

A circular inset in the top left corner shows a financial candlestick chart with various numerical values like 81.438, 92.595, 45.161, and 92.490.

2023

ALLOCATION AND PERFORMANCE REPORT ON CADES SOCIAL BONDS



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CADES

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EDITORIAL



Jean-Louis Rey
Chairman of the Board of Directors

In 2023, CADES financed and assumed a further 27.2 billion euros of social security debt, while at the same time carrying out its task of amortising the debt that matured during the year. At 31 December, CADES had amortised 242.6 billion euros of the 387.7 billion euros of debt transferred to it at that date, representing almost two-thirds of the social security debt assumed since its creation.

CADES' social bonds continued to attract strong interest from international markets looking for high-quality assets with a high social impact. Over the year, we completed 6 issues for a total of 22.2 billion euros. With 6 benchmark social bonds in euros and dollars, and maturities ranging from 3 to 8 years, CADES remains the world's leading issuer of social bonds in 2023.

We will continue to adapt our issuance strategy to investor expectations and the market environment.

KEY FIGURES 2023

3 issues of
€12 billion



Total issues in 2023
€22.2 billion

3 issues of
\$10 billion



15 million
of beneficiaries covered
by the general scheme's
old age pension scheme



68 million
of beneficiaries covered
by health insurance



HEALTH THEMES FOR OLD AGE 2023



Optimising
prevention



Universal
cover



Combating
social fraud



Pension
reform



REPORT SUMMARY

| The French social protection system

CADES' mission is to repay the social security debt transferred by the compulsory basic social security schemes, which are responsible for managing social risks (sickness, maternity and paternity, disability and death, industrial accidents and occupational diseases, family, old age and widowhood and loss of autonomy). By helping to restore the financial equilibrium of the social security accounts, CADES plays an important role in the sustainability of France's social protection system.

For the year 2023, Decree no. 2023-12 of 11 January 2023, concerning the transfer to CADES of the deficits of the general scheme, the *Fonds de solidarité vieillesse* and public healthcare institutions to be carried out in 2023, organises the transfer to CADES of €27.2 billion in deficits from the health and old-age branches, as well as the debts of healthcare institutions participating in the public hospital service¹.

| Issuing social bonds to finance activities with a social impact

At a time when responsible investments are becoming increasingly important, the social bond market offers a means of financing initiatives that address major social issues, while providing a competitive return. This report, prepared in accordance with the Principles of the International Capital Market Association (ICMA), aims to detail the social bond issues made by CADES in 2023. It specifies how the funds raised were allocated to the new debts assumed and assesses the performance of the branches of the general social security system to which funds were allocated during this period.

| Issues in 2023 and their allocation

In 2023, CADES issued six social bonds in two different currencies and allocated €24.2 billion to the health and old-age

branches of the general social security system, thereby refinancing the deficits accumulated between 2020 and 2022.

Decree no. 2024-176 of 6 March 2024 concerning the transfer of the general scheme's deficits to the *Caisse d'amortissement de la dette sociale*, detailed the final distribution of the sums allocated in 2023 to take account of the final balances of the sickness and old age branches. The final distribution of the takeover of the general scheme's deficits, which amounts to €24.23 billion, allocates €21.56 billion to the *Caisse Nationale d'Assurance Maladie* (CNAM) and €2.67 billion to the *Caisse Nationale d'Assurance Vieillesse* (CNAV).

| Impact methodology for social emissions

Since its creation, CADES has played a key role in supporting the French healthcare and retirement systems. The effectiveness of social programs is assessed individually for each beneficiary branch, based on data provided by the Direction de la recherche, des études, de l'évaluation et des statistiques (DREES) and those provided by the *Direction de la Sécurité Sociale via REPSS*². In addition, CADES adopts a more global perspective by including in its analyses indicators provided by the Organisation for Economic Co-operation and Development (OECD) and Eurostat (the Directorate General responsible for European information at the European Union level).

¹ €24.2 billion to cover the deficits of the various branches, and €3.0 billion to amortise the debt of health establishments participating in the public hospital service.

² Report on the Evaluation of Social Security Policies.

The analysis of France's results in terms of sickness and old age risk management for the year 2023 is carried out *via*:

- France's contribution to the Sustainable Development Goals (SDGs) defined in the United Nations' Agenda 2030 on the themes of health and inequality;
- the usual contribution to the objectives of the national health strategy;
- the achievement of the objectives set by the State for the social security funds, an assessment of which is presented to Parliament each year in the social security policy assessment reports.

In 2022-2023, France continued to strengthen its healthcare and pension systems, with notable results in both areas.

In the area of health, CNAM has stepped up its disease prevention efforts, effectively reaching millions of people with social insurance through targeted campaigns. Recent prevention measures have led to significant improvements, particularly in the prevalence of smoking among the population. This has fallen from 26% in 2017 to 20% in 2022. In the field of sexual health, these initiatives have led to a significant upturn in HIV screening, which had declined during the health crisis. The number of HIV serologies performed by medical laboratories in 2022 has been estimated at 6.5 million. HIV screening activity, which had fallen between 2019 and 2020 as a result of the Covid-19 epidemic, has risen again to reach a higher level in 2022 than in 2019. CNAM has also stepped up the fight against fraud to safeguard the resources of the French healthcare system. The major public

health challenge for children is to increase vaccination coverage for infants aged 24 months. Current coverage mainly concerns vaccinations recommended in the vaccination calendar, such as diphtheria, tetanus, poliomyelitis, whooping cough and other serious infectious diseases. The new measures introduced, in particular the recommendation to vaccinate against meningococcal B infections, have led to an increase in the infant vaccination rate.

At the same time, access to the healthcare system for the most disadvantaged, in particular the complementary health insurance scheme (C2S), has improved steadily, with the population concerned rising from 7.08 million in 2020 to an average of 7.3 million in 2023.

In the area of old age, the CNAV has implemented major measures to guarantee the fairness and financial viability of the retirement system.

One significant development is the reduction in the gap between men's and women's pensions. From 30% in 2004, this gap has narrowed to 25% by 2021. Although the figure is still significant, the improvement is encouraging.

In addition, since its launch in October 2016, the personal retirement account has proved to be a central element in improving knowledge of rights and access to retirement-related benefits. This platform has encouraged the transition to digital technology and simplified access to online documents. At the end of 2021, the number of accounts opened exceeded 8.2 million, compared with just 400,000 in 2016.

THE CADES IN FRANCE'S SOCIAL SECURITY SYSTEM

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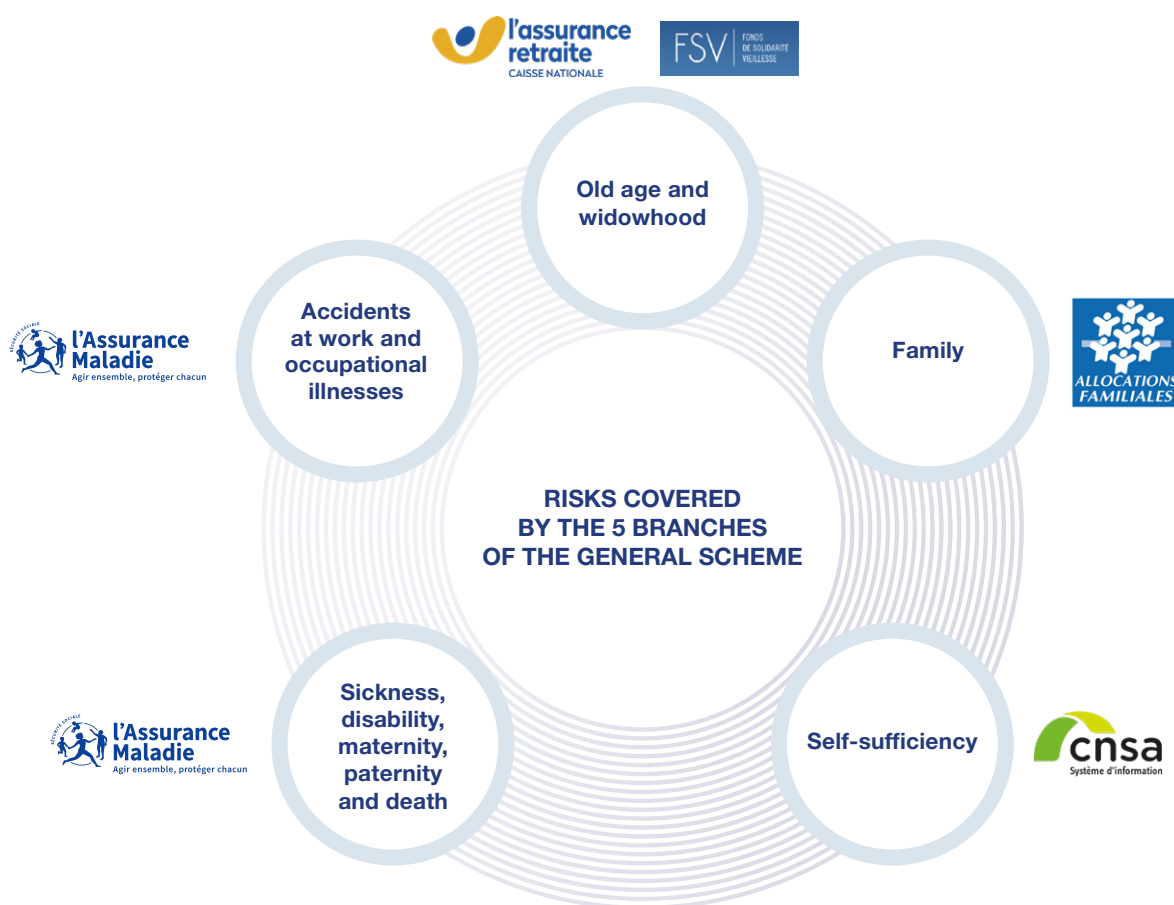
CADES AMONG SOCIAL SECURITY INSTITUTIONS

CADES is a public body classified as a social security administration (ASSO), whose purpose is to help rebalance the social security accounts by paying off the social security debt.

It contributes to the sustainability of the French social protection system by taking over debts incurred by the branches

of the general social security scheme and the *Fonds de Solidarité Vieillesse* (FSV).

Social security schemes are managed by the various funds within the framework of the broad guidelines laid down by the State, which ensures the financial equilibrium of the system.



CADES' MISSION, ORGANISATION AND SOCIAL ISSUES PROGRAMME

CADES' mission, as defined by law, is to finance and amortise the social security debt transferred to it. Since 2020, on an exceptional and one-off basis, CADES has also been amortising part of the subsidy granted to healthcare institutions providing public hospital services.

| Operational organisation of CADES

CADES' operational organisation is in line with that of financial institutions. There is a strict separation between front office and back office activities. CADES has an internal

control and risk management unit whose purpose is to guarantee the integrity of the organisation. CADES' administrative management and transversal functions are carried out by a general secretariat.

Since 1 September 2017, CADES and *Agence France Trésor* (AFT) have been brought together operationally, without the CADES' autonomy being called into question.

Conditions for the assumption of social security debt

The conditions for the assumption of social security debt by CADES are determined by an organic law, and in particular:

- The Organic Law of 2 August 2005 on social security financing laws (LOLFSS) stipulates that "any new transfer of debt to CADES must be accompanied by an increase in the fund's revenues so as not to increase the amortisation period of the social security debt".
- the Organic Law of 13 November 2010 on the management of social security debt extended the amortisation horizon.
- the Organic Law of 7 August 2020 on social security debt and autonomy, in the context of the health crisis, again extended the social security debt amortisation horizon to 31 December 2033. This was previously estimated at 2024.

The deficits of social security schemes are financed by the *Agence Centrale des Organismes de Sécurité Sociale* (ACOSS). It manages their cash flow and, if necessary,

borrowes for periods of less than one year. The Social Security Financing Acts or ordinary laws specify the deficits subsequently assumed by CADES within the limits of its amortisation horizon.

CADES resources

To carry out its mission, CADES has access to permanent and stable earmarked resources, the allocation and level of which are protected by decisions of the French Constitutional Council.

Its resources are:

- The "*contribution pour le remboursement de la dette sociale*" (CRDS), a resource dedicated exclusively to CADES and specially created for this purpose¹;
- A portion of the "*contribution sociale généralisée*" (CSG);
- An annual payment from the *Fonds de Réserve pour les Retraites* (FRR).

The revenues allocated to CADES for the purpose of paying down the social security debt, which concern all household incomes, must be predictable. In addition, the allocation of new revenue to CADES must not result in the creation or increase of a deficit for the compulsory basic social security schemes or the FSV.

CADES borrows on the financial markets, using a wide variety of instruments, and gradually repays its borrowings from its own resources.

→ CADES INCOME, EXPENSES AND RESULTS FROM 2019 TO 2023

IN MILLIONS OF EUROS	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019
CRDS & CSG net of charges	18,959	18,115	16,880	15,528	16,157
Social security contributions on capital net of charges	0	0	1	1	1
Pensions reserve fund	2,100	2,100	2,100	2,100	2,100
Financial expenses	-2,752	-1,252	-1,165	-1,539	-2,002
General operating expenses	-2	-2	-2	-2	-2
NET INCOME	18,305	18,961	17,813	16,089	16,253

Source: CADES 2023 financial report.

At 31 December 2023, the positive result of 18,305 million euros, which is automatically allocated to the amortisation of

the social security debt, will enable it to pursue the mission entrusted to it by Parliament.

¹ Revenue created by order no. 96-50 of 24 January 1996.

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FINANCING STRATEGY AND DIVERSIFICATION OF CADES INSTRUMENTS

CADES' financing strategy must ensure constant access to liquidity at the lowest possible cost.

CADES is financed primarily by issuing securities on the capital markets. CADES' strategy is based on the quality of its debt and the optimal diversification of its funding sources. Over the past twenty-seven years, CADES has maintained its credibility in the financial markets by demonstrating the reliability of its borrowings, its responsiveness to changes in the environment and its ability to innovate,

notably through a strategic commitment to expanding its investor base.

CADES uses a diversified range of instruments. Long-term bond financing is characterised by great flexibility in the use of a wide variety of products, maturities and currencies. This flexibility enables it to adapt to investors' needs. The diversity of funding sources is also a guarantee of security in terms of access to liquidity and helps to strengthen CADES' reputation.

WHY ISSUE SOCIAL BONDS?

At a time when responsible investment is becoming increasingly important, the social bond market makes it possible to finance activities that respond to the global social challenges that have become more acute since the Covid-19 crisis, while guaranteeing a competitive return.

The *Principles for Social Bonds* published by ICMA (2021 edition)¹ constitute the international standard-setting framework and make it possible to follow best market practice for such issues.

CADES' social bonds framework sets out its commitments to monitor and comply with the four *Principles applicable to social bonds*:

- the use of funds as described in the issue prospectus;
- respect for the social objectives of the use of funds;
- the allocation of the net proceeds of the corporate bond issue;
- preparing, keeping and making available information on the use of the funds, to be updated annually until the funds have been fully allocated and to be updated regularly in the event of substantial changes to the allocation.

This report is part of these commitments.

CADES SOCIAL OBLIGATIONS COMMITTEE

As the governance body for the social issues programme, this committee is responsible for:

- examining and validating the scope of eligible social debt in the light of the criteria set out in the issues framework;
- managing the annual work of the external auditor and the auditor;
- to examine and approve the annual impact report for investors;
- monitor developments in the social bond market in terms of transparency and the publication of impact reports in order to align with best market practice.

The committee meets at least twice a year and whenever the situation so requires.

The members of the committee are as follows:

- Julika Courtade-Gross, Deputy Chief Executive Officer of AFT, representing CADES.
- Ms Albane Sauveplane, Deputy Director of Social Policy and Employment at the French Treasury (DGT).
- Mr Etienne Barraud, Head of the Financial Synthesis Office at the Social Security Department.

This 2023 allocation and impact report for investors has been reviewed and approved by the CADES Social Bonds Committee.

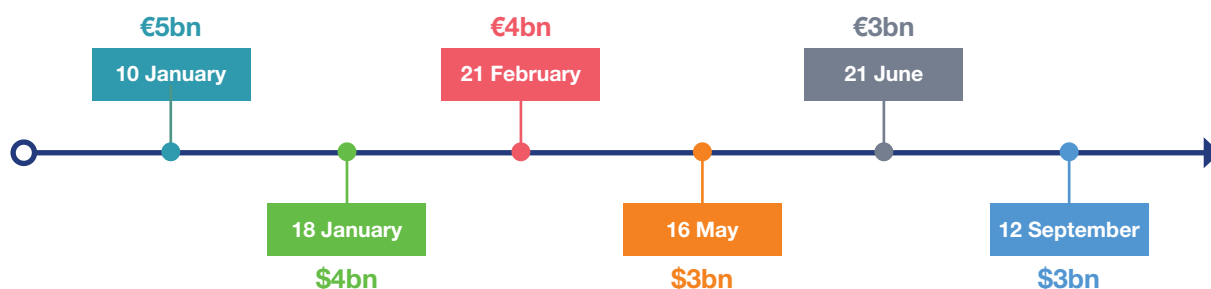
¹ Social Bond Principles, Voluntary Process Guidelines for Issuing Social Bonds, ICMA, June 2021.

OVERVIEW OF SOCIAL ISSUES IN 2023

Six social issues were made in 2023 for a total nominal amount of €22.17 billion in two different currencies, in a particular context marked by increased volatility on the interest rate markets and higher central bank rates.

CADES has used dollar-denominated financing, which complements euro-denominated financing in terms of maturity.

→ SUMMARY TABLE OF SOCIAL EMISSIONS IN 2023



COMPLETION DATE	NOMINAL AMOUNT	DURATION	DEADLINE	SHARE OF ESG INVESTORS*	COUPON
10 January 2023	€5bn	5 years	25 May 2028	65%	3.00%
18 January 2023	\$4bn	3 years	25 January 2032	49%	4.00%
21 February 2023	€4bn	7 years	01 March 2030	58%	3.125%
16 May 2023	\$3bn	5 years	24 May 2028	37%	3.75%
21 June 2023	€3bn	8 years	25 November 2031	53%	3.00%
12 September 2023	\$3bn	3 years	19 September 2026	61%	4.875%

* According to the banks that managed the placement of the loans.

Reflecting the interest in the social impact of these issues, the proportion of orders allocated from investors integrating

an ESG (Environmental, Social and Governance) dimension represents more than half of orders for the majority of issues.

SOCIAL SECURITY DEBT ASSUMED UNTIL 2023

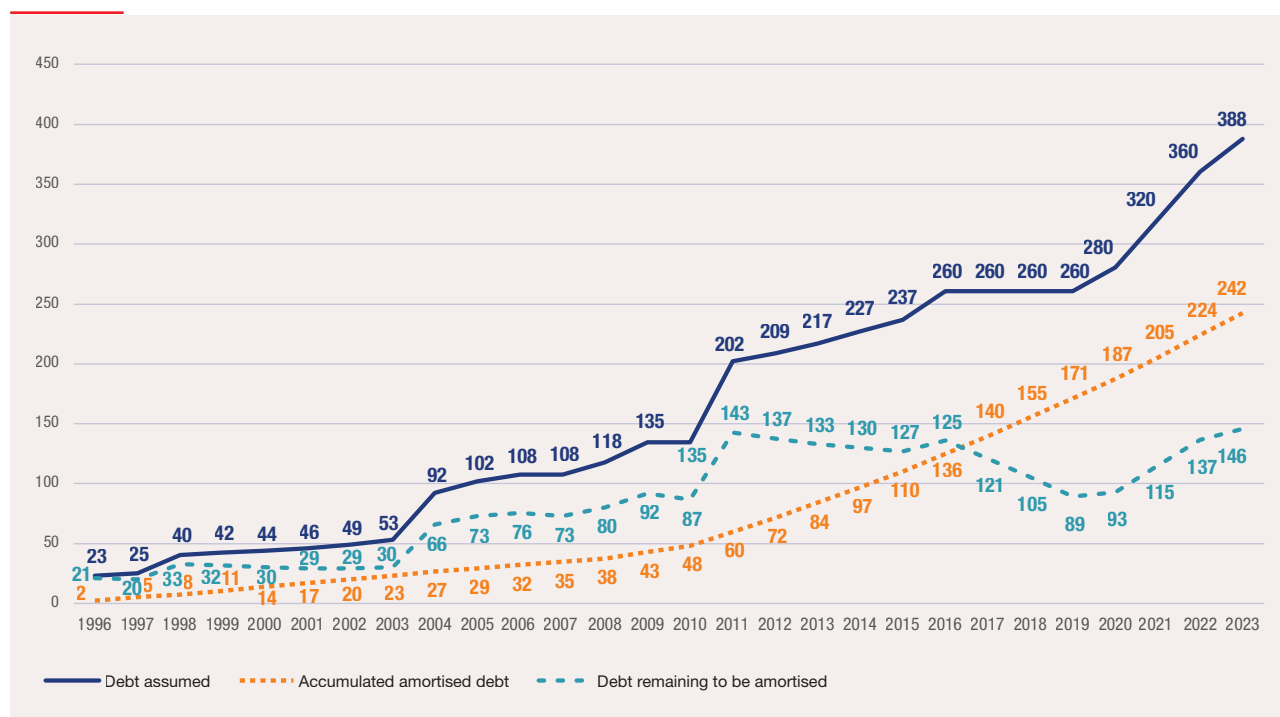
Since its creation, CADES has been transferred 387.7 billion euros of debt. By the end of 2023, it will have amortised 242.6 billion euros, or 62% of this total.

A sharp rise in unamortised social security deficits in 2020

After falling steadily since 2015, social security debt (unamortised deficits of the branches of the general scheme, the FSV

and the CNRACL) increased by almost €32.9 billion in 2020, due to the sharp deterioration in the macroeconomic context and the measures taken by the Government to respond to the Covid-19 crisis, wiping out the cumulative reduction in 2018 and 2019.

→ HISTORY OF SOCIAL SECURITY DEBT ASSUMPTION IN €BN 1996-2023



ALLOCATION OF FUNDS FOR 2023

Agreements for presenting the allocation of funds

- Proceeds from social security loans are allocated to each social security branch in proportion to the deficits actually transferred under the annual transfer decree.
- By convention, and in line with the balance sheet, the amounts shown correspond to the sum of the face values of the loans in question. Borrowings denominated in foreign currencies are included on the basis of their nominal value, which is revalued on the date of issue.
- The social security accounting cycle means that there is a two-year time lag between the payments and funding made by CADES in year *N* and the allocation of the final amounts to the various branches and schemes. The latter cannot take place until the decree setting the payments for year *N+2* has been published.

Reminder of fund allocations since 2020

By 2020, €17.1 billion of the €18.9 billion borrowed in the form of social bonds had been allocated to the various eligible social security deficits (covering the period 2015-2019), leaving €1.8 billion awaiting allocation.

FINANCIAL YEAR 2020	
Restricted funds	18,926,615,808
CNAM	10,205,333,974
FSV	6,209,763,694
MSA	691,940,524
Total allocated over 2015-2019 deficits	17,107,038,192
TOTAL UNALLOCATED	1,819,577,616

In 2021, CADES issued a total of 39.4 billion euros in medium- and long-term bonds, including a nominal amount of 36 billion euros in social security bonds, to which was added 1.8 billion euros corresponding to the unallocated total at the end of 2020. The funds available for allocation in 2021 therefore represented a total of 37.8 billion euros. Part of the earmarkable funds was allocated to cover the deficits for the period 2016-2019, i.e. €11.2 billion, divided between the CNAM (€6.1 billion), the FSV (€3.7 billion) and the CNRACL (€1.3 billion). The debt assumption carried out under A of II septies (assumption of 2015-2019 deficits) of Article 4 of Ordinance No. 96-50 of 24 January 1996, introduced by Article 1 of Law No. 2020-992 of 7 August 2020 on social debt and autonomy, was thus completed.

The amount of the transfer from CADES to ACOSS to cover the projected deficits referred to in the first paragraph of B of II septies of article 4 of the aforementioned ordinance was set at 23.8 billion euros for 2021 by decree no. 2021-40. The final allocation of funds in respect of the 2020-2023 deficits, i.e. €23.8 billion, is divided between the CNAM (€20.4 billion) and the FSV (€3.5 billion) by Decree 2022-23.

FINANCIAL YEAR 2021	
Restricted funds	37,830,190,399
Total allocated for the year	35,000,000,000
Under the 2015-2019 deficits	
CNAM	6,142,589,534
FSV	3,737,656,168
CNRACL	1,294,085,264
Total allocated over 2015-2019 deficits	11,174,330,966
Under the 2020-2023 deficits	
CNAM	20,374,008,604
FSV	3,451,660,431
Total allocated to 2020-2023 deficits	23,825,669,034
TOTAL UNALLOCATED	2,830,190,399

Of the €37.8 billion available for allocation, €35 billion had been allocated to the various eligible social security deficits, leaving €2.8 billion awaiting allocation for 2022.

In 2022, CADES issued a total of 37.9 billion euros in social security bonds, to which was added 2.8 billion euros corresponding to the unallocated total at the end of 2021. Funds available for allocation in 2022 therefore totalled €40.78 billion. Decree no. 2022-1724 of 29 December 2022 amending Decree no. 2022-23 of 11 January 2022 relating to the transfer to the Caisse d'amortissement de la dette sociale of the deficits of the general scheme, the Fonds de solidarité vieillesse and public health institutions to be paid in 2022, published on 30 December 2022, specified the final distribution of the funds paid in 2022. All of the funds paid to cover the projected deficits referred to in the first paragraph of B of II septies of article 4 of Order 96-50 of 24 January 1996, i.e. €35 billion, will be allocated to the health insurance branch.

The remaining €5.8 billion of social issues will be allocated to the debt taken over and transferred from 2023 onwards, or to refinancing social issues reaching maturity.

FINANCIAL YEAR 2022	
Restricted funds	40,785,182,432
Total allocated for the year	35,000,000,000
Under the 2020-2023 deficits	
CNAM	35,000,000,000
Total allocated to 2020-2023 deficits	35,000,000,000
TOTAL UNALLOCATED	5,785,182,432

Amounts to be allocated in 2023

To meet all of its commitments in 2023, CADES has issued a total of 22.17 billion euros in medium- and long-term bonds.

The total amount available for allocation in 2023 is therefore made up of the 22.17 billion euros issued plus the 5.8 billion euros not allocated at the end of 2022. In all, the funds available for 2023 amount to 27.96 billion euros.

Allocation of funds for the 2023 financial year

Decree no. 2024-176 of 6 March 2024 relating to the transfer to the Caisse d'amortissement de la dette sociale of the deficits of the general scheme in 2023 and the transfer to the Caisse d'amortissement de la dette sociale of the deficits of the general scheme to be paid in 2024 specified the definitive allocation of the funds paid in 2023. The final allocation of the funds, i.e. €24.23 billion, is €21.56 billion for the health insurance branch and €2.67 billion for the old-age pension branch, amounts which are allocated in respect of the 2020-2023 deficits.

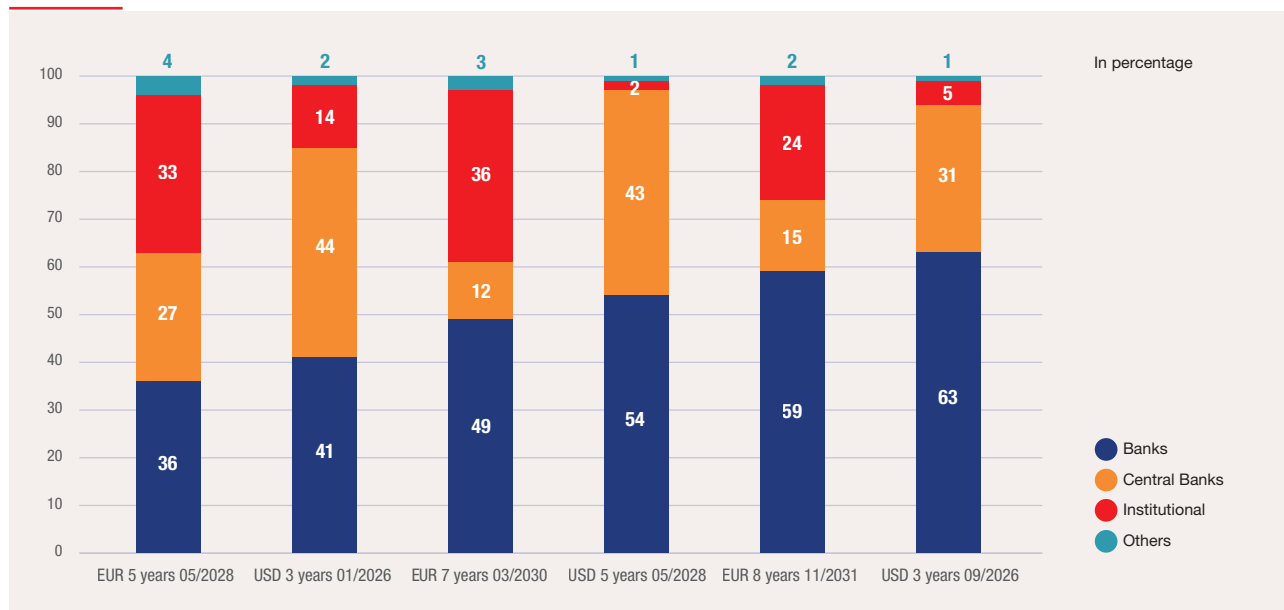
The remaining €3.73 billion of social issues will be allocated to the debt taken over and transferred in 2024 or to refinancing maturing social issues.

FINANCIAL YEAR 2023	
Restricted funds	27,964,837,117
Total allocated for the year	24,231,534,816
Under the 2020-2023 deficits	
CNAV	2,667,006,714
Under the 2020-2023 deficits	
CNAM	21,564,528,102
Total allocated to 2020-2023 deficits	24,231,534,815
TOTAL UNALLOCATED	3,733,302,301

CADES INVESTORS IN 2023

CADES has a diversified investor base.

→ BREAKDOWN OF DEMAND BY TYPE OF INVESTOR



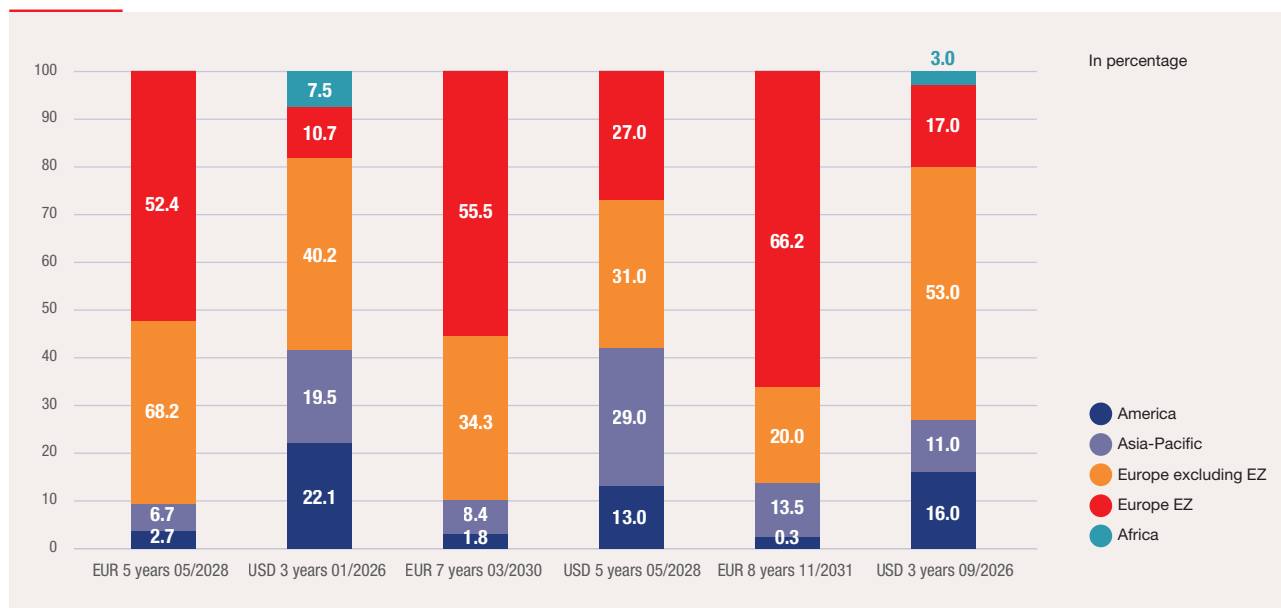
Central banks are making their presence felt more in dollars than in euros, and more particularly on short maturities, where they are obtaining the highest absolute rates in the current environment.

Banks are still very active in both euros and dollars, because of their cash management concerns, which usually make them more interested in relative valuations, particularly against *swaps*. They tend to look for slightly longer

maturities, 5 years and over, for reasons of valuation against *swaps*, which is more attractive than for the shorter end of the market.

Transactions in euros and dollars thus complement each other in terms of maturity, with those in dollars generally occupying the 3-5 year sector and those in euros the 5-7 year sector.

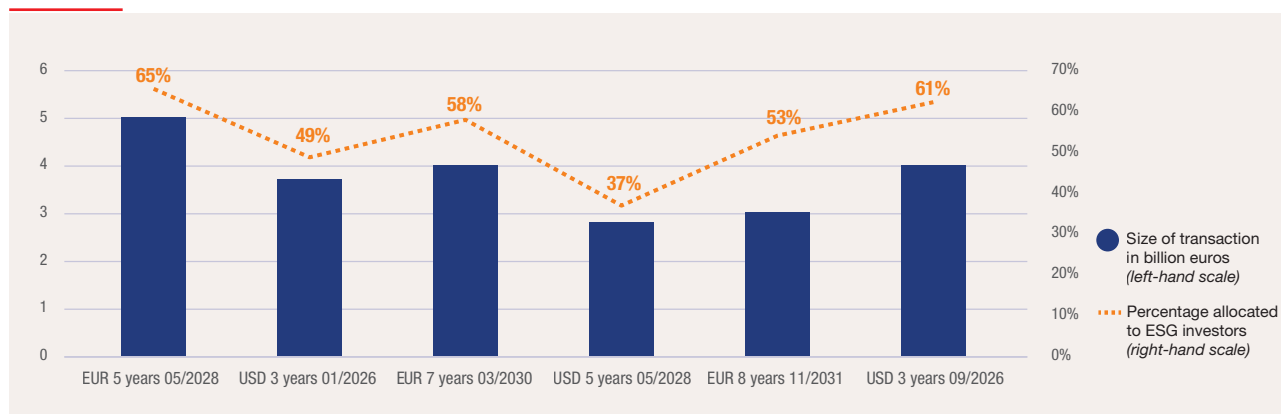
→ **BREAKDOWN OF DEMAND BY GEOGRAPHICAL AREA**



This complementarity between the two main currencies is reflected in the geographical distribution of debt issued: dollar-denominated operations enable borrowing from

investors on the American continent, in Africa and Asia, areas less represented on euro-denominated debt, which is placed more in Europe.

→ **PROPORTION OF INVESTORS WHO INCLUDE THE SOCIAL DIMENSION IN THEIR DECISION-MAKING CRITERIA**



The proportion of investors including the social dimension in their investment criteria is 55.3% in 2023, an increase on 2022 (53%)¹.

By currency of issue:

- The euro will reach 59.7% in 2023, compared with 57% in 2022 and 55% in 2021.
- The dollar will reach 50.1% in 2023, compared with 41% in 2022 and 31% in 2021.

¹ According to the banks that managed the placement of the loans.

PERFORMANCE REPORT OF SOCIAL ISSUES

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APPROACH AND METHODOLOGY FOR MEASURING THE IMPACT OF CADES' SOCIAL ISSUES

The assessment of the impact of the social bonds issued by CADES is based primarily on two key sources of information: the national system for monitoring France's progress towards achieving the 17 Sustainable Development Goals (SDGs) and the social security policy evaluation reports (REPSS), which are attached to the social security accounts approval bill each year. The measurement of the impact focuses on the years during which the deficits were covered by the social bond issues made in 2023.

I France's contribution to the UN SDGs

Sustainable development is now a universal concern, impacting every country. In 2015, the UN adopted the 2030 Agenda for Sustainable Development, marking a turning point with the definition of 17 Sustainable Development Goals (SDGs) and 169 targets, designed through a participatory process including local authorities, representatives of the private sector and civil society.





In order to meet the SDGs while overcoming its own challenges, France has developed a national strategy in the form of a roadmap designed to identify priorities and establish

guidelines for integrating sustainable development into national policies.

This strategy is accompanied by monitoring of France's progress towards achieving the SDGs. In 2018, the Conseil National de l'Information Statistique (CNIS) defined 98 indicators, each corresponding to one or more SDGs, making it possible to measure the country's progress, particularly in the areas of social protection, thus aligning national measures with the global objectives of the 2030 Agenda. In this report, only a selection of these indicators is presented, for reasons of consistency with the indicators present in the REPSS.

This report shows that France is making progress in achieving certain objectives, which are essential for tackling two of the main challenges selected in the 2030 Agenda:

- Issue no. 1: Work towards a just transition by combating discrimination and inequality, and guaranteeing equal rights, opportunities and freedoms for all.
- Issue no. 4: Promote health and well-being for all, in particular through healthy, sustainable food and farming.

ODD	FRENCH PRIORITIES
 MDG 1 – No poverty: Eliminating poverty in all its forms, everywhere in the world.	Aiming to eradicate poverty in all its forms, with a particular focus on “zero poverty living conditions x” areas. Work to reform pension systems to take account of the arduous nature of jobs and ensure a decent standard of living for retirees.
 MDG 3 – Good health and well-being: Giving people the means to live healthy lives and promoting well-being at all ages.	Aspire to universal health cover for all French people, including improvements to healthcare systems and sustainable pension schemes. Promoting fair and comprehensive access to healthcare services, with an emphasis on prevention and taking account of territorial diversity. Integrate social protection into all budgetary and political plans, in order to achieve greater equality and protect the most vulnerable.
 MDG 5 – Gender equality: Achieving gender equality and empowering all women and girls.	Encourage the balanced sharing of family and professional responsibilities to promote gender equality.
 MDG 10 – Reduce inequality: Reducing inequalities between and within countries.	Committing to the fight against inequality, guaranteeing equal opportunities and rights through an inclusive society that respects diversity.

Social security policy evaluation reports (REPSS)

Social security policy evaluation reports (REPSS) assess the effectiveness of social security policies in relation to defined objectives. Since 2022, these reports, which replace the Quality and Efficiency Programmes (PQE), have been included as an appendix to the Social Security Accounts Approval Bill (PLACSS). They present the extent to which the objectives of the measures adopted in particular in the financing laws have been achieved, and their impact on economic, demographic, health and social realities, based on quantitative indicators. They are an essential tool in the construction of this report.

The indicators chosen for this report, taken from the social security policy evaluation reports (REPSS), were selected for their relevance to the activities of the entities whose debts were covered by the social issues for the year 2023.

Population targeted by the social impact of broadcasts

In 2023, the funds raised through social obligations will be allocated exclusively to the health insurance branch (CNAM) and the old age pension branch (CNAV) and will cover the 2021 and 2022 deficits.

The target population for social security policies is as follows:

- For sickness: the 68 million beneficiaries resident in France or abroad of the Caisse Nationale de l'Assurance Maladie (CNAM).
- For old age: the Caisse Nationale d'Assurance Vieillesse (CNAV) manages the pensions of 15 million insured persons, using contributions from its 22.6 million contributors.¹



KEY MISSIONS AND INITIATIVES OF SOCIAL SECURITY BODIES IN 2023

Key missions and initiatives of the Caisse Nationale de l'Assurance Maladie (CNAM)

The Caisse Nationale de l'Assurance Maladie (CNAM) is a pillar of the French healthcare system, providing universal health cover and ensuring access to healthcare for the entire population. Its role extends to regulating healthcare expenditure, promoting quality of care and health innovation. Faced with the challenges facing the French healthcare system, particularly in terms of cost control, equity and efficiency, the CNAM has rolled out an action plan for 2023 based on the objectives of rationalising cost management, improving disease prevention, combating fraud and guaranteeing fair access to care.

The CNAM has launched major national campaigns to prevent obesity and smoking, with the aim of reducing chronic diseases and improving the well-being of French people. At the same time, it has worked to minimise financial barriers to healthcare for the most disadvantaged, by extending the third-party payment system and improving supplementary health cover.

Finally, the fight against fraud and financial abuse has been stepped up by strengthening control and audit systems. The aim of this approach is to protect the financial resources allocated to healthcare, thereby guaranteeing the sustainability and fairness of the health cover system.

CNAM ACTIONS IN 2023 IN A FEW FIGURES

16.5 million
at-risk individuals invited to be vaccinated
against influenza and Covid-19

7.3 million
beneficiaries of complementary
health insurance

466 million
of fraud detected and stopped

¹ Source: pension insurance website.

Key missions and initiatives of the Caisse Nationale de l'Assurance Vieillesse (CNAV)

The Caisse Nationale d'Assurance Vieillesse (CNAV) plays a key role in the French retirement system, managing the general scheme and undertaking to pay pensions, inform insured persons and promote solidarity with retired people. Faced with these challenges, the CNAV has developed and implemented a number of strategic initiatives for 2023 as a result of the pension reform. Details of the content of the reform and its concrete measures are given in section 3.3.4.3 "Gradually increasing the working life and employment of older workers".

The CNAV has worked to ensure the financial viability of the system, to improve the experience of those insured and to support vulnerable pensioners. As part of the pension reform, efforts have been made to adjust the calculation of pensions to the realities of the labour market and diverse careers, with the aim of maintaining a fair and financially viable system.

The CNAV also took part in national discussions on the future of the system, seeking solutions to ensure its financial sustainability in the face of an ageing population. It has assessed the impact of the pension reform and implemented measures to improve its financial situation.

PUTTING FRANCE'S HEALTH AND AGEING PERFORMANCE IN 2023 INTO CONTEXT

Optimising prevention and accessibility to the healthcare system

The optimisation of health prevention in France is based on a global and proactive approach, aimed at anticipating and reducing health risks before they become major problems. This evolution is marked by increased collaboration between the various players in the healthcare system, the use of innovative technologies to monitor and manage individual health, and an effort to raise awareness and involve citizens more in preserving their own health.

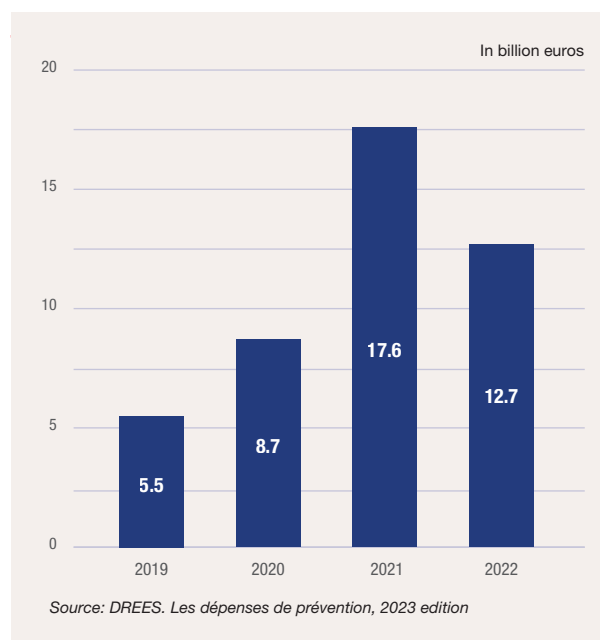
12.7 billion euros
prevention expenditure

In 2022, France devoted €12.7 billion¹ of healthcare expenditure to prevention, a significant increase since 2020 when spending stood at €8.7 billion. This upward trend began in 2021, with spending doubling to €17.6 billion, due to the strengthening of screening campaigns and the launch of vaccination against Covid-19.



The prevention effort helps to contribute to the Sustainable Development Goals, particularly to SDG 3, which focuses on physical and mental health and well-being, with an emphasis on universal access to health services.

→ GROWTH IN PREVENTION EXPENDITURE IN FRANCE IN BILLIONS OF EUROS BETWEEN 2019 AND 2022



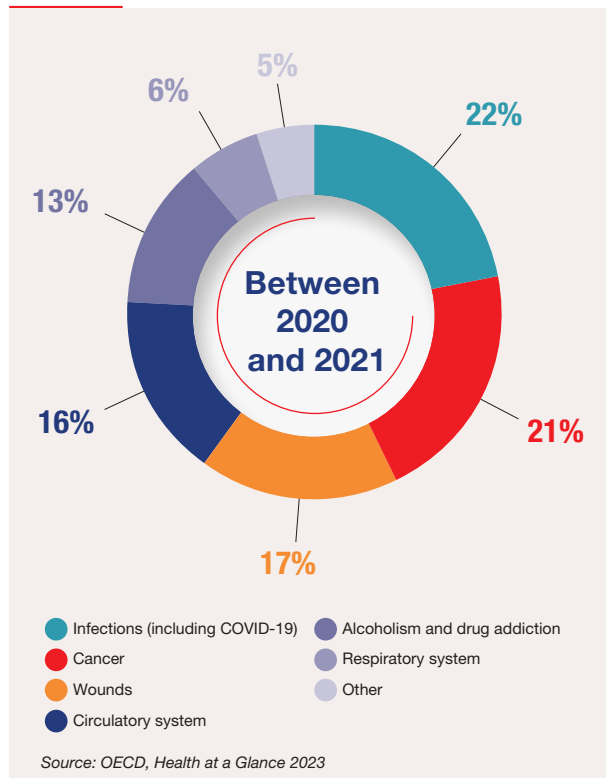
The majority of preventive expenditure in France is aimed at the fight against smoking and alcohol consumption, the prevention of obesity, overweight and diabetes, and sexual health, as well as primary individual prevention, such as vaccination and health monitoring.

¹ Source: DREES, healthcare expenditure in 2022, 2023 edition, p.9.

■ Anticipating and reducing risk factors

Public health in France is generally sound, with high life expectancy at birth. However, to further protect public health, it is crucial to focus on prevention, which is an essential lever in this context.

→ PREVENTABLE MORTALITY BETWEEN 2020 AND 2021



i. Smoking

In France, smoking is a major public health challenge in 2022.

FIGURES FROM¹ SHOW THAT:

24.5%
adults aged 18 to 75
reported smoking daily

33.6%
prevalence of daily smoking
among the lowest income
third of the population

between **70,000** and **75,000**
deaths in France have been
attributable to tobacco consumption
in recent years

Today, smoking prevention is part of the National Tobacco Control Programme 2018-2022.

The key measures are:

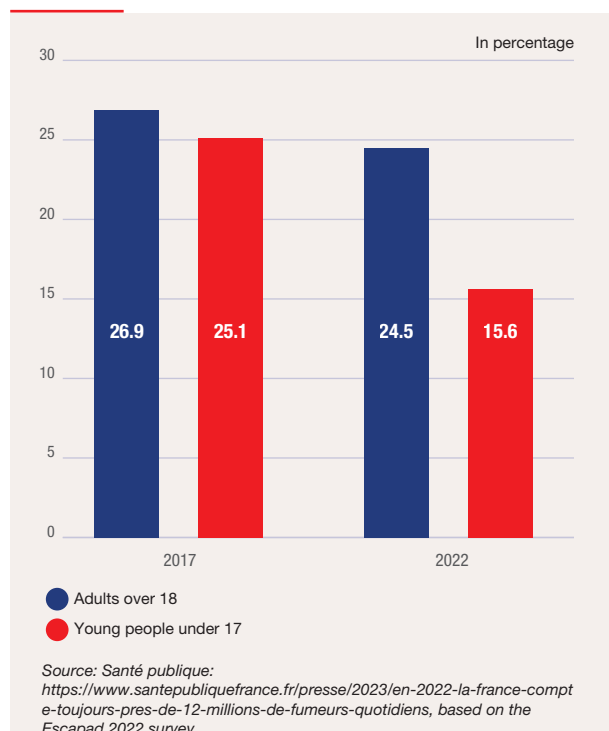
- Tougher taxation: indexation of taxation to price trends has been introduced to prevent any real fall in tobacco prices.
- Combating less-taxed products: adapting tax scales for relatively less-taxed tobacco products, such as roll-your-own tobacco, and taking into account new addictive products.



¹ Source: Santé publique France: <https://www.santepubliquefrance.fr/presse/2023/en-2022-la-france-compte-toujours-pres-de-12-millions-de-fumeurs-quotidiens>.

The programme led to a reduction in the prevalence of daily smoking:

→ **SMOKING PREVALENCE AMONG ADULTS AND YOUNG PEOPLE BETWEEN 2017 AND 2022**



There has also been a significant increase in the number of nicotine replacement therapies available and in the number of healthcare professionals prescribing them. Finally, the number of areas declared “smoke-free” has increased across the country in 2019, with almost 2,000 smoke-free areas in 389 municipalities and 41 départements declared¹.

The 2023-2027 plan continues to support these efforts, focusing on at-risk populations, including the most vulnerable and pregnant women. In the face of health inequalities and premature mortality linked to smoking, these prevention strategies are essential to improving public health in France.

ii. Alcohol consumption

Like smoking, alcohol consumption represents a complex challenge for the world's population.

IN A FEW FIGURES, ALCOHOL CONSUMPTION IN FRANCE IN 2021 WILL BE AS FOLLOWS²:

10.5 litres

The annual volume of pure alcohol consumed per person aged 15 and over, a reduction since 2017 (11.7 L)

39%

The proportion of weekly drinkers: 50.5% of men and 28.1% of women

8%

The proportion of daily drinkers, including 12.6% of men and 3.8% of women

41,000

The number of deaths caused by excessive alcohol consumption

France ranks fourth among OECD countries in terms of alcohol consumption per capita, with a level fairly close to that of Eastern European countries (Lithuania, Latvia, Czech Republic, Austria), with consumption 2 litres higher than the OECD average³. This underlines the importance of prevention and information efforts to reduce the harmful effects of excessive alcohol consumption on the population. The government has launched a number of initiatives to raise public awareness of the risks associated with alcohol. Information and public education campaigns have been launched to promote moderate consumption and to warn of the dangers of alcoholism, which affects both individual health and collective well-being. On 25 September 2023, *Santé publique France* (SPF) launched the “That's the basis” campaign, which proposes a series of eight recommendations on the use of alcohol and psychoactive substances. The aim of this initiative, which is available in a variety of formats, is to promote safe behaviour among young people at festive events.

¹ Source: Ligue contre le cancer, *Espaces sans tabac*: https://www.ligue-cancer.net/sites/default/files/media/downloadable-files/2024-01/FICHE%20ESPACES%20SANS%20TABAC_0.pdf
² Source: BEH: https://beh.santepubliquefrance.fr/beh/2024/2/2024_2_1.html
³ REPPS 2022 – Illness, p. 87.

iii. Sexual health: improving screening for HIV and other STDs

Significant progress has been made in France in screening for HIV and other STDs¹:

6.5 million

The number of HIV serologies performed by medical laboratories in 2022

For 100000 residents, the incidence rate of cases diagnosed with *Chlamydia trachomatis* infection in men and women

103 and **88**
in men in women

The sexual health prevention strategy, in line with the national sexual health strategy and the ten-year cancer control strategy 2021-2030, focuses on improving access to screening and contraception:

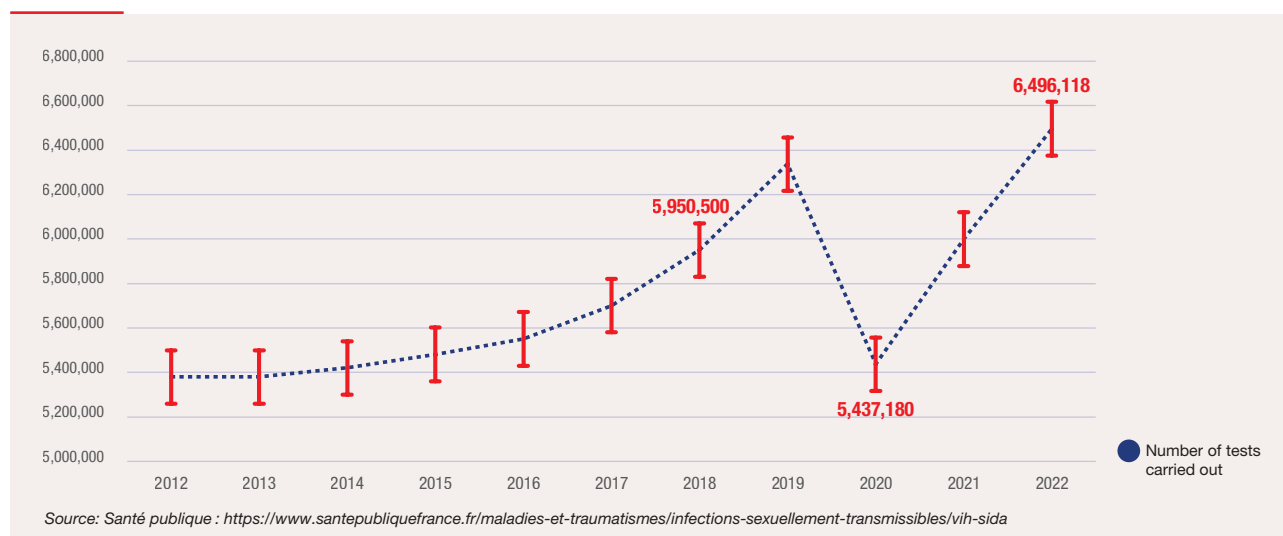
- **Extending access to prescription-free screening** in all laboratories to include other sexually transmitted diseases (STDs), such as *Chlamydia trachomatis* and gonorrhoea. This measure offers comprehensive care for young people under the age of 26.
- **Improved access to emergency hormonal contraception**, made free and available without prescription to all women over 18, with full health insurance cover.

In addition, Santé publique France has launched a campaign, from 24 November to 15 December 2023, focusing on the combined prevention of HIV and STIs. The campaign, entitled "Everyone has questions about sexuality", aims to provide information about the various methods of protection and screening available, encouraging people to find out more about each of them.

Thanks to these efforts, HIV screening activity, which had slowed during the health crisis in 2020, picked up significantly in 2022. The screening rate for other STIs continued its upward trend in 2022, despite a temporary decrease in 2020.



→ CHANGE IN THE NUMBER OF HIV SEROLOGIES PERFORMED IN LABORATORIES FROM 2012 TO 2022



¹ Source: Santé Publique France, HIV-STI public health bulletin. November 2023.

■ Prevention through vaccination

This objective is part of a wider framework for developing prevention, aimed at reducing the incidence of preventable diseases through vaccination.

◦ Vaccination of infants aged 24 months

The major public health challenge for children is to increase immunisation coverage among infants aged 24 months. Current coverage mainly concerns vaccinations recommended in the vaccination calendar, such as diphtheria, tetanus, poliomyelitis, whooping cough and other serious infectious diseases.

THE AIM EACH YEAR IS TO:

95%
infant immunisation coverage
against infectious diseases

Measures have been put in place to achieve these objectives:

- Extension of the obligation to vaccinate against diphtheria, tetanus and poliomyelitis (DTP) to a broader list of vaccines for all children born after 1 January 2018 before they are admitted to a group setting.
- Recommended vaccination against meningococcal B infections since 2022.
- Rotavirus vaccination recommended since April 2023.

- Meningococcal B and rotavirus vaccines will be reimbursed at 65% by the national health insurance scheme (measles, mumps and rubella vaccines are already provided free of charge).

These measures have led to an increase in the rate of vaccination against meningococcus B and C:

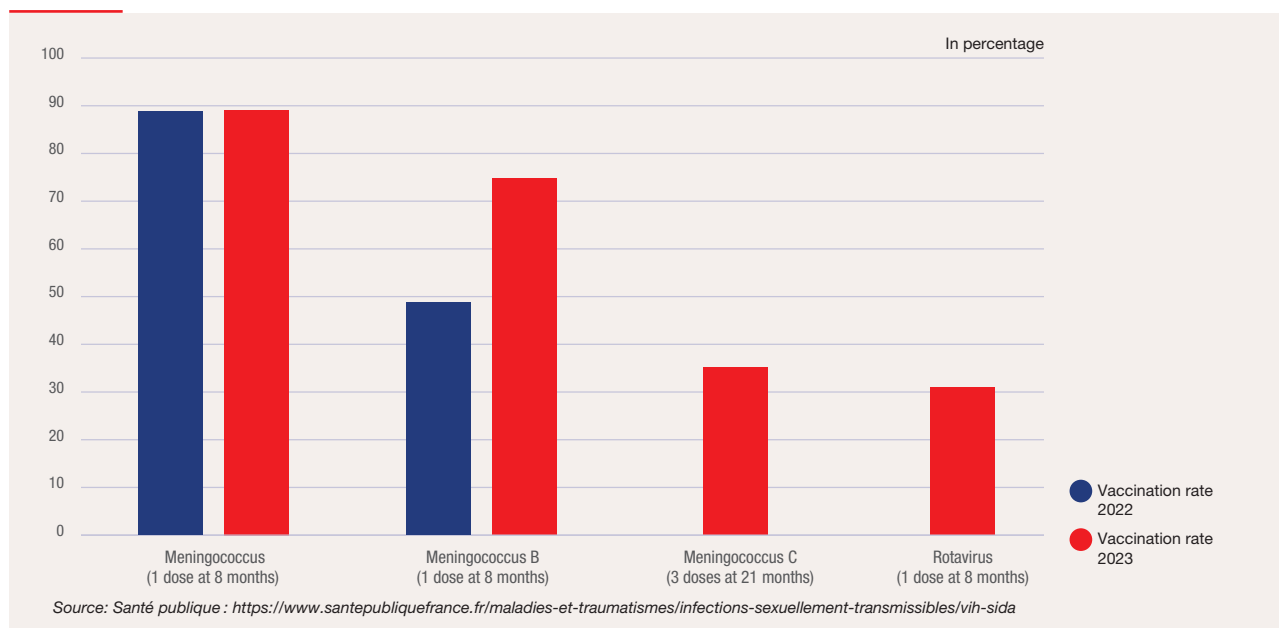
The role of healthcare professionals, particularly general practitioners and paediatricians, is crucial in achieving this objective. They are called upon to play an active role in providing information, raising awareness and administering the necessary vaccines, thereby ensuring better protection for children and the general public against these diseases.

◦ Influenza vaccination for people aged 65 and over

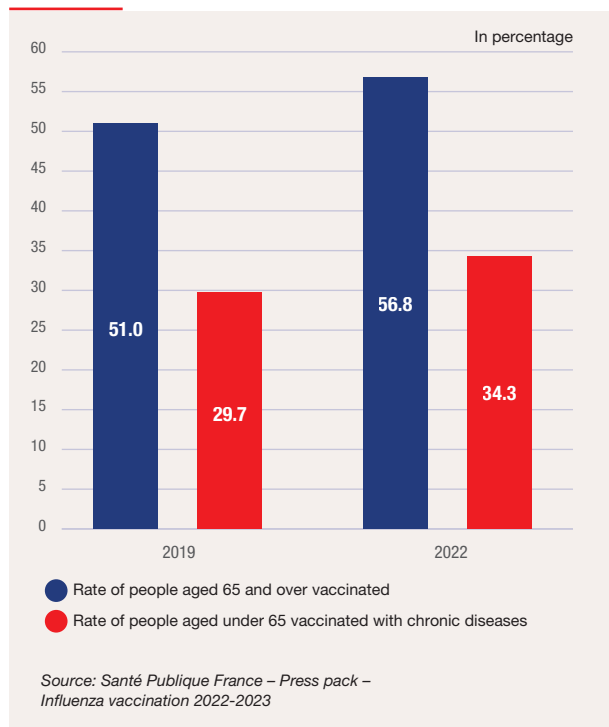
Vaccinating people aged 65 and over against influenza is a public health issue, particularly for those at risk of developing severe complications.

Despite the recommendation being extended to other vulnerable groups, the vaccination rate has been on a downward trend since the 2009-2010 flu pandemic. It was only in 2020-2021 that a more significant increase was observed, with a rate of 58.9%. For 2021-2022, the rate remains higher than the previous average, despite a slight decrease.

→ VACCINATION RATE FOR INFANTS UNDER 24 MONTHS OF AGE



→ **CHANGES IN INFLUENZA VACCINATION COVERAGE RATES FOR PEOPLE AT RISK BETWEEN 2019 AND 2022**



France stands out for its flu vaccination coverage rate (56.8% among people aged 65 and over), which will be higher than the European average in 2022.

THE AIM EACH YEAR IS TO:

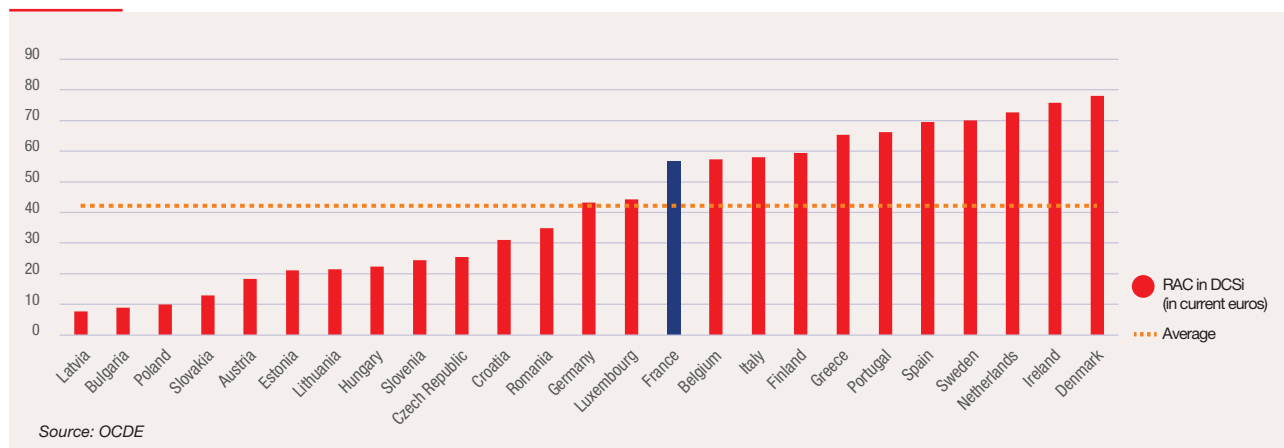
75%
flu vaccination coverage
for at-risk populations

To counter this downward trend, a national strategy has been put in place. This strategy targets not only senior citizens, but also people suffering from certain chronic illnesses, pregnant women and people with a BMI of over 40 kg/m².

Efforts are therefore focused on raising awareness, facilitating access to the vaccine and involving healthcare professionals in advising on and encouraging vaccination. The aim is to increase protection against severe forms of influenza, reduce the number of influenza-related hospitalisations and deaths, and maintain France's position as one of the countries with the best influenza vaccination coverage among the elderly in the EU.



→ **FLU VACCINATION RATES FOR THE POPULATION AGED 65 AND OVER IN EUROPE IN 2022**



◦ **HPV vaccination and cancers linked to sexual and reproductive health**

Preventing cancers linked to sexual and reproductive health is a health priority, which has led to the recommendation of vaccination. Compliance with this recommendation has improved markedly in recent years, with a significant annual increase in vaccination coverage.

THE INCREASE IN HPV VACCINATION IS ENCOURAGING:

+5.2%

increase between 2019 and 2020
for HPV vaccination, mainly
for girls aged 15 to 16

45.8%

HPV vaccination coverage
for 15-year-old girls having received
a dose by 2020

37.4%

HPV vaccination coverage for
16-year-old girls who have completed
the vaccination schedule by 2020

France has implemented targeted campaigns and programmes to encourage early detection of cancers linked to sexual and reproductive health. The continued involvement of healthcare professionals in recommending and administering the vaccine is essential if the desired vaccination rates are to be achieved. The aim of these coordinated actions is to provide more comprehensive protection against cancers attributable to the HPV virus.

VACCINATION TARGETS FOR VIRAL INFECTIONS ASSOCIATED WITH CANCER FOR 2025 AND 2030¹:

75% to 85%

in vaccination coverage
against viral infections linked
to breast and cervical cancer

65%

in vaccination coverage against
viral infections linked to colorectal cancer

80%

HPV vaccination coverage for teenagers,
with health insurance reimbursing
65% of the cost



¹ Source: Institut national du cancer – Screenings – Perceptions of and support for HPV screening and vaccination.

■ Towards universal health cover: reducing out-of-pocket expenses and improving access to care

Limiting out-of-pocket expenses for households

France's social security system has a number of measures in place to limit the out-of-pocket expenses households have to pay for healthcare.

80.2%

The rate at which public authorities will cover healthcare expenditure in 2022

+2.6%

Compared with 2011, indicating an effort to reduce the costs borne directly by households

The aim is twofold: to ensure that public administrations cover the consumption of healthcare and medical goods, and to reduce the share of healthcare expenditure borne by households. A number of measures have been taken to limit the out-of-pocket expenses of households:

- The “*tiers payants*” system means that insured persons do not have to pay in advance for medical treatment, making it easier for them to access treatment without having to worry about paying in advance.
- Through the *Caisse Nationale d'Assurance Maladie* (CNAM), the French social security system has introduced various contractual arrangements, such as the *Option de Pratique Tarifaire Maîtrise* (Optam) in 2017 with sector 1 and 2 doctors under agreement, to limit the level of excess fees charged and thus reduce the out-of-pocket expenses incurred by households.

- The 100% Health scheme has been phased in since 2019 to guarantee 100% cover for certain healthcare services with the highest out-of-pocket expenses, such as optics, hearing aids and dental care.



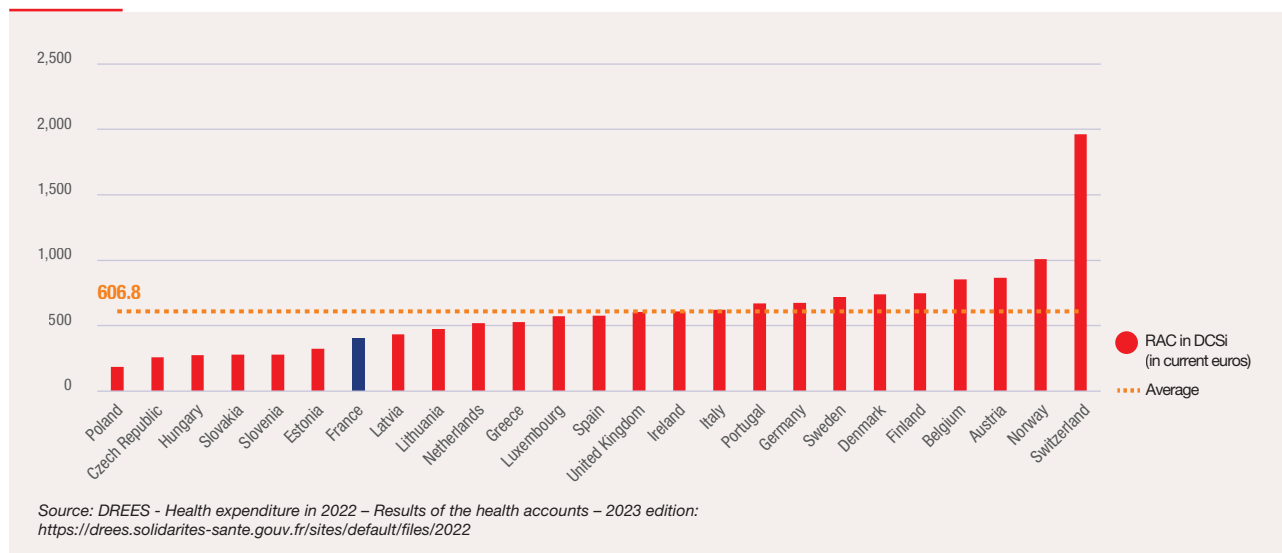
By increasing the coverage of household healthcare costs, France is essentially contributing to MDG 1, which aims to reduce poverty. Improving access to the healthcare system for the most disadvantaged contributes directly to MDG10, which aims to reduce inequalities within and between countries.



By implementing measures such as the *Complémentaire santé solidaire* (C2S), the Government is combating inequalities by offering fully subsidised medical cover to the most disadvantaged individuals.

France is favourably positioned in terms of out-of-pocket expenses (RAC) for current healthcare expenditure, as a percentage of GDP in 2021. The RAC represents €405.4/person in current international healthcare expenditure (DCSi). At €606.8/person in 2021, France will have a lower level of out-of-pocket expenditure for households than the European average.

→ OUT-OF-POCKET PAYMENTS BY HOUSEHOLDS FOR CURRENT HEALTHCARE EXPENDITURE IN THE INTERNATIONAL SENSE IN 2021

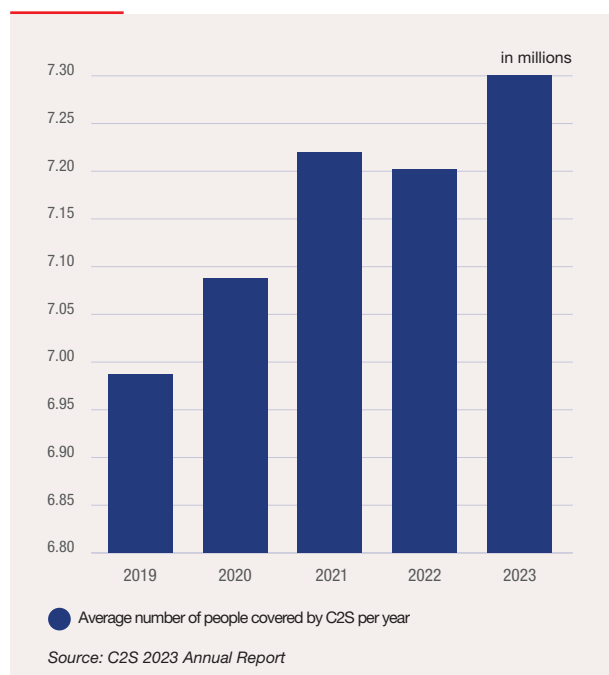


Improving access to the healthcare system for the most disadvantaged

To improve access to the healthcare system for the most disadvantaged, the French government has introduced the *Complémentaire Santé Solidaire* (C2S) scheme, which provides additional health cover for people on low incomes. This initiative aims to remove financial barriers to care by offering subsidised health insurance covering a wide range of services. In addition, efforts have been made to reduce the number of people giving up healthcare for financial reasons, particularly dental care.

In 2023, the number of people benefiting from **Supplementary Health Insurance (C2S) will average 7.3 million, an increase of 10% compared to 2022 and 31% since 2019.**

→ NUMBER OF PEOPLE COVERED BY SUPPLEMENTARY HEALTH INSURANCE (C2S), FREE OF CHARGE AND WITH A CONTRIBUTION FROM 2019 TO 2023



Combating social fraud

The fight against social fraud is a financial, ethical, solidarity and trust challenge. This approach aims not only to protect Social Security finances but also to ensure that resources are properly allocated to eligible individuals, thereby guaranteeing that resources are fairly distributed to those who need them most.



It helps to optimise the use of public resources, which is essential if we are to achieve the goals of reducing inequalities set out in MDG 10.

Fraud detection more than doubled between 2011 and 2021, with a 74% increase over the last five years. Between 2016 and 2021, the amount of fraud identified has risen steadily, reaching €1.5 billion in 2021, divided equally between contribution fraud and benefit fraud.

In view of these figures, the measures adopted in 2023 to speed up the fight against fraud¹ are as follows:

- **Enhanced controls for PUMa**, i.e. exchanges of information designed to detect fraud more effectively by stepping up checks and facilitating collaboration between different entities.
- **Reducing the number of Vitale cards between 2019 and 2022, with the aim of** improving the efficiency of the healthcare system by reducing the number of obsolete cards.
- **Biometric checks for old-age pension recipients** abroad in 2023. The aim is to check the authenticity of beneficiaries in order to reduce fraud.
- **Improved fraud prevention and detection**, including better monitoring of work stoppages during teleconsultations, the granting of judicial police powers to certain officials, the empowerment of court clerks to transmit information to social security bodies, and the cross-referencing of data to detect concealed work.
- **Tougher penalties** for healthcare and service providers, including the possibility of rapidly withdrawing the agreement in the event of serious misconduct and stricter rules for financial penalties.
- **Increasing the efficiency of debt collection** by authorising debt collectors to access debtors' bank details and simplifying procedures for recovering overpaid amounts.

¹ Press kit Social Security Financing Plan for 2023.

- **Investment in information systems** to prevent and punish fraud:
 - Implementation of the Monthly Resources System (DRM) to secure policyholder income data.
 - Deployment of electronic prescriptions in 2024 to make medical procedures more secure and control the billing of care.
 - Use of the bank account file (FICOBA) to check the accounts of recipients of social security benefits and prevent bank identity fraud.
- **The fight against fraud has been strengthened** with the creation of the Interministerial Mission to Combat Fraud (MICAFA), which coordinates the actions of public bodies, and the renewal of steering by the national social security funds.

More than 5,000 staff are mobilised throughout the network of social security bodies to combat fraud, with more than 2,000 assigned to the family branch and around 1,500 divided between the health and collection branches.

These initiatives are part of a multi-year strategy built around four main areas:

- **Evaluate:** evaluate the amount of fraud in order to have a better understanding of the risks and prioritise actions more effectively.
- **Prevent:** avoid fraud by locking in the processes that ensure that the beneficiary meets the conditions for reimbursement and that the amount is correct.
- **Detect and control:** detect fraud more effectively by strengthening the means of action.
- **Penalise:** protect the interests of the health insurance scheme more quickly by ensuring that penalties are appropriate to the damage caused.

The expenditure allocated to combating social security fraud reflects the State's growing commitment in this area, with **a significant increase in the amount allocated, from €287 million in 2019 to €500 million in 2023.**

◦ **Fraudulent social security contributions:**

- In just one year, Urssaf reassessments on corporate social security fraud have increased by 50%, with €1.2 billion reassessed in 2023 compared with €800 million in 2022 and €500 million in 2017;
- In particular, the introduction in 2023 of an adjustment window for micro-entrepreneurs has led to €34 million in adjustments;
- Thanks to resolute action by Urssaf, the results are already above the target of €5 billion in reassessments over 5 years;
- In this context, the Prime Minister has decided to raise the targets for the five-year period by 10%, setting Urssaf a target of €5.5 billion in reassessments over the five-year period.

◦ **Benefit fraud:**

The performance of social benefits is also historic, with almost:

- 400 million in losses detected by the *Caisse d'allocations familiales* (CAF);
- 200 million from the *Assurance vieillesse*;
- 450 million from the French health insurance system.

The fight against social security fraud is an essential pillar in guaranteeing the integrity and sustainability of France's social security system. The measures adopted and the investments made bear witness to the determination of the public authorities to step up this fight, with the aim of preserving national solidarity and public confidence in the institutions of the State.



■ Revising the pension system and reducing inequalities

The social security policy evaluation report (REPSS) for 2022 assesses compliance with the objectives set for the pension system on the basis of indicators. These objectives concern not only the financial sustainability of the schemes in the face of ageing and the guarantee of an appropriate standard of living for pensioners, but also the fairness of the pension system, improving insured people's knowledge of their rights, increasing the length of working life and improving the employment of older workers, as well as strengthening solidarity between pensioners.



The measures adopted on pensions and the strengthening of policies to reduce inequalities will contribute to several Sustainable Development Goals: **SDG 1, which aims to reduce poverty, SDG 5, which aims to achieve gender equality, and SDG 10, which aims to reduce inequalities.**

Ensuring an appropriate standard of living and guaranteeing solidarity between pensioners

One of the objectives of pensions policy is to guarantee a decent standard of living for retired people. To achieve this, measures are taken to maintain an adequate pension level, as well as solidarity measures targeting the most modest pensioners.

In a context where ageing and the economic climate have a major impact on the management of pension schemes, it is vital to analyse social and economic indicators in order to understand the effectiveness of public policies aimed at maintaining an adequate standard of living for retired people.

The Social Security Code (article L.161-25) stipulates that pensions under all basic schemes are adjusted every year in line with inflation. The aim is to prevent pensioners losing purchasing power: when prices rise, their pensions increase at the same rate. If inflation is negative, on the other hand, pensions are maintained at the same level: they are not reduced.



In France, therefore, pensioners are protected by having their pensions indexed to inflation:

- In 2019, the median standard of living for retirees, at €22,380 a year, was slightly lower than that for working people, at €23,820, illustrating a 94% ratio¹ and highlighting the ability of pension systems to maintain a standard of living comparable to that of the working population. Despite an increase in the pensioner poverty rate since 2014 (+2.3 points), to 9.5%, it remains lower than that of working people, at 10.6%.
- In 2021 and 2022, inflation was on the rise, boosted by the economic recovery following the Covid-19 pandemic and geopolitical tensions. In response to this situation, the law enacted on 16 August 2022 provided for a 4% increase in basic pensions, with retroactive effect from 1 July 2022, bringing forward the usual increase scheduled for January 2023.

¹ Source: REPSS 2022 – Pensions, p.86.

In France, the objective of solidarity is pursued in particular through the *Allocation de Solidarité aux Personnes Agées* (ASPA), which provides a minimum income for the over-65s, and the minimum contributory pension, which provides a minimum pension for those who have had a full but poorly-paid career. For those who have contributed on the basis of the SMIC, the increase in the minimum contributory pension provided for in the 2023 reform now guarantees a total gross pension equivalent to 85% of the net SMIC, underlining the efforts to reduce poverty among pensioners.

Ensuring fairness in the pension system

The objective of reducing pension differentials between different categories of insured persons is essential to guarantee equity and social justice in the pension system. In particular, this initiative aims to reduce disparities between generations and to close the pension gap between men and women. This initiative is part of a wider effort to combat inequality and promote a fairer distribution of resources within society.

There has been a notable change in pension differentials between generations. Between the generations born in the 1930s and those born in the 1950s, both in France and abroad, there has been a significant increase in direct pensions, ranging from 21% to 30%. This increase reflects more favorable careers over the generations, due to higher levels of qualification and salary, and the gradual introduction of supplementary schemes. For more recent generations, the average direct pension continues to rise, but at a slower rate.

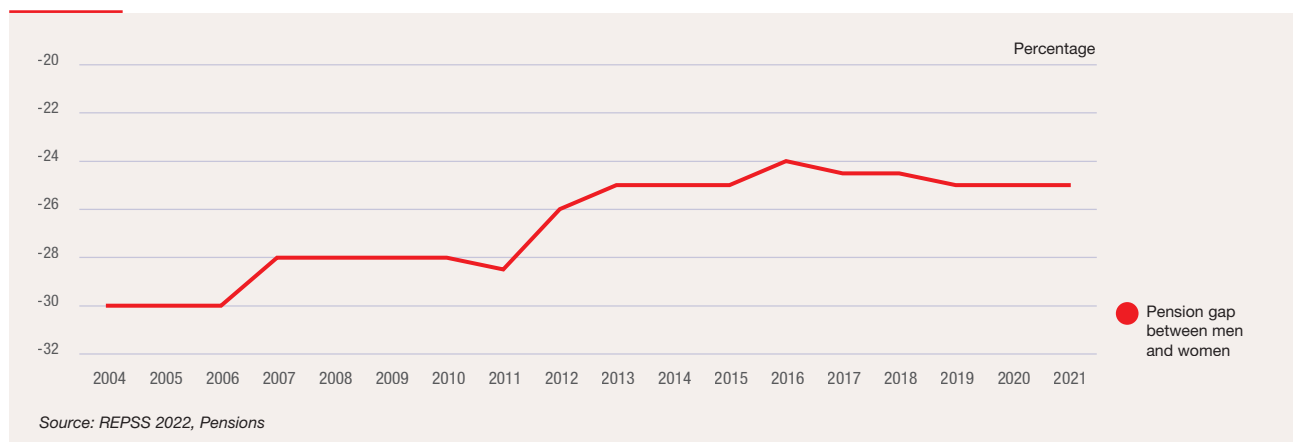
In 2021, women will receive an average pension under direct law equivalent to 63% of that of men; including survivors' pensions and increases for children, this proportion rises to

75%. Women are the main beneficiaries of survivors' pensions (almost 90% of beneficiaries in 2022), mainly because they live longer than men and are on average younger than their spouses. This over-representation of women is also explained by the fact that men are more likely to exceed the income threshold for receiving a survivor's pension under the general scheme when they are widowed.

In response to these findings, measures have been adopted to reduce the gender gap in pensions, including the revaluation of low pensions, better recognition of maternity periods and additional contributions for mothers. The aim is to reduce the pension gap between men and women, thereby ensuring a fairer distribution of pensions between the different categories of insured persons.



→ EVOLUTION OF THE PENSION GAP BETWEEN MEN AND WOMEN



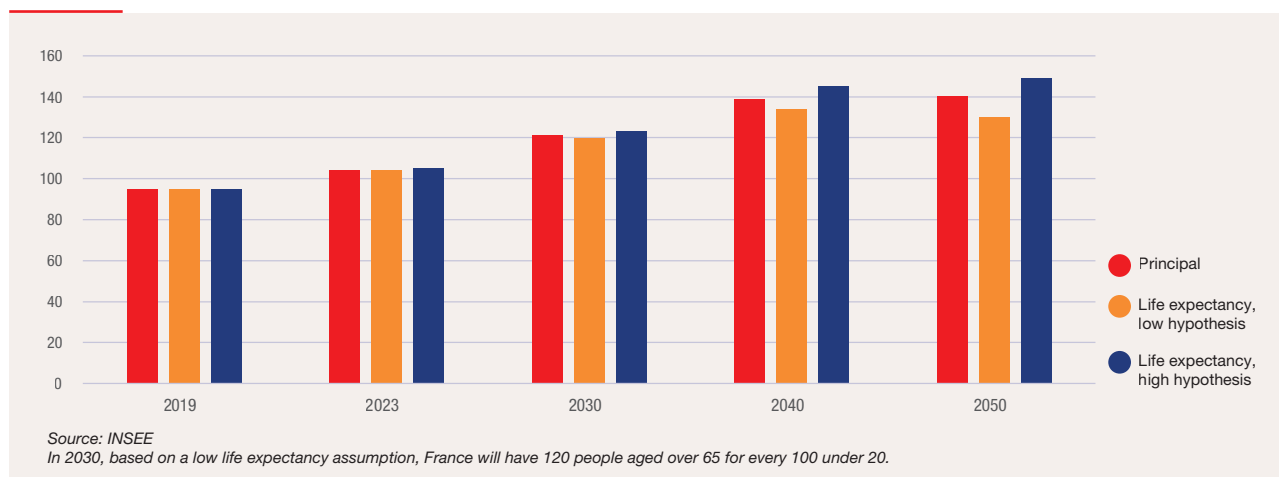
Gradually increase the working life and employment of older workers

Faced with the challenge posed by an ageing population, extending the working lives of employees is an essential lever for ensuring the financial sustainability of the French retirement system.

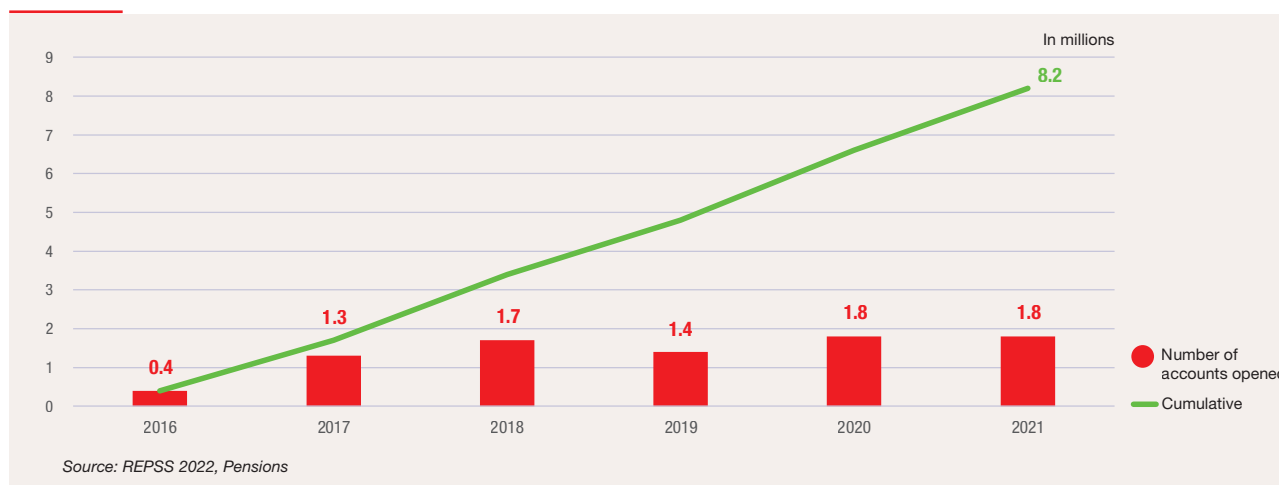
These demographic changes highlight the need to adapt the system so that it remains robust and fair in the face of ageing. While taking account of specific situations linked in particular to state of health and providing for end-of-career provisions, this strategy aims to improve the financial situation of pension schemes.

As for the employment rate among older people, the figures for 2021 offer an optimistic outlook, with **56.0% of 55-64 year-olds in employment in France, compared with 54.5% in 2020. France is therefore showing promising signs, especially in the 55-59 age group, where the employment rate is slightly higher than the European average** The employment rate among 60-64 year-olds, currently lower than in the rest of the eurozone, should increase over the next few years thanks to the 2023 reform.

→ NUMBER OF INHABITANTS AGED 65 OR OVER PER 100 INHABITANTS AGED UNDER 20 BETWEEN 2019 AND 2050



→ NUMBER OF PERSONAL PENSION ACCOUNTS



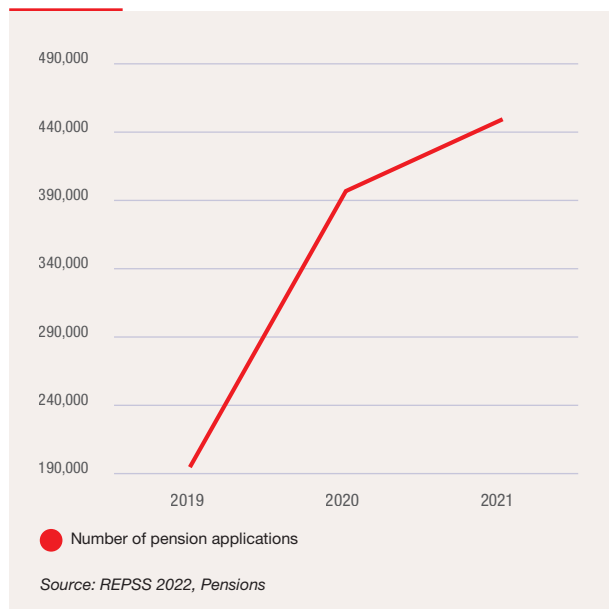
Improving knowledge of rights and facilitating access to benefits

Effectively informing policyholders about their pension entitlements is an essential step, enabling everyone to make informed decisions about their retirement. This is part of the drive for transparency and support for people throughout their lives.

The introduction of the right to information marked a decisive turning point in this approach. The generalisation of information systems, and **the fact that 99% of insured persons will be eligible to receive an individual statement of situation (RIS) by 2021¹**, testify to a strong desire to maintain a high level of information. The personal retirement account, launched in October 2016, is proving to be a central tool in this approach, promoting dematerialisation and facilitating access to online documents, including **the global indicative estimate (EIG), with more than 8.2 million accounts open by the end of 2021²**.

Union Retraite (GIP) has commissioned a satisfaction survey of recipients of the right to information. The results show that almost all beneficiaries (90%) consider the systematic mailing procedure to be “useful” or even “very useful” in 2021.

→ NUMBER OF PENSION CLAIMS FOR THE GENERAL SCHEME



At the same time, facilitating the opening of pension entitlements is another major area for improvement. The introduction of the *Liquidation Unique des Régimes Alignés* (Lura) and the *Demande de Retraite Inter-Régimes en Ligne* (DRIL) considerably simplifies the procedures for insured persons. **By 2022, the majority of policyholders aged 50 and over who are affiliated to at least two basic schemes will have benefited from these measures, enabling simplified settlement of their pension entitlements under all French schemes.** DRIL, in particular, saw 448,8443 claims filed in 2021 for the general scheme, illustrating its effectiveness and adoption by policyholders.

Our commitment to providing information and facilitating access to pension rights reflects our desire to provide policyholders with the best possible support in managing their retirement. These measures, which focus on providing clear information and simplifying procedures, are fundamental to ensuring a smooth transition to retirement, by guaranteeing that all policyholders are fully aware of their rights and can access them easily.



¹ REPSS 2022 – Pensions, p. 121.

² REPSS 2022 – Pensions, p. 121.

³ REPSS 2022 – Pensions, p. 125.

APPENDICES

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GLOSSARY

- **ACOSS** (*Agence Centrale des Organismes de Sécurité Sociale*, also known as *URSSAF Caisse nationale*): manages the cash flow of the various branches of social security and collects the contributions that fund them.
- **AFT** (*Agence France Trésor*): body responsible for managing the State's debt and cash position.
- **ARRCO** (*Association pour le régime de retraite complémentaire des salariés*) and **AGIRC** (*Association générale des institutions de retraite des cadres*): supplementary pension schemes for employees and executives in the private sector.
- **ASPA** (*Allocation de solidarité aux personnes âgées*): monthly benefit paid by the pension fund to low-income pensioners living in France. The amount depends on the family situation (whether or not you are living as a couple).
- **CADES** (*Caisse d'Amortissement de la Dette Sociale*): body responsible for managing and amortising the debt of social security schemes.
- **IARC** (International Agency for Research on Cancer): WHO intergovernmental agency specialising in cancer research to identify its causes and develop preventive measures.
- **C2S** (*Complémentaire Santé Solidaire*): a scheme offering assistance with the acquisition of supplementary health cover. Aimed at people on low incomes, it replaces and merges previous schemes such as CMU-C and ACS, facilitating access to healthcare by reducing the out-of-pocket expenses for beneficiaries.
- **CNAM** (*Caisse Nationale de l'Assurance Maladie*): body that manages health insurance and insurance against accidents at work and occupational illnesses, part of the social security system.
- **CNAV** (*Caisse Nationale de l'Assurance Vieillesse*) body that manages retirement pensions under the general social security scheme.
- **CRDS** (*Contribution pour le Remboursement de la Dette Sociale*): contribution intended to repay the debt of social security schemes, applied to most residents' income.
- **CSBM** (Consumption of medical care and goods): represents the total value of goods and services consumed to satisfy individual health needs that contribute to the treatment of a temporary disturbance in the state of health. It covers consumption in France by people with French social insurance and those receiving state medical aid or urgent care.
- **CSG** (*Contribution Sociale Généralisée*): a contribution that partly finances social security and is applied to most residents' income.
- **DREES** (*Direction de la Recherche, des Études, de l'Évaluation et des Statistiques*): public statistical service, attached to the "health and social" ministries and to the Ministry of the Economy and Finance, which provides data and analyses in the fields of health, solidarity and citizens' living conditions.
- **DRM** (*Dispositif de Ressources Mensuelles*): tool used to simplify the allocation of means-tested social benefits, by reducing the need for recipients to declare their resources repeatedly.
- **DRIL** (*Demande de Retraite Inter-Régimes en Ligne* – online inter-regime pension application): a system that allows you to apply for your pension online for several pension schemes. It's a simplified process that makes it easier to retire by completing just one application for all the schemes concerned.
- **EIG** (*Estimation Indicative Globale*): estimate that gives policyholders an idea of what their income will be once they retire, based on the rights they have accumulated at a given time.
- **FRR** (*Fonds de Réserve pour les Retraites*): investment fund set up to finance retirement pensions under social security schemes.
- **ICMA** (International Capital Market Association): association that sets standards and practices for the international capital market, including principles for social obligations.
- **BMI** (Body Mass Index): measurement used to assess a person's corpulence. It is defined as a person's weight in kilograms divided by the square of their height in metres (kg/m^2).
- **INSEE** (*Institut national de la statistique et des études économiques*): national service responsible for producing, analysing and publishing official statistics.
- **LFSS** (*Loi de Financement de la Sécurité Sociale* – Social Security Financing Act): an annual law that sets out the planned revenue and expenditure for social security, with the aim of ensuring financial equilibrium.
- **LOLFSS** (*Loi Organique relative aux Lois de Financement de la Sécurité Sociale*): legislative framework governing social security financing laws.
- **LURA** (*Liquidation Unique des Régimes Alignés* – Single settlement of aligned schemes): mechanism enabling a single settlement to be made for the pensions of aligned schemes, i.e. the general scheme, the agricultural workers' scheme and the self-employed workers' scheme, taking into account the rights acquired in each of these schemes in calculating the retirement pension.

- **Sector 2 doctors:** practitioners who have chosen not to adhere fully to the agreed tariffs set by the health insurance scheme. They are authorised to charge higher fees than those reimbursed by the social security system.
- **MICAF** (*Mission interministérielle de lutte contre la fraude* – Interministerial mission to combat fraud): coordinating body between different ministries to combat fraud, particularly in the areas of social security and public finance.
- **SDGs** (Sustainable Development Goals): a set of goals set by the UN to eradicate poverty, protect the environment and ensure prosperity for all by 2030.
- **OECD** (Organisation for Economic Co-operation and Development): international organisation that helps governments meet the challenges of globalisation, by promoting policies that will improve economic and social well-being throughout the world.
- **Obligations Sociales:** debt securities issued by CADES to finance the repayment of social security debt.
- **PQE** (*Programmes de Qualité et d'Efficienc*e – Quality and Efficiency Programmes): programmes aimed at improving the quality and efficiency of health and retirement services in France.
- **PMUa** (*Protection Universelle Maladie*): French universal health insurance scheme introduced on 1 January 2016. It guarantees that anyone residing in France on a stable and regular basis, and not entitled to any other form of health cover, will have their healthcare costs covered through the allocation of an entitlement based on their residence and administrative situation.
- **REPSS** (*Rapports d'Évaluation des Politiques de Sécurité Sociale*): reports evaluating the effectiveness of social security policies in France.
- **RIS** (*Relevé Individuel de Situation*): document summarising all the rights acquired by the insured person under all the compulsory pension schemes. The RIS is sent periodically to policyholders to inform them of their individual pension situation.
- **Union Retraite:** a public interest grouping (GIP) of compulsory, basic and supplementary pension bodies. Its mission is to strategically manage coordination, simplification and pooling projects to make the pensions system simpler and easier to understand for users.
- **HIV** (Human Immunodeficiency Virus): a virus that attacks the cells of the immune system, reducing the body's ability to fight infection and disease. AIDS (Acquired Immune Deficiency Syndrome) is the most advanced stage of HIV infection.

LIST OF INDICATORS

Management and performance of health and pension systems

- Total social security debt amortised
- Volume of social bond issues
- Breakdown of funds by social security branch
- History of social security debt assumption in billion euros 1996-2023
- Summary table of social emissions in 2023
- Contribution to the Sustainable Development Goals (SDGs)

Investors

- Breakdown of demand by type of investor
- Breakdown of demand by geographical area
- Proportion of investors who include the social dimension in their decision-making criteria

| Public health and prevention

- Growth in prevention expenditure in France in billions of euros between 2019 and 2022
- Preventable mortality between 2020 and 2021
- Percentage of people aged 18 to 75 who say they smoke every day
- Prevalence rate of daily smoking among the lowest income third of the population
- Number of deaths in France attributable to tobacco consumption in recent years
- Changes in smoking prevalence among adults and young people between 2017 and 2022
- Number of zones declared "smoke-free"
- Annual volume of pure alcohol consumed per person aged 15 and over
- Percentage of weekly drinkers
- Percentage of daily drinkers
- Number of deaths caused by excessive alcohol consumption
- Number of HIV serologies performed by medical laboratories in 2022
- Incidence rate of cases diagnosed with Chlamydia trachomatis infection in men and women
- Change in the number of HIV serologies performed in laboratories from 2012 to 2022
- Vaccination rate for infants under 24 months between 2022 and 2023
- Changes in influenza vaccination coverage rates for people at risk between 2019 and 2022
- Flu vaccination rates for the population aged 65 and over in Europe in 2022
- Growth rate between 2019 and 2020 for HPV vaccination, mainly for girls aged 15 to 16.
- HPV vaccination coverage rate for girls aged 15 having received a dose in 2020
- HPV vaccination coverage rate for girls aged 16 having completed the vaccination schedule in 2020
- Covid-19 vaccination coverage rate for the French population as a whole

- Average Covid-19 vaccination coverage for people aged 60 and over for the second booster dose
- Covid-19 vaccination coverage rate for the entire French population for the first booster dose
- Percentage of healthcare expenditure covered by public authorities in 2021
- Out-of-pocket payments by households for current health-care expenditure in the international sense in 2021
- Number of people covered by supplementary health insurance (C2S), free of charge and with a contribution from 2019 to 2023

| Fraud

- Number of staff mobilised throughout the social security network to combat fraud
- Change in the percentage of social fraud detected from 2016 to 2021
- Amount of fraud in 2021
- Amount allocated to fraud detection in 2019 and 2023

| Old age

- Median standard of living of retired people compared with working people
- Poverty rate among pensioners
- Percentage increase in direct pensions
- Evolution of the pension gap between men and women
- Number of inhabitants aged 65 or over per 100 inhabitants aged under 20 between 2019 and 2050
- Employment rate of senior citizens
- Retirement age in France compared with the European average
- Percentage of policyholders eligible to receive an individual statement of situation (RIS)
- Number of personal retirement accounts opened
- Number of pension claims for the general scheme

EXPLANATION OF COMPLEX INDICATORS

INDICATORS	DEFINITIONS
Contribution to the Sustainable Development Goals (SDGs)	Measuring the impact of health and pension systems on the Sustainable Development Goals defined by the United Nations.
Total social security debt amortised	Total social debts repaid.
Volume of social bond issues	Total amount of social bonds issued to finance social expenditure.
Breakdown of funds by social security branch	Distribution of funds allocated to different branches of social security (health, old age).
Breakdown of demand by type of investor	Breakdown of investment requests by type of investor (institutional, banks, etc.).
Breakdown of demand by geographical area	Distribution of investment requests by geographical region in the world.
Proportion of investors who include the social dimension in their decision-making criteria	Percentage of investors who consider ESG criteria, in this case social criteria, in their investment decisions.
Preventable mortality between 2020 and 2021	Number of deaths preventable through effective prevention measures during 2020 and 2021.
Prevalence rate of daily smoking among the lowest income third of the population	Proportion of daily smokers among people in the lowest income brackets.
Number of beneficiaries of the Complémentaire Santé Solidaire (C2S) scheme	Number of people benefiting from supplementary cover for reduced-cost or free healthcare.
Out-of-pocket payments by households for healthcare expenditure	The proportion of healthcare expenditure that remains payable by households after reimbursement by the insurance company.
Amount allocated to fraud detection in 2019 and 2023	Financial resources dedicated to detecting fraud in social security systems in 2019 and 2023.
Median standard of living of retired people compared with working people	Comparison of the median income of retired people with that of people still in work.
Change in pension prices and increases between 2010 and 2022	Changes in retirement pension amounts and adjustments between 2010 and 2022.



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Caisse d'Amortissement de la Dette Sociale

**Limited assurance report of the independent practitioner on the verification of
a selection of information disclosed in the report on the allocation of social
bond issuance**

Year ended December 31th 2023
Caisse d'Amortissement de la Dette Sociale
139 rue de Bercy, 75572 Paris Cedex 12

KPMG S.A., a French audit and accounting limited liability
company registered with the Paris Association of Chartered
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Caisse d'Amortissement de la Dette Sociale

139 rue de Bercy, 75572 Paris Cedex 12

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the report on the allocation of social bond issuance.

Year ended December 31st 2023

To the Management,

In our capacity as independent practitioner, and in accordance with your request in relation with the Social Bond issuances in 2023, we have undertaken a limited assurance engagement on the following information (the "**Information**") presented in the Report on the allocation of social bond issuance (the "**Report**") by "la Caisse d'Amortissement de la Dette Sociale" (the "**Entity**") available on the company's website:

- the allocation, as of December 31st 2023, of funds raised by the entity through the Social Bonds issued on January 10th and 18th, February 21st, May 16th, June 21st and September 12th, 2023 (the "Issuances") contained in the Report,
- the projects financed by the Issuances and identified as eligible by the entity (the "**Eligible Projects**").

The Information has been prepared in the context of the "Social Bond Framework" (the "**Framework**") defined by the entity and available on the entity's website¹.

Conclusion

Based on the procedures we performed, as described under the "Nature and scope of procedures" paragraph, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework available on the entity's website.

Preparation of the Information

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Framework.

¹ <https://www.cades.fr/pdf/investisseurs/>

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Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- selecting the Eligible Projects regarding the eligible criteria,
- preparing the Information in accordance with the “Framework”,
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent practitioner

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on the fact that the Information is free from material misstatement, whether due to fraud or error, and has been prepared, in all material respects, in accordance with the Framework.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to:

- Challenge the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework,
- Form an opinion on the effective use of the funds allocated to the Eligible Projects after such funds were allocated;
- Form an opinion on the environmental and/or societal output or impact indicators communicated in the impact reports.

Applicable professional guidance

We performed our limited assurance engagement in accordance with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes “CNCC”) applicable to such engagement and international standard ISAE 3000 (revised)².

Our independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

² ISAE 3000 (Revised) - *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

Caisse d’Amortissement de la Dette Sociale

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the report on the allocation of social bond issuance
Year ended December 31st 2023



Means and resources

Our work was carried out by an independent and multidisciplinary team including specialists in sustainable development and corporate social responsibility.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

To assess this risk, we took into account the entity's internal controls on the preparation of the Information in order to design appropriate assurance procedures, and not with the purpose of expressing a conclusion as to the effectiveness of the entity's internal control system.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We identified and conducted several interviews with the persons responsible for the collect of the Information, with the Directions in charge of overseeing the collect of the Information and, where appropriate, with those responsible for internal control and risk management procedures,
- We assessed the suitability of the procedures used by the entity to report the Information with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- verifying the compliance of the eligible debts with the eligibility criteria as specified in the Framework;
- verifying the concordance of the allocation of the net proceeds to the eligible debts with the accounting and the underlying accounting data, as at for the year ended December 31st, 2023 and with the related French decrees;
- verifying the consistency and concordance of the Verified Information with the information in the Report.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

Caisse d'Amortissement de la Dette Sociale

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the report on the allocation of social bond issuance
Year ended December 31st 2023

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Paris la Défense, **June 30th, 2024**

KPMG S.A.

Marie-Christine Jolys
Partner

Brice Javaux
ESG Expert

Caisse d'Amortissement de la Dette Sociale

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the report on the allocation of social bond issuance
Year ended December 31st 2023

5



Appendix

Caisse d'Amortissement de la Dette Sociale

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the report on the allocation of social bond issuance
Year ended December 31st 2023

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