

EMPLOYEE AND COLLECTIVE COMPANY RETIREMENT SAVINGS

SURVEY DATA TO END 2022

Key Survey Results: Employee savings and retirement schemes hold up well in declining markets

- AuM in employee savings and retirement savings schemes, down slightly by -3.2% year-on-year, amount to €162.1 billion (down -€5.4 billion year-on-year). AuM dedicated to collective company retirement savings (PERCO and collective company PER) equal €25.4 billion, down -2.3% year-on-year.
- Company retirement savings schemes are divided in two formats: €6.4 billion in AuM for PERCO/PERCOI and €19 billion for the new PER. These schemes benefit 3.7 million employees in 207,400 companies (+9.7% over one year). 60% of PERCO or collective company PER holders have opted for driven management of some or all of their assets, which reached €9.3 billion.
- SRI funds AuM reach €62.6 billion (€54.2 billion for “article 8” funds under the SFDR regulation, and €8.4 billion for “article 9” funds), representing nearly 62% of the assets in diversified funds. The trend towards SRI funds is very clear, with +€6.9 billion in gross inflows, representing 47% of gross flows into diversified funds in 2022 (compared with 37% in 2021). AuM in solidarity funds amount to €15.3 billion (+8.6% year-on-year).
- Gross inflows reach a high level of +€19 billion in 2022 (+€2.7 billion compared to 2021 and +€3 billion compared to 2020). Flows received by employees from investment of participation and/or profit-sharing amount to €11.6 billion in 2022, up +30% compared to 2021.
- The exceptional unlocking option introduced at the time of the law on emergency measures to protect purchasing power was used by 309,000 holders, for a total amount of €1.3 billion (i.e. 8.3% of all unlockings concerning employee savings flow). This figure is in line with the decline observed during previous measures (€3.9 billion in 2008 and €2.2 billion in 2013).
- In 2022, net inflows reached +€2.6 billion (compared to +€0.8 billion in 2021) and is concentrated in equity and mixed funds (+€3.1 billion), while fixed income funds (bonds and money market) collect +€0.9 billion and employee share ownership funds recorded outflows of +€1.4 billion. Overall, net inflows into retirement savings schemes are +€2.1 billion (vs. +€1.7 billion in 2021).
- Supported by measures related to the Pact Act, the number of companies with an employee savings or retirement savings scheme is 378,200 companies (+5% vs. 2021 and +40% vs. 2012). This positive dynamic should continue thanks to the provisions of the “ASAP law”, which simplifies the setting up of employee savings plans for employers where the company does not have employee representatives.

Employee savings schemes

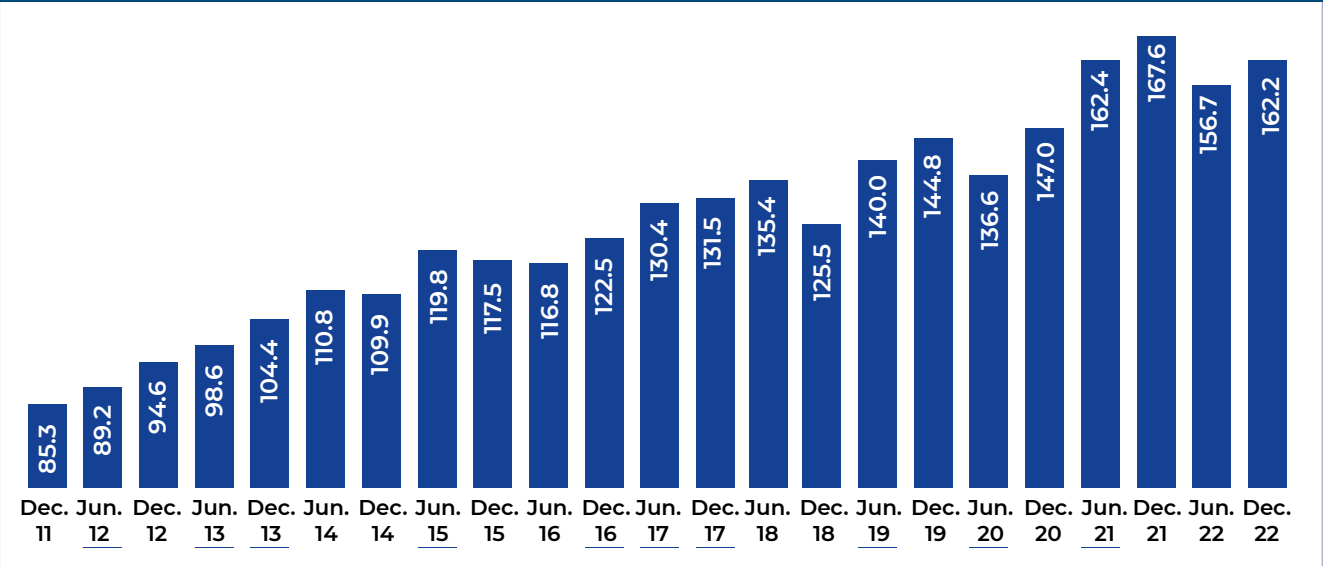
Employee savings schemes cover a range of measures aimed at involving employees in their company's results and encouraging collective savings and the development of company investments. Founding principle: the aim of employee savings is not to replace wages. It is a means of reinforcing

the mutual commitments of the employee and the company, by adding to the salary a participation in the results and in the increase in value of the company. It is based on several mechanisms: profit-sharing, participation, employee savings plans and retirement schemes.

A low decline in employee savings and retirement schemes AuM...

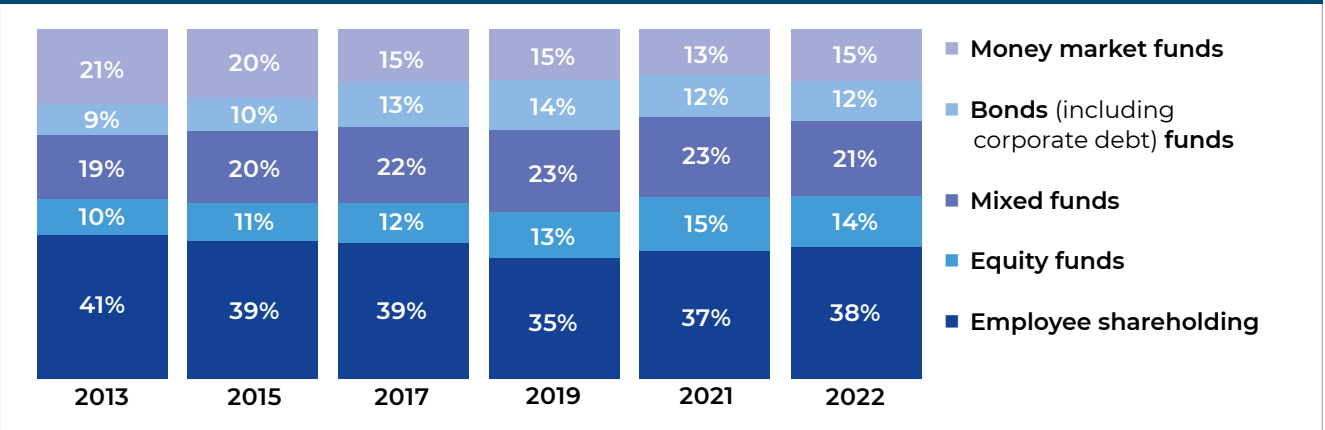
Following hawkish actions of central banks to try to stem the rise in inflation, declines in equity and fixed income asset classes have impacted the evolution of AuM in employee savings and retirement savings schemes. While AuM grew by +14% in 2021, they fall by -3.2% in 2022 to €162.2 billion. Over the long term, i.e. since 2008, the average annual growth rate of AuM is +6%.

AuM in employee and retirements savings funds: €162.2 billion at end-2022 (-3.2% year-on-year)



In more detail, diversified fund¹ assets reach €100.9 billion, which is 62% of total assets. Employee shareholding funds have €61.3 billion in AuM, stable compared to 2021.

AuM by category of employee and retirement savings



The development of retirement savings schemes has led to a decline in the relative weight of money market funds within employee savings AuM (15% of AuM in 2022 compared to 21% in 2013). The share of equity and mixed funds has risen sharply over the period, from 29% in 2013 to 35% in 2022.

Among diversified funds, the increase in supply and the attraction of SRI funds for employees is still strong. SRI AuM reach €62.6 billion (€54.2 billion for «article 8» funds under the SFDR regulation, and €8.4 billion for “article 9” funds) and now represent 62% of the AuM of diversified funds. Solidarity funds have AuM of €15.3 billion (+8.6% over one year) and are actively involved in financing the social and solidarity economy.

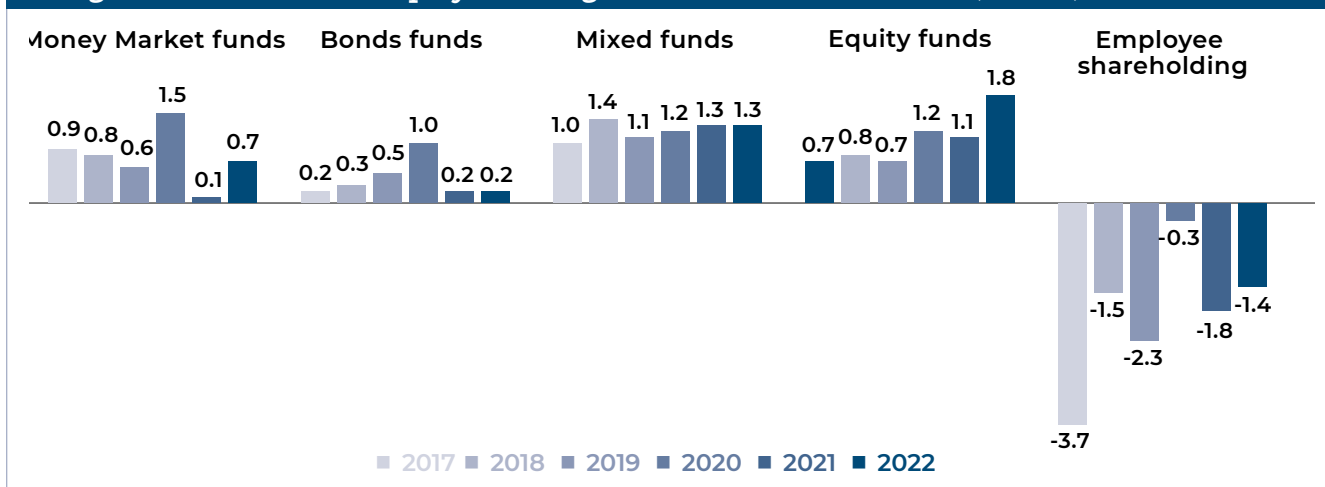
¹) Diversified funds in the sense of employee savings plans are to be distinguished from employee shareholding funds. Diversified funds are those that are invested in a minority of the employee's company shares. They can be equity, bond, money market funds, etc. and also mixed funds that combine these different asset classes.

...despite increased subscription flows

Gross inflows reach a high level of +€19 billion in 2022 (+€2.7 billion compared to 2021 and +€3 billion compared to 2020). The impact of the pandemic on company accounts in 2020 caused a -7.5% drop in flows received by employees from participation and/or profit-sharing. In 2022, these flows are up by +30% to €11.6 billion, compared with €9 billion in 2021. Global net inflows reach +€2.6 billion (vs. +€0.8 billion in 2021) and are concentrated in equity and mixed funds (+€3.1 billion in 2022 vs. +€2.4 billion in 2021).

The trend towards SRI funds is very clear. With +€6.9 billion in gross inflows, these flows account for nearly half of the gross flows into diversified funds in 2022 (vs. 37% in 2021 and 22% in 2020). Their net inflow is +€1.9 billion.

Change in net inflows to employee savings and retirement schemes (in €bn)



The level of redemptions (-€16.4 bn) is up compared to 2021 (-€15.5 bn). This confirms the momentum that began in 2021, after a year in which redemptions were limited to a low level (-€11.4 billion) due to the lockdowns and the pandemic. Early unlocking accounts for 36% of redemptions (down from 39% in 2021), supported by reasons of acquisition or expansion of the main residence (32% of amounts).

The exceptional unlocking option introduced at the time of the law on emergency measures to protect purchasing power was used by 309,000 holders, for a total amount of €1.3 billion (i.e., 8.3% of all amounts unlocked on PEE/PEI and CCB in 2022).

...and a wider diffusion of these schemes within companies

The number of companies with employee or retirement savings schemes continues to rise (378,200 companies, up +5% year-on-year), thanks in part to the measures adopted in the Pacte Act, the suppression of the social security flat-rate tax and the mobilization of field players and public authorities.

More specifically, regarding retirement savings schemes:

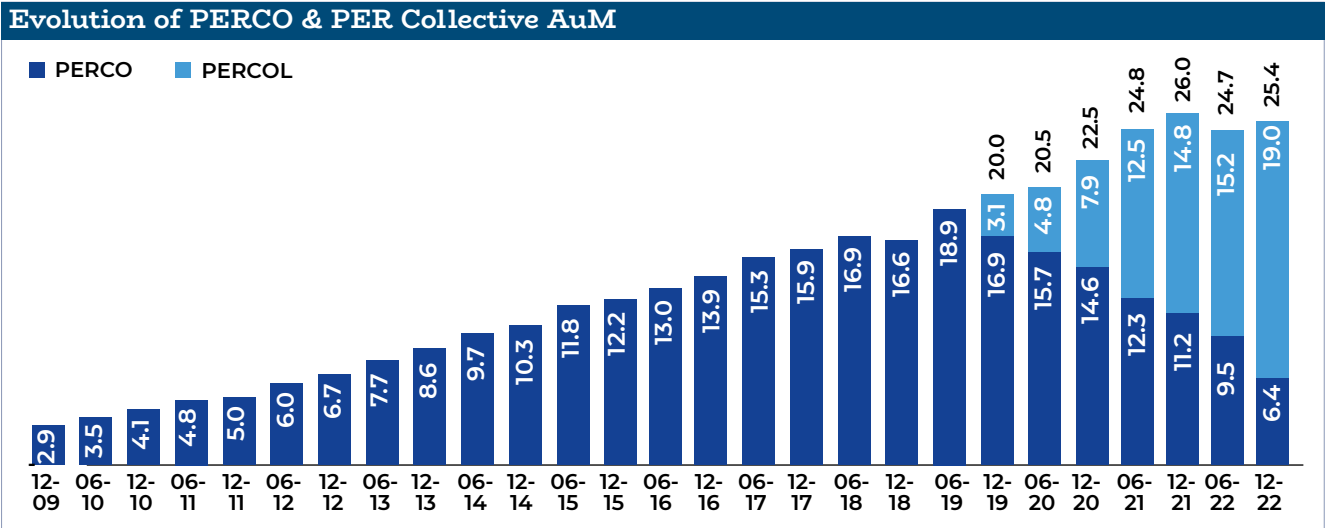
- ▶ 66,600 companies are equipped with a PERCO scheme, benefiting 1.1 million employees with €6.4 billion in AuM;
- ▶ 140,800 companies have a PER scheme, benefiting 2.6 million employees with €19 billion in AuM.

In 2022, the creation of new PERs and the conversion of old PERCOs/PERCOIs into new PERCOLs/PERCOLIs involved 30,600 companies (after 45,700 companies in 2021 and 66,100 companies in 2020).

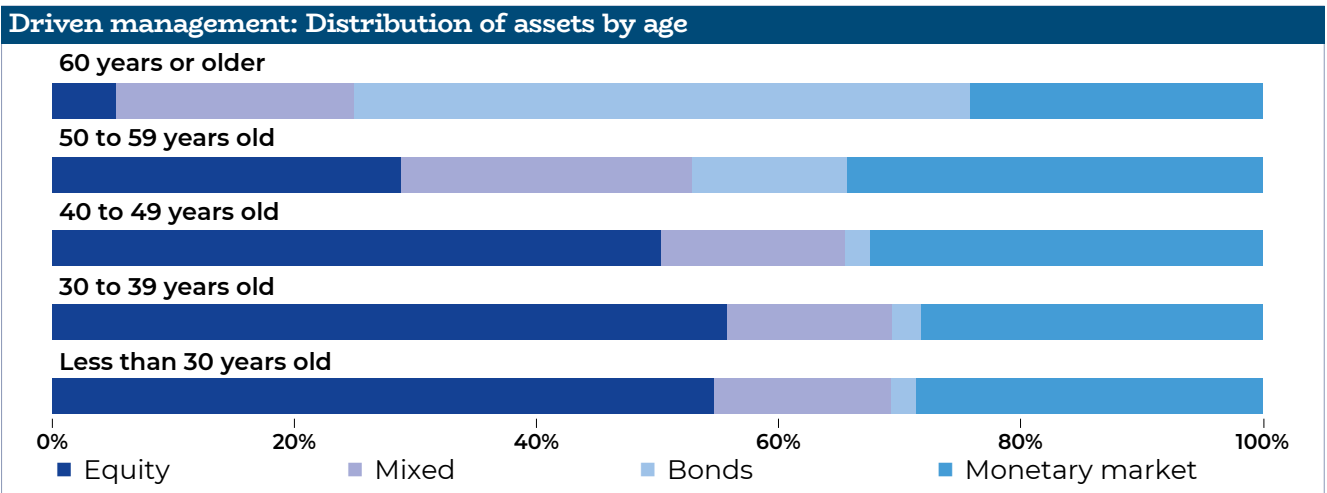
Retirement savings (PERCO and PER Collective)

AuM in collective PERCOs and PERs totaled €25.4 billion, down -2.3% year-on-year. Gross inflows into company retirement savings schemes came to +€3.5 billion and net inflows to +€2.1 billion.

Collective PERs are gradually replacing the former PERCOs and now represent the majority of company retirement savings products in securities accounts.



60% of PERCO or collective company PER holders have opted for driven management of some or all of their assets, thereby gradually reducing risk depending on their age and their profile. Up +0.9% year-on-year, driven managed AuM (€9.3 billion) represent more than one-third of retirement savings assets. More specifically, half of the retirement savings assets of employee holders under 30 years of age are under driven management accounts.



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