedures for each type of facility, and an intranet reporting platform accessible only by the Group's Quality Department in Italy.
Musculoskeletal disorders (MSD)	Conditions that affect structures in the area of the joints (muscles, tendons, nerves, ligaments, synovial bursa, joint capsules, blood vessels, etc.).
Validation of Acquired Experience (VAE)	A French system that allows a person to obtain all or part of a certification (diploma, professional credential or certificate of professional qualification) based on salaried or non-salaried work experience (retailer, employee of a retailer, freelancer, farmer or craftsman, etc.) and/or unpaid experience (union, community work) and/or volunteer experience. This experience, which must be related to the certification sought, is approved by a board of examiners.

8.4 Cross-reference tables

Cross-referencing with sections of Annexes 1 and 2 of European Regulation 2019/980

The cross-reference table below identifies the information in the present universal registration document that is referred to in the different sections of Annexes 1 and 2 of Commission Delegated Regulation (EC) N° 2019/980 of 14 March 2019.

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Cross-referencing with information required in the management report

The cross-reference table below identifies the information in the present universal registration document that constitutes the management report in accordance with applicable legal and regulatory provisions and in particular with articles L. 225-100 *et seq.* of the French Commercial Code.

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Cross-referencing with information required in the annual financial report

The cross-reference table below identifies the information in the present universal registration document that constitutes the annual financial report in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the General Regulation of the French Financial Markets Authority.

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Cross-referencing with information required in the corporate governance report

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3	Description of the policies applied by the Company or by all the companies including, where applicable, reasonable due diligence procedures implemented to prevent, identify and mitigate risks	2.5 / 3.1 74-80 / 94-96
4	The outcome of these policies, including key performance indicators	2 / 3.1 61 / 94-96
5	The report must cover the following topics: <ul style="list-style-type: none"> • the impact of the Company's operations on climate change and the use made of the goods and services it produces; • the Company's commitment towards: <ul style="list-style-type: none"> – sustainable development, – the circular economy, – preventing food waste, – preventing food insecurity, – respect for animal welfare, – responsible, fair and sustainable food; • collective agreements signed by the Company and their impact on its financial performance and on the working conditions of its employees; • measures aimed at tackling discrimination and promoting diversity; • measures taken in support of people with disabilities. 	3 81
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List of social, environmental and corporate responsibility information
as stipulated in article R. 225-105 II of the French Commercial Code

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KORIAN

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