ORPEA

GROUP

2022 Universal Registration Document

including the annual financial report

Contents

The ORPEA Group's mission is to provide healthcare and assistance to highly frail and vulnerable people. The Group's core business lines include post-acute and rehabilitation hospitals, mental health hospitals, nursing homes, assisted living facilities and home care and services, always with an emphasis on hospitality and compassion.

ORPEA GROUP

2022 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on 7 June 2023 with the AMF as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation. The Universal Registration Document may be used in support of an offer of securities to the public or the admission to trading on a regulated market of financial securities if accompanied by a prospectus and, where applicable, a summary and any modifications made to the Universal Registration Document. All of the documentation is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

Pursuant to Article 19 of Regulation (EU) 2017/1129, this Universal Registration Document incorporates by reference the 2020 Registration Document filed on 12 May 2021 under number D. 21-0454 (https://www.orpea-group.com/wp-content/uploads/2011/12/ORPEA_URD_2019_UK.pdf) and the 2021 Universal Registration Document, filed on 16 June 2022 under number D. 22-0517 (https://www.orpea-group.com/wp-content/uploads/2011/12/ORPEA_URD_2020_a994f.pdf). The aforementioned Universal Registration Documents are available on the AMF and ORPEA websites (www.orpea-corp.com/en, under Publications), or on request from the Company's registered office (ORPEA – Investor Relations – 12, rue Jean-Jaurès – CS 10032 – 92813 Puteaux Cedex, France).

This Universal Registration Document including the annual financial report is a reproduction of the official version which has been prepared in European Single Electronic Format ("ESEF") and is available on the AMF and ORPEA websites.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer.

OUR MISSION

WITH NEARLY 76,000 EMPLOYEES AT WORK EVERY DAY,
THE ORPEA GROUP IS COMMITTED

to a mission of supporting all highly frail and vulnerable people. ORPEA designs health, care and life pathways for the patients, residents and beneficiaries it welcomes each year to its nearly 1,000 facilities worldwide. Its mission also extends to the loved ones and the social relationships of the people it cares for. ■

2022
KEY FIGURES

More than 30 years
OF HISTORY IN CARE AND SUPPORT SERVICES

Nearly 76,000
EMPLOYEES, 60% OF WHOM ARE CARE STAFF

Nearly 1,000
FACILITIES IN STRATEGIC CITY CENTRE LOCATIONS IN 21 COUNTRIES

90,860
BEDS

267,000
PATIENTS AND RESIDENTS WELCOMED, CARED FOR AND SUPPORTED LAST YEAR

€4,681m
IN REVENUE

OUR STORY

The ORPEA Group story began in 1989 when a neuropsychiatrist opened the first nursing home in Saujon, in France's Charente-Maritime region. Today, the Group operates mainly in Europe, and offers comprehensive care through nursing homes, hospitals, assisted-living facilities and home care solutions with a network of around 1,000 facilities and some 76,000 employees. After a serious crisis of confidence, in 2022, the Group launched its *With you and for you, changing ORPEA* Refoundation Plan with the goal of radically transforming the organisation for the benefit of patients, residents, their families, and employees too.

OUR INTERNATIONAL PRESENCE IN **EUROPE**

France
Belgium
Netherlands
Ireland
United Kingdom
Luxembourg
Germany
Switzerland
Italy
Austria
Poland
Czech Republic
Slovenia
Latvia
Croatia
Spain
Portugal

OUR EXPERTISE

PROVIDING CARE

FOR ALL TYPES OF FRAILTY AND VULNERABILITY

Providing care and supporting the life plans of our residents and patients is our mission, at the heart of which lies our medical expertise. Enhanced by scientific research and technical progress, our teams and our stakeholders build on this expertise day after day.

20
job categories in our four main areas of expertise.

The ORPEA Group's dedicated team of 76,000 professionals work in four main areas of expertise:

> temporary or long-term dependency and severe dependency;
> neurodegenerative diseases, including Alzheimer's and Parkinson's disease;
> post-acute care and rehabilitation;
> mental health including psychotic and thymic illnesses, sleep disorders and addictions.

Our multidisciplinary teams cover a wide range of professions, providing care at our facilities or our patients' homes.

POST-ACUTE AND REHABILITATION HOSPITALS

> A wide range of specialists
> Pharmacists
> Physiotherapists
> Speech and language therapists
> Clinical psychologists
> Neuropsychologists
> Special needs educators
> Specialised nurses
> Caregivers
> Nutritionists
> Occupational therapists
> Developmental therapists
> Hydrotherapists
> Sports educators
> Dentists
> Social workers

NURSING HOMES

- Head doctors
- Head nurses
- Caregivers
- Dieticians
- Psychologists
- Occupational therapists
- Developmental therapists
- Physiotherapists
- Speech and language therapists
- Coordinators

MENTAL HEALTH HOSPITALS

- Psychiatrists – general practitioners – geriatricians – sleep specialists
- Clinical psychologists
- Neuropsychologists
- Special needs educators
- Specialised nurses
- Caregivers
- Art therapists
- Nutritionists
- Pharmacists
- Speech and language therapists
- Dentists
- Sports educators
- Physiotherapists

ASSISTED-LIVING FACILITIES

- Day shift care workers
- Night shift care workers
- Coordinators

HOME CARE AND SERVICES

- Medical-psychological assistants
- Social workers

Q&A WITH LAURENT GUILLOT AND GUILLAUME PEPY

LAURENT GUILLOT

CHIEF EXECUTIVE OFFICER OF ORPEA

Laurent Guillot, Guillaume Pepy, you were both appointed in the summer of 2022, a few months after the crisis period for the Group started. What's your view of this crisis situation?

Laurent Guillot: It quickly became clear to me that this crisis was brought about by a handful of executives who had disrupted the whole organisation by straying away from its purpose of acting in the social interest. That's why my main takeaway from this difficult period for the Group is the extraordinary commitment of our teams, whose dedication to our residents and patients has remained unwavering, even at the height of the storm. This dedication and commitment are key to our mission – there's no more worthy or worthwhile cause than caring for the most vulnerable members of our society, including the elderly. We owe it to the 267,000 residents and patients we welcome to our facilities, nursing homes and specialised hospitals around the world to put all our energy into giving them the best care possible. We have made this pledge alongside our 76,000 employees, who despite being deeply affected by the scandal, continue to take care of the most vulnerable people – our parents and grandparents in our communities – day in, day out in our almost 1,000 facilities around the world.

Guillaume Pepy: Both of us strongly believe that while ORPEA's former executives dramatically distanced the Group from its core business by prioritising ultra-rapid international and real estate development and adopting unacceptable management practices, ORPEA had and still has solid strengths on which we can rebuild: recognised expertise in the quality of care and support we provide, accommodations that are generally well located and maintained, a strong regional presence, and most importantly, the commitment of its devoted professionals which creates an extremely robust foundation for growth.

"There's no more worthy or worthwhile cause than caring for the most frail and vulnerable members of our society, including the elderly."

LAURENT GUILLOT

GUILLAUME PEPY

CHAIRMAN OF THE BOARD OF DIRECTORS OF ORPEA

In the future, we'll look back on this crisis as a defining moment in the Group's history, which enabled us to put people and the care of our patients and residents back at the heart of everything we do.

What are the guiding principles of the Refoundation Plan which was presented in the autumn?

GP: There are two cornerstones to the Refoundation Plan: people and ethics. The three areas we work in – psychiatric care, rehabilitation care and elderly care – are all totally people-focused. They bring people together – frail and vulnerable people and those who care for them, along with their families and loved ones. And because of the immense harm caused to so many by a tiny minority in the past, as we move forward we need to have the highest levels of ethics at all times, with no exceptions.

The Refoundation Plan also has a real underlying meaning to it. It's all about serving the 267,000 people we look after, through the daily commitment of our 76,000 professionals, as well as serving the general public, who have rightly become even more vigilant, and serving communities and elected representatives through the vitally important service we provide in the general interest of society.

LG: The overall aim of the Refoundation Plan is to transform the Group by refocusing on its core mission – caring for society's most frail and vulnerable people. To take care of them, we first of all need to take care of our colleagues working in our facilities. For that reason, we have improved social dialogue, signing several agreements with trade unions, and have invested in training to offer our employees new development prospects. We have also given facility managers more autonomy to facilitate decision-making, strengthen workplace health and safety and enhance the human dimension of care.

"We can be a for-profit company while doing our job well, and we can focus on quality of care, people, ethics and the well-being of residents and employees while ensuring sound and responsible financial management."

GUILLAUME PEPY

At the same time, we are focusing on the quality of care and the well-being of residents by recruiting additional staff, establishing quality-based performance criteria, and creating a Medical department that reports directly to Executive Management to ensure that all decisions are made in line with the Group's healthcare model. This approach includes paying particular attention to the food provided to residents, with an increase in the meals budget and the sourcing of local, seasonal products.

Why was the Group's financial restructuring necessary?

LG: Just a few months after I took office, I realised that ORPEA was facing an even more serious financial crisis than we had imagined. The Group was on the verge of bankruptcy due to excessive and misguided real estate investments and international growth. As a result, we took the necessary decisions to sustainably re-establish a balanced financial structure thanks to the entry of long-term investors. The overall process – which included conducting a detailed strategic review – was carried out in an extremely short period of time and within the legally secure framework offered by the amicable conciliation procedure.

GP: Our financial restructuring is critical to the success of the radical and bold Refoundation Plan presented by the new management team, with the full support of the Board of Directors. In choosing the conciliation procedure – which places the Company under the protection of the Commercial Court – and entering into an accelerated safeguard procedure, we wanted to prioritise the collective interest – ensuring continued care for patients and residents, the future of the business and our employees' jobs – over particular parties' strictly financial interests. The entry into the Company's capital of Caisse des Dépôts, together with CNP Assurances, and MAIF, together with MACSF, demonstrates the confidence placed in our Group and attests to our commitment to working in the public interest. This partnership provides us with solid support and the resources we need to accelerate our refoundation and position ourselves as experts in medical care and support for highly frail and vulnerable people.

What is required for the Group's Refoundation Plan to succeed?

GP: Our refoundation needs to be underpinned by strong governance, a new corporate culture focused on ethics and quality, and transparent communication with our residents and their families, our shareholders and our partners.

LG: It will also be crucial to continue to innovate, to invest in our facilities as part of a redefined real estate strategy, and to provide further training to our teams, in order to offer high-quality services and care that meet our residents' needs. We also need to ensure that we maintain a constructive dialogue with our employee representatives and implement measures to improve staff loyalty and satisfaction. That's why, since my arrival, we have overhauled our social dialogue process, obtaining six unanimously signed collective agreements in less than six months, whereas there had been no social dialogue or successful mandatory annual negotiations for over 15 years.

How will ORPEA's business model evolve to adapt to new requirements and ensure its future?

LG: To ensure the future of our business model, we need to be pioneers and play a key role in reinventing nursing homes, mental health day care and aftercare techniques. We can also make advances in the quality of operations, with improved internal processes and better use of human and financial resources. At the same time, adapting our business model means better integrating social and environmental issues into our strategy. We are committed to implementing sustainable and responsible practices at all our sites, reducing our energy footprint and promoting a corporate culture based on respect, ethics and integrity. And we are going to put real estate back in its rightful place as a business line in support of operations.

Furthermore, in view of our financial situation, we won't be paying any dividends for several years and will be funnelling all our resources into care and support, moving away from excessive international expansion and real estate investments financed by an over-reliance on leverage.

However, I still firmly believe that we can be a for-profit company while doing our job well, and that it is possible to focus on quality of care, people, ethics and the well-being of residents and employees, while ensuring sound and responsible financial management.

What challenges do you foresee for ORPEA in 2023?

LG: We have put in place a number of different measures since the summer of 2022, and we're now all starting to see concrete improvements. But I'm aware that we still have a lot to do. So our main challenge is to accelerate the implementation of the Refoundation Plan working closely with our facilities.

After the crisis we've been through, we felt it was essential to work together to redefine the Group's values, i.e., our principles of conduct and action. To that end, at the beginning of 2023 we launched a major consultation with all of our employees as a vital first step before our forthcoming review of our company purpose (*raison d'être*), prior to its formal drafting and implementation.

GP: The Board of Directors and I share Laurent's vision. Our key priority for 2023 is to accelerate the implementation of our Refoundation Plan. Everyone needs to focus on improving the quality of care and the well-being of our residents as well as on enhancing working conditions for our professional staff.

The other important challenge is to build trust with our stakeholders, including residents, patients, families, employees and public authorities. To do this, we need to ensure full transparency in both our actions and communications.

Taking care of the most vulnerable people in society is an important and highly worthwhile undertaking. Every time I visit our facilities I can see what an incredible job our people are doing. We won't compromise on our plan and, working with all our professionals, we'll successfully see it through.

"Our key priority for 2023 is to accelerate the implementation of our Refoundation Plan."

GUILLAUME PEPY

2022 timeline of events

CRISIS AND AFTERMATH

26/01

> Publication of the book *Les fossoyeurs*

01/02-15/02

> Joint IGAS-IGF investigation

01/03-30/03

> Start of regional health department and local authority inspections of 179 ORPEA nursing homes in France

JAN. **FEB.** **MAR.**

ORPEA CORPORATE

30/01

> Dismissal of Yves Le Masne as Chief Executive Officer

> Appointment of Philippe Charrier as Chairman and Chief Executive Officer

01/02

> Appointment of Grant Thornton (GT) and Alvarez & Marsal (A&M) to conduct an independent review

30/03

Implementation of the first corrective measures by ORPEA:

> Improvements to the whistleblowing platform and promotion of the platform among employees

> Review and simplification of quality processes (including improvement of reporting times for SAEs)

> Implementation of a forum for hearing grievances and an external mediation plan

ORPEA FINANCE

2022

APR.

05/04-08/04

> Publication of the joint IGAS-IGF reports

20/04

> Opening decision of the first conciliation procedure

MAY

02/05-13/05

> Appointment by the Board of Directors of Laurent Guillot as new Chief Executive Officer effective 1 July 2022

> Charges filed with the Nanterre public prosecutor against unnamed persons for past events and transactions

> Kick-off of Conferences for the Elderly at nursing homes in France and launch of a participative digital platform

JUN.

03/06-13/06

> Signature and approval by the Nanterre Specialised Commercial Court of a conciliation procedure between ORPEA and the G6 banks*

> Signature of a syndicated loan agreement with the G6 banks*

08/06-29/06

> Submission of the GT and A&M reports following the independent review

JUL.

01/07-28/07

> Laurent Guillot takes office as Chief Executive Officer

> Major changes to the Board of Directors

> Appointment of Guillaume Pepy as Chairman of the Board of Directors

* *The G6 banks are: BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale.*

CRISIS AND AFTERMATH

15/11

Presentation of the Refoundation Plan by the new management team based on four focus areas:

> Give employees the means to do their job well while protecting their health

> Provide better care and support to patients, residents and their families

> Have a positive economic and social impact

> Build a transparent and efficient model

Start of discussions on financial restructuring

Organisation of seminars for managers on the Refoundation Plan

SEP.

OCT.

NOV.

ORPEA CORPORATE

26/09

Conferences for the Elderly held at all nursing homes in France and concrete measures announced:

> Implementation of a recruitment and continuous training programme

> Ongoing dialogue between nursing homes and the families of residents

> Stepped up personalised support and care programmes

> Greater autonomy for facility directors

10/10

> Presentation of the new management team responsible for the Group's transformation

ORPEA FINANCE

25/10

> Opening decision of the second conciliation procedure

26/10

> Expected asset write-downs at 31 December 2022 in connection with the strategic review currently under way, estimated at between €2.1 and €2.5 billion before tax

08/12

> ORPEA SA signs an agreement to rebuild social dialogue

12/12

> NAO Clinea signs an agreement for 2022

DEC.

20/12

> Charges filed by the Group, in particular against Yves Le Masne, for acts likely to represent misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering

21/12

> Expected amount of asset write-downs at 31 December 2022 increased to between €5.0 and €5.4 billion before tax

2023

FEB.

14/02

> Signature of a lock-up agreement between ORPEA, a group of investors (Caisse des Dépôts, CNP Assurances, MAIF and MACSF) and a group of unsecured creditors, including a proposed financial restructuring plan for ORPEA

MAR.

13/03-24/04

> Signature of an agreement protocol for a financing arrangement between ORPEA and the G6 banks (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale), including new financing and amendments to the June 2022 syndicated loan agreement

> Opening decision of the accelerated safeguard plan

OUR CHALLENGES

SOCIETAL ISSUES THAT ARE MARKING OUR ERA

The significance of these issues is amplified by the sociological, demographic and health changes that have been affecting modern societies for several decades.

AN ACCELERATING DEMOGRAPHIC TRANSITION

With demographic change comes the challenge of sustaining longer lifespans that combine good health and quality of life.

Throughout the world, older people are increasing in number and represent a growing segment of the population. Between 2030 and 2040, the proportion of the world's population aged over 80 will increase by 58%.

In the coming decades, our health, economic and social systems will face two challenges:

> Providing care that meets the needs of the many, often cumulative, diseases associated with ageing: neurodegenerative diseases, cardiovascular diseases, mobility disorders, diabetes and high blood pressure, depression, malnutrition, etc.

> Adapting care solutions to all types of situations and needs among seniors, which vary according to their place of residence (city centre, suburban environment, etc.), their age, their health condition and their own wishes. Addressing these diverse needs hinges on further enhancing the range of available solutions and, above all, ensuring their continuity: home care and services, assisted living facilities, nursing homes, outpatient care, full hospitalisation, etc. It is also essential to develop new personalised care and treatment pathways tailored to individual needs and wishes.

Sources: WHO, OECD, ViePublique.fr.

1/6
One in six people in the world will be over 60 by 2030.

CONNECTED HEALTH
AN OPPORTUNITY FOR *AGEING WELL*

A variety of needs, from preventing the risk of falls, and analysing sleep disorders to monitoring diabetes and heart rate, can be met with technological solutions that also preserve individual autonomy.

Growth in connected health is being driven by the rising average age of the population, the higher prevalence of chronic diseases, a growing demand for health services and the general awareness that technology can improve patient care and support.

Technology is intended to aid in treatment and prevention, not replace, human assistance. Its purpose is to make daily life easier by continuously monitoring patient health. Using tech solutions at facilities frees up time for teams to be more involved with patients and residents.

93%
of 60-69 year olds are internet users: the seniors of the future are not afraid of technology.

(Source: *Baromètre du numérique* (Digital Survey) published by Crédoc in 2021)

Climate change is responsible for at least 150,000 deaths per year worldwide, a figure that is expected to double by 2030[1].

In concrete terms, global warming raises the following challenges:

> An increased risk of infectious diseases as new pathogens emerge and change the spread of bacteria. The recent SARS-CoV2 epidemic is one such example.
> Heat waves that put stress on the human body, resulting in a high mortality risk for the elderly or frail.
> Decreased agricultural productivity. Repeated droughts that worsen living conditions. In France, 2022 was the warmest year on record[2].
> Increased pollution: according to the WHO, 99% of the world's population is exposed to excessive fossil fuel fine particle concentration levels.

Combating climate change and preparing for its effects on health have become essential. For ORPEA, this chiefly means stepping up implementation of a green building strategy.

THE CLIMATE EMERGENCY,
THE NEW HEALTH EMERGENCY

(1) WHO.
(2) Méteo France.

The next major emerging health issues are lifestyle diseases or so-called "diseases of civilisation" and those related to deteriorating mental health, particularly in connection with our modern lifestyles and consumption habits.

LIFESTYLE DISEASES AND MENTAL HEALTH
THE CHALLENGES OF TOMORROW

> Worldwide, depression and anxiety increased by over 25% in the first year of the Covid-19 pandemic.
> Every year, excess weight and obesity cause the death of over 1.2 million people in Europe as more people embrace a sedentary lifestyle.
> The tobacco epidemic kills more than 8 million people worldwide each year, including about 1.2 million non-smokers from exposure to second-hand smoke.
> Alcoholism causes 3 million deaths each year worldwide, accounting for 5.3% of all deaths.
> Some 27 million people worldwide suffer from drug addiction, which causes more than 400,000 deaths every year.
> Invisible pollution is caused by micro-particles, pesticides and endocrine disruptors.

Information and prevention campaigns need to be complemented by better disease management and the development of new expertise.

1 billion

In 2019, nearly one billion people – including 14% of adolescents worldwide – were affected by a mental health disorder.

(Source: WHO)

The health crisis has exposed weak points in the system, particularly access to healthcare in rural areas around the world. Equal access to healthcare remains a social, political and institutional issue.

How can we guarantee equal access in parts of the world where the urban population is expected to triple by 2050, with seven in ten people living in a city?

A larger range of local services is needed to ensure continuity and equal access to care, including private and public clinics, private doctors, hospitals, etc. And the objective must be to strengthen regional networking and collaboration between these services, while taking advantage of new technological opportunities.

7/10

Nearly seven in ten people in the world will be living in a city by 2050.

(Source: Banque de France)

LOCAL NETWORKS,
ESSENTIAL FOR ACCESS TO CARE

Essential but challenging, the care professions need to be reinvented and new positions created.

REVITALISING THE CARE PROFESSIONS,

ATTRACTING TALENT AND SUCCESSFULLY MAINTAINING ENGAGEMENT OVER THE LONG TERM

All care-related jobs have one thing in common: the compassion to give care and attention to others. This underlying principle of compassion was brought to light during the Covid-19 crisis and is a real source of pride for care workers.

However, care workers are currently experiencing a “professional crisis” throughout Europe: their working conditions are considered difficult, particularly at a time of new work/life balance challenges, creating legitimate expectations in terms of Quality of Life at Work. At the same time, these are times of heightened sensitivity to values, CSR, meaning and the need to feel useful in one’s work. The result of this is a new relationship with work, giving rise to higher expectations of Company management.

To meet recruitment needs, healthcare providers need to ensure employee health and safety, and strike the right balance between on-the-job autonomy and supervision in order to attract and retain talent. This is on top of increasing care profession salaries by designing attractive policies. The economic climate, which is having an impact on pay, is creating high expectations in terms of offsetting inflation. Training will be another key avenue for meeting the changing needs of care workers and offering them attractive career paths where they can develop their skills.

Build
a foundation of renewed trust together with all of the Group's stakeholders

THE YEAR 2022 WILL MARK THE HISTORY OF THE ORPEA GROUP IN AN UNPRECEDENTED WAY

The publication of the book *Les fossoyeurs* in January 2022, denouncing inappropriate managerial and financial practices and internal wrongdoing in the Group, triggered a serious crisis of governance and confidence, calling the whole organisation into question.

As a first consequence, the Chief Executive Officer was dismissed along with the vast majority of the management team. In France, public authorities launched administrative and financial investigations and the Group was called to appear before the National Assembly's Social Affairs Committee and then the Senate's Investigation Committee. At the same time, the economic environment exacerbated the organisation's financial problems.

Throughout the year, the Group's French nursing homes were subject to numerous administrative and health checks, which did not result in any closure or temporary suspension.

Despite this difficult situation, facility staff members remained mobilised to serve patients, residents and their families, who for the most part expressed ongoing support for facilities and local teams, which in turn led to stronger connections. In France, in an industry first, ORPEA launched "Conferences for the Elderly" in the spring of 2022. Between 13 May and 11 June 2022, 47 such meetings were held at ORPEA nursing homes throughout France. More than 1,800 people took part in the meetings, which allowed residents, their families, staff and partners to express their views on living and working conditions in nursing homes.

However, by calling the Group's business model and operations into question, the crisis generated mistrust in its core business. At the same time, the crisis also revealed the essential nature of the Group's mission and highlighted its prominent position at the intersection of today's societal issues.

47
Conferences for the Elderly were held at ORPEA nursing homes throughout France.

AN OPPORTUNITY FOR **TRANSFORMATION**

Faced with this unprecedented situation, the Group's governance was completely overhauled. In addition to the appointment of the new Chief Executive Officer, Laurent Guillot, at the beginning of July 2022, the Board of Directors was largely renewed at the Annual General Meeting of 28 July 2022.

Over the months that followed, a brand new management team took the Group's helm, focusing on three short-term priorities: remedy, organise and remobilise.

Remedy, to get the business "back on track". This means having zero tolerance for unethical practices, reviewing the whistleblowing policy, stepping up recruitment to improve working conditions, conducting in-depth audits of the Group's support functions and drafting action plans.

Organise, to bring the Company up to the best standards in the industry. This will be achieved by defining a human resources and social policy, creating an Ethics Advisory Board, and redesigning the "Catering" project.

3

short-term concerns: remedying, organising and remobilising the Group.

Remobilise, to launch a profound transformation. This goal is being fuelled by dialogue initiated with stakeholders to engage them as partners in the Group's transformation.

Subsequently, in November 2022, the Group presented an ambitious Refoundation Plan, setting out a vision that refocuses on care and support, employees and compliance with ethical guidelines at all levels of the organisation. Dubbed *With you and for you, changing ORPEA*, the plan reflects the Group's goal to continue serving all users by strengthening its core business – providing care and support to vulnerable people – while restoring its position as an industry leader.

The plan is also based on managing change alongside all of its stakeholders through dialogue and joint participation in the transformation to restore the trust of employees, families, regulatory bodies and financial markets and, more generally, with all of its partners.

WITH YOU
AND FOR YOU
CHANGING
ORPEA

The four focus areas of the *With you and for you, changing ORPEA* plan:

1. **Give employees the means to do their job well while protecting their health.** Being attentive to the needs of caregivers is essential for retaining employees and ensuring the best treatment for all those who place their trust in ORPEA.
2. **Provide better care and support to patients, residents and their families.** By placing care at the heart of its business model, the Group is tracking back to the fundamentals of its mission, equipped with solid, undisputed medical expertise.
3. **Have a positive economic and social impact.** As a major player in the sector, ORPEA has a duty to help develop solutions to the major challenges facing society. Through its network, it also has an imperative to effect positive change locally.
4. **Build a transparent and efficient model.** Convinced that it can implement a long-term economic model that creates value and provides a high quality of care, the Group plans to develop transparently over the long term.

A TRANSFORMATION IN PROGRESS

The Group's Refoundation Plan has led to practical initiatives at all levels of the organisation.

In line with the "With you" promise of the plan, dialogue has been strengthened or opened with all of the Group's stakeholders.

In France, two new schemes are also being developed:

- A Family Relations unit and a Residents, Patients and Families Platform which address the need widely expressed by residents' loved ones and families for more transparency and interaction.
- A mediation system for residents, patients, their families and loved ones, based on the experience of subsidiaries located outside of France (Austria, Germany).

On the Human Resources side, a major company agreement to overhaul social dialogue was unanimously signed in France with all employee representatives in December 2022.
Another milestone in 2022 was the launch of the company purpose (*raison d'être*) project, which entailed a major internal consultation carried out in December 2022 with the 76,000 employees worldwide to define the Group's values.

Consultation with
76,000
employees worldwide.

Over 10%
of new hires recruited to short-staffed roles since September 2022.

20%
reduction in work-related accidents by 2025.

"We must be fully committed to the most vulnerable among us. This will only be possible when all the conditions are in place to carry out our work in a calm and transparent manner, respecting the dignity of each individual – and central to this goal are ethics at all levels of the Company."

LAURENT GUILLOT
CHIEF EXECUTIVE OFFICER OF THE GROUP

ETHICS

Business and medical ethics were reaffirmed as major and essential to all aspects of the Group's activities.

The Code of Conduct – Ethics and Corporate Social Responsibility has been revised and translated into all of the languages of the countries where the Group operates. Training on the Code has been provided to employees. In November, the Gifts and Entertainment Policy and the Anti-corruption Code of Conduct were also rolled out to the different countries where the Group operates.

In September 2022, Professor Emmanuel Hirsch, Emeritus Professor of Medical Ethics at the University of Paris-Saclay, was appointed to define the Group's medical and nursing ethics approach. He is also mapping the ethics bodies currently in operation at French facilities and drawing up a list of employee expectations. In November, he presented an "ethics roadmap" designed around the creation of various bodies: a national and international Ethics Advisory Board, ethics watch and review units, and an emergency ethics intervention unit.

HUMAN RESOURCES

In line with the "For you" promise made under the Refoundation Plan, the Human Resources department is now central to the Group, recognising its employees as a major strategic asset.
Priority has been placed on improving their working conditions, health, safety and well-being. At end-2022, the Group recruited a Head of Health and Safety. A target has been set to achieve a 20% reduction in work-related accidents by 2025. Strengthening recruitment is one of the major challenges addressed in the transformation plan. A proactive recruitment policy has been deployed, with 10% new hires recruited to short-staffed roles since September 2022. In December 2022, the Group launched a referral programme in France, whereby employees encourage people in their networks to apply for a job at ORPEA.

THE NEW STRATEGIC PILLARS are based on the solid, undisputed strengths on which the Group has thus far built its success.

The professional expertise and commitment of 76,000 employees, caregivers and health professionals, covering more than 20 different job families.

Exceptional medical expertise, with care protocols that meet the highest standards in terms of quality and safety of care and investments in the therapies of tomorrow (Alzheimer's, Parkinson's, child and adolescent psychiatry, etc.). The Group has also set up a network of organisations in France and internationally that together form a progressive, continuous care and treatment pathway: home care services, outpatient care, neuropsychiatric and rehabilitation hospitals and nursing homes. The Group can therefore provide continuity of care and facilitate the patient admission process at the various locations.

The Refoundation Plan presented in November 2022 gives central importance to the health, medical and social care project at each of its facilities.
This approach is based on three complementary pillars led by the Group's Medical department:

- The Group Medical Committee, an international body that reviews Group practices, how care is organised and how care pathways progress.
- The Ethics Advisory Board, which brings together both internal and external professionals to promote a spirit of openness and leverage a variety of skills.
- The Scientific Council, an international interdisciplinary body comprising specialists in nutrition, neurocognitive diseases, sociology, etc. Its mission is to stay abreast of medical knowledge and ensure that Group practices are aligned accordingly.

The Group acts as a "link" between national health players (the social security system, health insurance, etc.) and local players (municipal authorities, hospitals, etc.).
Aware of the importance of access to care for all, ORPEA is strengthening both its local network and cooperation between all the health players.

Its local roots and strategically located facilities help maintain proximity to families, all stakeholders and local communities.

Business model

MACROTRENDS

- An accelerating demographic transition
- Lifestyle diseases and mental health, the challenges of tomorrow
- The climate emergency, the new health emergency

RESOURCES AND STAKEHOLDERS

Stakeholders

> Nearly 76,000 employees in 21 countries
> 267,000 residents and patients welcomed in the Group's facilities in 2022 and some 2,500,000 hours of home care services provided
> Regular dialogue with all stakeholders, including residents and patients, families and loved ones, employee representatives, employees, regulatory bodies, local communities, governments and public authorities, financial partners, investors, etc.
> A collaborative network of partners (suppliers, medical and paramedical partners, local authorities, start-ups, etc.) that fosters the continuous improvement of practices and the emergence of solutions for the future
> Responsible procurement policy (see section 3.4.2), with the goal of having all regular suppliers sign the Responsible Procurement Charter by end-2023 (49% of listed suppliers signed had signed the Group's Responsible Procurement Charter by end-2022)

Expertise

> More than 30 years of experience in providing care and support for all types of vulnerability, whether temporary or permanent (mental health, post-acute care and rehabilitation, dependency, etc.)
> Quality procedures: nearly 200 criteria are monitored and controlled every six months at all Group facilities
> Crisis management protocols (Covid-19, flu, heat waves, etc.)
> Open innovation policy: at 31 December 2022, 124 projects, both local or led by headquarters were in progress, almost half of which involved medical and nursing innovation

Real estate and equipment

> The value of the Group's real estate assets at 31 December 2022 is now estimated at €6.5 billion
> 992 facilities in operation at end-2022, i.e., 90,860 beds in operation
> Advanced cutting-edge technology, especially for psychiatric and post-acute and rehabilitation care
> Buildings and equipment designed for a range of specialised care, from mental health and rehabilitation to neurodegenerative diseases (adapted care units) and high dependency patients
> Close to €200 million invested in works for maintaining, renovating, expanding and improving facilities with the aim of directly impacting quality of life and well-being and enhancing working and care conditions

Financial resources

> €4.7 billion in revenue
> €4 million net loss

THE GROUP'S BUSINESS LINES IN (and outside) THE EUROPEAN UNION

ORPEA provides health, well-being and life pathways for vulnerable people, welcoming them as patients or residents each year to its facilities whether their vulnerability may be temporary or lead to greater dependency.

GOVERNMENTS AND PUBLIC AUTHORITIES

PUBLIC HEALTH REGULATORS AND AGENCIES (THE FRENCH NATIONAL AUTHORITY FOR HEALTH [*HAUTE AUTORITÉ DE SANTÉ* – HAS], FRANCE'S REGIONAL HEALTH AGENCY [*AGENCE RÉGIONALE DE SANTÉ* – ARS], ETC.)

THE SCIENTIFIC AND MEDICAL COMMUNITY

SHAREHOLDERS/ INVESTORS

FINANCIAL PARTNERS

SUPPLIERS

In a complex environment shaped by all manner of risks – from structural climate risks to cyclical risks such as pandemics – the Group considers that caring for the most vulnerable people in society is a unique and important moral, ethical and social responsibility. The safety and well-being of the patients and residents at ORPEA facilities should be the primary focus of all the care and support provided.

Recruitment and training: focusing on two priorities to deliver the care needed tomorrow

Local networks, essential for access to care

Connected health, an opportunity for ageing well

PATIENTS, RESIDENTS, BENEFICIARIES

FAMILIES

EMPLOYEES

LOCAL AUTHORITIES AND COMMUNITIES

OUR STRATEGIC PRIORITIES

Always provide the best **care and support** to patients, residents, home care users and their families.

Give employees **the means to do their jobs well** while protecting their health.

Have a positive economic and social **impact**.

Build an ethical, transparent and efficient model.

VALUE CREATION[1]

Quality of care and support for patients and residents

[see section 3.2]

> Continuous monitoring of customer satisfaction: 90% satisfaction rate for residents and 92% for patients
> More than 40 different types of care expertise are represented at Group facilities
> *Net Promoter Score* (NPS): 31.8 in 2022 across all activities

Employee development and inclusion

[see section 3.3]

> Encouraging internal promotions: 37.3% in 2022
> Promoting inclusion and diversity:
– 33% womens in Top Management
– Diverse age profile: 9.3% of employees are under 25 and 21% are over 55
> 30.06 training hours per trained employee

Local presence to support the regions

[see section 3.4]

> Creation of local jobs that cannot be transferred abroad: more than 20,600 new hires in 2022 in 21 countries
> 40% of countries have set up a research partnership with a university that is among the country's top 10 universities in the Shanghai Ranking
> 44% of Group facilities carried out at least one local community outreach initiative in 2022

Controlling our environmental footprint

[see section 3.5]

> Measurement and monitoring of the Group's Scope 1, 2 and 3 CO_2 emissions
> 100% of new construction projects to be HQE, LEED or BREEAM certified starting in 2023
> CO_2 emissions reduction plan: 32% reduction by 2030
> Creation of a local food procurement strategy
> Recovery of food waste: 768 tonnes of bio-waste recovered in France

Board of Directors

14
members including **2** directors representing employees

50%
women

Less than
2 years
in average seniority

11
independent directors

3
Board Committees:
Audit and Risk Committee
Ethics, Quality and CSR Committee
Appointments and Remuneration Committee

A detailed description of the Board of Directors, which underwent major changes in 2022, can be found in Chapter 4 of this Universal Registration Document.

Executive Committee and Management Committee

The Group Executive Committee comprises 12 members, six of whom are members of the Board of Directors.

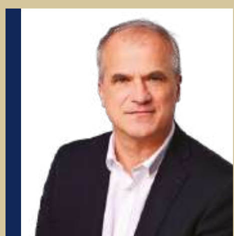
Laurent Guillot
Group Chief Executive Officer since July 2022
Chief Executive Officer, France

Fanny Barbier
Group Human Resources Director since September 2022

Pierre Krolak-Salmon
Group Medical Director since January 2023

Laurent Lemaire
Group Chief Financial Officer, in charge of Procurement, Information Systems since December 2021

Frédérique Raoult
Group Communications Director
since July 2022



Géry Robert-Ambroix
Group Real Estate Director since September 2022

Erik Hamann
Chief Executive Officer, Germany

Anton Kellner
Chief Executive Officer, Central and Eastern Europe

Thibault Sartini
Chief Executive Officer, New Countries

Olivier Van Houtte
Chief Executive Officer, Belgium and Northern Europe

Yen Wang
Chief Executive Officer, Latin America

Asunción Zaragoza
Chief Executive Officer, Iberian Peninsula

Management Committee · Executive Committee

ORPEA GROUP

Newsfeed

Snapshots of the Group in Europe.

NEWSFEED **#1**

In Spain

ORPEA was awarded a prize in recognition of its "attentiveness to dependency and care for the elderly" by *La Razón*, one of the most widely read newspapers in the country. The awards ceremony was attended by senior officials from the Madrid regional government. **#pride #recognition**

NEWSFEED **#2**

Our facilities have a heart

The SeneCura clinic in Neudauberg opened its doors and welcomed 63 orphans, refugees and their caregivers from **#Ukraine** on 27 March. At ORPEA, we support people affected by all types of vulnerability.

NEWSFEED **#3**

The Fork is coming to Senevita

The popular online booking application now offers reservations at public restaurants in the Swiss Group's facilities. A great way to enjoy a meal in good company, make new connections and help integrate our facilities into their communities. **#intergenerational**

NEWSFEED **#4**

Eating well is one of the building blocks of good health

After publishing a first book of diverse recipes, teams at the Celenus Salvea hospitals in Germany released another cookbook, this time vegetarian, for their patients. Published and sold on demand, the book is just another way our teams show they care. **#recipes**

NEWSFEED **#5**

ORPEA 4 U in Italy

Last year, ORPEA 4 U "*flash*" training sessions enabled employees to discover or deepen their understanding of topics such as social media, leadership and nutrition. The meetings were well attended and much appreciated. **#training**

FINANCE

FINANCIAL RESTRUCTURING

At the beginning of 2022, the reputation crisis experienced by the ORPEA Group in France resulted in an immediate and significant deterioration in the Company's stock market performance, a drying up of new financing that the Group could raise from its traditional lending partners, closed-off access to the financial markets, a slowdown in the pace of real estate asset disposals, and ultimately the prospect of the Group having to deal with a major liquidity crisis in the very near future.

This situation led the Group to enter into discussions, among its many creditors, with historical banking partners who were best placed to provide it – collectively and very quickly – with more than €1.5 billion in liquidity. In order to provide a confidential and legally secured framework for negotiations, a conciliation procedure was opened at the request of ORPEA SA by order of the President of the Nanterre Commercial Court dated 20 April 2022. As a result of this procedure, in June 2022, the Group's main banking partners signed a conciliation protocol providing for the implementation of a syndicated loan agreement for a total amount of around €3.2 billion, comprising financing lines for around €1.7 billion and refinancing lines for around €1.5 billion. The balance struck under the conciliation agreement approved on 10 June 2022 depended on the Group's implementation of a dynamic real estate asset disposal programme with quantitative targets (€1 billion before the end of 2023, €1.5 billion before the end of 2024, €2.0 billion before the end of 2025) based on the financing repayment dates put in place under the syndicated loan agreement.

In these conditions, the Group began negotiations with various real estate investors in the second quarter of 2022, in line with its firm commitment to complete its disposal programme. However, faced with an unfavourable change in the economic environment, the Group met with the following combination of circumstances from the second half of 2022:

- a sharply slower real estate market in an environment marked by rising interest rates and tighter conditions for access to financing, which reduced investor appetites;
- a negative perception of the Group's financial strength, which has made it difficult, if not impossible, to carry out sale and leaseback transactions;
- a drastic reduction in margins due to the substantial increase in purchasing costs and energy expenses relating to a global inflationary environment;
- poor operational performance due to a fall in the Group's occupancy rate that reflected its weakened reputation; and
- a significant projected impairment in the value of the Group's real estate assets and intangible assets, leading to risks on certain financial ratios included in some of the Group's financing documents.

Objective of the financial restructuring:

The objective of the financial restructuring is to secure financing for the Refoundation Plan presented on 15 November 2022. The financial restructuring thus hinges on three interconnected components:

- a drastic reduction in the debt of the parent company ORPEA SA;
- new debt and equity resources, coupled with an adjusted maturity schedule and the amendment of the terms and conditions of the June 2022 syndicated loan agreement;
- various amendments to other loan agreements (covenants, miscellaneous clauses).

In February 2023, a term sheet was signed between ORPEA SA and a group of long-term French investors, the terms and conditions of which were established in a lock-up agreement on 14 February 2023 and which are described in section 1.5 of this Universal Registration Document. In March 2023, an agreement protocol was also reached between the Company and certain Group companies and its main banking partners concerning the set-up of a new €600 million secured financing plan and the amendment of the terms and conditions of the June 2022 syndicated loan agreement, the terms and conditions of which are described in section 1.5 of this Universal Registration Document.

In these circumstances, the Group was faced with a delay in the schedule for its disposal programmes, with significantly compromised deadlines and conditions. Even though it had just obtained financing a few months earlier, the combination of these various events led the Group to anticipate a new need for short-term liquidity (by 2023). More generally, in light of the Group's downwardly revised profitability forecasts, the massive asset write-downs to be recognised in the financial statements for the year ended 31 December 2022, the difficulties encountered in carrying out the disposal programmes, the acute anticipated pressure on cash, the risk of default on certain loan agreement covenants and the complexity of its financial structure, it became clear that the balance sheet structure was unsustainable in the long term and that a major financial restructuring needed to be planned as soon as possible. ORPEA SA accordingly requested a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court on 25 October 2022. This procedure was the only way for the Company, with the assistance of a conciliator, to enter into legally secure negotiations with a large number of its financial creditors as well as its social security and tax creditors with a view to restructuring its debt and seeking new financial resources.

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure for ORPEA SA for a period of two months to enable it to implement its restructuring plan on the basis of the agreements reached during the second conciliation procedure it being specified that this procedure was extended for a further two months on 22 May 2023, i.e., until 24 July 2023.

INTERNATIONAL

EMERGENCY **IN UKRAINE**

Faced with the urgent international situation that has put the lives of thousands of civilians at risk since the beginning of February 2022, ORPEA Group teams have mobilised throughout Europe to provide assistance to the victims of the Russia-Ukraine conflict.
Thanks to the coordination work of its Polish subsidiary with NGOs and local authorities, the Group was able to federate all of its European BUs around the effort.

Initiatives were shaped around three main priorities:

- **Cash and in-kind donations (medical equipment, first aid kits, medicines, clothes, blankets and bed linen, personal hygiene products and basic necessities, non-perishable foodstuffs, etc.).**
- **Emergency accommodation for refugees at Group establishments and facilities.**
- **Support for employment at Group facilities.**

CONFERENCES FOR THE ELDERLY

In the spring of 2022, the ORPEA Group launched an industry first in France: Conferences for the Elderly.

In May and June, local consultations were held at 47 nursing homes in France, with more than 1,800 participants. These conferences allowed residents, their families, staff and partners to express their views on living and working conditions at nursing homes.

At the same time, a dedicated online platform was launched for all Group stakeholders to share their opinions and suggestions for improving operations and the care of residents at nursing homes.

A qualitative analysis of the debates was carried out to report on the main problems identified. At the end of September, the Group once again held these conferences simultaneously at its nursing homes in France. ORPEA's facility directors presented residents, families and staff with a summary of the lessons learned from the debates and discussed their initial response plans.

As a result of this work, eight key structural problems were identified which nourished the Group's discussions and inspired its Refoundation Plan presented in November 2022.

THE COMPANY

NATIONAL CONSULTATION ON END OF LIFE

At end-2022, ORPEA took part in the French national consultation on end of life by hosting meetings on the topic at its facilities. The Group believes that providing care for individuals at a facility or in their home, in many cases until the end of their life, while also supporting their families, requires professionals to be vigilant about ethical commitments and best practices.

A Group steering committee has been set up to organise this process over the long term. A survey has also been launched to identify the specific challenges facing the various professions across the Group and proposed solutions. The resulting initiatives will be evaluated in order to effectively meet complex and sensitive societal expectations. A summary report of this work will be published in 2023 and shared with the relevant national government bodies (the ministers concerned and the Parliament) and also within the Group.

CSR

CREATION OF THE GROUP **MATERIALITY MATRIX**

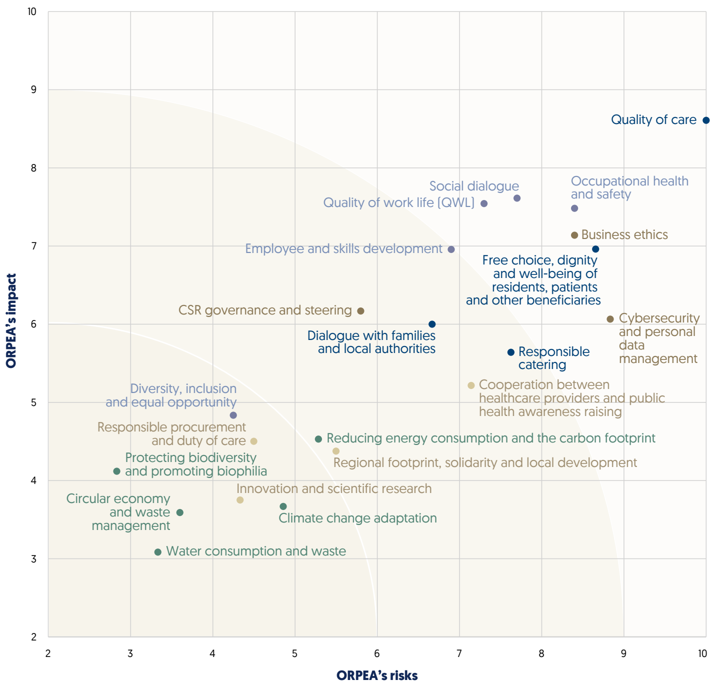
Launched in May 2022, the materiality matrix is an assessment that covers economic, environmental, social and societal issues. The assessment enabled the Company to rank its CSR issues by level of priority.

> Residents, patients and beneficiaries and the quality of care, including free choice, dignity and well-being of residents, patients and beneficiaries.

> Health and safety risks for employees, including social dialogue and quality of life at work.

> Risks related to business ethics, cybersecurity and personal data management.

For more information, see Chapter 3 of this Universal Registration Document.



- Support for residents, patients and other beneficiaries
- Environment
- Social
- Ethics and compliance
- Societal

INNOVATION

2022 ORPEA EXCELLENCE AWARDS

Each year, the ORPEA Excellence Awards are awarded to the most innovative and original projects proposed by the Group's teams to improve the quality of care and the lives of residents and patients.

66
projects were submitted by nine countries where the Group operates.

7
winners were chosen by the Jury.

Three categories have existed since the Awards were created (2015)

- Research
- Innovation in Care
- Clinical Ethics

The "1,000 smiles" category was created in 2020 to recognise the extra effort of teams to unite, strengthen ties and transmit positive energy and optimism to residents and patients through their smiles during the first wave of the Covid-19 pandemic.

For this eighth edition of the Awards, a fifth category was created: Innovate! Accelerator.

Unlike the other categories, this one recognises ideas for future projects, rather than projects that have already been deployed. The winner will have the opportunity to deploy and test their idea at facilities using the talent accelerator.
In 2022, 66 projects were submitted from nine countries and seven winners were selected by the Jury. For information on the 2022 winners, see section 3.2.4.3 of this Universal Registration Document.

CHAPTER 1
PRESENTATION OF THE ORPEA GROUP AND ITS MARKETS

Presentation of the ORPEA Group

1

At a time of accelerated population ageing worldwide and increasingly prevalent chronic diseases, since its creation in 1989 ORPEA has established itself as a major provider of healthcare, care services and life pathway support for society's most vulnerable individuals, welcoming them into its facilities every year as patients or residents.

Since opening its first nursing home in France more than 30 years ago, ORPEA has experienced rapid growth, characterised in particular by international diversification and rapid property development. As a result, at end-2022, the Group had nearly 90,860 beds in operation[1] across 992 facilities in 21 countries, engaged in the following activities:

- nursing homes;
- post-acute and rehabilitation hospitals, including both inpatient and outpatient services;
- psychiatric hospitals, for people with mental illnesses, including both inpatient and outpatient care (day and night hospitals);
- home care and services;
- senior assisted-living facilities.

Following the publication on 26 January 2022 of the book *Les fossoyeurs*, ORPEA's Board of Directors commissioned Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. At the same time, the Ministry of Solidarity and Health ordered each of the General Inspectorate of Social Affairs (*Inspection Générale des Affaires Sociales* – IGAS) and the General Inspectorate of Finance (*Inspection Générale des Finances* – IGF) to investigate the described acts.

Before the findings of the administrative investigations and the independent review were published, ORPEA undertook a series of remedial measures targeting its internal processes to eliminate any practices identified as inappropriate, adopt an effective human resources policy and allocate the financial resources required for that purpose.

This major crisis led to the departure of key members of the former management team and an overhaul of the Board of Directors' membership. It also revealed that the organisation's financial structure was inadequate.

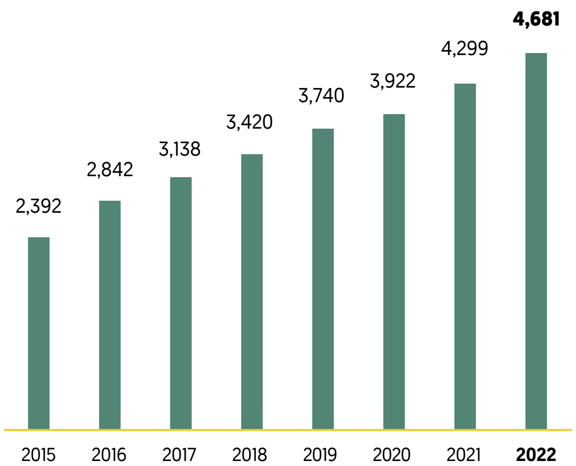
This unprecedented situation, resulting in particular from international and real estate development largely financed by debt, led the new management team to conduct an in-depth review of the Group's assets which resulted in the Refoundation Plan presented on 15 November 2022 to all of its stakeholders, along with a drastic financial restructuring plan designed to create the conditions necessary for its implementation and a sustainable financial situation.

Under the impetus of its new Chief Executive Officer, Laurent Guillot, who took office on 1 July 2022, ORPEA's aim is to regain its status as a benchmark player by strengthening its core business: offering integrated long-term care services at home or in residential facilities for people with physical or mental health vulnerabilities.

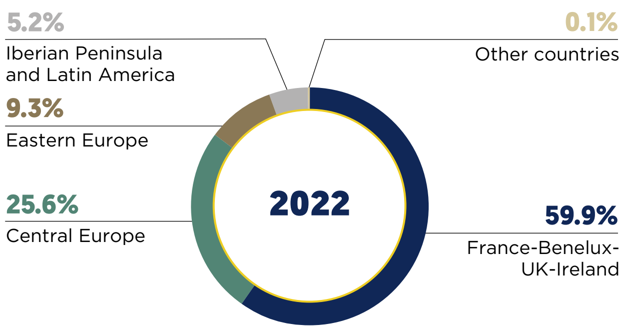
1.1 ORPEA's key figures

1.1.1 REVENUE

Change in Group revenue – 2015-2022
(in millions of euros)



Geographical breakdown of 2022 revenue

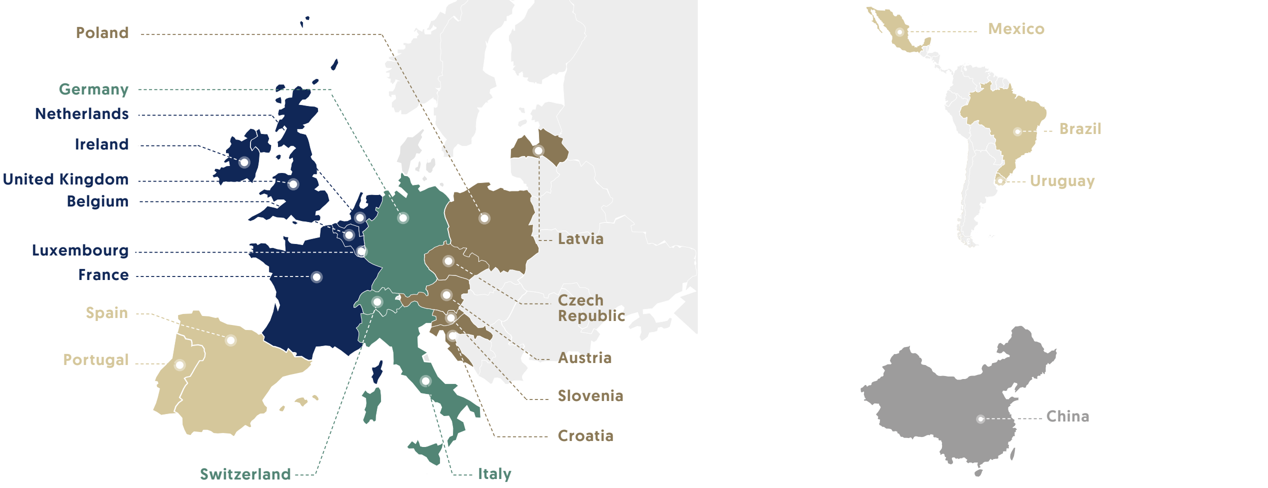


(1) *Across fully consolidated entities.*

1.1.2 A NETWORK OF FACILITIES IN 21 COUNTRIES

■ A global network of 90,860 beds in operation at 992 facilities at 31 December 2022

European network | **Network outside Europe**



France-Benelux-UK-Ireland
551 facilities
44,170 beds

Central Europe
237 facilities
23,765 beds

Eastern Europe
124 facilities
12,764 beds

Iberian Peninsula and Latin America
79 facilities
10,007 beds

Other countries (China)
1 facility
154 beds

■ Beds in operation by geographical area

	Number of open sites in operation*			Number of beds in operation*		
	31 Dec. 2022	**31 Dec. 2021**	**Change**	**31 Dec. 2022**	**31 Dec. 2021**	**Change**
France-Benelux-UK-Ireland	**551**	**530**	**+21**	**44,170**	**43,076**	**+1,094**
France	358	354	+4	33,462	32,943	+519
Belgium	51	49	+2	5,708	5,576	+132
Netherlands	116	102	+14	2,686	2,342	+344
Ireland	23	24	-1	2,105	2,142	-37
United Kingdom	2	1	+1	86	73	+13
Luxembourg	1	-	+1	123	-	+123
Central Europe	**237**	**234**	**+3**	**23,765**	**23,597**	**+168**
Germany	171	169	+2	17,620	17,584	+36
Switzerland	43	42	+1	3,767	3,629	+138
Italy	23	23	-	2,378	2,384	-6
Eastern Europe	**124**	**116**	**+8**	**12,764**	**11,671**	**+1,093**
Austria	85	80	+5	7,685	7,030	+655
Poland	12	11	+1	1,380	1,248	+132
Czech Republic	17	16	+1	2,315	2,074	+241
Slovenia	5	4	+1	731	613	+118
Latvia	1	1	-	202	202	-
Croatia	4	4	-	451	504	-53
Iberian Peninsula and Latin America	**79**	**68**	**+11**	**10,007**	**8,934**	**+1,073**
Spain	55	52	+3	7,795	7,517	+278
Portugal	11	10	+1	893	822	+71
Brazil	11	4	+7	1,108	375	+733
Uruguay	1	1	-	91	95	-4
Mexico	1	1	-	120	125	-5
Other countries (China)	**1**	**1**	**-**	**154**	**154**	**-**
TOTAL	**992**	**949**	**+43**	**90,860**	**87,432**	**+3,428**

** Number of beds and apartments open and in operation at the end of the period across the Group's fully consolidated entities.*

1.2 The ORPEA Group's core activities: a range of services to provide care for all types of frailty and vulnerability

ORPEA's mission is to meet all physical and mental long-term care requirements, both temporary and permanent. The Group has developed a comprehensive offering of care solutions and services across four activities in its main host countries:

Home care and services

For seniors at risk of losing their autonomy

Nursing homes

- Long stays
- Short stays
- Day care
- Alzheimer units

Patients aged over 80 on average

Post-acute and mental health hospitals

Post-acute specialities: musculoskeletal system, geriatric care, addiction, cardiology, nervous system, respiratory system and oncology; 70% of patients aged over 70

Mental health specialities: addiction, mood disorders, sleep disorders, eating disorders and borderline personality disorders; for children, teenagers and adults

Assisted-living facilities

Apartments for seniors aged over 70 on average, who still have some autonomy

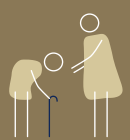
Core activities

Additional activities

1.2.1 NURSING HOMES FOR ELDERLY PEOPLE WHO ARE DEPENDENT OR LOSING THEIR AUTONOMY

DIVERSIFIED SOLUTIONS: LONG AND SHORT STAYS

DIVERSIFIED SOLUTIONS



- Units specially designed to provide care for people with Alzheimer's disease and other neurodegenerative diseases
- Temporary stays for elderly people requiring long-term care and still living at home
- Units for high dependency
- Day care

A friendly environment tailored to individual needs

- **Single rooms:** private spaces respecting each resident's individuality
- Quality accommodation, local catering with appealing options
- Maintaining social contact with families, other residents, and the community
- **Shared spaces:** lounges, bars, dining rooms, activity rooms, etc.
- Every day, **therapeutic activities and sessions** are offered to residents as part of their care and support programme

SPECIAL CARE FOR PEOPLE WITH NEURODEGENERATIVE CONDITIONS SUCH AS ALZHEIMER'S

ORPEA's facilities are specially equipped to look after the needs of people with Alzheimer's and related conditions. In particular, they feature dedicated living areas that help residents maintain social relationships throughout their stay and reduce all the factors that could exacerbate their condition, thereby ensuring their safety and well-being.

The overall offering for nursing home residents includes the following services:

- personalised support with their daily living requirements and an individual care programme that respects their needs and desires and forms the basis for all their accommodation and care;
- logistic and residential services such as accommodation, catering, laundry and room cleaning services, as well as various therapeutic workshops and daily individual and group activities.

1.2.2 POST-ACUTE AND MENTAL HEALTH HOSPITALS

POST-ACUTE CARE: AREAS OF SPECIALISATION

The ORPEA Group's post-acute and rehabilitation hospitals, which are primarily located in France, Switzerland, Germany and Austria, care for patients requiring functional rehabilitation or balanced treatment administered by medical teams, paramedical teams and technical units specially designed to cater for each area of specialisation. The aim is to give patients every chance of recovering with maximum autonomy so they can prepare to move back home.

Geriatric rehabilitation

Oncogeriatrics

Geriatric care after a stroke

Treatment of neurodegenerative diseases

Prevention of the risk of loss of autonomy

Undernutrition

Health education for caregivers

Preparation for scheduled surgery and post-surgical recovery

Neurological rehabilitation

Stroke

Multiple sclerosis

Parkinson's disease

Neuropathic pain

Health education

Rehabilitation for chronic and metabolic diseases

Diabetes

Heart disease

Respiratory failure

Arterial disease leading to disabilities

Chronic ulcers

Obesity

Health education

Addictions

Prevention of frailty

Malnutrition

Therapeutic education

Co-morbidity

Orthopaedic rehabilitation

Post-trauma care

Post-operative care for osteoarthritis

Post-amputation care

Back diseases

Health education

Cardiological and respiratory rehabilitation

Long stays

Ventilated patients

Cancer follow-up care

Nutrition

Pain

Stomal therapy

Palliative care

Minimal consciousness and comatose states

MENTAL HEALTH CARE OFFERING

The Group's mental health facilities, primarily located in France, Switzerland, Germany, the Netherlands and Austria, accommodate patients with mental health conditions.

PSYCHIATRIC SPECIALITIES

- **Mood disorders:** depression, bipolar disorder
- **Anxiety disorders:** obsessive compulsive behaviour, panic attacks, anxiety, social phobia
- **Addictions**
- **Eating disorders**
- **Sleep disorders**
- **Post-traumatic stress disorder (PTSD)**
- **Burn-out**
- **Group therapy**

SPECIALISED UNITS

- **For children, teenagers and young adults** aged 5 to 25
- **Special mother-child psychiatric rehabilitation units**
- **Geriatric psychiatry units**
- **Long-term mental health disorders** requiring 24-hour protection and support
- **Perinatal psychiatry**

1.2.3 HOME CARE SERVICES

To meet the needs and expectations of people facing a temporary or permanent loss of autonomy owing to health conditions or disabilities, the Group has a complementary offer of home care services, primarily in France, Austria, Germany, the Netherlands and Switzerland.

These services may be useful after a hospital stay or for people dealing with a loss of autonomy, whether elderly or not, and they provide personalised support tailored to their home. A range of services is available for people who are keen to continue living at home.

HOME CARE SERVICES

- **Care needs following an accident**
- **Temporary disability**
- **Loss of independence**
- **Post-hospitalisation care**

Tailored solutions to make everyday life easier:

- **Help with getting up**
- **Help with washing and dressing**
- **Preparing and helping with meals**
- **Help with taking medication**

1.2.4 SENIOR ASSISTED-LIVING FACILITIES

In Belgium, Switzerland, Germany and France, the Group has also developed senior assisted-living facilities providing accommodation suitable for independent or semi-able-bodied elderly people. These facilities do not provide medical care, but staff are on hand around the clock and can arrange all the services requested by residents, such as hairdressing, events and entertainment, meals, etc.

The senior assisted-living facilities have common areas encouraging conviviality and social interaction, and offer the following services:

- apartments for independent seniors;
- additional services (housekeeping, activities and events, concierge), logistics assistance seven days a week and a rich social life with regular activities, all provided while maintaining the individual's autonomy.

1.3 Leveraging strong assets to make ORPEA the benchmark in its sector

With the ongoing engagement of its employees, its healthcare expertise, a strong local network in all its key markets and quality real estate assets, ORPEA has what it takes to undertake and succeed in its refoundation project.

1.3.1 EMPLOYEE ENGAGEMENT

In order to ensure long-term, quality care, ORPEA has undertaken a number of projects designed to meet the challenges of recruiting and retaining employees, which are particularly acute issues across the entire sector. ORPEA is well equipped in this regard, attesting to the commitment of its nearly 76,000 employees:

- 65% of employees are proud to work in their facility;
- 73% of facility directors are women (France);
- the average length of service is five years.

To make further progress and continue improving the quality of care and support for its patients and residents, ORPEA has set the following priorities:

- ensuring the health, safety and well-being of employees. This objective will be met by implementing a shared set of standards, improving working conditions, deploying active prevention measures and investing in appropriate equipment;
- recruiting additional employees, with the aim of achieving a satisfactory direct care ratio. The target announced in the summer of 2022 of 500 new hires per month has been exceeded, with 800 monthly hires between September and December 2022, mainly of care workers.

1.3.2 HEALTHCARE EXPERTISE

The medical care and support programmes offered to patients and residents in the Group's facilities are underpinned by three essential pillars:

A Group Medical Commission

The Group Medical Commission structures the healthcare and support programmes throughout the Group by formally sharing and monitoring the inherent "cornerstones" of each care programme. The Group's medical and care strategy is based on shared experience and expertise, safety, quality, organised care, ethics and innovation.

An international and interdisciplinary Scientific Council

The Group deploys a "continuous learning" approach based on innovation, research and feedback received. Medical and care practices are based on scientific literature and academic partnerships.

The Ethics Advisory Board

The Ethics Advisory Board, headed by the Ethics Director, Professor Emmanuel Hirsch, provides clear, actionable solutions to issues raised. The Board addresses questions and concerns raised by internal teams, patients, residents and their families as well as all stakeholders.

1.3.3 A LOCAL NETWORK IN EACH HOST COMMUNITY

ORPEA is a major player in the private sector, holding significant positions in most of the countries where it operates.

The Group's teams strive to extend their facility's influence in their community, and to ensure that it is integrated into the local healthcare system through the following measures:

- reaching out to local practitioners and establishing partnerships with local operators in order to develop better networks and the best care pathways for all;
- engaging with local people who are ageing and/or losing their autonomy: providing services (digital training) and organising conferences (for caregivers) beyond the walls of the facilities;
- working with local authorities to better meet their needs and become a trusted partner (for example, in France, forging partnerships with medical schools (IFAS, IFSI) in each region);
- giving facility directors the freedom to sign local partnerships whenever possible.

1.3.4 REAL ESTATE: A BUSINESS LINE SUPPORTING THE GROUP'S OPERATIONS AS PART OF AN EMERGING OWNERSHIP POLICY

For ORPEA, real estate is a strategic and value-creating business in which its teams have acquired expertise, particularly in development and construction. This business also contributes to operational efficiency.

As part of the *With you and for you, changing ORPEA* plan presented on 15 November 2022, ORPEA has adjusted its asset ownership policy with a "Capex Right" strategy, whose objectives include reducing the level of ownership compared with the historical level, to 20%-25% of the property portfolio, and creating a dedicated real estate company in which ORPEA would remain the main shareholder and operator. The facilities owned by the Group in its eight main host countries (France, Germany, the Netherlands, Switzerland, Austria, Ireland, Spain and Italy) are generally attractive in terms of urban demographics, the balance of supply and demand, and local purchasing power.

ORPEA will be working to shape its real estate development around the following criteria:

- focus on activities and markets where the Group holds a satisfactory competitive position;
- assets generating a double-digit EBITDA margin (excluding IFRS 16) and a development margin close to 10%;
- building design incorporating innovative approaches.

The real estate strategy is based on a "Green Building" approach, integrating in particular the objective of reducing CO_2 emissions by 17% by 2025 and 32% by 2030, through the following initiatives:

- producing renewable energy at facility level;
- launching energy audits (60% of sites already audited in France);
- fitting sites with systems to reduce water consumption;
- recovering/reusing 70% of construction waste;
- obtaining environmental certification (LEED, BREEAM) for all new buildings.

1.4 Rising demand underpinned by an ageing population and the increased prevalence of chronic diseases

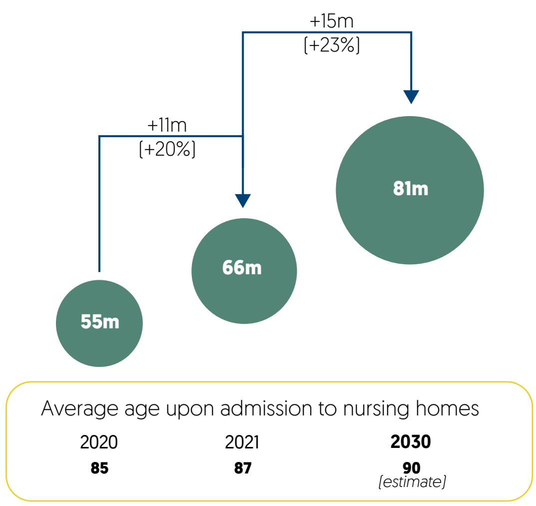
Faced with the challenges posed by Europe's ageing population and changing lifestyles (due to urbanisation and sedentary living), private operators of nursing homes and hospitals have a crucial role to play alongside public initiatives. In the majority of countries where ORPEA operates, development of the Group's activities hinges on expertise and compliance with a strict regulatory framework that constitutes a real barrier to new market entrants.

1.4.1 GROWING NEEDS – A MAJOR CHALLENGE FOR TODAY'S SOCIETY

- **Nursing homes**

EUROPEAN POPULATION AGED 75+

(millions of people, European Union)

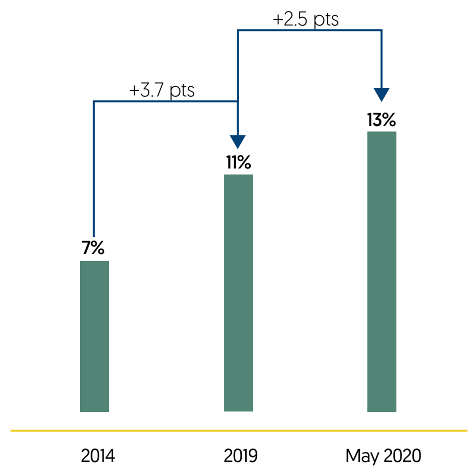


Source: UN

- **Mental health hospitals**

PREVALENCE OF DEPRESSIVE DISORDERS

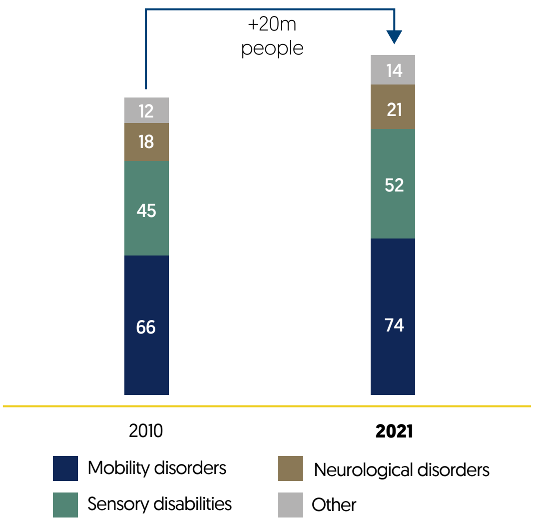
(%, 2014-2020, France)



Source: French Ministry of Solidarity and Health (Directorate of Research, Studies, Evaluation and Statistics)

Rehabilitation hospitals

PREVALENCE OF MOBILITY AND NEUROLOGICAL DISORDERS AND SENSORY IMPAIRMENTS IN THE 70+ AGE GROUP
(millions of people, European Union)



Source: WHO

Medical advances have pushed up life expectancy in most of the countries in Europe. The population aged 75 and over is therefore expected to continue growing in the coming years, reaching 81 million in 2030. At the same time, with the increase in the number of people affected by neurodegenerative diseases or chronic illnesses, the need for temporary or permanent accommodation solutions is unavoidable. In France, for example, the Jeandel-Guérin report (2021) highlighted a significant increase in the age and degree of dependency of people in nursing homes.

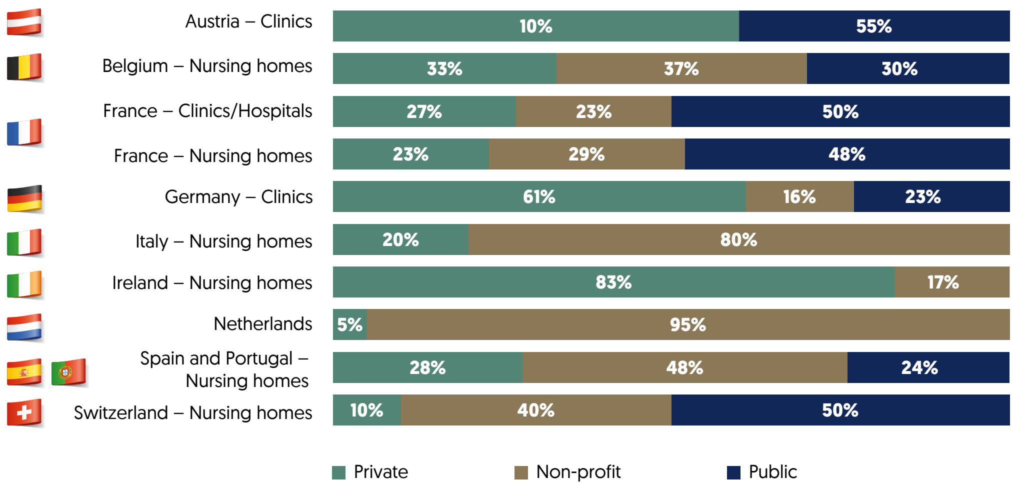
In parallel, according to World Health Organization estimates, the number of people suffering from neurodegenerative diseases is expected to rise from 47.5 million to 135 million by 2050. This means that in the many countries that will be facing the issue, a customised and specialised care offering will be needed that has not yet been sufficiently developed in most of the countries where ORPEA is present.

1.4.2 OVERVIEW OF THE SECTOR

The long-term care sector has similar characteristics in all the European countries where the Group operates:

- it is dominated by public-sector and non-profit operators, which account for between 40% and 90% of existing beds;
- the private commercial sector is still fragmented, comprising many independent players;
- there are a number of pan-European groups, such as Korian, ORPEA, Domus Vi and Colisée Patrimoine.

Breakdown of beds by country and type of operator at end-2022



Source: management estimates

1.4.3 A GROWING NEED FOR MEDICAL SERVICES AND FACILITY SPECIALISATION, FOR BOTH NURSING HOMES AND HOSPITALS

GREATER MEDICAL NEEDS IN NURSING HOMES

Nursing home residents are being admitted later in life and are increasingly dependent, an underlying trend that is being seen across most European countries. For example, according to a July 2022 study by the French Directorate of Research, Studies, Evaluation and Statistics (*Direction de la Recherche, des Etudes, de l'Evaluation et des Statistiques* – DREES), the average age of residents entering an institution was 88, up from 87 in 2015. For this reason, the average stay is 18 to 24 months, compared with around three to three and a half years 25 years ago. However, these stays, whether temporary (in order to help caregivers) or permanent, require the capacity to support residents who have higher levels of dependency due to sensory, cognitive or psychological disabilities.

Nursing homes consequently require more extensive medical services, an on-site multidisciplinary care team, specialised units caring for residents and patients with neurodegenerative diseases such as Alzheimer's, and also higher levels of safety and security.

INCREASED SPECIALISATION OF POST-ACUTE AND MENTAL HEALTH HOSPITALS

The reduced length of stays in medical, surgical and obstetrical facilities due to the development of outpatient care, means that post-acute hospitals are now of paramount importance within health systems. Post-acute and rehabilitation hospitals offer complex rehabilitation treatments, provided by multidisciplinary teams, after patients undergo major operations. Post-acute facilities are becoming increasingly specialised depending on the pathologies treated (e.g., the musculoskeletal system, nervous system, respiratory system, cardiology and oncology).

At the same time, in many countries where ORPEA operates, changes in lifestyles are leading to increasingly prevalent psychological disorders, including well-known disorders (depression, bipolar disorder, schizophrenia, addictions, etc.) and more recently identified pathologies (sleep disorders, burnout, eating disorders, etc.). Faced with the increase in these pathologies, private operators are providing a specialised care offering as a complement to public action.

1.4.4 A REGULATED AND CONTROLLED SECTOR OF ACTIVITY

Residential facilities for dependent elderly people, post-acute and rehabilitation hospitals, and mental health hospitals are highly regulated because of the major social and public health issues involved in operating them.

In France, Spain, Belgium, Italy, Switzerland, Austria and Poland, an administrative permit from regional or national supervisory authorities is required before any new healthcare facility or nursing home can be set up, converted or extended. The number of new permits issued in these countries is tightly controlled and restricted by the public authorities in an effort to ensure a decent standard of care and services and to keep spending under control.

The process of obtaining a permit and the regulatory framework vary from country to country, or even from region to region within certain countries. As a result, it is crucial to have well-respected and experienced local teams on the ground with the requisite knowledge.

In addition to administrative permits, strict operational, technical, construction, safety and environmental standards apply in the sector. Minimum ratios of care and non-care staff to residents must also be maintained. Strict standards also apply to the budgetary management of public funds. Compliance with all these standards is closely monitored in all European countries by various national or local supervisory authorities.

1.4.5 A CONTROLLED PRICING SYSTEM

Pricing for long-term care facilities and hospitals is controlled across all European countries in a bid to keep public healthcare spending in check. Per diem rates have two main components:

- a component that broadly consists of care and medical expenses, which is usually funded by the public authorities;
- a component that broadly corresponds to accommodation, meals, activities and entertainment or additional residential services, which is usually paid for by the resident or patient themselves, or covered by private insurance systems.

Owing to its complexity, this pricing system, which varies from country to country and even from one region to another, represents another barrier to entry for newcomers.

France

Nursing home (EHPAD) fees have three components:

- the accommodation fee, payable in full by the resident (or the departmental authorities, if the facility has government-approved "social assistance" beds). Increases in accommodation fees are subject to government control and every year the French Ministry of the Economy and Finance sets the percentage of the annual increase payable by residents from 1 January. That said, the accommodation fee may be freely agreed for any new residents;
- the fee for long-term care, funded by the personal autonomy allowance (*allocation personnalisée d'autonomie* – APA), which covers part of the cost based on the elderly person's care requirements and means;
- the personal care fee, which is a per diem rate funded by the French national health insurance system, paid in monthly instalments to the facility in the form of a lump sum.

The fees for post-acute and rehabilitation and mental health hospitals are set by the French national health insurance system, which pays a per diem rate for each patient cared for that covers the cost of all medical care, personal care, medicines and accommodation based on a two-bed room. Changes to this flat-rate fee covering all the related costs are regulated and controlled. In addition to the per diem rate paid by the French national health system, facilities may levy additional fees for hospitality services such as private rooms, television, telephone, Wifi, or other services. These additional fees are paid directly by patients, who may apply for reimbursement of all or part of the cost from their mutual health insurer. These fees may be changed freely.

Belgium

Nursing home fees have two components:

- the accommodation fee, payable in full by the resident. Accommodation fees are set by prior application to *SPF Économie*, a federal public service. Nursing home facilities cannot apply for a rate increase without first submitting a request, including substantiated arguments for the increase. As such, changes in fees are regulated and controlled;
- the medical care allowance, which is funded by the national health and disability insurance system (INAMI) based on the number of residents and their care requirements.

Italy

The pricing system is regional, with each region having complete autonomy. For example, the Marches region calculates the extent of each resident's care requirements and awards the facility a care services allowance. In other regions, the local health authority (ASL – *Azienda Sanitaria Locale*) gives the future resident a voucher granting access to an accredited facility depending on the availability of beds under the scheme.

Spain

Accommodation and care fees may be freely negotiated and are payable in full by residents.

In certain cases, nursing homes and the regional supervisory authorities enter into agreements primarily to reserve a certain number of beds for people with long-term care needs who have applied for assistance or full or partial coverage of the care. Under these agreements, fees are set in advance, and any changes have to be approved.

Switzerland

The medical care allowance covers around 30% of the per diem rate, which is based on the care requirement, and is covered by the national health insurance system or by private insurance. The remaining balance, which covers accommodation, services and care requirements, is paid for by the resident or their family, or in part by the canton if the resident cannot afford the full amount. This part of the fee may be changed freely.

Germany

Nursing home fees have three main components:

- a real estate component, known as the investment cost, which covers the rent or the property investment needed to build and maintain the building. Part of this component is paid for by the local authorities in respect of social assistance recipients or by residents;
- the fee for meals and hospitality services, which is paid for by residents or their family;
- the medical care and personal care fee, the majority of which is paid for by the national health insurance system. This system of financing is secured, since it has a surplus after the funding system for long-term care was reformed several years ago in Germany. The allowance is based on the resident's care requirements and varies from region to region. Increases in fees are agreed annually with the local supervisory authorities.

The fees for post-acute and rehabilitation hospitals and for psychiatric hospitals are based on per diem rates. They are agreed with the various health insurance and/or pension funds and they vary within a single facility based on a resident's conditions and insurance. Likewise, special fees apply for private patients. Broadly speaking, the per diem fees covered by pension funds are higher than those paid for by the national health insurance system owing to the importance of getting people back to work.

Austria

Nursing home fees have three components:

- accommodation costs, paid for by the residents;
- costs of care;
- any supplements paid by private residents.

Similarly to Germany, long-term care insurance covers a portion of the care costs based on a single national sliding scale linked to the resident's care requirements. In addition, if a resident does not have sufficient income, the payment may be covered by welfare benefits. Where this applies, the full per diem rate is charged to the state (*Länder*) authorities, which then recover the outstanding amount from the resident.

Every year, the state authorities set the amount by which fees may increase, usually indexed to consumer price inflation. Larger increases may be agreed, but this requires detailed justification.

Czech Republic

Nursing home fees have four main components:

- a basic fee covering the accommodation payable by residents and their families;
- the personal care fee, which is paid for by the authorities;
- medical care costs, which are covered individually by the national health insurance system;
- additional services providing higher standards of quality, which are paid for by residents or their families.

Poland

There are two types of beds:

- authorised beds operated under a licence granted by the NFZ (national health fund);
- authorised beds run by private commercial operators.

The cost of so-called "commercial" beds is paid for in full by residents' families, while the cost of "NFZ" beds is partially covered by the public sector. The NFZ agreement provides for full or partial reimbursement of medical care costs.

Accommodation costs are borne by the patients or their families. The average per diem rate is thus covered by a combination of reimbursements from the NFZ, the local authorities and private financing by families.

Netherlands

65% of the per diem rate is paid for by the government (the daily medical care costs are covered by health insurance), with the remaining 35% covering the accommodation payable by the residents.

For new residents, the outstanding amount can be set freely.

Luxembourg

52% of the per diem rate is paid for by publicly funded long-term care insurance (covering care and assistance costs), with the remaining 48% covering the accommodation and services payable by the resident.

There are no pricing controls concerning the accommodation.

Ireland

Under the general Fair Deal system, 73% of the per diem rate is paid for by the Health Service Executive. The balance is paid for both by the patient and a voluntary dependency insurance system.

1.5 Presentation of the Company's proposed Safeguard Plan

1.5.1 NEGOTIATIONS WITH STAKEHOLDERS

1.5.1.1 PROGRESS OF NEGOTIATIONS AND LAUNCH OF TWO CONCILIATION PROCEDURES

In view of the crisis experienced by ORPEA in France (see section 5.1 of this Universal Registration Document) and because the Company's access to debt markets was closed off, in the first quarter of 2022 the Group considered that it could soon find itself facing a liquidity crisis given both (i) the repayment schedule for its existing debt (€1.56 billion repayable in 2022 alone) and (ii) the investment programme launched to develop its property portfolio (€1.63 billion, of which more than half was incurred in 2022).

In addition to the protective measures taken to meet its liquidity needs (including a reduction in its investment budget and numerous discussions concerning plans to dispose of property assets), the Company contacted its main banking partners (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale, together the "**Banks**") to discuss putting in place new financing arrangements in the very short term.

These discussions took place as part of an amicable conciliation procedure, opened by order of the President of the Nanterre Specialised Commercial Court (*Tribunal de commerce spécialisé de Nanterre*) on 20 April 2022. They led to a term sheet signed on 12 May 2022 providing for the Banks to grant new financing, namely:

- a €1.727 billion secured syndicated loan (Tranches "A and B"), including €900 million (Tranches "A1/A4") with a short maturity (2023) and designed to act as a bridging loan until the proceeds from disposals of real estate assets are received (expected before the end of 2023);
- a refinancing facility (Tranche C) of up to €1.5 billion to extend the maturity of certain existing debt until December 2026.

After consultation with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"). The main terms and conditions of the Existing Loan Agreement are set out in section 1.5.4.1 below.

As the discussions with real estate investors that began in the first half of 2022 progressed, it gradually became clear that the undertakings made in the agreement with the Banks regarding real estate asset disposals to be completed by the end of 2023 would be impossible to meet due to:

- the slowdown in the real estate market in an environment shaped by rising interest rates, with a significant impact from the beginning of the summer; and
- the negative perception of the Group's financial strength, particularly after the release of its first-half results in September 2022, increasingly making ORPEA a non-credible counterparty for sale and leaseback transactions.

Therefore, without waiting for the final outcome of the strategic and financial review under way, as a result of these factors and the fact that it felt it may not be able to comply with the covenants contained in many of its financing facilities as they stood at 31 December 2022, the Company applied to the President of the Nanterre Specialised Commercial Court for a second conciliation procedure, which was opened on 25 October 2022. The aim was to provide for a stable and legally secure framework to enter into discussions with the Company's financial creditors in relation to restructuring its debt, obtaining new financial resources and adjusting its covenants.

As part of this second conciliation procedure and under the aegis of the appointed conciliator, at the end of 2022 ORPEA SA entered into discussions with its financial creditors to restructure its debt, obtain new financial resources and amend its existing financing documentation. ORPEA SA also held discussions with a group of long-term investors, in particular regarding the contribution of new equity.

1.5.1.2 SIGNATURE OF A TERM SHEET AND A LOCK-UP AGREEMENT

ORPEA presented its Refoundation Plan on 15 November 2022, which included launching a process to seek investors.

The negotiations carried out as part of the conciliation procedure opened on 25 October 2022 enabled ORPEA SA to sign, on 1 February 2023, a term sheet on a financial restructuring plan (the "**Term Sheet**") with (i) a group of long-term French investors including Caisse des Dépôts et Consignations, CNP Assurances, MAIF and MACSF (together the "**Groupement**"), and (ii) five institutions holding the Company's unsecured debt (the "**SteerCo**"), under which the parties agreed on the principles of the financial restructuring plan, as further described below.

At the same time, the stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in the press release of 15 November 2022.

The Term Sheet meets ORPEA SA's objectives of achieving a sustainable financial structure and financing its Refoundation Plan presented on 15 November 2022, through:

(i) the conversion into capital of all of ORPEA SA's unsecured debt, corresponding to a reduction in the Group's gross debt of approximately €3.8 billion; and

(ii) an equity injection in cash (new money equity) of €1.55 billion, via capital increases which would be subscribed by the Groupement for a total of €1.355 billion, with a backstop for the balance up to €195 million provided by the SteerCo.

In connection with the Term Sheet, on 14 February 2023, ORPEA SA entered into a lock-up agreement (the "**Lock-Up Agreement**"), formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement ORPEA SA's financial restructuring.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo, the original signatories to the Lock-Up Agreement), representing approximately €1.9 billion in outstanding unsecured debt, have acceded to the Lock-Up Agreement, in accordance with its terms and prior to the longstop date which was set at 10 March 2023.

The conditions for the implementation of the financial restructuring project as provided for in the Lock-Up Agreement are standard conditions and are detailed in section 1.5.3 below.

1.5.1.3 SIGNATURE OF AN AGREEMENT WITH ORPEA SA'S MAIN BANKING PARTNERS RELATED TO THE PROVISION OF ADDITIONAL FINANCING AND AMENDMENTS TO THE JUNE 2022 FINANCING DOCUMENTATION

On 17 March 2023, ORPEA SA entered into an agreement protocol with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) in view of the opening of an accelerated safeguard procedure (the "**Agreement Protocol**"), setting out the terms and conditions for the provision of additional financing and amendments to the June 2022 financing documentation, summarised in section 1.5.4 below.

The aim of the Agreement Protocol is to formalise the parties' undertakings with a view to enabling ORPEA SA to implement its restructuring plan as part of an accelerated safeguard procedure.

1.5.1.4 OPENING OF AN ACCELERATED SAFEGUARD PROCEDURE

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure for ORPEA SA, with an initial observation period set at two months, which was extended for a further two months by way of a judgement of the Nanterre Specialised Commercial Court dated 22 May 2023. The term of the accelerated safeguard procedure has therefore now been set at 24 July 2023.

The main purpose of this procedure is to enable the Company to implement its restructuring plan in accordance with the provisions of the Lock-Up Agreement and the Agreement Protocol, described in sections 1.5.1.2 and 1.5.1.3 above.

The Court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator.

1.5.2 DESCRIPTION OF THE SAFEGUARD PLAN

The key points of ORPEA SA's financial restructuring are as follows:

1. the conversion into capital of all of ORPEA SA's unsecured debt, amounting to €3.8 billion (if shareholders do not exercise their pre-emption rights to subscribe for the related capital increase);
2. an equity injection in cash (new money equity) for a total amount of €1.550 billion carried out through capital increases, including €1.355 billion subscribed by the Groupement, and the remaining €195 million open to all shareholders (including creditors who have become shareholders), with a backstop provided by the SteerCo;
3. the provision of "new money" financing by ORPEA's main banking partners and amendments to the June 2022 financing documentation, including the extension of the final maturity to December 2027 and the reduction of the margin to 2.00% per annum in accordance with the above-mentioned agreement;
4. obtaining agreements from the lenders concerned in respect of waivers relating to change of control clauses and the "R1" and "R2" financial covenants to enable the completion of the financial restructuring.

1.5.2.1 CAPITAL INCREASES

The features of the planned capital increases will differ depending on whether (i) all classes of affected parties vote in favour of the financial restructuring plan or (ii) one or more of the classes of affected parties votes against the financial restructuring plan (cross-class cram down of the plan).

The implementation of the capital increases proposed under the financial restructuring plan, which are expected to be completed in the second half of 2023, will result in massive dilution for existing shareholders. Based on the financial parameters previously communicated by the Company and the valuation of the Company's equity used by the parties for the purposes of these transactions, these capital increases would be carried out at issue prices significantly below the current ORPEA share price.

In view of the significant dilution resulting from the proposed transactions, on 14 March 2023, the Board of Directors voluntarily decided, pursuant to Article 261-3 of the AMF General Regulation, to appoint SORGEM Évaluation as an independent expert to give an opinion on the financial restructuring. Consequently, the independent expert assessed the financial terms of the financial restructuring from the standpoint of the shareholders and issued a report containing a fairness opinion. The report was made available to the shareholders on 24 May 2023 for the purposes of the vote of the class of affected shareholder parties on approving the Safeguard Plan, scheduled for 16 June 2023.

Following completion of the capital increases, the breakdown of the Company's capital would be as follows (if existing shareholders do not exercise their various pre-emption rights):

(i) if all classes of affected parties vote in favour of the Accelerated Safeguard Plan:
- the Groupement: 50.2%,
- unsecured creditors following the conversion of debt into shares: 39.6%,
- the SteerCo: 9.2%,
- existing shareholders: 0.4%;

(ii) if one of the classes of affected parties votes against the Accelerated Safeguard Plan:
- the Groupement: 50.2%,
- unsecured creditors following the conversion of debt into shares: 40%,
- the SteerCo: 9.8%,
- existing shareholders: 0.04%.

Prior to the first capital increase described below, the Company's capital will be reduced by reducing the par value of each share to one euro cent.

(i) Step 1: Equitisation of all unsecured debt

For the purpose of this first step, ORPEA SA would carry out a rights issue, for an amount of approximately €3.8 billion, with a backstop provided by all of ORPEA SA's unsecured creditors, who would subscribe if required by offsetting their existing receivables.

Any cash proceeds resulting from the subscription by existing shareholders to this capital increase (the "**Equitisation Capital Increase**") will be used to repay the Company's unsecured creditors at nominal value in due proportion.

Creditors voting in favour of the plan would be offered the possibility – up to a ceiling of 25% of the total value of the unsecured debt – to transfer their unsecured debt for its nominal value to a special purpose vehicle (the "**SPV**"), in exchange for debt instruments issued by the SPV, which will itself convert the debt concerned into Company shares (or benefit from a cash payment in the event of a proportionate repayment as described above).

The financial parameters of the Equitisation Capital Increase would be as follows:

(i) if all classes of affected parties vote in favour of the financial restructuring plan:
- capital increase amounting to approximately €3.8 billion,
- issue of approximately 6.4 billion new shares,
- theoretical issue price of €0.6067 per share, and
- post-capital increase holding of existing shareholders (assuming that no shareholders exercise their pre-emption rights): 1% of the share capital;

(ii) if one or more of the classes of affected parties votes against the financial restructuring plan:
- capital increase amounting to approximately €3.8 billion,
- issue of approximately 64.6 billion new shares,
- theoretical issue price of €0.0601 per share, and
- post-capital increase holding of existing shareholders (assuming that no shareholders exercise their pre-emption rights): 0.1% of the share capital.

(ii) Step 2: Groupement Capital Increase

For the purpose of this second step, ORPEA SA would carry out a cash capital increase reserved for the members of the Groupement, amounting to €1,158.6 million if all of the classes of affected parties approve the Accelerated Safeguard Plan, or to €1,160.1 million if one of the classes of affected parties does not approve the Accelerated Safeguard Plan (the "**Groupement Capital Increase**").

If the class of affected shareholder parties votes against the financial restructuring plan, and a cross-class cram down of the plan is ordered by the Commercial Court, shareholders would be granted priority rights to subscribe for the Groupement Capital Increase. In accordance with Article L. 626-32 I 5° c) of the French Commercial Code, this priority right would only be given to shareholders that existed before the launch of the Equitisation Capital Increase (Step 1), and would therefore not apply to any unsecured creditors who become Company shareholders following Step 1. In this case, the Groupement would subscribe to the Groupement Capital Increase in an amount representing the difference between the total amount of the capital increase and any amount subscribed by the shareholders via their priority rights, up to a maximum of €1,158.6 million or €1,160.1 million, as appropriate.

The financial parameters of the Groupement Capital Increase would be as follows:

(i) if all classes of affected parties vote in favour of the financial restructuring plan:
- capital increase amounting to approximately €1,158.6 million,
- issue of approximately 6.5 billion new shares,
- theoretical issue price of €0.1778 per share,
- post-capital increase holding of existing shareholders: 0.5% of the capital, if no shareholders take part in the Equitisation Capital Increase,
- pre-money valuation[1] of €1,150.3 million;

(ii) if one or more of the classes of affected parties votes against the financial restructuring plan:
- capital increase amounting to approximately €1,160.1 million,
- issue of approximately 65.2 billion new shares,
- theoretical issue price of €0.0178 per share,
- post-capital increase holding of existing shareholders: 0.05% of the capital, if no shareholders take part in the Equitisation Capital Increase, and (if the class of affected shareholder parties votes against the plan) in the Groupement Capital Increase,
- pre-money valuation[1] of €1,151.6 million.

(iii) Step 3: Rights issue

For the purpose of this third step, the Company would carry out a rights issue (including any creditors who have become shareholders), subscribed for by the members of the Groupement up to an amount of approximately €196 million by exercising their pre-emption right (and any additional pre-emption right they may exercise if the other shareholders do not exercise their rights), with the balance, i.e., approximately €195 million in the event of approval of the Accelerated Safeguard Plan by all of the classes of affected parties, or €194 million in the event of non-approval of the Accelerated Safeguard Plan by one of the classes of affected parties, being guaranteed by the SteerCo (the "**Rights Issue**").

(1) Value used by the parties to the Lock-Up Agreement for the shares comprising the share capital after completion of the Equitisation Capital Increase and before the issue of new shares under the Groupement Capital Increase, i.e., (i) the number of shares existing before completion of the Equitisation Capital Increase plus (ii) the shares issued under the Equitisation Capital Increase.

The financial parameters of the Rights Issue would be as follows:

(i) if all classes of affected parties vote in favour of the financial restructuring plan:
- capital increase amounting to approximately €391.5 million,
- issue of approximately 2.9 billion new shares,
- theoretical issue price of €0.1335 per share,
- post-capital increase holding of existing shareholders: 0.4% of the capital, if no shareholders take part in the Equitisation Capital Increase or the Rights Issue,
- pre-money valuation[1] of €1,733.7 million[2];

(ii) if one or more of the classes of affected parties votes against the financial restructuring plan:
- capital increase amounting to approximately €390.0 million,
- issue of approximately 29.3 billion new shares,
- theoretical issue price of €0.0133 per share,
- post-capital increase holding of existing shareholders: 0.04% of the capital, if no shareholders take part in the Equitisation Capital Increase,
- pre-money valuation[1] of €1,727.2 million[3].

(iv) Steps subsequent to the completion of the capital increases: reverse stock split, second capital reduction and allocation of warrants (*Bons de souscription d'actions* or BSA)

Following the completion of the last capital increase provided for in the Accelerated Safeguard Plan, namely the Rights Issue, the following transactions will be carried out in relation to the Company's share capital:

(i) a reverse stock split such that one hundred (100) ordinary shares with a par value of €0.01 each will be exchanged for one (1) new share with a par value of €1 each (the "**Reverse Stock Split**"). If one or more of the classes of affected parties does not approve the Accelerated Safeguard Plan, this exchange ratio will be increased to one thousand (1,000) ordinary shares with a par value of €0.01 each exchanged for one (1) new share with a par value of €10 each;

(ii) a reduction of the Company's share capital due to losses, by way of reducing the par value of the Company's shares from €1 or €10, as the case may be (following the Reverse Stock Split) to €0.01 per share (the "**Second Capital Reduction**").

In addition, as consideration for their undertaking to subscribe for the Groupement Capital Increase and the Rights Issue, the members of the Groupement will be allocated by the Company, after completion of the Rights Issue, warrants (*Bons de souscription d'actions* or BSA) to subscribe for shares (the "**Groupement Warrants**"), the total value of which will be equal to 10% of the total amount of their undertaking to subscribe for the Rights Issue, entitling their holders to subscribe for shares representing (i) 0.728% of the Company's share capital in the event of approval of the Accelerated Safeguard Plan by all of the classes of affected parties or (ii) 0.725% of the Company's share capital in the event of non-approval of the Accelerated Safeguard Plan by one or more of the classes of affected parties, on a fully diluted basis.

Furthermore, as consideration for their undertaking to guarantee the Rights Issue, the members of the SteerCo will be allocated by the Company, after the completion of the Rights Issue, warrants (the "**SteerCo Warrants**" and, together with the Groupement Warrants, the "**Warrants**"), the total value of which will be equal to 10% of the amount of the backstop undertaking agreed upon in connection with the Rights Issue, entitling their holders to subscribe for shares representing (i) 0.722% of the Company's share capital in the event of approval of the Accelerated Safeguard Plan by all of the classes of affected parties or (ii) 0.720% of the Company's share capital in the event of non-approval of the Accelerated Safeguard Plan by one or more of the classes of affected parties, on a fully diluted basis.

1.5.2.2 CHANGES IN THE GOVERNANCE STRUCTURE

Under the Lock-Up Agreement, the parties agreed to adapt the governance structure of ORPEA SA as from the completion of its financial restructuring.

The main features of the governance structure set to come into effect following the financial restructuring are as follows:

- the continued separation of the roles of Chairman of the Board of Directors and Chief Executive Officer;
- a Board of Directors with 13 members, comprising:
  - the Chief Executive Officer of the Company,
  - two employee representatives, in accordance with the applicable laws,
  - seven members put forward by the Groupement, including three independent directors,
  - three independent directors within the meaning of the AFEP-MEDEF Code;
  - a non-voting advisor role for a member of the SteerCo, which has become a shareholder.

(1) Value used by the parties to the Lock-Up Agreement for the shares comprising the share capital after completion of the Groupement Capital Increase and before completion of the Rights Issue, i.e., (i) the number of shares existing before completion of the Equitisation Capital Increase, plus (ii) the shares issued under the Equitisation Capital Increase, plus (iii) the shares issued under the Groupement Capital Increase.

(2) Amount corresponding to the sum of (i) the €1,150.3 million pre-money value used by the parties to the Lock-Up Agreement for the purposes of setting the financial parameters of the Groupement Capital Increase, and (ii) the amount of equity raised through the Groupement Capital Increase, i.e., €1,158.8 million, less a discount of approximately 25% corresponding to the value allocated to shareholders' pre-emption rights by the parties to the Lock-Up Agreement.

(3) Amount corresponding to the sum of (i) the €1,151.6 million pre-money value used by the parties to the Lock-Up Agreement for the purposes of setting the financial parameters of the Groupement Capital Increase, and (ii) the amount of equity raised through the Groupement Capital Increase, i.e., €1,160.1 million, less a discount of approximately 25% corresponding to the value allocated to shareholders' pre-emption rights by the parties to the Lock-Up Agreement.

1.5.3 IMPLEMENTATION OF THE FINANCIAL RESTRUCTURING PROJECT

The implementation of the Accelerated Safeguard Plan is subject to a number of conditions precedent, including (i) the approval by the AMF (*Autorité des marchés financiers*) of the prospectuses relating to the planned capital increases, (ii) the Groupement obtaining a final exemption from the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring, (iii) the approval of the Safeguard Plan by the Nanterre Commercial Court, and (iv) obtaining any other required regulatory approvals.

The main steps in implementing the Accelerated Safeguard Plan are as follows:

- the Groupement obtaining an exemption from the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring: this exemption was obtained on 25 May 2023;
- obtaining a fairness opinion from the independent expert appointed by the Company's Board of Directors confirming the fairness of the restructuring operations provided for under the Safeguard Plan: this fairness opinion was delivered and published on 24 May 2023;
- the classes of affected parties voting on the financial restructuring plan: these votes will be taken, for all of the classes of affected parties, who will be called to successive meetings, between 9 and 16 June 2023;
- obtaining the necessary regulatory approvals: according to the provisional timetable, these approvals should be obtained by 30 June 2023 at the latest;
- approval of the Safeguard Plan by the Nanterre Specialised Commercial Court: according to the provisional timetable, this approval could be issued in mid-July 2023.

Based on the provisional timetable, assuming all of the conditions are satisfied, the Accelerated Safeguard Plan should be implemented in the second half of 2023 or any later date as may be agreed in accordance with the Accelerated Safeguard Plan and the Lock-up Agreement.

1.5.4 MAIN FEATURES OF THE JUNE 2022 FINANCING, THE NEW MONEY ADDITIONAL FINANCING AND THE AMENDMENTS TO THE JUNE 2022 FINANCING DOCUMENTATION

1.5.4.1 JUNE 2022 FINANCING

On 12 May 2022, ORPEA signed a term sheet with its main banking partners (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale) (the "**Banks**") as part of an amicable conciliation procedure opened by way of an order of the President of the Nanterre Specialised Commercial Court on 20 April 2022.

After consultation with the appropriate employee representative bodies and obtaining their opinion, this term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022 (the "**Protocol**"), which put an end to the first conciliation procedure and gave rise to the signature of the Existing Loan Agreement with the Banks on 13 June 2022.

The table below summarises the main features of the Existing Loan Agreement prior to its amendment as described in section 1.5.4.3 below:

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Purpose	To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans.			To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and *Schuldschein*, for the second half of 2022 and to finance all fees, costs and expenses relating to the Loans.	To refinance unsecured debt (excluding bonds and *Schuldschein*) and finance all fees, costs and expenses relating to the Loans.
Principal amount	€700 million	€600 million	€200 million	€229 million	€1,500 million
Amount drawn down at 31 December 2022	€700 million	€600 million	€200 million	€227.4 million	€1,500 million
Repayment profile	Single repayment at maturity	▪ €100 million repayable on 30 June 2024 ▪ €100 million repayable on 31 Dec. 2024 ▪ €100 million repayable on 30 June 2025 ▪ Balance repayable on 31 Dec. 2025	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity
Number of authorised drawdowns	Maximum of two	Two (A2 Loan and A3 Loan)	One[2]	Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)	Depending on the commitment confirmations
Final maturity	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	30 June 2023 or 31 Dec. 2023[3]	31 Dec. 2025	31 Dec. 2026
Annual margin	4.00% to increase by 2.00% from 1 Jan. 2024	4.00%	3.50% to increase by 1.00% from 1 July 2023	4.00%	5.00%

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Security interests and privileges	■ A *Dailly* assignment of intra-group loans financed by loan drawdowns. ■ First-ranking pledges over: – 100% of the shares of CEECSH (the "**CEECSH Pledge**"), – 100% of the shares of ORESC 25 S.à.r.l ("**ORESC**").				(i) Security interests equivalent to the A Loan for the C1 Loan and (ii) Second-ranking pledges for the C2 Loan
Undertakings relating to the disposal of operating and real estate assets	■ Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds. ■ Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 Dec. 2023, increasing to (ii) €1.5 billion at 31 Dec. 2024, and (iii) €2 billion at 31 Dec. 2025[4].				
Early repayment undertakings	■ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 Loan. ■ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans. ■ Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans. ■ Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of its subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million). ■ Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions), to repay the A2/A3 and B Loans. ■ Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan.				
Other undertakings	From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA SA's accelerated safeguard procedure.				
Enforcement of security interests	If the original lenders under the Existing Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan): ■ loan payment default; ■ failure to comply with the minimum consolidated cash undertaking described below; ■ insolvency proceedings; ■ failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral; ■ cross-default above a cumulative threshold of €100 million; ■ issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern. If the original lenders under the Existing Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan): ■ loan payment default; ■ insolvency proceedings; ■ the second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings).				
Events of default (subject to the usual materiality thresholds and cure periods, if any)	■ Loan payment default. ■ Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter from 30 June 2023. ■ Cross-acceleration above a cumulative threshold of €40 million. ■ Insolvency proceedings. ■ Enforcement proceedings as from a cumulative threshold of €40 million. ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements. ■ Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the undertakings relating to the disposal of operating assets and real estate assets.				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) Drawdown conditional on the delivery of a Memorandum of Understanding relating to the disposal of real estate assets for €200 million (the "MoU").
(3) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.
(4) The undertakings to sell real estate assets do not prevent the Group from leasing those assets.

After the conditions precedent provided for in the Existing Loan Agreement and the Protocol were lifted, up to the end of December 2022 the Company made several drawdowns on the various loans described above, for the total planned amount of €3.227 billion.

These funds were used to finance and refinance the Group's general corporate purposes (including, but not limited to, debt servicing and capital expenditure) as well as the costs due under the Existing Loan Agreement as detailed above.

1.5.4.2 ADDITIONAL FINANCING - NEW MONEY DEBT

Pursuant to the Agreement Protocol entered into on 17 March 2023, ORPEA's main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale – the "**Lenders**") agreed to participate in a senior financing arrangement (New Money Debt) for €600 million, consisting of three facilities:

(i) a €400 million revolving credit facility (the "**D1 Facility**");

(ii) a revolving credit facility of up to €100 million (the "**D2 Facility**"); and

(iii) a revolving credit facility of up to €100 million (the "**D3 Facility**").

The above financing was granted to ORPEA SA (with the exception of the first €200 million tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The financing agreement related to the New Money Debt, dated 26 May 2023, was signed electronically on 29 May 2023.

The main terms of the Facilities can be summarised as follows:

	D1 Facility	D2 Facility	D3 Facility
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of ORPEA (for the D1B Tranche and the D2 and D3 Facilities) and Niort 94/Niort 95 (including, without limitation, repayment of intra-group debt, debt servicing and capital expenditure) and (y) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount (€)	€400 million, broken down as follows: ▪ **D1A Tranche:** €200 million ▪ **D1B Tranche:** €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group between the opening of ORPEA's accelerated safeguard procedure and the first drawdown on the D2 Facility.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group between the opening of ORPEA's accelerated safeguard procedure and the first drawdown on the D3 Facility.
Annual margin	2.00% per annum		
Final maturity	**D1A/D1B Tranches:** 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of the second capital increase (i.e., the Groupement Capital Increase) provided for in the judgement of the Nanterre Specialised Commercial Court approving the ORPEA Accelerated Safeguard Plan (the "**Plan Approval**") and ORPEA's receipt of the related amounts.	Same as for the D2 Facility.
Availability period	From the date of signature until one month prior to the maturity date of the D1 Facility.	(x) From the earlier of: (i) the date of signature and (ii) the date on which the D1 Facility is fully drawn down and (y) until one month prior to the maturity date of the D2 Facility.	(x) From the earlier of: (i) the date on which the D2 Facility is fully drawn down and (ii) 31 August 2023 and until (y) one month prior to the maturity date of the D3 Facility.
Collateral, guarantee and equity injection undertaking	▪ A first-ranking pledge (*nantissement de premier rang*) to be granted by ORESC 27, a newly-created company ("**Topco**"), wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26 ("**NewCo**") which is wholly owned by Topco and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95. ▪ A pledge of receivables (*nantissement de créances*) to be granted, following the Plan Approval, by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities. ▪ An autonomous guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) for the D1A Tranche. ▪ An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by ORPEA, following the Plan Approval, to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities. ▪ A *Dailly* assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities, other than for cash pooling purposes. ▪ A post money privilege in relation to borrowings made by ORPEA.		

The financing documentation provides for customary events of default (subject to customary materiality thresholds and cure periods where applicable), including:

- any payment default related to the Facilities;
- failure to comply with the N94/95 LTV Ratio described below;
- cross-payment default and cross-acceleration above a cumulative threshold of €40 million;
- insolvency proceedings;
- enforcement procedures from a cumulative threshold of €40 million;
- the issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements;
- any administrative, arbitration, governmental or regulatory disputes, claims or litigation that are reasonably likely to have a material adverse effect.

Main undertakings of ORPEA, Topco, NewCo, N94 and N95

ORPEA and some of its subsidiaries have given the following main undertakings:

Undertakings relating to all net proceeds received in respect of any debt incurred in connection with external financing

ORPEA, Niort 94 and Niort 95 have undertaken that all net proceeds received by Niort 94, Niort 95 or any of their subsidiaries in respect of any debt incurred in connection with external financing will be allocated (subject to customary exceptions) to the early repayment of:

- first, the D3 Facility: for 100% of the proceeds (until fully repaid and cancelled);
- second, the D2 Facility: for 100% of the proceeds (until fully repaid and cancelled); and
- third, the D1 Facility, for 50% of the proceeds.

Undertaking to use a portion of net proceeds from capital increases to repay the Facilities

ORPEA, Niort 94 and Niort 95 have undertaken that the net proceeds from the capital increases planned pursuant to the Plan Approval will be allocated to the early repayment of:

- first, the D3 Facility (until fully repaid and cancelled); and
- second, the D2 Facility (until fully repaid and cancelled).

Undertakings relating to all net proceeds from disposals of real estate assets

ORPEA has undertaken that the net proceeds from disposals that it or its subsidiaries receive from the date of the Agreement Protocol will be allocated to the early repayment of the D2 and D3 Facilities until they are fully repaid.

Undertaking to maintain an N94/95 LTV ratio

ORPEA, Niort 94 and Niort 95 have undertaken that the N94/95 LTV ratio will not exceed 55% at 31 December 2023 and 50% at 31 December of each subsequent year, the "**N94/95 LTV Ratio**" being defined as follows:

- "N94/95 LTV Ratio" means the ratio of N94/95 Consolidated Debt to N94/95 Gross Asset Value.
- "N94/95 Consolidated Debt" means, at the relevant test date:
  - the total amount of principal outstanding under external debt (including the Facilities and lease financing, but excluding current account advances and subordinated intra-group loans[1] covered by the subordination agreement and excluding the debt contracted under any cash pooling agreement at Group level) of Niort 94, Niort 95 and their subsidiaries designated to be taken into account in the calculation (the "**LTV Subsidiaries**").
- "Gross Asset Value N94/95" means the total gross value of the assets held by Niort 94, Niort 95 and the LTV Subsidiaries (excluding furnished rentals and minority interests if no third-party valuation is available), valued by independent valuers.

1.5.4.3 AMENDMENTS TO THE JUNE 2022 FINANCING DOCUMENTATION

Pursuant to the Agreement Protocol, ORPEA and the Banks have agreed to make a number of amendments to the Existing Loan Agreement in the context of ORPEA's financial and shareholder restructuring (the "**Addendum**"). The Addendum, dated 26 May 2023, was signed electronically on 29 May 2023. It will enter into force on the date on which the various applicable conditions precedent have been satisfied (the "**Effective Date**"), including the receipt by ORPEA of the proceeds from the Groupement Capital Increase. Under the terms of the Addendum, the Banks have already granted a waiver for any defaults that may arise from any breach of the provisions of the Existing Loan Agreement that would not have occurred had the Effective Date already passed.

The main terms of the Addendum can be summarised as follows:

	A Loans				
	A1 Loan	**A2/A3 Loans**	**A4 Loan**	B Loan	C1/C2 Loans
Margin	2.00% per annum				
Maturity date	31 December 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 December 2027	31 December 2027
	31 December 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 October 2026)	31 December 2027	31 December 2023		
Repayments	▪ 31 October 2024: €200 million ▪ 31 October 2025: €200 million This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the Effective Date up to €100 million (the "**First Net Disposal Proceeds**"). ▪ 31 October 2026: €200 million	At maturity	31 December 2023: €200 million	At maturity	At maturity

Annual cash sweep based on disposals

ORPEA will undertake to make mandatory early repayments on 30 June of each year (and for the first time on 30 June 2025) for the A1, A2/A3 and B Loans in an amount equal to:

- 75% of the net proceeds from the disposal of operating and real estate assets (as described above in relation to the Existing Loan Agreement) received by the members of the Group as from 13 June 2022 and up to 31 December of the prior financial year; less
- the total amount of the Repayments, voluntary early repayments and mandatory early repayments (plus any First Net Disposal Proceeds received by any member of the Group, even if not yet allocated for early repayment of the Loans) from the Effective Date to 31 December of the prior financial year,

it being specified that this amount will be reduced to the extent necessary to ensure that the Group's Liquidity (as defined below) as adjusted for this early repayment is at least equal to €300 million until 31 December of the current financial year.

The above early repayment will be applied in the chronological order of the scheduled repayments of the A1, A2/A3 and B Loans (*pari passu* and on a pro rata basis for repayments falling on the same date).

(1) *Any payment or repayment of intra-group loans will be strictly subject to the terms of the subordination agreement.*

Net proceeds from subscriptions to new capital market debt issues

In accordance with the Existing Loan Agreement, subject to the provision that any early repayments made using such proceeds are allocated to the Repayments, in chronological order, of the A1, A2/A3 and B Loans (*pari passu* and on a pro rata basis for Repayments falling on the same date).

Minimum level of cash/undrawn committed facilities

The €300 million minimum liquidity undertaking provided for in the Existing Loan Agreement will be tested on the last day of the first full calendar quarter ending after the Effective Date. For the purposes of this undertaking, the "**Group's Liquidity**" will now correspond to the sum of (i) the Group's cash and cash equivalents, and (ii) all undrawn committed facilities immediately available under the Group's existing financing arrangements.

Disposal undertakings

Undertaking to dispose of €1.25 billion worth of real estate assets (gross asset value excluding duties) by 31 December 2025.

1.5.4.4 IMPACTS OF THE FINANCIAL RESTRUCTURING ON THE GROUP'S CAPITAL STRUCTURE AND THE MATURITY SCHEDULE OF ITS DEBT AT 31 DECEMBER 2022

The main components of the Company's financial restructuring are (i) the transactions concerning the Company's capital described in section 1.5.2.1 above, namely the conversion into capital of some €3.8 billion worth of ORPEA SA's unsecured debt and the €1.55 billion worth of cash capital increases, and (ii) the provision of new money debt and the amendments to the June 2022 financing documentation, as described in sections 1.5.4.2 and 1.5.4.3 respectively.

The tables below show the impact of all of these transactions and contractual amendments on the Group's capital structure and its debt maturity schedule at 31 December 2022, on a pro forma basis.

Impact of the financial restructuring on the Group's capital structure

At 31 December 2022 – before the financial restructuring *(in millions of euros)*	**ORPEA SA**	**Subsidiaries**	**Group**
June 2022 syndicated loan	3,227	-	3,227
Partially secured EuroPP	32	-	32
Other secured debt	321	1,779	2,101
Total secured debt	**3,580**	**1,779**	**5,359**
Bonds	1,400	-	1,400
Bank borrowings	155	398	553
Unsecured EuroPP	698	-	698
Schuldschein	1,570	136	1,705
Total unsecured debt	**3,823**	**534**	**4,357**
GROSS DEBT (NON-IFRS)	**7,403**	**2,314**	**9,716**
Cash and cash equivalents			(856)
NET DEBT (NON-IFRS)			**8,860**

At 31 December 2022 – pro forma as adjusted for the financial restructuring *(in millions of euros)*	**ORPEA SA**	**Subsidiaries**	**Group**
June 2022 syndicated loan	3,227	-	3,227
Partially secured EuroPP	32	-	32
Other secured debt	321	1,779	2,101
Total secured debt	**3,580**	**1,779**	**5,359**
Bonds	-	-	-
Bank borrowings	-	398	398
Unsecured EuroPP	-	-	-
Schuldschein	-	136	136
Total unsecured debt	**-**	**534**	**534**
GROSS DEBT (NON-IFRS)	**3,580**	**2,314**	**5,894**
Cash and cash equivalents			(2,296)
NET DEBT (NON-IFRS)			**3,597**

The Group's pro forma gross debt (non-IFRS) at end-2022 would be €5.9 billion following the conversion into capital of ORPEA SA's unsecured debt and assuming that the additional new money debt provided in the form of a revolving credit facility (RCF) is not drawn down at 31 December 2022.

Pro forma net debt (non-IFRS) would amount to €3.6 billion, with the difference between that figure and the reported non-IFRS net debt figure resulting from the conversion into capital of ORPEA SA's unsecured debt and the increase in cash corresponding to the gross proceeds of the cash capital increases provided for in the financial restructuring plan, less the various costs of implementing the plan.

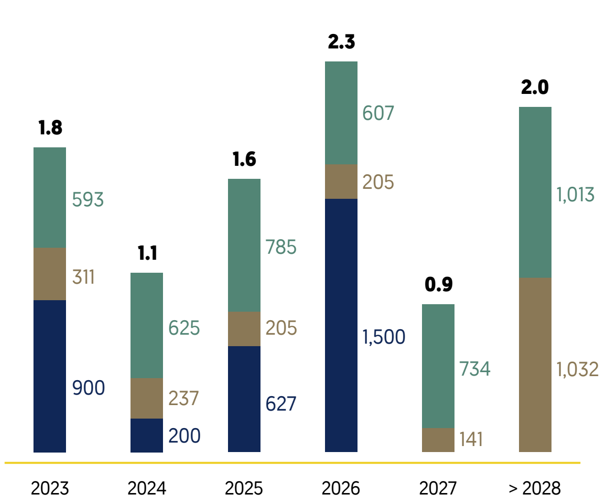
Impact of the financial restructuring on the maturity schedule of the Group's gross debt

The graphs below show the contractual maturity schedules of the Group's debt at 31 December 2022, irrespective of the potential accounting classification of any items as current liabilities at that date. It is important to note that the Company obtained a waiver from the lenders with respect to compliance with the R1/R2 covenants at 31 December 2022.

- **Maturity schedule of gross debt at 31 December 2022**

Amounts in millions of euros, with totals in billions of euros

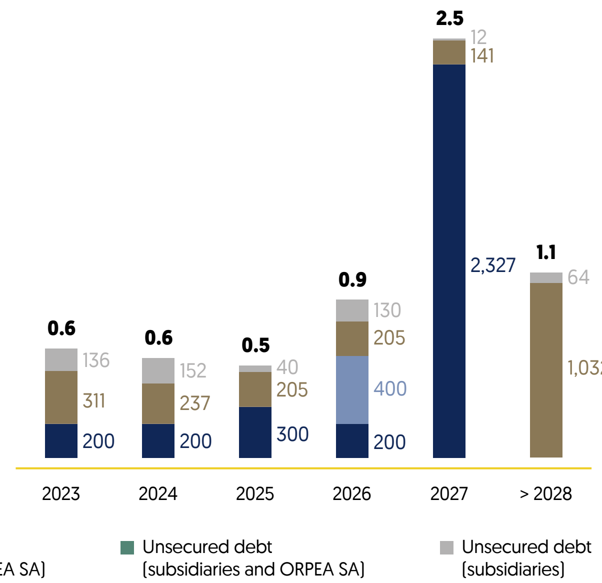
TOTAL: €9.7 BILLION



- **Pro forma maturity schedule as adjusted for the financial restructuring**

Amounts in millions of euros, with totals in billions of euros

TOTAL: €6.3 BILLION



Based on the pro forma approach applied, the maturity schedule of the Group's debt at 31 December 2022 would be impacted by (i) the cancellation of the scheduled repayments of ORPEA SA's unsecured debt (following its conversion into capital, (ii) the rescheduling of the repayments under the June 2022 Existing Loan Agreement, and (iii) the €0.4 billion in additional new money debt, repayable in 2026.

CHAPTER 2
RISK FACTORS AND INTERNAL CONTROL

Risk factors and internal control

2

2.1 Risk factors

A risk is the possibility of an event occurring that could prevent the Group from achieving its objectives, undermine its financial position or its reputation, or affect its stakeholders.

In response to the reputation crisis following the publication of the book *Les fossoyeurs* and the ensuing financial crisis, a new risk map was drawn up in the first quarter of 2023 as part of a written procedure presented to the Audit and Risk Committee, which involved both the Group's management and its various functions, as well as the managers and functions of the various geographical areas in which the Group operates.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017/1129 (Prospectus 3) of the European Parliament and of the Council, the risk factors considered to be the most significant at the date of this Universal Registration Document are set out below by category.

There are 16 risk factors, presented in descending order of severity within each category.

The level of severity of each of these risks (moderate, significant, major) has been determined according to the probability of occurrence and their anticipated negative impact on the Group. This summary of net risks reflects the Group's exposure to risks by integrating the control actions in place to reduce their impact or probability.

The risks presented in Chapter 3 "Non-Financial Statement" have been integrated into this analysis. Depending on how material they are, they have been included in the description of certain risk factors below.

However, it cannot be excluded that other risk factors, currently deemed non-material or not yet identified, may affect ORPEA in the future.

2.1.1 Operational risks (net risks)		Severity
2.1.1.1	Risk related to medical care and quality of care and the security of patients and residents	Significant
2.1.1.2	Risk related to failure to respect the rights and dignity of vulnerable persons	Significant
2.1.1.3	Risk related to attracting, recruiting and retaining employees	Significant
2.1.1.4	Risk related to employee health and safety	Significant
2.1.1.5	Risk of damage to the Group's image	Significant
2.1.1.6	Risk related to cybersecurity and IT systems	Moderate
2.1.1.7	Risk related to managing personal data and medical information	Moderate

2.1.2 Financial risks (net risks)		Severity
2.1.2.1	Liquidity risk	Major
2.1.2.2	Risk related to inflation and rising costs	Major
2.1.2.3	Interest rate risk	Moderate

2.1.3 Risks related to business ethics and the environment (net risks)		Severity
2.1.3.1	Risk related to failure to comply with business ethics	Moderate
2.1.3.2	Risk related to failure to adapt to the consequences of climate change	Moderate

2.1.4 Strategic, legal and regulatory risks (net risks)		Severity
2.1.4.1	Dispute, claims and litigation risk	Major
2.1.4.2	Risk related to the difficulty of anticipating expectations and developments in the sector	Significant
2.1.4.3	Risk related to changes in the legislative and regulatory environment	Moderate
2.1.4.4	Risk related to the award and renewal of operating licences	Moderate

2.1.1 OPERATIONAL RISKS

2.1.1.1 RISK RELATED TO MEDICAL CARE, QUALITY OF CARE AND THE SAFETY OF RESIDENTS AND PATIENTS

Risk identification

The Group offers comprehensive care for all types of frailty and vulnerability: physical and intellectual, on either a permanent or temporary basis. Patients and residents may have mental health problems, addictions or severe depression. In today's socio-demographic environment, and given the frailty and vulnerability of the people being cared for, safety and the quality of care provided are crucial.

In 2022, following the publication of the book *Les fossoyeurs*, certain medical and care practices in the Group's French nursing homes were criticised, giving rise to numerous internal and external investigations.

A lapse in care could relate to safety or the quality of care, and could take different forms, in particular risks concerning infection or epidemic diseases, non-compliance or misuse of a medical device, drug-related iatrogenesis, a resident or patient leaving a facility without the staff's knowledge, suicide or attempted suicide or food chain problems.

Caring for frail people also involves ensuring their physical safety. Each country, or sometimes even region, has strict building standards and regulations that must be respected. The security of premises open to the public is subject to external controls by local authorities.

Several non-exhaustive examples of risks related to the safety of premises are unsafe drinking water, contamination of hot water, inability of the infrastructure to guarantee optimal protection against climatic risks, or a problem with a building's security.

If any of the above factors were to occur they could damage the Group's reputation, incur civil and/or criminal liability and generate supplementary direct and/or indirect costs (upgrading facilities, compensation, legal advice, higher insurance premiums, etc.), and if such occurrence were on a significant scale, this could negatively impact the Group's image, business, financial position and results.

Finally, although the Covid-19 pandemic seems to be under control, thanks in particular to the effectiveness of vaccination, it cannot be ruled out that the pandemic may start up again, or that another pandemic may occur, which could lead to a further increase in the mortality of patients or residents, and to difficulties in recruiting staff. Such a situation would slow business and generate additional costs, which would have an adverse impact on the Group's financial position, results and outlook.

Risk management

The new CEO decided to split the medical function from the quality and CSR function (previously headed by the Executive Vice-President, Well-being) and created two separate departments, whose directors report to him and are members of the Group Executive Committee:

- the new Group Medical Director is responsible for supporting the Group in the implementation of the main priorities of its care programme. The Group's medical and care policy is structured around three complementary governance bodies: (i) the Group Medical Commission, (ii) the Ethics Advisory Board and (iii) the Scientific Council;
- the new Group Sustainable Development and Quality department is responsible for steering the Group's sustainable development strategy and for strengthening its quality policy and objectives in line with the Refoundation Plan.

A Real Estate department has also been created, whose director reports to the CEO and is a member of the Group Executive Committee. One of the main missions of this new department is to put real estate back in its rightful place as a business line designed to support operations, which is a key factor in operational excellence.

On 28 July 2022, the CSR and Innovation Committee became the Ethics, Quality and CSR Committee, the aim being to support the Board of Directors' work by ensuring, in particular, that medical ethics and quality are at the heart of the Group's mission and activities.

Following the publication of the book *Les fossoyeurs*, ORPEA has, since the spring of 2022, implemented initial corrective measures. In particular, Executive Management has initiated a process to overhaul its quality controls and simplify the procedure for reporting incidents, and has increased the awareness of teams on the subject to speed up reporting. As part of the Refoundation Plan, new indicators for monitoring the quality of facilities and care will be introduced in 2023, in order to provide the assessment data needed to continuously improve the Group's practices.

The service approach provided to patients and residents by ORPEA facilities and teams is based on a culture of quality that is organised, documented, certified, supervised and controlled. It incorporates extensive healthcare and nursing regulations, at the crossroads of several issues: care, building safety, food and specific constraints linked to the hospital environment.

The risks associated with medical care and quality of care are vigilantly monitored within the Group's facilities. The management of these risks is notably based on:

- a Group quality policy documented in the Group Standards, which sets out the principles and rules of ORPEA's quality management system;
- a set of procedures and protocols that is regularly updated in line with regulatory changes, best practices and feedback. In 2022, particular attention was paid to simplifying procedures as much as possible, in line with the lessons learned from the results of the internal and external investigations carried out, in order to facilitate a clear understanding and implementation by staff;
- regular team training and awareness-raising;
- a risk assessment of each patient or resident (falls, suicide, allergies, running away etc.);
- good traceability of care procedures;
- the provision of sufficient quantities of high-quality materials and equipment;
- better arrangements for listening to and managing complaints from residents, patients, beneficiaries and their families, in particular by strengthening the involvement and participation of residents, patients and families in the life of the facilities and developing external mediation arrangements;
- a health control plan;
- monitoring of medical and quality indicators by the Medical and Sustainable Development and Quality departments.

Self-assessments, audits, controls, incidents and indicators are analysed and corrective action plans are put in place where required.

Liability insurance has also been taken out at Group level.

Regarding the safety of facilities, each country has a Maintenance department or team responsible for putting in place and monitoring all building safety and maintenance operations. This is underpinned by:

- an investment policy for maintenance and regular upkeep;
- a prevention policy implemented through team training and preventive and corrective maintenance operations;
- internal and external audits of sites and their compliance with administrative and safety procedures.

Specific risks such as Legionnaires' disease, non-potable water and fire are managed in accordance with applicable local regulations and Group best practices (protocols, maintenance, training, etc.).

Every facility has both a crisis management plan and a business continuity plan.

2.1.1.2 RISK RELATED TO A FAILURE TO RESPECT THE RIGHTS AND DIGNITY OF VULNERABLE PEOPLE

Risk identification

The publication of the book *Les fossoyeurs* in January 2022 called into question the Group's respect for the rights and dignity of vulnerable people, which confirms the importance of this risk. The Conferences for the Elderly (*États Généraux du Grand Âge*) organised in the Group's French nursing homes in the spring of 2022 highlighted the difficult and delicate balance to be found between the need to respect individuality and the constraints of living in a community, and between safety and freedom of movement. This is also true for the Group's other facilities, both in France and abroad.

Patients, residents or beneficiaries may be victims of mistreatment, or may feel that they have been mistreated. Mistreatment can result from intended or unintended negligence that is detrimental to the dignity, privacy and/or health of an individual.

A failure by the Group to respect the rights and dignity of vulnerable people could have a negative impact on the health of residents and patients, as well as on the Group's reputation and it could be held legally liable. If such a failure were to occur on a large scale, it could have a negative impact on the Group's image, business activity, financial situation and results.

Risk management

Respect for the rights and dignity of vulnerable people is central to the Refoundation Plan. This absolute requirement is fully in line with ORPEA's new care project, which will make it possible to identify and implement the most appropriate responses to the present and future imperatives of care and support. The project is based on three pillars: a Medical Commission, an international and interdisciplinary Scientific Council made up of experts to support the best level of medical and care practices, and an Ethics Advisory Board responsible for providing operational responses to the questions raised by ORPEA teams, residents and patients as well as their families who place their trust in the Group's facilities. Professor Emmanuel Hirsch, appointed Director of Medical Ethics in January 2023, chairs the Ethics Advisory Board and is responsible for implementing and coordinating the renewal of the Group's medical ethics policy.

In order to prevent the risk of mistreatment, ORPEA has put in place a preventive protocol in all its facilities and corrective measures are taken when a case of mistreatment is reported. This protocol makes it possible to address, in particular, the procedures for recruiting and integrating new employees, supporting and training them, and the management of a case of suspected or actual mistreatment.

In addition, the ethics of medical treatment and care require reflection and the implementation of measures to promote attitudes and practices that respect the rights and dignity of the people cared for in the Group's facilities (respect for the rights and values of the person, respect for dignity and integrity, non-discrimination, non-stigmatisation, free and informed consent, confidentiality, end-of-life and grief support for the person and their family, and the prevention and treatment of pain and suffering).

Cases of mistreatment or suspected mistreatment are considered to be serious adverse events and are reported to the competent authorities in accordance with applicable rules in the corresponding country. Events may be reported by an employee, a resident, a patient, a family member or any other person involved in the facility. Each event is subject to an internal investigation, an analysis of the causes and the implementation of corrective actions.

In addition, the Group is committed to promoting a positive treatment approach based on professional recommendations and best practices. This approach is developed within a given facility or home care system through ongoing interaction between all of the players involved, in liaison with the person directly concerned and their relatives. Difficulties that have arisen while caring for a resident/patient are discussed at the weekly briefings held in each Group facility, in order to allow the team to find the best solutions while respecting the freedom, rights, individuality and dignity of the resident or patient. In addition, ORPEA is committed to setting up a national network of "ethics and positive treatment correspondents" led by ambassadors in the various regions. In January 2023, ORPEA and 1,827 other members of the National Union of Private Facilities, Residences and Home Help Services for the Elderly (SYNERPA) in France signed an unprecedented Charter of Commitments to put ethics and transparency back at the centre of care for the elderly.

Lastly, ORPEA's values have been enshrined in the Group's Code of Conduct – Ethics and CSR. All the Group's professionals are expected to comply with these principles and their behaviour should be exemplary at all times.

2.1.1.3 RISK RELATED TO ATTRACTING, HIRING AND RETAINING EMPLOYEES

Risk identification

At 31 December 2022, the Group had almost 76,000 employees, with 82% on permanent contracts, and the Group-wide staff turnover rate was 30.91% for the year. Staff ratios vary greatly from country to country and even from facility to facility, depending on the applicable regulations and the average dependency level of residents and patients (see section 3.3 of this Universal Registration Document). For example, in France in 2022, the ratio was about 0.72 full-time equivalent (FTE) staff members for one resident in a nursing home.

The quality, availability and commitment of employees play a key role in the Group's success. However, ORPEA operates in a sector that is experiencing a shortage of qualified personnel in many countries, mainly attributable to the growing needs of an ageing population and the fact that working with the elderly can be perceived as an unattractive career. In the Group's case, this situation has been exacerbated by the fact that it did not have a human resources or salary policy and by the recent damage to its reputation.

If, despite the Refoundation Plan, ORPEA fails to identify, attract, train and retain competent and responsible employees, including a sufficient number of qualified care staff, the care and treatment of its residents or patients could be compromised. A shortage of qualified care staff, if sustained and not addressed by the operator, could lead to a suspension of admissions and reduce the number of beds that can be occupied, or even of the operating licence itself in some countries. Similarly, the operation and development of the Group's activities and its results could be significantly affected.

Risk management

As part of the presentation of its Refoundation Plan on 15 November 2022, ORPEA announced its intention to put in place a structured human resources and salary policy in order to improve working conditions, better recognise and value its employees and boost employee loyalty. Human resources are thus the first pillar of the Group's refoundation process, with the aim of maintaining adequate staffing levels to ensure the continuity and quality of care and services.

This refoundation requires new managerial practices and a different culture in order to give employees the means to carry out their work while guaranteeing their health, safety and well-being and ensuring their development, recognition and engagement.

The new organisational and governance arrangements must therefore foster collaboration at all levels and give autonomy to the facilities, with the countries and regions providing support and the Group ensuring that policies, ethics and fairness are in line with generally accepted practices.

To achieve these objectives, the Group has notably strengthened its human resources management teams and put in place action plans, mainly to:

- strengthen the workforce and its structure to guarantee the quality and continuity of care: the Group wishes to promote and strengthen the use of permanent contracts and full-time employment in order to meet the challenges of workforce stability, retaining personnel and enhancing the Group's attractiveness in a sector where recruitment is a major issue;
- undertake an analysis of the main reasons for employee departures;
- implement and manage a proactive training policy, aimed at developing skills and retaining employees through numerous programmes such as specialised and value-building diplomas for the care teams in partnership with renowned universities, or language training for staff transferring abroad;
- strengthen mobility and internal promotion;
- review remuneration, which is the subject of high expectations across the entire health sector;
- deploy new management practices and a different culture in order to give employees the means to carry out their work without compromising their health, safety and well-being, and also foster their development, recognition and engagement;
- relaunch social dialogue, repositioned as a source of progress, and giving rise to a series of fruitful negotiations and the multiplication of discussion forums;
- set up listening systems to identify and take into account the expectations and needs of employees and their ideas to improve job satisfaction and to involve them in the Group's transformation.

2.1.1.4 RISK RELATED TO EMPLOYEE HEALTH AND SAFETY

Risk identification

The work carried out by ORPEA employees entails a certain number of risks – such as risks related to exhaustion due to understaffing, the emotional burden caused by the suffering or death of patients and residents, and the pace of work – and they can be aggravated by inadequate training of teams. Responding to these risks is an imperative for ensuring the positive treatment of employees. As a result, the Group-wide work-related accident frequency fell to 27.03 in 2022, down from the benchmark rate of 38.64 in 2020 (see section 3.3.3.1 of this Universal Registration Document).

In the care sector (and nursing and healthcare), musculoskeletal disorders are the primary consequence of work-related accidents and the primary cause of occupational diseases.

These risks highlight the need to prioritise the health, safety and well-being of employees, in order to create a working environment that is conducive to supporting vulnerable people. Failure to implement a corporate culture that puts people at the heart of the Group's priorities could undermine the well-being and safety of employees, as well as the care of vulnerable people.

Risk management

The human resources pillar of the Refoundation Plan highlights ORPEA's commitment to being a company that guarantees the health, safety and well-being of its employees. In order to achieve this objective, a Group Health and Safety Director joined ORPEA in December 2022, whose mission is to recruit regional managers to implement the occupational health and safety policy and to provide leadership across the board. The Group's Refoundation Plan sets a target of reducing work-related accidents by 20% by 2025.

The global approach will have four focuses: ambitious common standards based on a fair culture; well-being (working conditions, social climate, work atmosphere); active prevention; and suitable equipment.

Finally, it will be part of a continuous improvement process including training of managers, monthly monitoring of indicators, appropriate work schedules, listening units, and sharing and circulation of local initiatives to improve management of emotions.

2.1.1.5 RISK OF DAMAGE TO THE GROUP'S IMAGE

Risk identification

In view of the Group's activities, it is particularly exposed to the risk of its reputation being damaged by events for which it may or may not be responsible. This is all the more so since the Covid-19 pandemic and the publication of a book in France entitled *Les fossoyeurs* that exposed the healthcare and nursing sector in general, and ORPEA in particular.

The crisis that followed this publication had a strong negative impact on the Group's image, with consequences on business levels at its nursing homes in France and Belgium. It also restricted access to new external financing and impacted the Group's property disposal programme, resulting in a liquidity crisis which worsened in the second half of 2022 largely due to the inflationary environment (see "Liquidity risk" and "Inflation and cost increase risk" below).

The Group's image could be further affected by public information relating to the existence, content or outcome of the investigations and legal proceedings – particularly criminal investigations – launched as a result of (i) reports made or complaints filed by third parties (i.e., patients, residents, families), and/or (ii) the outcome of complaints filed by the Group itself, which could implicate the Group, its managers and its employees.

Whether founded or not, the criticisms and allegations levelled against the Group could be amplified by the spread of information on news media and social media.

Finally, the Group could be held liable from a social, societal or environmental perspective in the event of non-compliance with the relevant regulations or business ethics, with the consequence of damaging its image in view of stakeholder expectations.

Risk management

Following the publication of the book *Les fossoyeurs*, ORPEA has chosen a position of transparency and sincerity in order to win back the trust of its stakeholders.

ORPEA's Board of Directors appointed Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. They submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and employment law. A summary of these reports has been published on the Company's website.

In France, the Group organised the Conferences for the Elderly to foster discussion on the expectations of patients, residents and their families. This initiative, which brought together more than 2,000 participants through some 50 physical meetings, produced a summary shared with all the participants, the conclusions of which fed into part of the Refoundation Plan.

ORPEA's Annual General Meeting, held on 28 July 2022, approved major changes in the Company's Board of Directors, appointing Isabelle Calvez, Guillaume Pepy, John Glen and David Hale as independent directors, as well as Laurent Guillot, Chief Executive Officer, as a non-independent director. Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022. Mireille Faugère was also appointed as a director with effect from 1 October 2022 by the Board of Directors on 28 September 2022, replacing Laure Baume, who resigned at the end of said Board meeting.

On 10 October 2022, the Chief Executive Officer announced the establishment of a new Group Executive Committee, whose mission is, in particular, to oversee the Refoundation Plan to rebuild the Group. The Group Executive Committee is composed of the members of the Management Committee and the Chief Executive Officers of the countries and regions, whose biographies and missions are detailed on the Company's website.

On 15 November 2022, the new management team presented the *With you and for you, changing ORPEA* Refoundation Plan. The aim is to restore trust and involve its stakeholders in the challenges of tomorrow. The Group's ambition is to once again become the leading player in the sector by refocusing on the quality of care and the support and development of its employees. The Plan is built on four pillars:

- employees, particularly caregivers, including a target of a 20% reduction in workplace accidents by 2025, and a focus on recruitment, training and retention;
- patients and residents, ensuring better monitoring of the quality of care, smoother communication and facility projects defined by dedicated medical committees. The quality monitoring process is described in Chapter 3 of this Universal Registration Document;
- society, with an increased focus on ethics training for all Group employees as detailed in Chapter 3 of this Universal Registration Document, a strengthening of local roots and the enrichment of environmental objectives;
- financial and real estate partners, by moving towards a more transparent and efficient model.

In addition, a Group Communications department was created in July 2022. The Group Communications Director reports to the Chief Executive Officer and is a member of the Group Executive Committee. Her mission is to improve the company's reputation and attractiveness and to restore trust and dialogue with all stakeholders.

Lastly, depending on the content of information published in the media, the Group consults with its teams and its legal counsel on whether to respond or take appropriate legal action.

2.1.1.6 RISK RELATED TO CYBERSECURITY AND IT SYSTEMS

Risk identification

IT systems play an important role in ORPEA's operations. If these systems become unavailable or malfunction, whether due to a failure of hardware or software solutions or because of a third party, human error or a malicious act, the Group's facilities and administrative offices could be prevented from operating effectively.

The Group, its suppliers and subcontractors are exposed to cybersecurity risks. Despite the security measures implemented by the Group, cybersecurity risk remains high because cyberattacks are becoming more diverse and complex and are happening with increasing frequency and more severe consequences. This risk is all the greater as the Group holds sensitive data (particularly personal data and medical information) which is essential for providing proper care to patients and residents.

Depending on the type of attack or information systems failure that it might suffer, the Group could face various consequences (such as personal data and/or medical and/or confidential information being lost or stolen, or resident and patient care being compromised) as well as the ensuing repercussions (failure of the main operational systems, inability to carry out daily tasks, etc.). Any system malfunction or shutdown or loss of data could have a major negative impact on the Group's business, image, financial position, results and outlook.

Risk management

The Group allocates a substantial investment budget to the Information Systems department and is committed to continuously improving its information systems and related infrastructure to effectively meet the needs of users and the Group as a whole. It has embarked on a process of upgrading its information tools and systems, notably by improving infrastructure and deploying shared international solutions.

The Information Systems Security department is responsible for ensuring the security of the infrastructure, systems and applications required for the Group's business. One of its main roles is to prevent intrusions, viruses and attacks by administering a suite of hardware and software dedicated to IT security and by regularly carrying out penetration tests. Specialised companies, external auditors and the Group Internal Audit department periodically test the effectiveness and robustness of the rules and controls.

On several occasions the Group has detected attempted malware intrusions into its IT system, although these did not have any significant impact on the continuity of its services.

In 2022, a Security Operations Centre (SOC) team and a Computer Emergency Response Team (CERT) were established, enabling the Group to strengthen its cyberdefence capability.

Finally, ORPEA SA has been ISO 27001 certified since October 2016 and certified as a healthcare data host (HDS) since 2019 for its Data Centre's activities. The HDS certification and the ISO 27001 certification were renewed in August 2022 for a period of three years.

2.1.1.7 RISK RELATED TO MANAGING MEDICAL AND PERSONAL DATA

Risk identification

Risks related to data collection, hosting and access are clear priorities given the Group's shift towards digitalising the data held in its systems. All personal data must be handled in accordance with the EU General Data Protection Regulation (GDPR) and/or local regulations.

The data held by the Group – particularly personal data and medical information – could be subject to fraud or other internal or external wrongdoing. The Group or its service providers could be victims of cyberattacks (viruses, denial of service, etc.), sabotage or intrusion (physical or virtual), which could affect the availability, integrity and/or confidentiality of such data. If such an event were to occur it could adversely impact the owners of the stolen or disclosed data, which in turn could affect the Group's reputation and the trust placed in it. The Group could be held liable if the necessary data protection measures are not effectively implemented, which could have a significant financial impact (fines imposed by data protection authorities (CNIL in France), damages payable to customers or other parties) and could expose ORPEA to non-compliance risk.

In addition, a lack of appropriate governance and a failure to standardise practices would constitute aggravating factors if a data protection breach were to occur.

Risk management

The Group's data protection policy (integrity, availability, traceability and confidentiality) was reinforced when the GDPR came into force in May 2018. A data protection officer (DPO) and a dedicated department are responsible for managing all the relevant GDPR obligations Group-wide. In all geographical areas where the Group operates, data protection correspondents monitor the implementation of the Group's data protection policy. They notably ensure that only necessary data are collected, that data subjects are informed and that their requests are answered.

In addition, a GDPR Steering Committee comprising members from several support departments monitors the deployment of the Group's roadmap and makes any necessary decisions.

The Group's Data Protection and IT teams work closely together, particularly on the following:

- carrying out formal, joint reviews of new projects before they are launched in order to guarantee the protection of personal data right from the design stage (privacy by design);
- collating and noting all data processing operations in the appropriate registers and carrying out impact assessments where applicable;
- managing profiles and rights, paying particular attention to medical information;
- conducting awareness-raising and training campaigns (on topics such as phishing and password management);
- renewing the Group Data Centre's ISO 27001 and Healthcare Data Host certifications (see section 2.1.1.6 above);
- handling security incidents.

In addition, a specific tool hosts the records of processing activities of each of the Group's entities in France. This tool combines the three mandatory registers: controller, processor and data breach.

The GDPR compliance culture is being rolled out within the Group and its subsidiaries.

In addition, in the first half of 2021, the Group published a "Data Protection Statement of Compliance" on its website, summarising ORPEA's commitments in terms of compliance with the GDPR or local regulations when GDPR does not apply (i.e., outside Europe).

2.1.2 FINANCIAL RISKS

2.1.2.1 LIQUIDITY RISK

At 31 December 2022, the Group had cash and cash equivalents of €856 million, well above the minimum amount it requires for its day-to-day operations, estimated at around €200-250 million. At that date, a conciliation procedure had been open since 25 October 2022 and negotiations were ongoing with the various stakeholders to determine the future terms of the financial restructuring of ORPEA SA to be implemented in accordance with the specifications presented by the Company on 15 November 2022 (see section 1.5 of this Universal Registration Document).

These discussions led to (i) a term sheet reached on 1 February 2023 relating to the financial restructuring between the Company and a group of French long-term investors comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF (the "**Groupement**"), on the one hand, and five institutions holding unsecured debt of the Company (the "**SteerCo**") on the other hand, leading to the signature on 14 February 2023 of a lock-up agreement setting out the obligations of the signatories of the term sheet, and to which approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo) adhered on 10 March 2023, (ii) the signature on 17 March 2023 of an agreement protocol between the Company and its main banking partners providing for the terms and conditions of additional financing of €600 million (the "**Additional Financing**") and the amendment of the syndicated loan agreement signed on 13 June 2022, and (iii) the opening, on 24 March 2023, of an accelerated safeguard procedure (see section 1.5 of this Universal Registration Document).

With regard to the financing for the continuity of operations until the effective execution of the planned financial restructuring, the amount and terms of the Additional Financing have been calibrated to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for as part of the financial restructuring (see section 1.5 of this Universal Registration Document). The definitive documentation for the Additional Financing dated 26 May 2023 was signed on 29 May 2023, so that the first €200 million tranche could be drawn down on 31 May 2023, followed by a second €200 million tranche in July 2023 and potentially two further €100 million tranches in the second half of 2023.

The financial statements for the year ended 31 December 2022 were prepared on a going concern basis (see Notes 1.1.1 and 1.1 to the individual and consolidated financial statements).

Risk identification

Risks related to the implementation of the financial restructuring project

The effective implementation of the financial restructuring remains subject to the following main conditions precedent:

- approval of the accelerated safeguard plan by the Nanterre Specialised Commercial Court (*Tribunal de commerce spécialisé de Nanterre*);
- approval by the AMF (*Autorité des marchés financiers*) of the prospectuses relating to the planned capital increases;
- the Groupement obtaining a final exemption from the AMF of the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring;
- obtaining any other necessary regulatory approvals; and
- the discharge of all appeals.

The main risks associated with the implementation of this financial restructuring are therefore the following:

- the impossibility for the Nanterre Specialised Commercial Court to approve the safeguard plan as is;
- the non-fulfilment of one or more of the other conditions mentioned above which would prevent the implementation of the financial restructuring as currently provided for in the above-mentioned agreements; in such a situation, or more generally if the operations provided for under the restructuring plan could not be implemented for any other reason, the Company considers that it would not have sufficient means of financing to enable it to meet its obligations, and therefore its liquidity requirements as estimated for the next 12 months. As a result, the Group could be subject to administration proceedings and/or judicial liquidation proceedings with, if necessary, the implementation of a disposal plan. If such proceedings were to be initiated, affected parties ranking below the secured debt holders would recover a smaller portion of the final disposal proceeds than under the accelerated safeguard plan;
- delays in the implementation of the various stages of the financial restructuring, leading to the restructuring not being fully executed by the expiry date of the lock-up agreement and/or the expiry date of the agreement protocol between the Company and its main banking partners (see section 1.5 of this Universal Registration Document);
- delays in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for under the financial restructuring.

Risks related to the Additional Financing

The availability of the Additional Financing is subject to the fulfilment of conditions precedent (see section 1.5 of this Universal Registration Document) which may not be satisfied on the planned drawdown dates. Given that the Company has control over the fulfilment of the majority of these various conditions precedent, it considers that this risk is low.

For the future, the Additional Financing includes a certain number of undertakings to be respected (provision of information, protection of security interests, etc.), in particular maintaining a "Loan To Value" ratio of less than 55% at 31 December 2023 and then less than 50% at 31 December 2024 and 31 December 2025. In the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95, this ratio may not be respected at the dates mentioned. The documentation relating to the Additional Financing of 26 May 2023 was signed on 29 May 2023.

Risks relating to the syndicated loan agreement signed in June 2022, amended by the 17 March 2023 agreement protocol and the 26 May 2023 addendum signed on 29 May 2023

Under the syndicated loan agreement of 13 June 2022, as amended by the agreement protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group loans of €300 million, tested quarterly as from the first full calendar quarter after completion of the second capital increase provided for under the restructuring plan;
- carry out €1.25 billion in real estate disposals by the end of 2025.

Failure by the Group to respect its commitments under the above-mentioned financing arrangements could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's commitment to carry out real estate disposals within a limited time period could mean that it may have to sell the assets at a lower-than-expected price, which could require the Group to recognise impairment losses on the assets concerned.

Other risks related to the Group's financing

The Group's existing debt at 31 December 2022 (see Note 4.14 to the consolidated financial statements) includes, *inter alia*, some of the following covenants (some of which are subject to waivers obtained from the relevant lenders to enable completion of the Group's financial restructuring):

- maintain a certain level of assets free of any security interests, depending on the amount of the loan concerned;
- comply with debt-to-EBITDA and debt-to-equity ratios;
- provide asset-backed guarantees.

These various covenants would restrict its capacity to take on additional debt if new difficulties were to arise, and any failure to comply with them could constitute an event of default which could affect the Group's financial position, results and outlook.

Moreover, if the Group fails to restore its image and financial position, notably by implementing its financial restructuring plan, it could continue to experience difficulties in obtaining financing, which could jeopardise its results and its ability to pursue its business.

Risk management

The Group's teams are fully mobilised to complete the Group's financial restructuring.

The Group's various stakeholders have been and will be regularly informed of the progress of the negotiations and the terms of the various planned transactions by means of press releases.

In particular, in order to ensure that shareholders are provided with the fullest possible information, the Company has appointed Sorgem as an independent expert. In its report, which was made available to the public on 24 May 2023 and included as an appendix to ORPEA SA's draft accelerated safeguard plan, said expert gave its opinion on the fairness of the financial restructuring for the current shareholders of the Company.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring, leading to it not being fully executed by the expiry date of the lock-up agreement and/or the expiry date of the agreement protocol entered into between the Company and its main banking partners could be managed by negotiating, at the required time, extension clauses for the lock-up agreement and/or the agreement protocol related to the implementation of the accelerated safeguard plan with the parties concerned, namely the Groupement, the SteerCo and the other unsecured creditors having adhered to the lock-up agreement on the one hand, and the Group's main banking partners on the other hand.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for in the context of the financial restructuring could, if necessary, be managed by negotiating an increase in the amount of the Additional Financing with the Group's main banking partners on terms and conditions to be discussed at the time.

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, resulting in a failure to comply with the above-mentioned "Loan To Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

Lastly, as of the date of this Universal Registration Document, taking into account (i) the lock-up agreement signed with a majority of the Company's unsecured financial creditors, (ii) the possibility for the Nanterre Specialised Commercial Court, under the conditions recalled above, to approve the Company's accelerated safeguard plan, notwithstanding the possible negative vote of one or more classes of affected parties, (iii) the legal analyses carried out with the assistance of its main advisers for the assessment of potential third-party claims, and (iv) its ability to lift all of the conditions precedent related to the agreements entered into with the various stakeholders, the Company considers the risk of not being able to implement its accelerated safeguard plan to be limited.

2.1.2.2 RISK RELATED TO INFLATION AND RISING COSTS

Risk identification

Since mid-2021, the global economy has seen a return of inflationary tensions, which firmly took hold and intensified in 2022 and early 2023. The Group's operating profitability is affected by this inflationary environment, particularly due to the pressure on energy and food prices and on wages. In 2022, the increase in these costs had an estimated impact of 550 basis points on the EBITDAR rate.

One of the pillars of the Refoundation Plan is to develop a human resources policy that gives our employees the means and conditions to carry out and take pride in their work. This has started to generate an increase in payroll costs (due in particular to growth in headcount and salary rises) and significant training expenditure.

The cost of investments in and renovation of the real estate owned or leased by the Group could be affected by a sharp increase in the price of raw materials in the global market or by interruptions in the supply chain, which could drive up costs of some construction projects prior to their delivery, as well as maintenance and upkeep costs.

Lease payments will also be affected by this inflationary environment as a result of indexation clauses and when leases are renewed. In 2022, lease payments on the Group's non-owned real estate represented approximately 9% of its revenue. This proportion will increase in the coming years in view of the commitments made by the Group to dispose of real estate assets as part of its deleveraging strategy and financial restructuring process (see "Liquidity risk").

Risk management

The Group has strengthened its procurement teams and is implementing a policy designed to anticipate price increases through forward-looking purchase management. Controlled monitoring of consumption of both consumables and raw materials is also being implemented.

Human resources are at the heart of the Group's Refoundation Plan. Investments in this area are expected to result in increased employee engagement and retention, which should lead to lower costs related to turnover, absenteeism and short contracts, and improve support and care with stabilised teams.

The new Chief Executive Officer has established a Real Estate department, which reports to him and is led by a member of the Group Executive Committee. The department is responsible for shifting the Group towards holding fewer real estate assets, primarily through sales to major investors who are already lessors of the Group, so that it can have preferential conditions. Additionally, lease payments on non-owned properties are controlled through a proactive policy for managing existing leases and forward planning lease expiry dates. Finally, a real estate management control team was formed in 2022.

After being strengthened in 2021, the Group's construction teams continue to give it new negotiating levers in the choice of its suppliers of raw materials and construction works, while enabling it to keep costs and construction lead times under control.

2.1.2.3 INTEREST RATE RISK

Risk identification

Details on the Group's net debt are provided in Note 4.14 to the consolidated financial statements.

The Group's debt structure is mainly composed of floating-rate debt denominated in euros. The €3.2 billion secured syndicated loan (Tranches A, B and C) granted to the Group bears interest at Euribor plus a margin.

The Group is therefore exposed to the risk of interest rises in the euro zone. Although after hedging, the majority of its debt is at fixed rates, future hedging costs could increase, which could impact the Group's financial position and results.

The value of the Group's existing real estate assets could be negatively affected by a rise in interest rates which would in turn adversely impact the yields expected by investors. This could have a negative effect on the valuation of the Group's real estate assets.

The interest rate risk management strategy is described in section 4.16.1 of the notes to the consolidated financial statements.

Risk management

The Group's strategy is to hedge a major portion of its consolidated net debt against interest rate risk. To that end, it uses a portfolio of financial instruments in the form of (i) interest rate swaps, under which it generally receives interest at the three-month Euribor and pays a fixed rate specific to each contract, and (ii) interest rate caps.

At 31 December 2022, the notional amount of interest rate hedges used by the Group was €2,040 million.

Analysis of sensitivity to fluctuations in interest rates

The Group's debt is composed of floating-rate debt. A change in the yield curve would therefore affect:

- the amount of interest payable on floating-rate debt;
- the fair value of derivatives.

The fair value of derivatives is sensitive to changes in the yield curve and volatility trends. Volatility is assumed to remain unchanged for the purposes of this analysis.

At 31 December 2022, net debt amounted to €8,758 million (excluding IFRS 16), with approximately 37% at contractually fixed rates (before hedging) and the remainder at floating rates.

Including the impact of hedges:

- a 1% (100 basis point) rise in the yield curve would increase the Group's financial expense by €27.5 million (before tax and capitalisation of financial expenses);
- a 0.10% (10 basis point) decrease would increase the Group's financial expense by €0.7 million.

2.1.3 RISKS RELATED TO BUSINESS ETHICS AND THE ENVIRONMENT

2.1.3.1 RISK RELATED TO FAILURE TO COMPLY WITH BUSINESS ETHICS

Risk identification

The publication of the book *Les fossoyeurs* highlighted past unethical business practices and behaviour. The ensuing reputation crisis showed that failure to comply with business ethics can have a negative impact on the Group's image, business activity, financial position and results.

Inappropriate or illegal behaviour by Group employees, executives and/or external third parties acting on behalf of or as counterparty to the Group presents a legal as well as reputation risk. Moreover, ORPEA operates in countries where the risk of corruption is considered high. This could therefore expose employees to other sources of risks that the Group needs to identify in order to protect itself.

In addition, the Group's activities entail building relationships with public authorities and public officials, as well as with health professionals (doctors, pharmacists, etc.) in all of the countries where it operates. Consequently, the Group may incur sanctions if it does not fully comply with the requirements of France's Sapin II law, in particular with regards to its anti-corruption provisions, and the applicable local laws and regulations.

The Group filed a complaint with the public prosecutor against unnamed persons, against the Company's former Chief Executive Officer, Yves Le Masne, and against other named persons, for past events and operations – totally unrelated to the living and care conditions of residents – discovered following internal investigations.

Risk management

The Refoundation Plan presented on 15 November 2022 reaffirmed the importance of ethics and Executive Management's commitment in this area. A zero-tolerance principle applies to all unethical practices.

Members of the new Group Executive Committee received anti-corruption training when they joined in 2022.

In terms of organisation, business ethics is the responsibility of the Compliance department. The department is supported by compliance correspondents in the geographical areas who are tasked with implementing all policies.

As part of the Group's implementation of France's Sapin II law and local laws on the same subject, the Group has integrated into its internal control system a compliance programme including measures on the prevention of corruption and influence peddling. In 2022, the Group published its Code of Conduct – Ethics and CSR to replace the Code of Conduct that had been in force since 2018. This Code provided an opportunity to reaffirm the importance that Executive Management places on ethics in all facets of the Group's business, whether regarding medical ethics or business ethics. It also serves as a source of information for external stakeholders. The publication of this Code was accompanied by a training policy which aims to train all the Group's employees by the end of 2023.

To remain aligned with evolving market practices and regulatory requirements, a risk mapping process was undertaken in 2021 to specifically address corruption and influence peddling risks. Between the end of 2021 and early 2022, the results were shared with the management teams in the different geographical areas and with Group Executive Management. Action plans resulting from the mapping were launched both at corporate level and within each geographical area and were followed throughout 2022.

In addition, a Code of Conduct dedicated to the prevention of corruption and influence peddling was shared with the head offices of all geographical areas in 2022. It is also available on the Group's website. Individuals who are at higher risk of being exposed to corruption have been identified throughout the Group and have received enhanced in-person anti-corruption training which started in June 2022.

As part of its ethics approach, the Group also has a gifts and entertainment policy, which was updated in 2022. This policy reaffirms the ban on facilitating payments as detailed in the Code of Conduct – Ethics and CSR.

A sponsorship policy was drafted at the end of 2022 and published in early 2023.

The Group also pays particular attention to the integrity of the third parties with which it works and has put in place third-party internal control and approval procedures.

Finally, ORPEA has set up an internal whistleblowing system, which allows its employees, suppliers and other stakeholders to report breaches of the Code of Conduct – Ethics and CSR or violations of laws or regulations, including in relation to corruption and influence peddling, or the duty of care. This whistleblowing system can be accessed at the following web address: https://orpea.signalement.net/.

2.1.3.2 RISK RELATED TO FAILURE TO ADAPT TO THE CONSEQUENCES OF CLIMATE CHANGE

Risk identification

The Group's activities have an impact on the environment and climate change has an impact on the Group's activities.

Environmental protection issues are directly linked to public health issues. ORPEA's activities also have an impact on natural resources and greenhouse gas emissions. Through the construction and operation of its facilities, ORPEA generates waste (waste generated by care-related tasks, catering, construction, etc.) and consumes natural resources (water, food, mineral raw materials). ORPEA could be held liable and its image could be impacted if it does not take the necessary actions to preserve natural resources and reduce energy consumption.

A carbon assessment carried out at Group level on Scopes 1, 2 and 3 showed that energy consumption is the main source of greenhouse gas emissions. The top three sources of the Group's emissions are energy (in particular for heating), which accounts for 31% of emissions; purchases (in particular for catering), for 28% of emissions; and visitor and employee transportation, generating 18% of total emissions.

In 2022, ORPEA took action by drawing up an ambitious official strategy for sustainable buildings called the Green Building Strategy (GBS). ORPEA's aim is to innovate by constructing facilities that blend into the environment and are energy-efficient with low greenhouse gas emissions, during both the construction and operating phases, while contributing to the quality of life, autonomy and comfort of residents, patients and employees. Failure to take into account the impact of climate risks (natural disasters, flooding, heat waves, extreme cold, etc.) on facilities could affect the health and safety of patients, residents and employees.

Risk management

Managing the impact of its operations on the climate and the natural environment is a priority for the Group and is central to the Refoundation Plan. Actions in this domain are described more fully in the Group's Non-Financial Statement in Chapter 3 of this Universal Registration Document.

ORPEA's new Sustainable Development and Quality department works closely with the operations and support departments to promote environmental awareness and responsibility at every level of the organisation. CSR correspondents are being appointed in each of the Group's countries to support the operational roll-out of the CSR strategy. The Group is implementing initiatives to help achieve the green transition related to both the operation and development of its buildings in areas including:

- the protection of natural resources through optimised water and waste management;
- the fight against food waste: the Group is committed to systematically measuring the food waste it produces through regular weighing campaigns in all the countries where it operates. Analysis of the results of these campaigns enables the development of targeted action plans that can be customised to each country in order to fight food waste while maintaining the size of food portions.

To roll out the energy pillar of the GBS, the Group leverages a network of Energy Managers who have helped improve the monitoring of energy consumption and implement actions to reduce it. In addition to reducing its energy consumption, ORPEA has been increasing its focus over the past few years on using renewable, low-carbon energy from non-fossil sources (solar, wind, water, geothermal, heat pumps, biomass, etc.). This involves on-site energy production at certain sites and the purchase of green energy from the grid. In 2021, ORPEA set trajectories for reducing its energy consumption and energy-related greenhouse gas emissions (Scopes 1 & 2) by 2050, in order to align with the Paris Agreement.

ORPEA is aware that taking into account the climate resilience of its properties constitutes a major challenge. Buildings are particularly exposed to the effects of climate change, which has an impact on the comfort of residents, patients and employees. Strengthening the climate resilience of its real estate assets is one of the commitments made in the Group's GBS. In addition, in 2022, service providers were selected to carry out climate risk analyses and draw up adaptation plans for new buildings. The GBS is described in further detail in the Group's Non-Financial Statement in Chapter 3 of this Universal Registration Document.

At the beginning of 2021, as part of the 2023 CSR roadmap, ORPEA also committed to obtaining "HQE or equivalent" environmental certification for all future buildings.

Lastly, in accordance with the recommendations of the Task Force on Climate Related Financial Disclosures, ORPEA has begun to identify the risks and opportunities related to climate change that could have a direct impact on its daily work in the service of vulnerable people requiring care.

2.1.4 STRATEGIC, LEGAL AND REGULATORY RISKS

2.1.4.1 DISPUTE, CLAIMS AND LITIGATION RISK

Risk identification

Dispute, claims and litigation risk has become a significant risk since the publication of the book *Les fossoyeurs* describing acts of wrongdoing, particularly in the nursing homes operated by the Group in France (the "**Described Acts**") and the ensuing financial crisis, which led to the ongoing financial restructuring.

1. Dispute, claims and litigation risk following the Described Acts

The Group responded to questions put to it by the joint investigation team set up by the French government, comprising members of the General Inspectorate for Social Affairs (*Inspection générale des affaires sociales* – IGAS) and the General Inspectorate for Finance (*Inspection générale des finances* – IGF). On 26 March 2022, Brigitte Bourguignon – then Minister Delegate to the Minister of Solidarity and Health, in charge of Autonomy – announced that she would be forwarding the investigation team's report to the French public prosecutor.

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. The Group is not aware of the exact content or number of these complaints.

Based on publicly available information, it appears that the Nanterre public prosecutor is in charge of (i) the legal investigations based on the report provided by the authorities and (ii) some of the complaints filed. In this context, the Group's head office and several facilities were searched in June and November 2022. Other civil or criminal proceedings, either related or unrelated to the Described Acts, could result in civil or criminal liability for the Group, its executives and/or current or former employees.

On 2 May 2022, the Group announced that it had filed a complaint with the public prosecutor against unnamed persons for past events and operations – totally unrelated to the living and care conditions of residents – that could adversely affect ORPEA's best interests and which were discovered following internal investigations. On 20 December 2022, ORPEA filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering. Following this complaint ORPEA has continued its investigations and filed additional complaints against other named persons.

If the above procedures were to result in lawsuits or criminal proceedings being brought against the Group, its executives and/or its current or former employees, and in civil rulings or criminal convictions being handed down against them, this could impact the Group's cash flow and damage its image and reputation, which would negatively affect its business, financial position, results and business development prospects.

2. Dispute, claims and litigation risk related to ORPEA's ongoing financial restructuring

Following the opening of a second conciliation procedure on 25 October 2022 and the subsequent announcement and implementation of the draft financial restructuring plan, some of ORPEA's individual creditors and minority shareholders have initiated legal proceedings against the Company in an attempt to frustrate discussions with its main creditors and obstruct the adoption of its draft financial restructuring plan.

At 31 December 2022, three legal actions had been filed against ORPEA, including (i) a third-party opposition to the judgement of the Nanterre Specialised Commercial Court of 10 June 2022 approving the conciliation protocol signed on 3 June 2022 between ORPEA and its banking partners (the "**Conciliation Protocol**", (ii) a third-party opposition to the order of the President of the Nanterre Specialised Commercial Court opening the second conciliation procedure on 25 October 2022, and (iii) summary proceedings with a summons to appear at a specified time before the President of the Nanterre Specialised Commercial Court seeking the suspension of the second conciliation procedure and the appointment of an expert on the basis of Article 145 of the French Code of Civil Procedure (*Code de procédure civile*). In all three cases, the Nanterre Specialised Commercial Court dismissed all claims against ORPEA. Only the order issued at the end of the above-mentioned summary proceedings is currently being appealed before the Versailles Court of Appeal.

Since 1 January 2023, these same creditors and/or shareholders have continued to oppose the terms of the Group's financial restructuring and are contesting the next stages.

The following procedures have already been initiated during the 2023 financial year:

(i) a merits-based procedure before the Paris Commercial Court (*Tribunal de commerce de Paris*) seeking to nullify the lock-up agreement entered into by ORPEA with the group of investors led by Caisse des Dépôts et Consignations and some of its unsecured creditors on 14 February 2023;

(ii) summary proceedings-retraction before the Nanterre Specialised Commercial Court on the Conciliation Agreement (hearing scheduled for 14 June 2023);

(iii) three third-party oppositions to the judgement of 24 March 2023 of the Nanterre Specialised Commercial Court opening ORPEA's accelerated safeguard procedure;

(iv) four appeals to the supervisory judge of the Nanterre Specialised Commercial Court against the classification of affected parties decided by the judicial administrators under the accelerated safeguard procedure (these appeals were all declared inadmissible or dismissed by the supervisory judge, with two of the decisions currently under appeal at the Versailles Court of Appeal);

(v) summary proceedings at a specified time to request the appointment of a representative authorised to convene an Annual General Meeting of ORPEA shareholders for the purpose of deciding, in particular, on the dismissal of three of the members of its Board of Directors and on the capital increases provided for both by the draft safeguard plan drawn up by ORPEA and by the "alternative" draft prepared at the initiative of some of its shareholders and creditors, which was rejected by the President of the Nanterre Commercial Court by order of 31 May 2023; and

(vi) summary proceedings at a specified time for the purpose of retracting the order of 11 May 2023 granting ORPEA SA's request to extend the deadline for the Annual General Meeting convened to approve the financial statements for the year ended 31 December 2022.

Risk management

In early February 2022, the Board of Directors commissioned Grant Thornton France and Alvarez & Marsal to conduct an independent review of the Described Acts. Grant Thornton and Alvarez & Marsal submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and employment law. The findings of these independent investigations rule out allegations of widespread systemic abuse. In particular, they refute the claim that incontinence products were rationed as well as several allegations concerning meals and food. On the other hand, they report shortcomings and deficiencies, particularly in the handling of adverse events, management incentives and human resources management.

The Company also cooperated with the IGAS and IGF joint investigation team, which submitted its final report on 26 March 2022, highlighting certain instances of wrongdoing.

Before the aforementioned report findings were published, ORPEA undertook a series of remedial measures targeting its internal processes to eliminate any practices identified as inappropriate and allocate to that purpose the necessary human and financial resources.

Measures were immediately taken to remove the persons likely to be involved in the above-mentioned frauds and to strengthen the Group's internal control procedures. As a result, a number of disciplinary proceedings have been initiated against several Group managers, which are being challenged in court by the relevant employees.

The Board of Directors has also unanimously approved various structural changes, including:

- conducting a study regarding the transformation of ORPEA into a mission-led company (*société à mission*);
- the renewal of the Board of Directors;
- a major transformation plan, deployed primarily in France.

Since July 2022, more significant actions have been undertaken, particularly in France, in order to:

- Remedy: get the business 'back on track'. This means zero tolerance of unethical practices, transparent scrutiny when a facility is challenged, a review of the policy for reporting serious adverse events, increased attention on hiring and retaining employees, and enhanced training on ethics and positive treatment;
- Organise: bring the Group up to the highest standards in the sector, structure a human resources and salary policy, create an Ethical Care and Positive Treatment Committee in France, launch the reorganisation of support functions;
- Remobilise: regain our position as a major player in the future of "ageing well", which means broadening the dialogue with stakeholders (begun with the Conferences for the Elderly), defining a *raison d'être*, taking part in discussions on mission-led companies and inventing the care and services of tomorrow, while promoting synergies within our business.

ORPEA is cooperating closely with the authorities on all ongoing proceedings and is being supported by highly-regarded law firms to ensure that its interests are protected.

2.1.4.2 RISK RELATED TO THE DIFFICULTY OF ANTICIPATING EXPECTATIONS AND DEVELOPMENTS IN THE SECTOR

Risk identification

As the baby-boomer generation – described by recognised sector expert Luc Broussy as "the freedom-loving, free-spirited May '68 generation" – reaches old age, new individual and collective elderly care preferences are likely to emerge (see "Quand les baby-boomers auront 85 ans" ["When the baby-boomers turn 85"]), a report by the *Haut Commissariat au Plan* [France's High Commission for Planning], February 2023).

Coupled with the desire expressed by the vast majority of older people to remain at home for as long as possible, this development also raises questions about the dichotomy between home and facility living, about how collective accommodation can be adapted to the wishes and needs of this new generation, and about the number of facilities required and where they should be located. New alternative housing structures have already started to appear alongside nursing homes, which could themselves evolve into "nursing home platforms". However, these new structures are currently unregulated and therefore do not yet have dedicated funding.

So far, no reference framework for the models of the future has been developed by the national authorities in France. Failure to support the shift to home care and to develop new intermediate models between the home and the nursing home could jeopardise the Group's growth in new market segments.

The Group could encounter similar problems in other countries, which could also have a negative impact on its image, business activity, financial position and results.

In the face of increasing competition and the emergence of new players in the Silver Economy, failure to innovate would leave the Group unable to respond to developments and expectations of its patients, residents, beneficiaries and employees, which would ultimately result in a deterioration of its financial position.

Risk management

ORPEA helps respond to public health challenges and improve care for vulnerable people who have experienced a loss of autonomy. Prevention is part of the Group's strategy of helping patients return to their home environment, keeping elderly patients at home and developing new intermediate models between the home and the nursing home. It is based on the development of new services and new professions that also redefine the role of hospitals. ORPEA is working on these changes in collaboration with the authorities and stakeholders in the countries where it is established and in the areas in which it operates.

ORPEA's commitment to helping respond to public health challenges and improve care for vulnerable people who have experienced a loss of autonomy is also demonstrated in its contributions to research work.

Since 1 January 2023, the Research department has reported to the new Group Medical Director, who is a member of the Group Executive Committee. Within the framework of the Refoundation Plan, several angles are being explored, such as the use of data, falls among elderly people, the use of virtual reality, and participation in research projects on cancer and mental health.

The Group Innovation department, which reports to the Chief Executive Officer, strives to promote open innovation by prioritising the joint creation of solutions with users to best meet their needs and expectations, promoting project and thought leaders, spreading the innovation culture and involving the Group's entire ecosystem. It also ensures that initiatives are consistent across all countries, shares best practices and provides assistance in scaling up and deploying innovations, while taking care to adjust to the Group's strategic challenges. As part of its innovation policy, ORPEA is committed to identifying new projects and solutions every year to improve the well-being of the people in its facilities. A key aspect of the policy is sharing best practices with care staff and especially doctors, who can approve the roll-out of identified innovations. As part of this approach, the ORPEA Excellence Awards are organised each year to pay tribute to Group teams that have developed programmes bringing fresh thought and innovation to their healthcare practices. Innovation also contributes to the Group's transformation. As such, at the end of 2022 the focus of the roadmap shifted to two priority areas, in line with the Refoundation Plan: the resident and family experience and the employee experience.

Lastly, in France the Group surveyed the expectations of its residents on the future of nursing homes and support for the elderly through its Conferences for the Elderly in the spring of 2022, drawing lessons on how it can develop and personalise its offering. As the Group announced in its Refoundation Plan, this initiative will be extended to all its activities across all its geographical areas.

2.1.4.3 RISK RELATED TO CHANGES IN THE LEGISLATIVE AND REGULATORY ENVIRONMENT

Risk identification

Both in France and internationally, the Group may not sufficiently anticipate public or private reforms that could impact its strategy, development and financial position.

In some of the countries where the Group operates, the pricing applied by facilities has two components:

- a component that broadly consists of care and medical expenses, which is funded by the public authorities (national or regional health insurance system, national long-term care insurance etc.);
- a component covering accommodation and/or superior comfort levels (e.g. a private room), paid for by the resident or patient.

The portion paid for by the public authorities varies from country to country, and even from one region to another within the same country, but makes up less than 50% of total funding in most cases.

The portion paid for by patients and residents is deregulated in most countries, but increases – generally on a yearly basis – may be regulated and subject to an inflation-linked cap, at least for existing residents and patients. For new residents and patients, however, the pricing of this portion is generally not regulated.

The Group's activities also require it to comply with numerous local and international laws and regulations in a complex and changing legislative and regulatory environment. These include laws and regulations relating to healthcare and nursing, construction, rental activity, various licences and permits, personal data and the environment.

The constant and increasing legislative and regulatory changes can create legal instability and make it difficult to detect and anticipate direct or indirect impacts on the Group's business. Non-compliance with any of these standards or regulations could expose the Group to sanctions, including financial or criminal penalties, and to media exposure that could tarnish its image and reputation.

Risk management

The Group is present in 21 countries, so it has diversified its exposure to several healthcare systems by expanding its operations in countries such as Germany, Austria, Ireland and Switzerland where public funding is secure over the long term.

In addition, the Group has always focused on countries where a significant portion of its revenue is generated from private funding. In the event of a cut in public funding, the Group has a degree of flexibility because of the proportion of its funding that comes from private sources.

The Group keeps track of regulatory changes in each of the countries in which it operates.

2.1.4.4 RISK RELATED TO THE AWARD AND RENEWAL OF OPERATING LICENCES

Risk identification

A licence is required to operate a nursing home or medical facility in France and in most of the other countries where the Group operates. These licences are issued by the competent authorities in each country. The ease and speed with which such licences can be obtained varies depending on the applicable national and regional regulations. In some countries, such as France, Belgium and Austria, obtaining such licences is directly dependent on a quota of planned beds, whereas in other countries it is contingent on complying with architectural, safety, quality, staffing and other standards.

The crisis faced by the Group since 26 January 2022 could make it more difficult to obtain or renew licences.

Failure to obtain licences could slow down the Group's business development, which would impact its financial position and outlook.

To maintain or renew their licences – which are granted either for a fixed or unlimited period – the entities concerned usually have to undergo service quality assessments and controls. Depending on the country, these procedures are carried out by either the national or regional supervisory authorities. Any failure to comply with the applicable regulations could result in administrative closures and/or the withdrawal of operating licences.

If an operating licence were to be withdrawn or not renewed, this could have adverse reputational, operational and financial impacts for the Group.

In countries where licences are highly regulated and limited by governments, the Group recognises the licences as intangible assets and they are tested for impairment. The withdrawal or non-renewal of a licence could therefore result in the Group having to write down some of its assets. At 31 December 2022, intangible assets represented a total net value of around €1.6 billion and mainly corresponded to these licences.

In France, a healthcare regulation reform is currently under way which will require all hospitals to submit a new licence application in order to be compliant and able to continue their activities.

Risk management

In 2022 in France, in addition to the IGAS-IGF joint investigation, the supervisory authorities (regional health authorities, departmental councils) performed 179 nursing home inspections and ten inspections were carried out by the General Inspectorate for Social Affairs and the General Inspectorate for Finance. Taking multiple inspections of the same facility into account, almost three quarters (72%) of facilities for the elderly were inspected; by way of comparison, over the period 2018 to 2021, an average of 16 nursing homes, or 7%, were inspected each year. Almost all of these inspections were unannounced, although some inspections relating to the management of medication were announced in advance since they require the presence of a doctor and a nurse. By comparison, 25% of inspections were unannounced over the period 2017-2021. Most of these inspections were carried out on site. Only 12 documentary inspections were not accompanied by a site visit. The high number of inspections carried out in France in 2022 did not result in any closures or temporary suspensions of activities. In addition, the French Regional Health Agencies carried out six inspections in the Group's French hospitals (i.e., in 4.58% of these hospitals). Almost all inspections took place unannounced and on site. One inspection led to a temporary suspension of both inpatient and outpatient care. This licence suspension was lifted for inpatient care after a period of four months.

In Belgium, the authorities carried out 170 inspections in 2022 at 67 ORPEA nursing homes, compared to 62 inspections in 2021. To date, three nursing homes have had their licences temporarily suspended. However, in the Flanders region, six facilities remain under review and are subject to special monitoring by the quality and medical teams.

In Austria, in April 2022, the Salzburg Ombudsman reported serious shortcomings in the care at a nursing home in the city run by SeneCura, a subsidiary of ORPEA. Following this report, SeneCura's teams took all the necessary steps to rectify the discrepancies that were flagged.

The Group's quality procedures, which cover all subsidiaries and all stages of resident and patient care, as well as the care provision traceability approach implemented by the Medical department and the audits performed by the support units, help ORPEA protect itself against the potential risk of operating licences not being granted or renewed.

2.2 Internal control

2.2.1 SCOPE AND OBJECTIVES OF INTERNAL CONTROL

Internal control is a system designed to provide reasonable assurance that:

- the strategies set by Executive Management are executed;
- the applicable laws and regulations are complied with;
- internal procedures and protocols are applied effectively and efficiently;
- controls intended to manage and mitigate risks are understood and applied across the Group, and appropriate actions are implemented;
- precautions are taken to protect people (residents, patients, employees, etc.), assets and the Group's reputation;
- information produced is reliable, comprehensive and of a high quality, including financial and accounting information.

The internal control system – rolled out in all countries – therefore contributes to the effective management of the Group's activities, the safety and effectiveness of its operations and the efficient use of its resources, by establishing a control environment that is adapted to its businesses. This control environment – which is based on rules, procedures and charters drawn up at both Group and local level – provides a framework for a structured organisation aimed at safeguarding operations and reacting swiftly and effectively if material adverse events occur. However, there can be no guarantee that internal control will be 100% effective, despite best efforts and the resources deployed to this end.

2.2.2 CONTINUOUS IMPROVEMENT OF INTERNAL CONTROL

The internal control system is underpinned, in particular, by risk mapping. This process enables the Group to identify and analyse risks and accordingly draw up an internal control plan to mitigate any major new identified risks. Three main risk maps are used within the ORPEA Group to gain an overview of risk exposure and to prioritise and monitor the associated action plans. They are as follows:

- map of major risks;
- map of information systems risks;
- map of corruption and influence peddling risks.

The internal control system needs to be adapted and enhanced over time in light of the lessons learned from internal and external audits, attempted and actual fraud and any wrongdoing in operations, as well as in line with changes in the legal and regulatory environment.

Following the publication of *Les fossoyeurs* on 26 January 2022, the Board of Directors commissioned Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. At the same time, the French Ministry of Solidarity and Health ordered both the General Inspectorate of Social Affairs (IGAS) and the General Inspectorate of Finance (IGF) to investigate the claims.

The findings of the external and internal investigations were taken into account when preparing the Refoundation Plan and led to actions to strengthen the internal control system. This work will continue in 2023 with the arrival of a new Internal Audit and Control, Risk and Compliance Director.

2.2.3 MAIN INTERNAL CONTROL PARTICIPANTS

2.2.3.1 BOARD OF DIRECTORS AND BOARD COMMITTEES

Board of Directors

The Audit and Risk Committee and the Ethics, Quality and CSR Committee report to the Board of Directors on their internal control and risk management work, which the Board then reviews. The Board of Directors approves the individual financial statements and the annual and half-yearly consolidated financial statements based on recommendations issued by the Audit and Risk Committee.

The Board of Directors – which underwent major changes in July 2022 – subsequently decided to redefine the duties assigned to its Committees in order to reaffirm its commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges.

Audit and Risk Committee

The Audit Committee has been renamed the Audit and Risk Committee and its role has been strengthened and clarified, particularly with regard to risk-related responsibilities. The Committee is responsible for monitoring (i) the preparation of financial information, (ii) the effectiveness of internal control, internal audit and risk management systems, (iii) the audit of the individual and consolidated financial statements, and (iv) the Group's real estate strategy.

In particular, as part its responsibilities under point (ii) above, the Committee:

- ensures that there are appropriate control procedures and organisations in place within the Group to identify and manage risks, including social and environmental risks, and that corrective action is taken if any weaknesses or shortcomings are identified;
- reviews, based on Company risk maps and other resources, risk exposure in areas such as finance, operations and compliance, and measures taken as a result;
- familiarises itself with the findings of external audit work and with any internal control weaknesses reported by the Statutory Auditors.

The Audit and Risk Committee may be consulted on any issue relating to the procedures for control of unusual risks and may also, at its discretion, interview the Audit Director.

Ethics, Quality and CSR Committee

The CSR and Innovation Committee has become the Ethics, Quality and CSR Committee to ensure that ethics, quality and CSR are at the heart of the Group's mission.

Among other things, the Committee monitors issues related to (i) the safety and quality of life and care of people in the Group's facilities, (ii) the health, safety and well-being of employees, (iii) the Group's environmental footprint, and (iv) the implementation of innovative solutions and how the Group's actions improve understanding of societal challenges.

As part of its work, the Committee discusses all issues relating to ethics and all situations of conflict of interest, ensures that the Code of Conduct – Ethics and Corporate Social Responsibility is regularly updated and properly applied, and ascertains that business partnerships and alliances are in line with the Group's values and with agreements and conventions on human rights and fundamental freedoms.

It also assists the Board of Directors in monitoring the smooth running of existing quality and operational risk management processes within the Group as well as training, planning and tracking tools. It ensures that the Quality department assists facilities in implementing a quality system and that it checks and monitors the actions put in place.

The Committee works closely with the Audit and Risk Committee on all matters falling within its remit, including internal control, compliance, risk management and analysis and non-financial information.

The roles and responsibilities of the Board Committees are described in Chapter 4 of this Universal Registration Document.

2.2.3.2 EXECUTIVE MANAGEMENT

Executive Management designs and implements the internal control and risk management systems and is responsible for the quality of those systems. It assesses the systems on a continuous basis and ensures that any necessary corrective measures are effectively taken.

Executive Management leads the Group's strategic projects, particularly in the areas of internal control and risk management, and makes decisions regarding priorities and resource allocation. It ensures that these decisions are implemented by defining the related organisational structure and objectives.

Executive Management is required to communicate all relevant information to the Board of Directors and the Board Committees in a timely fashion so that they can properly perform their internal control work.

2.2.3.3 INTERNAL AUDIT AND CONTROL, RISK AND COMPLIANCE DEPARTMENT

In 2022, the new Chief Executive Officer, upon announcing that a new management team had been tasked with rebuilding the Group, stated that the Internal Audit and Control, Risk and Compliance department would report directly to him going forward. The Audit and Risk Committee also communicates directly with the Internal Audit and Control, Risk and Compliance Director.

The department is structured around two units: permanent control and periodic control.

The permanent control unit works on identifying and preventing risks as well as on the design of the internal control system. It has four main sub-units:

- risk management, in charge of preparing and coordinating various risk mapping exercises;
- internal control, responsible for formalising and coordinating the internal control system;
- compliance, tasked with ensuring that the Group complies with its legal and regulatory obligations, particularly those related to combating corruption and influence peddling;
- data protection, in charge of ensuring that the Group complies with its obligations related to processing personal data.

The permanent control unit is supported by centralised teams at the Group's headquarters and also has a network of local correspondents in the various geographical areas. These correspondents are responsible for adapting, where applicable, the Group's principles to specific local requirements and for monitoring the implementation of the internal control system.

The periodic control unit corresponds exclusively to internal audit and is responsible for ensuring that the internal control system is effective and that risks are mitigated within all Group entities. It may also recommend improvements to limit risk exposure.

2.2.3.4 FINANCE, PROCUREMENT AND INFORMATION SYSTEMS (IS) DEPARTMENTS

The Group Finance department is responsible for producing the financial statements, ensuring compliance with tax legislation, assisting operations staff with establishing and monitoring key performance indicators, and managing the Group's cash and financing. It is also responsible for the Group's financial reporting.

The Procurement department ensures, in particular, that ethical standards are adhered to, that facilities receive high-quality, cost-effective and easy-to-use products and services, and that procurement contributes to the Group's CSR policy.

The Information Systems department ensures the Group's businesses have access to secure infrastructure and applications adapted to their needs. It oversees cybersecurity management and draws up business continuity and recovery plans.

Its role and responsibilities are described in more detail in section 2.2.5 below.

2.2.3.5 SUSTAINABLE DEVELOPMENT AND QUALITY DEPARTMENT

The Group Sustainable Development and Quality department is responsible for:

- strengthening the Group's Sustainable Development strategy and coordinating its CSR policy by ensuring that they are incorporated into all its businesses to drive sustainable performance;
- strengthening the Group's Quality policy and objectives as part of the Refoundation Plan, across all operations and support units, in order to optimise Group processes and operating procedures.

The Quality department in each geographical area is responsible for aligning, formalising and updating processes in conjunction with the various business lines, thereby guaranteeing best care and quality-of-life practices in all facilities. The Quality teams also help facilities with certification and internal and external quality assessments, by providing methodological assistance and hands-on support.

2.2.3.6 LEGAL DEPARTMENT

The Group Legal department advises and assists Executive Management and all the operations and support departments with safeguarding the Group's interests and assets from a legal perspective (securities, financing, corporate law, M&A, real estate, contracts, competition, intellectual property, operations). It is responsible for identifying legal risks and optimising their management (including in the event of disputes).

Some day-to-day and exceptional legal matters are managed by the Legal department of the relevant geographical area. In accordance with the Group Standards, local Legal departments must obtain authorisation from the Group Legal department before carrying out certain activities and report to it on a number of legal matters on a bi-monthly basis.

2.2.3.7 MEDICAL DEPARTMENT

The Medical department is based on three pillars: a Group Medical Commission, an international and interdisciplinary Scientific Council made up of healthcare and nursing experts, and an Ethics Advisory Board responsible for providing operational responses to the questions raised by teams.

2.2.3.8 HUMAN RESOURCES DEPARTMENT

The Human Resources department is responsible for drawing up and implementing human resources policies, putting HR management at the heart of the Group's priorities in order to rebuild trust among employees, improve working conditions, promote well-being at work, increase the appeal of care professions and foster excellence. This role involves managing the social and people-related aspects of the Group's transformation, thereby establishing the basis for constructive social dialogue so that the Group's people can play a key role in fulfilling its commitment to taking care of employees, residents and patients. In particular, it is responsible for strengthening best practices and occupational health and safety for employees (see section 2.1.1.4 "Risk related to employee health and safety").

2.2.3.9 OTHER CORPORATE SERVICES

In addition to the above-mentioned departments, the Group has other functions which help draw up guidelines applicable to all Group entities, assist the local teams in the various geographical areas with implementing those guidelines, and monitor, validate and/or control certain aspects of those teams' work. These include:

- the Real Estate department, (defining and implementing the Group's real estate strategy, portfolio management, acquisitions, asset and property management, building design and construction, etc.);
- the Communications department (building the Group's appeal and reputation, as well as restoring trust and dialogue with all stakeholders, etc.);
- the Transactions and M&A department (analysing all greenfield development, restructuring/extension and acquisition projects, organising Development Committee meetings).

2.2.3.10 THE MAIN DEPARTMENTS IN THE GROUP'S GEOGRAPHICAL AREAS/BUSINESS UNITS

Local managers are responsible for safeguarding the activities within their remit and must therefore ensure that the appropriate control system is in place. The headquarters of the geographical areas/Business Units also have their own support services such as finance, quality, catering, human resources and IT, whose role includes supporting, safeguarding and controlling operations.

2.2.4 CROSS-FUNCTIONAL INTERNAL CONTROL SYSTEMS APPLICABLE TO THE GROUP

2.2.4.1 CONTROL ACTIVITIES

Control activities, which are carried out at every level of the organisation, aim to safeguard operations and to enable the Group to achieve its objectives while accepting a tolerable level of risk. They are conducted on the basis of the procedures and operating methods in place.

2.2.4.2 INTERNAL RULES AND STANDARDS

The Group Standards

Since 2020, ORPEA has had a set of Group Standards, which, for each of the Group's key functions (operations, medical, quality, catering, human resources, finance, procurement, information systems, legal, compliance, risks, etc.), define a common set of rules applicable to all entities in order to safeguard its activities, facilitate the integration of its various entities, encourage international collaboration, and harmonise best practices within the Group.

Quality procedures

In accordance with the quality requirements in the Group Standards, each country has a set of quality procedures. Wherever possible, based on business activity and/or local regulations, the same quality procedures and tools apply to all facilities in each country.

The procedures cover a range of events that could affect the safety of residents, patients and employees, as well as the Group's proper functioning, performance and/or reputation. They contain preventive and corrective measures together with actions for managing such events.

They are reviewed whenever deemed necessary (e.g., in the event of a regulatory change) and at least once a year, by the local Quality department in conjunction with the operations and support departments concerned, in order to incorporate any required amendments as part of a continuous improvement policy. Facility directors are systematically informed of any updates, and must confirm that the procedures are being applied in the facility for which they are responsible.

Compliance standards

The Group's compliance policies are set out by the Compliance department, which works closely with the other support departments and in particular the Legal department.

These policies, which are in line with the Group's risk maps, mainly focus on anti-corruption and integrity measures as well as personal data protection regulations. The key measures associated with these two risks are described in section 2.1 above.

2.2.4.3 MAIN CONTROL BODIES

In addition to the Board of Directors and the various Board Committees (described in Chapter 4 of this Universal Registration Document), the Group has set up several bodies whose roles are to (i) ensure that the business is properly and smoothly run, and to monitor that the Group's rules – both its operational rules and those for safeguarding its activities – are effectively applied, and (ii) draw up any necessary corrective action plans. The main committees responsible for these roles are:

- **The Business Review Committee**, whose monthly meetings are held at Group level and cover each geographical area. This committee reviews the current situation of the Business Units in the geographical area that fall within the scope of the meeting, as well as their key figures and the main difficulties encountered.
- **The Development Committee**, whose role is to validate development projects (building new facilities, acquisitions or restructuring operations). This Committee's meetings are attended by Executive Management and representatives from the Group Finance, Real Estate, and Transactions and M&A departments, as well as representatives (generally the CEO, CFO and Head of Development) of the geographical area or Business Unit concerned. The Legal, Medical and Compliance departments receive the project briefing in advance and may attend meetings depending on the agenda.
- **The Real Estate Committee**, a decision-making body for the acquisition/disposal of real estate assets, whose role is to issue the approvals needed to implement such projects. This Committee's meetings are attended by the Chief Executive Officer and representatives from the Group Finance, Real Estate, Legal, Transactions and M&A departments, as well as representatives from the geographical area concerned.
- **The Quality Committee**, whose meetings are held at geographical area or Business Unit level and which relays best practices within the facilities and verifies that they are being effectively applied. This Committee also addresses any implementation difficulties encountered by operations teams and proposes solutions to ensure that targets are met. It analyses the main quality indicators (complaints, material adverse events, satisfaction surveys, etc.) and also studies ways of developing and improving internal control tools.

2.2.4.4 CRISIS MANAGEMENT AND BUSINESS CONTINUITY PLANS

A crisis management plan is in place that outlines the instructions for activating crisis units both at the Group and local levels. Each facility also has a business continuity plan (BCP) detailing all the incidents, accidents or disasters that could affect that facility and the actions that should be taken if such events occur.

The crisis management plan rounds out the BCP by cataloguing all the human resources, equipment and logistics that would be necessary in the event of a health crisis and explains how to set up a crisis unit. These plans are submitted to the relevant authorities, where required, and are verified and controlled by the operations departments and the Quality department.

2.2.4.5 PROCESS FOR HANDLING MATERIAL ADVERSE EVENTS

Handling material adverse events is a key issue for the Group. In 2022, it committed to updating its reporting procedure and further raising team awareness on the issue in order to speed up the reporting process. Its efforts in this area are evidenced in particular by the inclusion of a review of the prior month's material adverse events at every Board of Directors, Ethics, Quality and CSR Committee and Business Review Committee meeting, as well as the inclusion of systematic early reporting or direct reporting of material adverse events in the criteria for the Chief Executive Officer's 2022 bonus.

At the same time, since July 2022, a weekly report for each country has been prepared and sent to the Group's Executive Management and the Executive Committee of each country, listing all material adverse events that took place, their severity, the time it took to report them to the authorities and the corrective measures taken. This process not only keeps the management team fully informed, but also enables it to identify new collective prevention priorities.

In 2022, in line with the above-mentioned commitment, the procedures for handling these events were also simplified to empower front-line teams and shorten reporting times. In France, for example, quick reference sheets were shared with all teams and displayed in staff rooms to remind people of the main requirements when a material adverse event occurs. Furthermore, to encourage reporting, the Group is building a trust-based "fair culture" with employees that promotes consistent, constructive and fair responses to material adverse events. This fair culture is being achieved through country-specific Charters of Commitments. Thanks to these measures, the time taken to report events to the authorities has been significantly reduced. In France, for example, the number of material adverse events reported increased threefold in 2022 compared with 2021 and the time taken to report these events to the supervisory authorities decreased from an average of more than 14 days in 2021 to a median of two days in 2022.

Material adverse events are reported to the authorities according to the applicable local regulations.

2.2.4.6 ASSESSMENTS AND AUDITS

Internal audit assignments

The Internal Audit unit of the Group Internal Audit and Control, Risk and Compliance department is responsible for assessing that internal control procedures effectively cover the risks to which the Group is exposed. Internal audit assignments are therefore conducted by the Group's internal audit teams in all of its geographical areas and Business Units. The audit plan is drawn up based on the risk map and dialogue with the members of the Group Executive Committee. This plan is presented to the Audit and Risk Committee, which approves it annually, prior to its implementation. It usually includes different types of engagements, including general audits, specific audits, thematic reviews and special engagements.

Facility assessments

ORPEA has developed a quality control process that applies to all Group entities. Nearly 200 criteria are controlled and monitored quarterly by facility directors, regional directors and the different support business lines (quality, medical/care, construction and catering). This process is led by the Group's Quality department. It is based on quality standards and also meets regulatory requirements.

The results of these self-assessments and audits are then compiled into a report once every six months, which enables the geographical areas, Business Units and the Quality department to check that the control processes are being systematically applied and to identify any failure to comply with best practices. If any such failures are identified, a corrective action plan is drawn up and implemented.

The information obtained and conclusions drawn on the basis of these assessments help shape changes in the Group's quality policy.

Lastly, the buildings used by the Group's facilities are regularly audited to ensure compliance with health and safety procedures for residents, patients and employees and the proper maintenance of buildings and equipment.

Quality certifications

ORPEA seeks to have its facilities certified so as to obtain an independent assessment of the quality and safety of the people being cared for and of the services provided. The minimum standard chosen by ORPEA is ISO 9000:2015. In countries where certification is not regulated, ORPEA has decided to have all of its facilities certified by independent bodies to guarantee the quality management system, with a focus on the quality and safety of care within the facilities.

In France, external certification by the *Haute Autorité de Santé* (HAS) is conducted every four years for healthcare facilities and every five years for nursing homes. HAS certification of nursing homes was introduced in 2022, with effect from 2023, and replaced the external assessment process by an independent body previously in force. The purpose of these certifications is to assess the quality and safety of the care provided in facilities and to report the findings transparently to all stakeholders.

The Group regards these assessments as an additional opportunity to analyse how well its operations are performing based on an objective, rigorous and impartial approach and thanks to the external views provided by the assessors.

Satisfaction surveys

Surveys are adapted to each country and type of resident, patient and beneficiary in order to fully take into account their expectations. However, some common indicators have been defined for standardised performance measurements across countries.

Satisfaction surveys, for example, are carried out annually at nursing homes to gauge how the residents and their families feel about the quality of care provided and about the way the facilities are being run. These surveys – which are given to all of the residents in residence at the time of the campaign, as well as to their families – add to the information provided by the facility assessments and help the Group put in place the necessary measures for continuous quality improvement. The survey results are presented to the families and the nursing home employees at information meetings. For all nursing homes and assisted-living facilities in all countries, the survey is conducted by an independent external service provider. In 2022, the survey methodology was changed to take into account the findings of internal and external investigations that took place within the Group in early 2022.

In the case of hospitals, patients are also asked to complete a satisfaction survey during and/or at the end of their stay.

Lastly, for home care services, each country organises its own satisfaction survey, either as a paper questionnaire or a digital survey.

2.2.5 SPECIFIC INTERNAL CONTROL FRAMEWORK FOR PREPARING AND PROCESSING FINANCIAL INFORMATION

2.2.5.1 PARTICIPANTS IN THE FINANCIAL REPORTING PROCESS

Finance department

As part of its role in the financial reporting process, the Finance department has two main tasks: (i) preparing the financial statements and financial information, and (ii) managing cash and financing.

It is therefore responsible for:

- monitoring developments in accounting and tax standards and ensuring new laws and regulations are applied;
- defining the accounting, financial and management principles and procedures to be rolled out in the Group's various geographical areas and entities;
- ensuring the quality and fairness of the financial information of the Group, ORPEA SA and its subsidiaries;
- managing the budget process and monitoring operational performance;
- choosing and deploying tools to support key processes (consolidation, cash management, etc.). The Group Finance department mainly comprises the following units: operational financial control, real estate financial control, consolidation, treasury/financing, accounting and tax.

Finance departments of geographical areas/Business Units

The local Finance departments are organised by geographical area/Business Unit. They are responsible for preparing and verifying the local accounts and financial statements, cash management and monitoring operational performance in accordance with the principles set by the Group.

The local Finance departments report directly to the local Executive Management teams and on a dotted-line basis to the Group Finance department.

2.2.5.2 PROCESS OF PREPARING ACCOUNTING AND FINANCIAL INFORMATION

Period-end reporting

The Group Finance department is responsible for preparing the consolidated financial statements based on the financial statements for each of the legal entities and the consolidation packages prepared by the geographical areas and/or Business Units. The Navision system is used in many of the Group's geographical areas and/or Business Units for individual financial statements.

Quarterly consolidated financial statements are prepared in the HFM software, with the process supervised by the Group consolidation unit. The interim and annual consolidated financial statements undergo a limited review and audit, respectively, by the Statutory Auditors.

In 2023, the Group introduced a month-end close on a consolidated basis for the various regions and Business Units. This process is used to compile the figures presented at monthly business reviews with the Group's Executive Management and Finance department.

The Group Finance department constantly monitors changes in accounting standards, tax law and new statutory and regulatory requirements. To help with its decision-making on technical issues, it may also obtain assistance from other corporate departments or external advisors. It stays in contact with the Statutory Auditors throughout the year, and regularly consults them before implementing new approaches.

2.2.5.3 BUSINESS AND FINANCIAL PERFORMANCE INTERNAL CONTROL SYSTEMS

Operational financial control

Each facility prepares an annual budget based on dialogue between operations staff and management control. Operational management control reviews these budgets and consolidates them at the level of each geographical area/Business Unit. After validation, the budget serves as a roadmap for each facility.

A reporting document is prepared on a monthly basis to monitor changes in revenue, operating expenses, occupancy rates, debt and investments by geographical area/Business Unit. Differences compared with the budget and the previous period are analysed and explained.

This reporting document is presented every month at the business reviews held by the geographical area/Business Unit Finance department and main operations departments and attended by Group Executive Management and the Group Finance department.

The Group operational financial control team consolidates the monthly Business Unit/geographical area information as well as annual budgets.

Real estate financial control

The real estate financial control team is responsible for valuing the real estate portfolio and monitoring the related indicators, in conjunction with renowned international external firms which carry out their own valuation once a year. It also monitors the Group's investments, maintenance activities and changes in external rental costs.

2.2.5.4 FINANCIAL COMMUNICATION

The Chief Executive Officer is responsible for financial communication; the Investor Relations department reports to the Group Finance, Procurement and Information Systems (IS) Director.

The published annual and half-yearly financial information is approved for issue by the Board of Directors.

The investor relations and financial reporting section of the Group's website (https://www.orpea-group.com/en/shareholders-investors/) contains all the information available for investors, including presentations given to the financial community, press releases and regulated information.

Executive Management gives a presentation of the Group's results to the financial community twice a year, and revenue is reported quarterly.

CHAPTER 3
NON-FINANCIAL STATEMENT

Non-Financial Statement

3

The publication of social, environmental and societal challenges, risks and performance as part of the Non-Financial Statement[1] is particularly important for ORPEA in 2023, given the reputation and governance crisis in which the Group found itself in January 2022, following the publication of the book *Les fossoyeurs*. The in-depth external and internal investigations that followed this event led ORPEA to take an uncompromising look inward that was both necessary and vitally beneficial. The Group has emerged convinced of the essential nature of its mission and the fundamental role of Corporate Social Responsibility, which it has placed at the centre of its *With you and for you, changing ORPEA* Refoundation Plan, presented by Executive Management to all stakeholders in November 2022.

The plan returns focus to the quality of care and the support provided to vulnerable persons, an ambition that goes hand in hand with employee professional development. It also states the Group's desire to provide a full range of suitable and diverse care solutions tailored to meet the needs of the populations in the areas where the Group operates and thereby generate a positive economic and social impact.

Major challenges such as the increase in life expectancy, the rising prevalence of neurodegenerative diseases and the deterioration of mental health are salient social issues that define our times. The significance of these challenges is reinforced on the one hand by the sociological and demographic changes that have been deeply affecting modern societies over several decades, and on the other, by the recent pandemic, the consequences of which, although far from being fully known, seem to have had an impact on the increase in mental health issues.

One may wonder about the role and place of a spirit of solidarity and care in contemporary societies, where our ability to look after others seems to be waning with the increase in life expectancy and the years of reduced autonomy that can accompany it.

Against this backdrop, the heart of our business is firmly rooted in skill and experience combined with compassion and care for vulnerable individuals. We are committed to upholding this ability to combine compassionate care, medical and nursing expertise, and ethical values. The concrete expression of that commitment is outlined in the Refoundation Plan presented in November 2022, shaped by an acute awareness of increased media exposure and zero margin for error.

In addition to medical ethics, embodied within the Group by Professor Emmanuel Hirsch, Ethics Vice-President since January 2023, business ethics are also a key focus amid the financial irregularities currently under legitimate legal investigation, which have undermined the trust of patients, residents and their families, as well as that of employees.

With its reputation capital seriously damaged, the Group has renewed the very foundation of its governance and made ethics a fundamental pillar of the Refoundation Plan, alongside the creation of a strong new medical division and the reorganisation of functions relating to human resources, quality, sustainable development, procurement, IT, audit, compliance and communications. Experienced managers took up the reins of all these functions between July 2022 and April 2023 under the leadership of Laurent Guillot, Chief Executive Officer.

Situated within this specific context, ORPEA's 2022 Non-Financial Statement presents the following:

- the main risks associated with the Company's business;
- the policies applied by the Company including, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks;
- the results of these policies, including key performance indicators (KPIs).

In view of the media crisis and its consequences, the 2022 Non-Financial Statement also reflects the significant disruptions that have affected the roll-out of action plans led by the support functions, especially with regard to the Group's CSR strategy. Embodied by the Improving Tomorrow programme, the launch of ORPEA's structured and expanded CSR strategy suffered greatly from the effectively overshadowing impacts of the crisis.

In addition, the priority given to resolving the most urgent aspects of the crisis limited both the attention of the workforce and the availability of management teams to effectively support the Group's CSR policy.

In 2023, the CSR strategy will be stepped up in line with the ambitions of ORPEA's new governance structure and the high expectations of the Group's stakeholders.

(1) *Since 2017, the European Non-Financial Reporting Directive has introduced mandatory non-financial reporting for companies headquartered in the European Union. This directive, transposed into French law by the Decree of 9 August 2017, sets out the required content of the annual Non-Financial Statement.*

3.1 Corporate Social Responsibility's contribution to ORPEA's transformation

Honouring the trust of our patients and residents, and supporting our employees in their day-to-day, requires an urgent, systemic transformation such as that launched by the new Executive Management team, with a profound impact on governance, strategy, risk analysis and performance indicators in all areas of the Group's business.

The Group's mission is to provide care and life pathways to vulnerable individuals at a time of lengthening life expectancy and increasingly prevalent neurodegenerative diseases and mental health challenges that lead to a need for care. To meet these challenges, ORPEA aims to provide a full spectrum of suitable, diversified care solutions tailored to the needs of populations in the areas in which ORPEA operates.

Between the respectful care and support of vulnerable people, employee development and making a positive impact on the areas where we operate, Corporate Social Responsibility must naturally become an intrinsic part of the Group's activities, as set out in the *With you and for you, changing ORPEA* Refoundation Plan.

Following on from the structural decisions of the November 2022 Refoundation Plan, in 2023 the Group will propose a comprehensive and systemic sustainable development strategy, placing Corporate Social Responsibility at the centre of the business model (see section 1 of this Universal Registration Document). As part of this dynamic, a Sustainable Development and Quality department, represented by its Director on the Group's Executive Committee, was created in March 2023. This new department brings together the Quality and CSR departments, which are referred to separately in this Non-Financial Statement for the year 2022.

3.1.1 STRATEGIC CHALLENGES

NON-FINANCIAL RISK MAP

The Refoundation Plan involves fully addressing essential challenges such as control of non-financial risks, concerning the environment, social responsibility, human rights and corruption, within the framework of a prevention policy and the management of risks inherent in the Group's activities. These risks have been described and prioritised in a Group risk map resulting from a structured approach which aimed to identify, assess and control the risk factors liable to adversely affect the Group's operation (see Chapter 2 of this Universal Registration Document).

All geographical areas and activities were included in the exercise to take into account changes within the organisation and its operating environment.

This new, enhanced risk map will be presented in 2023 and shared in its entirety with the members of Executive Management and the Board of Directors, in particular through its Audit and Risk Committee.

The Group's risk mapping programme is built on the following pillars:

- identifying risks based on a risk outlook grounded in market practices and with the assistance of the Group's business lines;
- rating each risk based on expected severity, likelihood of occurrence and level of control;
- overseeing action plans to mitigate the risks that constitute major challenges for the Group.

The various internal control participants and bodies (quality, medical, human resources, audit, risk and compliance, etc.), and the CSR department, have drawn up definitions and rolled out key policies to manage the risks identified.

This risk map has allowed ORPEA to identify the major environmental, social, societal and governance risks that could impact its business or stakeholders, as well as the potential opportunities they present. Actions taken to address these challenges are measured and monitored through performance indicators. The key performance indicators are included in the Group's Improving Tomorrow CSR roadmap below (see section 3.1.3.1 of this Universal Registration Document).

- **Non-financial risks and opportunities and the challenges for ORPEA**

Main non-financial risks and opportunities	Challenges
Risk related to a failure to respect the rights and dignity of vulnerable persons	Medical and care ethics; health and safety; dialogue with families
Risk related to medical care, quality of care and the safety of patients and residents	
Risk related to facility safety conditions	
Risk of failing to engage in dialogue with patients, residents and their families	
Opportunity to make a positive impact on residents and patients	Well-being; positive treatment
Risk related to attracting, recruiting and retaining employees, and their health and safety	Health and safety; development; training; social dialogue
Risk of failure to maintain social dialogue	
Risk related to failure to adapt to the consequences of climate change	Reduction of the carbon footprint of buildings and their use, preservation of non-renewable natural resources, resilience of the Group's sites to the consequences of climate change (particularly heat waves)
Risk of environmental damage	Preservation of non-renewable natural resources; waste management
Risks related to purchasing, suppliers and subcontractors	Supply chain vigilance and control
Opportunity to have a positive impact on the ecosystem	Sustainable and responsible supplier relationships
Investment or financing decisions versus responsible or impactful management practices	A precise and holistic view of the company's performance and long-term value creation for shareholders and investors
Opportunity to have a positive impact on markets where it operates	Scientific contribution, solidarity
Risk related to a failure to comply with business ethics principles	Business ethics

The updated risk map will serve as the basis for drawing up a new CSR roadmap. This risk classification will be completed and refined in 2023, in line with the evolution of the CSR strategy.

3.1.2 ALIGNING CSR GOVERNANCE WITH THE GROUP'S ONGOING TRANSFORMATION

In line with the Group's *With you and for you, changing ORPEA* Refoundation Plan, particular attention was paid to the evolution of CSR governance in 2022.

CSR AND INNOVATION COMMITTEE TRANSFORMATION INTO AN ETHICS, QUALITY AND CSR COMMITTEE WITHIN THE BOARD OF DIRECTORS

Following the major changes to the Board of Directors approved by the Combined Annual General Meeting of 28 July 2022, the new Board of Directors also decided to redefine the duties assigned to its committees in order to demonstrate its commitment to transformation and to effectively fulfilling its mission of providing care and support to vulnerable persons, and rising to the related challenges.

In this context, the CSR and Innovation Committee of the Board of Directors has been transformed into the Ethics, Quality and CSR Committee. While the Refoundation Plan puts ethics, quality and CSR back at the centre of ORPEA's business model, the new Committee's main tasks are to examine the Group's strategy and commitments in terms of social, environmental and societal responsibility and innovation, in terms of strategy as well as monitoring and evaluating actions and their results.

In terms of CSR, the committee monitors challenges related to the safety, quality of life and care of people in its facilities; the health, safety and well-being of employees; the Group's environmental footprint; the implementation of innovative solutions; the contributions of Group actions to raising awareness about societal challenges; and the charitable work of the ORPEA Foundation. The Committee is also responsible for monitoring ethical issues, including discussion of potential conflicts of interest, and regularly overseeing updates of the Group's Code of Conduct – Ethics and CSR. It also ensures that business partnerships comply with the values contained in the Responsible Procurement Charter and said Code of Conduct. With regard to quality, the Committee is notably responsible for monitoring the quality and operational risk management processes within the Group, ensuring that the Quality department provides facilities with the requisite support in implementing the quality programme, and ensuring that quality indicators are monitored to facilitate ongoing improvement.

The missions and structure of this Committee's work are detailed in the Internal Rules of the Board of Directors (see Appendix 1 of Chapter 4 of this Universal Registration Document or the Company's website[1]).

The Group's executive bodies (Group Executive Committee and the Operations Committees of each country) ensure that the company's social, societal and environmental impacts are fully integrated into its strategy.

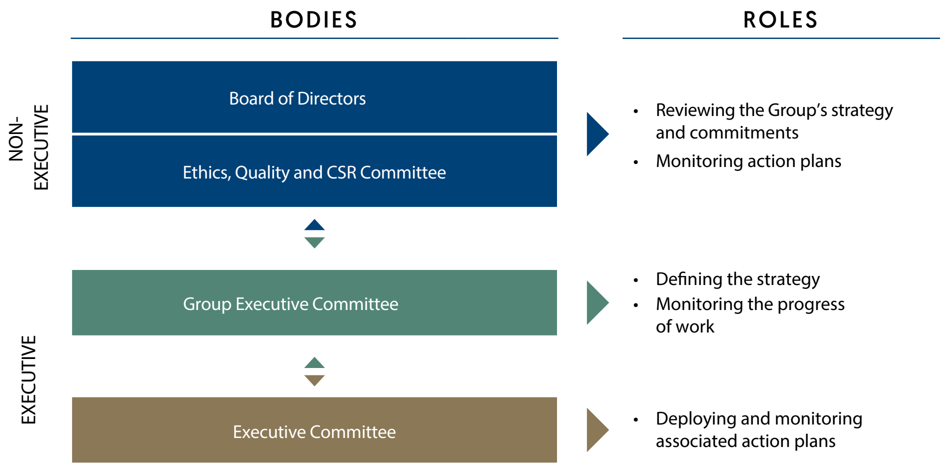
(1) *https://www.orpea-group.com/wp-content/uploads/2023/03/Reglement-Interieur-Conseil-Administration-2023.03.14-GB.pdf.*

ORPEA has chosen to fully involve all its departments (HR, Procurement, Quality, Medical, Construction, IT, etc.) in its cross-cutting corporate social responsibility strategy. Each department contributes to defining objectives and cascading the CSR objectives and action plans specific to their areas of expertise at "community meetings" attended by representatives from the Group's various geographical areas. Similarly, the geographical areas are progressively appointing local CSR managers to lead the strategy in the field and to appropriately respond to the specific issues and requirements in each country. This network of CSR managers will grow further in 2023.

As indicated in the introduction to the Non-Financial Statement above, the consequences of the 2022 crisis have impacted the implementation of the CSR action plan and the establishment of cooperative relationships between the Group's business lines. In particular, the various bodies, at both headquarters and business line or country level, have not been able to adequately address the CSR issues for which they are responsible. 2023 will see the relaunch of these bodies, ensuring that the CSR policy is monitored effectively by both business lines and geographical areas.

The Group CSR department is responsible for coordinating and promoting the strategy throughout the Group, for all countries and Group departments. To advance this goal, a new Sustainable Development and Quality department, reporting to the Group Chief Executive Officer and a member of the Executive Committee, was established in March 2023. This organisation strengthens and positions CSR at the centre of the Group's activity. The Sustainable Development and Quality department participates in the Ethics, Quality and CSR Committee of the Board of Directors in order to present the progress made over the period.

GOVERNING BODIES AND FUNCTIONS



THE CSR CHAMPIONS NETWORK

In 2022, the Group took steps toward establishing a network of CSR correspondents located in each country. The objective of this network is to:

- **support local CSR managers** in a top-down and bottom-up approach, with the correspondents acting as a relay for the CSR policy;
- **mobilise employees:** because they are close to the teams in the field, the members of the network will foster employee engagement on CSR challenges, by giving practical meaning to broad priorities, illustrating local best practices and encouraging overall uptake;
- **adapt to the local culture:** the network allows for processes and tools to be adapted to the specific situation of the company and the country in question (stakeholder expectations, cultural challenges and regulations). Internationally, this is a prerequisite for adapting to operational realities.

The network will continue to take shape in 2023.

Involving employees in the Group's environmental policy

In line with the well-substantiated and widely-held position that the state of the environment is everyone's concern, facility staff and headquarters employees were invited to participate in numerous initiatives to raise awareness of environmentally friendly behaviours, in particular during the European Week for Sustainable Development in October 2022:

- The objectives for the week were to raise awareness of environmental issues and to promote concrete actions to reduce their company's environmental impact. Employees were encouraged to take environmentally responsible action, such as using eco-friendly products, reducing energy consumption and waste, etc.
- A joint communication strategy including posters, brochures, a catalogue of guidelines and schedule of activities was rolled out to employees; online and in-person conferences were also organised covering subjects such as climate change, digital pollution, sustainable construction strategy, ethical fashion and energy savings through specialised webinars.

3.1.3 IMPROVING TOMORROW, 2020-2023 ROADMAP REVIEW

By 2020, the Group had established a formal CSR approach through open dialogue with its stakeholders and identified its priority challenges. This resulted in the 2021 launch of the Improving Tomorrow company-wide programme, with a roadmap of objectives, primarily for completion by 2023.

3.1.3.1 A ROADMAP WITH FIVE PRIORITIES

Improving Tomorrow is divided into five operational programmes:

- **BE WELL – well-being:** ensuring the well-being of patients, residents and employees in appropriate living and working environments, through the quality of care, quality of catering, quality of life in the workplace, and health and safety awareness.
- **BOOST – career development:** providing access to training and encouraging internal promotions and career development for all employees.
- **ALL IN – inclusion and diversity:** hiring and developing people from all walks of life; helping to change society's view on ageing, disability and mental illness; strengthening social bonds by involving families, loved ones and patient associations in day-to-day life at the facilities.
- **GO GREEN – environmental impact:** managing the Group's environmental impact from the perspective of:
  - **climate:** by rolling out the "Green Building" strategy aimed at controlling energy consumption and associated greenhouse gas emissions and by ensuring the resilience of buildings to the consequences of climate change,
  - **circular economy:** by reducing the production of waste at source and by deploying biowaste recovery systems,
  - **protection of biodiversity and ecosystems:** by integrating the objective of restoring biodiversity in building design, as well as in the parks and gardens of facilities
  - and by sharing these objectives with all ORPEA partners through its **responsible procurement policy**.
- **ACT BEYOND – contributing to a more ethical, inclusive and collaborative world:** operating within an ethical framework, contributing to sustainable business partnerships, supporting social and environmental projects through charitable and community outreach initiatives, supporting vulnerable populations through preventative healthcare programmes, working with local authorities, investing in research, designing tomorrow's innovative solutions, etc., to build a more just and sustainable world.

This policy is translated into action plans and performance indicators at Group and local level. These indicators are based on recognised international non-financial reporting standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). For cross-reference tables of the Group's CSR roadmap with these standards, see section 3.7 of this Universal Registration Document.

The CSR roadmap, with its strategic priorities, actions and quantified indicators, illustrates the Group's main non-financial challenges and will be regularly evaluated and updated.

To ensure the implementation of its new strategy, the conditions for the annual bonuses of the Executive Management team and of regional directors and facility directors are currently being redefined. These new rules will be implemented for the bonuses for the 2023 financial year, in line with the CEO's bonus made public in a press release on 16 June 2022. This bonus is dependent on the achievement of financial objectives and non-financial qualitative objectives linked to CSR and the strategic plan (Refoundation Plan).

The table below sets out the policies implemented for each CSR roadmap challenge, policies which are detailed in the rest of this Non-Financial Statement. It also provides the performance indicators measured, as well as the objectives set by the Group for 2023.

Our roadmap

IMPROVING TOMORROW BY ORPEA

Well-being

BE WELL – IMPROVING TOMORROW BY ORPEA

2023
- Increase in the employee **engagement rate**
- 15% **reduction** in frequency rate of **work-related accidents** compared to 2020
- 100% of **facilities certified** by an external ISO 9001 assessor (or equivalent)
- A trained **ethics/positive treatment correspondent** in 100% of facilities
- 100% of facilities to have implemented the **Catering Charter** and achieved the objectives related to **nutrition, food safety** and **the environmental footprint**

2025
- 100% of facilities to have achieved all of the commitments set out in the Group's **Catering Charter**

Career development

BOOST! – IMPROVING TOMORROW BY ORPEA

2023
- 50% of regional directors, facility directors and head nurses **promoted internally**
- Obtainment of a **diploma** or certificate by 10% of **employees**

Inclusion and diversity

ALL IN – IMPROVING TOMORROW BY ORPEA

2023
- 50% **women** in ORPEA's **top management**
- 100% of host countries implementing tools to **improve dialogue** with **loved ones**

Environmental impact

GO GREEN – IMPROVING TOMORROW BY ORPEA

2023
- 100% of new **construction** projects with LEED[1] or BREEAM[2] **certification**
- 5% reduction in **energy consumption**
- 100% of **significant suppliers**[3] to have signed the **Responsible Procurement Charter**
- 100% of **supplier calls for tender** include a **CSR assessment**

2025
- 16% reduction in **energy consumption** compared to 2019
- 17% reduction in **Scope 1 & 2 carbon emissions** compared to 2019

2030
- 30% reduction in **energy consumption** compared to 2019
- 32% reduction in **Scope 1 & 2 carbon emissions** compared to 2019

Contributing to a more ethical, inclusive and collaborative world

ACT BEYOND – IMPROVING TOMORROW BY ORPEA

2023
- At least one **community outreach initiative** conducted by all facilities
- Roll-out of **three innovative programmes** at Group level, aimed at enhancing the **well-being** of **residents and patients**
- A **research partnership** with a renowned **university** signed in all host countries
- Roll-out of the **Code of Conduct – Ethics and CSR as well as training for all employees**

(1) LEED: Leadership in Energy and Environmental Design, a North American standardisation system for buildings with high environmental quality.
(2) BREEAM: Building Research Establishment Environmental Assessment Method, a British certification standard for analysing a building's environmental impact.
(3) Global, multinational, national and regional suppliers.

■ ORPEA's CSR roadmap

Challenges	Policies implemented	Programme deployed	Performance indicators	2023 CSR objectives	2025 CSR objective	2030 CSR objective
PATIENTS, RESIDENTS, BENEFICIARIES AND THEIR FAMILIES						
Medical and care ethics; health and safety; dialogue with families	3.2.1 Medical and care ethics	BE WELL	% of facilities certified by an external body Number of quality procedures Satisfaction rate of residents and families with the staff and catering service Number of control criteria for the catering service Average number of internal and/or external audits conducted per year Performance of internal audits and number of criteria audited Number of adverse events	100% of facilities with a trained ethics/positive treatment correspondent in place		
	3.2.2 Promoting a culture of quality and strengthening the quality management system 3.2.3 Increased vigilance with regard to the health and safety of people receiving care			100% of facilities certified by an external body according to national standards (ISO 9001, etc.)		
	3.2.4.2 Patient and resident meals: nutritional intake and guest satisfaction			100% of facilities to have implemented the Group's Catering Charter and met the commitments relating to nutrition, food safety and environmental footprint	100% of facilities to have achieved all of the voluntary commitments set out in the Group's Catering Charter	
	3.2.2.3 Major changes in feedback systems for residents, patients and families	ALL IN	Satisfaction rate Recommendation rate Complaints rate	Establishment of an enhanced dialogue process with families in each country		
Well-being	3.4.3.2 Supporting innovation to improve practices	ACT BEYOND	Number of innovative programmes rolled out at Group level, for the well-being of residents and patients	Three innovative programmes for the well-being of residents and patients rolled out at the Group level		
EMPLOYEES						
Health and safety; development; training; dialogue	3.3.3 Employee health and safety, a key focus of working conditions	ALL IN	Work-related accident frequency and severity rate	15% reduction in the frequency rate of work-related accidents compared to 2020		
	3.3.4 Revitalising undervalued occupations and providing employees with an attractive working environment that fosters learning	BOOST!	Number of hours of training Number of employees who received training leading to a certificate or diploma during the year	10% more employees to have obtained a diploma or certificate		
		BE WELL	Staff turnover rate Internal promotion rate % of management positions held by women	50% of managers (regional directors, facility directors and head nurses) to have been promoted internally 50% women in top management		
	3.3.2 Renewing social dialogue, involving employees and identifying their expectations		Rate of employees covered by a collective agreement Employee participation rate in engagement surveys Employee engagement rate	Stable or improved level of employee satisfaction as measured by the employee engagement surveys deployed starting in 2021		

Challenges	Policies implemented	Programme deployed	Performance indicators	2023 CSR objectives	2025 CSR objective	2030 CSR objective
	ENVIRONMENT					
Reduction of the carbon footprint of buildings and their use, preservation of non-renewable natural resources, resilience of the Group's sites to the consequences of climate change (particularly heat waves), waste management	3.5.1.3 Certification of our buildings 3.5.5 Preserving resources and developing the circular economy	GO GREEN	Water consumption (in cu.m.) Tonnes of waste Tonnes of PIMW Waste treatment: landfill, incineration, recycling	100% of new construction projects starting in 2021 to be LEED or BREEAM certified (first deliveries in 2023)		
	3.5.2 Carbon emissions and energy strategy		Energy consumption CO_2 emissions (in $tCO_2eq.$) (Scopes 1, 2 & 3) CO_2 emissions per bed CO_2 emissions per employee	5% reduction in energy consumption compared to 2019 levels	16% reduction in energy consumption 17% reduction in carbon emissions (Scopes 1 & 2) compared to 2019 levels	30% reduction in energy consumption 32% reduction in carbon emissions (Scopes 1 & 2) compared to 2019 levels
	PARTNERS					
Supply chain vigilance and control	3.4.2 Implementing a responsible procurement policy	GO GREEN	Rate of buyers trained in EcoVadis Rate of suppliers with a valid EcoVadis scorecard Rate of tenders including a CSR assessment (EcoVadis rating as a criterion)	100% of global, national and regional suppliers to have an EcoVadis or equivalent rating		
Sustainable and responsible supplier relationships			Percentage of global, national and regional suppliers who have signed the Responsible Procurement Charter	100% of global, national and regional suppliers to have signed the ORPEA Responsible Procurement Charter		
	LOCAL COMMUNITIES					
Scientific contribution, solidarity	3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff	ACT BEYOND	Number of scientific publications by country	100% of host countries to have established a research partnership with a renowned university		
	3.4.4 Active community engagement		Number of community outreach initiatives carried out per facility	All facilities have conducted at least one community outreach initiative		
	ALL STAKEHOLDERS					
Business ethics	3.4.1 Compliance with legal frameworks related to ethical approaches to cybersecurity	ACT BEYOND	Percentage of employees trained in the Code of Conduct – Ethics and CSR	Roll-out of a new Code of Conduct – Ethics and CSR for all employees		

The roadmap will naturally be reviewed again in 2023, in close connection with the objectives of the *With you and for you, changing ORPEA* Refoundation Plan.

3.1.3.2 PERFORMANCE: PROGRESS ON THE IMPROVING TOMORROW CSR ROADMAP IN 2022

In 2022, the Group continued to implement its roadmap. The actions taken are described in the following paragraphs of this Non-Financial Statement.

The table below summarises the overall progress made in 2022, compared to 2021, and refers to each of the relevant paragraphs.

- **Progress made on ORPEA's CSR roadmap**

Policies implemented	Programme deployed	Performance indicators	2023 CSR objectives	2021 progress report	2022 progress report
3.2.1 Medical and care ethics	BE WELL	% of facilities certified by an external body Number of quality procedures Satisfaction rate of residents and families with the staff and catering service Number of control criteria for the catering service Average number of internal and/or external audits conducted per year Performance of internal audits and number of criteria audited Number of adverse events	100% of facilities to have a trained ethics/positive treatment correspondent	35% of facilities had an ethics/positive treatment correspondent	45% of facilities had a trained ethics/positive treatment correspondent
3.2.2 Promoting a culture of quality and strengthening the quality management system 3.2.3 Increased vigilance with regard to the health and safety of people receiving care			100% of facilities to be certified by an external body according to national standards (ISO 9001, etc.)	61% of facilities certified by an external body (ISO 9001, etc.)	67% of facilities certified by an external body (ISO 9001, etc.)
3.2.4.2 Patient and resident meals: nutritional intake and guest satisfaction			100% of facilities to have implemented the Group's Catering Charter and met the commitments relating to nutrition, food safety and environmental footprint		2% of facilities had implemented nine of the voluntary commitments of the Catering Charter 67% of facilities had implemented the voluntary commitments of the Group's Catering Charter with regard to nutrition, food safety and environmental footprint
3.2.2.3 Major changes in feedback systems for residents, patients and families	ALL IN	Satisfaction rate Recommendation rate Complaints rate	Establishment of an enhanced dialogue process with families in each country	58% of host countries had an enhanced dialogue mechanism in place	76% of host countries had an enhanced family dialogue mechanism in place
3.4.3.2 Supporting innovation to improve practices	ACT BEYOND	Number of innovative programmes rolled out at Group level, for the well-being of residents and patients	Three innovative programmes for the well-being of residents and patients rolled out at Group level	Three well-being projects under development but not yet at the deployment stage	Four countries implemented at least one innovative programme aimed at enhancing autonomy, promoting social interaction or stimulating the five senses of residents and patients
3.3.3 Employee health and safety, a key focus of working conditions	BE WELL	Work-related accident frequency and severity rate	15% reduction in the frequency rate of work-related accidents compared to 2020	16% reduction in the frequency rate of work-related accidents compared to 2020	30% reduction in the frequency rate of work-related accidents compared to 2020
3.3.4 Revitalising undervalued occupations and providing employees with an attractive working environment that fosters learning	BOOST!	Number of hours of training Number of employees who received training leading to a certificate or diploma during the year	10% more employees to have obtained a diploma or certificate	8% more employees obtained certificates or diplomas	4.55% more employees on permanent contracts obtained a certificate or diploma in France
		Staff turnover rate Internal promotion rate	50% of managers (regional directors, facility directors and head nurses) to have been promoted internally	41% of managers were promoted internally	Internal promotion rate: 37.3%
	ALL IN	% of management positions held by women	50% women in top management	50% women in top management	Percentage of women in top management positions: 33%[1]

(1) The stricter definition of top management and the implementation of a new organisation that was not yet complete in 2022 do not allow for comparison with 2021 data.

Policies implemented	Programme deployed	Performance indicators	2023 CSR objectives	2021 progress report	2022 progress report
3.3.2 Renewing social dialogue, involving employees and identifying their expectations	BE WELL	Rate of employees covered by a collective agreement Employee participation rate in engagement surveys Employee engagement rate	Stable or improved level of employee satisfaction as measured by the employee engagement surveys deployed starting in 2021	Employee survey conducted for the whole scope in January 2022 with an overall engagement rate of 65%	Employee survey conducted for the whole scope in January 2022 with an overall engagement rate of 65% Update every two years
3.5.1.3 Certification of our buildings 3.5.5 Preserving resources and developing the circular economy	GO GREEN	Water consumption (in cu.m.) Tonnes of waste Tonnes of Potentially Infectious Medical Waste (PIMW) treatment: landfill, incineration, recycling	100% of new construction projects starting in 2021 to be LEED or BREEAM certified (first deliveries in 2023)	45% of projects in 2021 were certified The Group's sustainable building strategy was gradually deployed throughout the year	100% of new construction projects approved by the Development Committee in 2022 seek environmental certification
3.5.2 Carbon emissions and energy strategy		Energy consumption CO_2 emissions (in $tCO_2eq.$) (Scopes 1, 2 & 3) CO_2 emissions per bed CO_2 emissions per employee	5% reduction in energy consumption compared to 2019 levels	1% reduction in energy consumption compared to 2019	11% reduction in energy consumption compared to 2019
3.4.2 Implementation of a responsible procurement policy	GO GREEN	Rate of buyers trained in EcoVadis Rate of suppliers with a valid EcoVadis scorecard Rate of tenders including a CSR assessment (EcoVadis rating as a criterion)	100% of global, national and regional suppliers to have an EcoVadis or equivalent rating	Due to the training still being rolled out to buyers, no supplier involved in a tender has had its CSR performance assessed by EcoVadis	51% of calls for tender for global and national suppliers were subject to supplier CSR performance assessments
		Percentage of global, national and regional suppliers who have signed the Responsible Procurement Charter	100% of global, national and regional suppliers to have signed the ORPEA Responsible Procurement Charter	29% of suppliers had signed the Responsible Procurement Charter	49% of listed suppliers (global, multinational, national and regional) had signed the Group's Responsible Procurement Charter
3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff		Number of scientific publications by country	100% of host countries to have established a research partnership with a renowned university	50% of countries had established a partnership with a renowned university	40% of host countries had established a research partnership with a renowned university
3.4.4 Active community engagement	ACT BEYOND	Number of community outreach initiatives carried out per facility Rate of community outreach initiatives carried out by type of initiative supported (health and safety, poverty, the environment, culture, education)	All facilities have conducted at least one community outreach initiative	24% of facilities had conducted at least one community outreach initiative during the year	44% facilities had conducted at least one community outreach initiative
3.4.1 Compliance with legal frameworks related to ethical approaches to cybersecurity		Percentage of employees trained in the Code of Conduct – Ethics and CSR Percentage of employees who have taken the new training modules on the Code of Conduct – Ethics and CSR	Overhaul and roll-out of a new Code of Conduct – Ethics and CSR for all employees	n/a	The Code of Conduct – Ethics and CSR has been completely revised. It was distributed in June 2022 to all Group employees

In 2022, the Group rolled out a reporting tool that aggregates all roadmap data for the entire scope.

3.1.3.3 THE CODE OF CONDUCT – ETHICS AND CSR

In the first half of 2022, the Group updated and published its Code of Conduct – Ethics and CSR[1]. This document establishes a framework affirming ethical principles and commitments in terms of Corporate Social Responsibility. The Code is structured around four key commitments and includes 16 principles that guide the conduct of ORPEA's business.

The Code of Conduct – Ethics and CSR

Ethics, as a company placing people at the heart of its concerns

- Principle 1: Respecting the rights and dignity of people
- Principle 2: Ensuring health, safety and well-being in our facilities
- Principle 3: Respecting the privacy of individuals and their personal data
- Principle 4: Maintaining trust-based relationships with families and loved ones

Commitments, as an employer

- Principle 5: Promoting social dialogue
- Principle 6: Providing training and support, encouraging career development
- Principle 7: Promoting and respecting equality, diversity and inclusion

Citizenship, as a committed player in local areas and society

- Principle 8: Acting locally and contributing to the development of territories
- Principle 9: Limiting our ecological footprint

Integrity, in the conduct of business

- Principle 10: Banning corruption and influence peddling, regulating gifts and invitations and preventing conflicts of interest
- Principle 11: Actively collaborating with public authorities
- Principle 12: Respecting our suppliers, service providers, partners and competitors
- Principle 13: Providing true, accurate and fair information to our shareholders, investors, lenders and the public, and preventing insider trading
- Principle 14: Using the resources made available by the Group in an ethical and responsible manner
- Principle 15: Protecting the image and reputation of the Group, patients and residents
- Principle 16: Respecting the requirement of confidentiality in the handling of sensitive information

The Code of Conduct – Ethics and CSR is shared with all employees, and also addresses all Group stakeholders. It is intended to be a practical guide, bringing together the principles of good conduct to be observed, as well as concrete examples of everyday situations, in order to guide employees' thinking and help them to make the best possible decisions.

In order to ensure that employees fully comprehend the Code, training courses presenting the challenges and content it addresses are provided throughout the Group. These courses are an opportunity to share the Group's CSR strategy and the associated commitments with employees.

3.1.3.4 ORPEA'S CONTRIBUTION AND COMMITMENT TO UN INITIATIVES

ORPEA's commitment to human rights

The International Bill of Human Rights

In all countries where it operates, the Group is committed to complying with the principles of the International Bill of Human Rights, which consists of the following texts:

- the 1948 Universal Declaration of Human Rights;
- the 1966 International Covenant on Civil and Political Rights;
- the 1966 International Covenant on Economic, Social and Cultural Rights.

In particular, the Group is committed to reducing the risks related to the following rights which concern its business:

- right to freedom from discrimination;
- right to equality between men and women;
- right to freedom from slavery;
- right to liberty and security of person;
- right to freedom of expression;
- right of peaceful assembly;
- right to freedom of association;
- minority rights;
- right to work;
- right to freedom to choose and accept work;
- right to just and favourable conditions at work;
- right to form trade unions;
- right to strike;
- right of children to freedom from social and economic exploitation;
- right to an adequate standard of living.

Global Compact

ORPEA has made the Sustainable Development Goals (SDGs) a key challenge, as attested by its joining the Global Compact in 2020, its Improving Tomorrow strategy and, more generally, its business as a whole.

WE SUPPORT UN GLOBAL COMPACT

[1] The Code is available at the following link: https://www.orpea-group.com/wp-content/uploads/2023/01/ORPEA-Ethics-and-CSR-Code-of-conduct-EN.pdf.

The table below (see section 3.1.3.5 of this Universal Registration Document) details ORPEA's main contributions to the United Nations (UN) Sustainable Development Goals.

In July 2022, ORPEA submitted its Communication on Progress (CoP) to the UN Global Compact. This report provides a public account of its commitment to sustainable development. It provides information on the company's progress in implementing the ten Global Compact principles, which cover human rights, labour standards, the environment and anti-corruption. It also includes information on the company's future sustainability commitments, the measures taken to assess and improve its performance, and concrete examples of sustainability projects and initiatives.

The CoP is a way for ORPEA to demonstrate its commitment to sustainable development and to strengthen its transparency and accountability to its stakeholders.

The Group also participated in the Global Compact Early Adopters[1] programme to reinforce its commitment to the sustainable development goals. The Early Adopters List includes companies that have been testing a new format for annual reporting to the Global Compact (Communication on Progress – CoP).

Participants were given early access in 2022 to the draft CoP, as well as the digital platform on which it was available, and had the opportunity to provide targeted feedback to help improve the platform before its official release in 2023.

Respect for fundamental labour rights

The Group is committed, in all the countries where it operates, to respecting fundamental labour rights as defined by the eight fundamental International Labour Organization (ILO) Conventions, namely: Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

■ **ORPEA's contribution to the UN sustainable development goals**

Policies implemented and presented in the Non-Financial Statement	Challenges for ORPEA	Improving Tomorrow programme	SDG target to which ORPEA contributes	
3.2.3 Ensuring the health and safety of people receiving care 3.2.4 Promoting the well-being of residents, patients and beneficiaries 3.3.3 Employee health and safety, a key focus of working conditions	Well-being Inclusion and diversity	BE WELL ALL IN	**3.4 Promoting mental health and well-being**	3 GOOD HEALTH AND WELL-BEING
3.5 Continuous improvement of ORPEA's environmental footprint	Environmental impact	GO GREEN	**13.3 Improving individual and institutional awareness and capacity with regard to climate change adaptation and mitigation** 8.4 Ensuring that economic growth does not lead to environmental degradation 12.3 Reducing the amount of food waste at the consumption level	13 CLIMATE ACTION
3.4 A responsible and committed stakeholder in local communities	Contributing to a more ethical, inclusive and collaborative world	ACT BEYOND	**17.7 Encouraging and promoting public-private and civil society partnerships, building on experience gained** 11.b Increasing the number of facilities that adopt integrated action plans for inclusive employment, efficient use of resources, adaptation to the effects of climate change	17 PARTNERSHIPS FOR THE GOALS
3.3.4.2 Hiring and retention: developing skills, employability and careers 3.3.4.3 Promoting diversity, inclusion and parenthood within the company	Career development Inclusion and diversity	BOOST! ALL IN	**10.2 Promoting social and economic inclusion** 8.5 Ensuring equal pay for work of equal value between women and men 8.8 Defending workers' rights	10 REDUCED INEQUALITIES

3.1.3.5 NON-FINANCIAL PERFORMANCE ASSESSMENT

As part of its CSR strategy, ORPEA is committed to continuous improvement based on accurate and quantified indicators. Throughout the year, and more particularly during annual assessments, ORPEA regularly exchanges with rating agencies and answers non-financial questionnaires in order to contribute to an evaluation of its CSR challenges by its stakeholders. ORPEA responds to the following non-financial rating agencies' questionnaires: S&P Global, Sustainalytics, Gaïa Rating, MSCI, ISS and Moody's. The table below shows the changes in ORPEA's ratings, some of which have been revised due to the crisis in 2022. The importance given to the crisis by the agencies depends on the relative weight they give to the various risks or rating criteria. It is likely that ORPEA's future ratings will be impacted as past controversies may have a lasting impact on the rating agencies' confidence in ORPEA.

(1) The Early Adopters programme, initiated by the Global Compact, brings together more than 900 companies in over 80 countries around the world.

■ Changes in ORPEA's non-financial ratings since 2021

Agencies	Methodology	Rating	Month	Rating	Month	Rating	Month
Moody's	/100	49	August 2021	44	April 2022	44	December 2022
S&P Global	/100	44	November 2021	33	March 2022	37	December 2022
Gaïa Rating (previous method)	/100	69	October 2021	76	October 2022		
Gaïa Rating (new method)[1]	/100	51[2]	October 2022	57[2]	October 2022		
ISS ESG	D- to A+	C	2021	C+	2022		
MSCI	CCC to AAA	A	2021	A	April 2022	BBB	December 2022
Sustainalytics	Level of risk	25 (medium risk)	2021	24 (medium risk)	February 2022	30.8 (high risk)	December 2022
CDP Disclosure Insight Action	D- to A	D	2021	C	2022		

(1) *Since 2022, the overall rating includes a penalty linked to the evaluated company's exposure to ESG risk.*

(2) *Reassessment of the October 2022 rating using the new method. Gaïa Research (Gaïa Rating team) considers ORPEA to be critically exposed to ESG risk, which resulted in a 20-point penalty being deducted from the overall score.*

3.1.4 ADOPTING A NEW CSR STRATEGY

The Group's Refoundation Plan, *With you and for you, changing ORPEA*, launched in November 2022, reinforces transparency and cooperation with its stakeholders. With this in mind, the Group carried out a materiality analysis that same year. The aim was to better factor in the expectations of its stakeholders and thus prioritise the most relevant challenges.

ORPEA'S STAKEHOLDERS, AT THE CENTRE OF THE GROUP'S REFOUNDATION PLAN

By virtue of its mission, ORPEA is naturally at the centre of a dynamic ecosystem that serves people by:

- providing care to its patients and residents with humility, compassion, loyalty and professionalism;
- enabling its employees to develop and grow professionally and personally;
- building sustainable and responsible relationships with its partners;
- forging strong ties and cooperating with local communities to make the geographical areas where it operates more inclusive and supportive, and by partnering locally to promote preventative care, various forms of support, and care synergies with other facilities;
- respecting the environment through more virtuous and sustainable facilities which also contribute to the well-being of patients and residents.

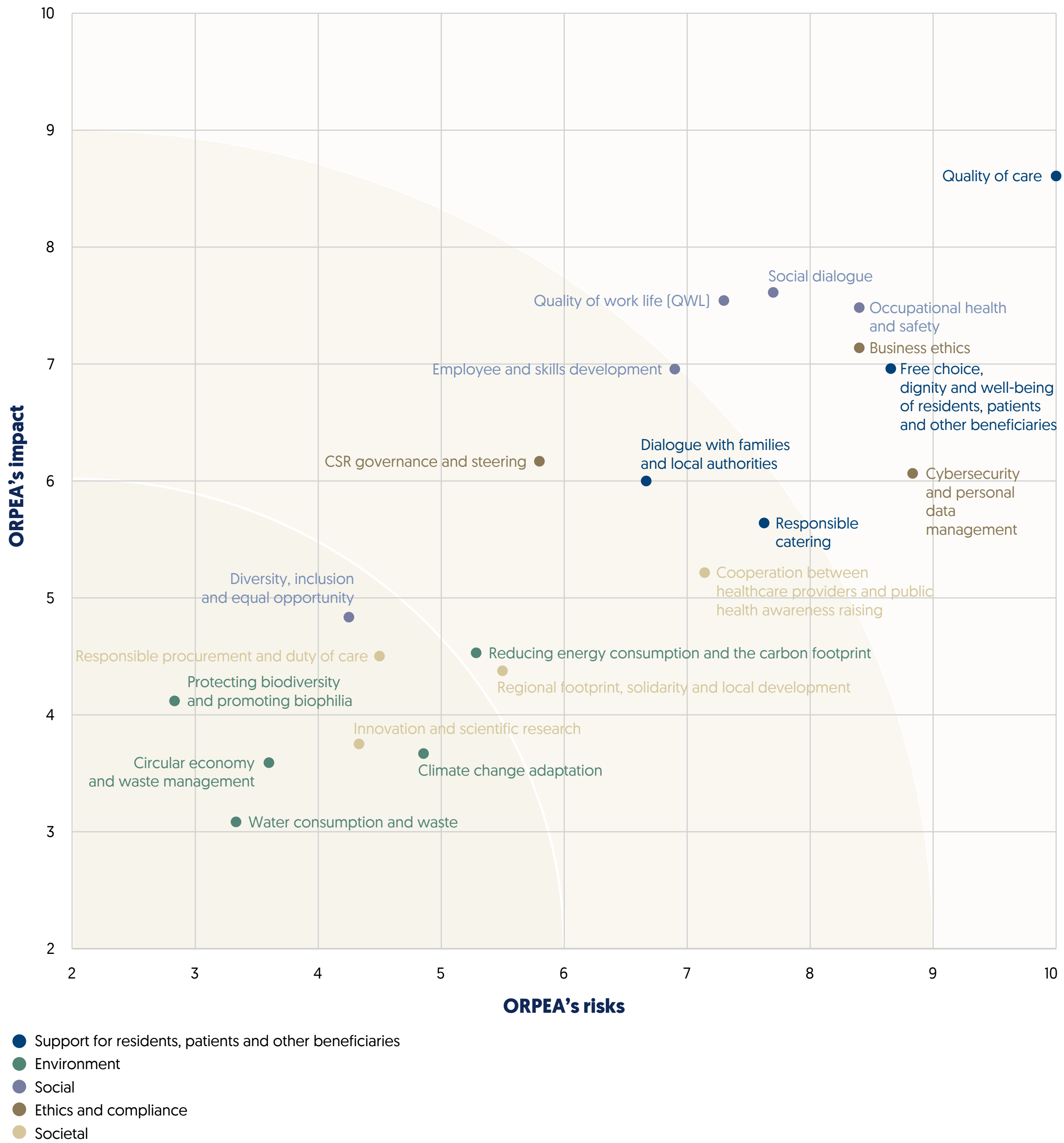
ORPEA'S MATERIALITY MATRIX

Materiality analysis is an assessment that covers economic, environmental, social and societal challenges. It concerns the challenges that are likely to impact the Group's strategy, business model and sustainability, and to influence stakeholders and their perception of the company. The assessment focuses on the risks and opportunities that each challenge presents for the company (mainly internal point of view) and the positive and negative impacts that the company has on its stakeholders in relation to each issue (mainly external point of view).

A stakeholder risk map was also established to identify and define the challenges to be submitted to internal and external stakeholders. Stakeholders were surveyed to prioritise the risks to and impacts on the Group's sustainability.

The process, launched in May 2022, resulted in a materiality matrix delivered in January 2023. The emphasis on the company's expected responsibilities to its stakeholders is reflected in the business model of the 2023 Universal Registration Document.

The risks and impacts are classified by stakeholder category.



This work brought the following material challenges to the fore:

- residents, patients and beneficiaries and the quality of care, including free choice, dignity and well-being of residents, patients and beneficiaries;
- quality of life at work, reduction of health and safety risks for employees and social dialogue;
- risks related to business ethics, cybersecurity and personal data management.

On the other hand, environmental risks appear to be a lower priority for stakeholders and the perceived level of control is considered low. This perception can be explained by the Group's core business.

On the basis of the prioritisation of the Group's challenges highlighted by this materiality matrix, the Group will structure a new CSR roadmap in 2023, with new performance indicators, in line with the *With you and for you, changing ORPEA* Refoundation Plan and with the regulatory requirements of the European Corporate Social Responsibility Directive (CSRD[1]). This will be an important task for the new Group Sustainable Development and Quality department, whose role includes structuring the future roadmap.

3.2 Quality of care and support of patients and residents tailored to their stage of life

The Group's primary mission is to care for and support patients and residents, in particular vulnerable persons requiring long-term care or experiencing a loss of autonomy. The quality of care services offered to residents, patients and beneficiaries of home care and their loved ones is a key issue for the Group. It includes the provision of high-quality, personalised care, carried out in full transparency toward the relevant stakeholders, covering all the interdisciplinary expertise of the staff and facilities. This quality of care is underpinned by facilities that are appropriately furnished and designed to ensure comfort, as well as to meet future requirements as regards biophilic elements and biodiversity.

This mission of care is focused on the well-being and quality of life of individuals. It is based on ethical standards for care and support practices, as well as positive treatment; quality, risk and business management through a structured process, which is regularly assessed by third parties; and attentiveness to the needs of patients, residents, beneficiaries and their loved ones, since they hold a primary role in their life and care. Support of patients and residents thus plays a significant role, which is demonstrated by diversified businesses and the attention paid to nutrition as well as quality of accommodations.

3.2.1 MEDICAL AND CARE ETHICS

In 2022, ORPEA was faced with a media scandal requiring in-depth investigations, which led the Group to take an uncompromising look inward that was both necessary and vitally beneficial.

As a result, certain care practices in the facilities were brought under scrutiny and incidents of mistreatment were reported. The Group's medical and care ethics were strongly called into question. These circumstances resulted in a thorough examination of the Group's behaviour and practices, and the requirement, now more than ever, to meet the highest standards. This is reflected in a mechanism dedicated to consultation on ethics, shared communication on the culture of ethics and positive treatment, and raising awareness in the field, for all Group employees. This mission has been entrusted to the newly-created Ethics Advisory Board, which is chaired by Professor Emmanuel Hirsch, reporting to the Medical department and acting in complete independence given the nature of the topics covered.

3.2.1.1 CHALLENGES RELATING TO MEDICAL AND CARE ETHICS

The Group's medical and care ethics are aimed at developing and putting in place mechanisms that promote attentive practices and attitudes towards each individual in the facilities. In this respect, the principles set out below are deemed to be foundation of our business practices:

- **respect for the rights and values of the individuals cared for in the facilities:** they must be informed of their rights and allowed to assert them. This concerns in particular the protection of individual freedoms, privacy, confidentiality, clear information, and actively taking part in making decisions regarding their care;
- **respect for dignity and integrity:** the individual must be treated with respect, dignity and kindness, with recognition for both their mental and physical integrity.
- **non-discrimination and non-stigmatisation:** recognising the rights and preferences of the individual is an obligation. Any discrimination based on race, religion, social origin, gender or socio-economic status is prohibited;
- **free and informed consent:** the individual must be clearly, fairly and appropriately informed of the options for necessary treatment and care, and their benefits and risks, so that they can consent to the medical recommendations made during consultation;
- **confidentiality:** the personal and medical data of the individual must be protected and kept confidential;
- **access to appropriate, quality care:** medical care teams are responsible for providing high quality, expert treatment and care, taking into account the needs and expectations of each individual based on scientific evidence and a concerted assessment as part of the care pathway;
- **high dependency** or impairment of the individual's cognitive faculties warrants the implementation of appropriate protection measures after consultation;
- **prevention and care relating to pain and distress:** the individual must have access to care for pain management adapted to their needs and requests;

(1) Directive (EU) 2022/2464, known as the Corporate Sustainability Reporting Directive (CSRD).

- **end-of-life** care requires that support be provided to the individual and their family, with particular attention paid to the prevention and treatment of all forms of pain and distress and, if necessary, care provided by palliative care professionals;
- **justice and equity:** the individual must have access to the healthcare they require, taking into account the principles of justice and equity;
- relatives have the right to a friendly attitude from staff and **to be properly informed**, with the consent of the individual concerned.

Healthcare professionals have a duty to carry out their tasks with compassion, competence and sound judgement, in accordance with the ethical principles and values governing their professions. This ensures that the individual is respected and their rights protected, and that the quality of care provided is based on a personalised life and care plan.

The ethics of care and support are rooted in the rules of good professional conduct. This ethical code commits the professionals within our teams to taking responsibility and demands a concerted and multidisciplinary approach to the practices assessed as part of the analysis and feedback process.

The management and supervisory teams are responsible for creating conditions that foster practices that are consistent with the ethical values of the professionals.

3.2.1.2 FOCUS ON THE MECHANISM TO PROMOTE POSITIVE TREATMENT DEPLOYED WITHIN THE GROUP

ISEC business review[1]

The Group set up the ISEC several years ago in order to strengthen overall reflection on the ethics of care practices, and respect for the needs of each individual. Chaired by a renowned professor of medicine, the Committee, which has a highly international membership, comprises doctors outside the Group, as well as medical directors from the Group's geographical areas. Its membership was significantly revised during 2022, with several members retiring and being replaced by new contributors.

In April 2022, ISEC issued initial proposals to strengthen ethical and scientific standards within the Group. It also contributed to the analysis of the Conferences for the Elderly (*États Généraux du Grand Âge*) carried out in France (see section 3.2.2.3 of this Universal Registration Document). Initiatives promoting reflection on care practices were recognised by the 2022 ORPEA Excellence Awards, with the award ceremony held in February 2023 (see section 3.2.4.3 of this Universal Registration Document)

Prevention of mistreatment

To prevent risks of mistreatment, ORPEA implemented a preventive protocol in all of its facilities and, where required, corrective measures in response to reports of mistreatment. This protocol helps to prevent mistreatment by addressing:

- staff recruitment procedures;
- onboarding process for new employees;
- support and training for all employees, with "mistreatment prevention" training as part of the compulsory training for facility staff, as well as the setting up of awareness-raising sessions to analyse potentially at-risk situations as a team;
- the step-by-step protocol in the event of suspected or proven mistreatment, including removal of the person in question in compliance with staff management regulations while an internal investigation is carried out, so as to protect all residents and patients;
- setting up of psychological support for the resident or patient affected, their relatives and facility staff.

Cases of mistreatment or suspected mistreatment are considered serious adverse events (see section 3.2.3.2 of the Universal Registration Document) and are reported to the competent authorities in accordance with applicable rules in the corresponding country. Events may be reported by an employee and/or a resident or patient, a family member or any other person involved in the facility. Each event is subject to an internal investigation, an analysis of the causes and the implementation of corrective actions as soon as possible.

ORPEA is particularly vigilant against acts of mistreatment. In 2022, 372 cases of suspected mistreatment or negligence were identified in all countries where the Group operates and were reported to the relevant authorities. Some 28% of these cases were corroborated, leading to disciplinary measures such as dismissal of the involved employees (see section 3.4.1.3 of the Universal Registration Document). The supervisory body for monitoring situations of mistreatment set up at the end of 2021 will be incorporated in the "Ethics and Positive Treatment" system, and implemented by the Ethics Advisory Board in the first half of 2023.

Promoting positive treatment

The concept of positive treatment is based on the guidelines for good professional practices in France. According to ANESM, the French national agency overseeing the assessment and quality of residential and social care facilities and services (*Agence nationale de l'évaluation et de la qualité des établissements et services sociaux et médico-sociaux*), positive treatment involves promoting the well-being of the person receiving services with a view to preventing the risk of mistreatment. It is characterised by a continued effort to tailor and personalise the care and support provided. The positive treatment approach is developed within facilities or as part of home care through ongoing dialogue between all the stakeholders, including the patient directly concerned as well as their loved ones. ORPEA follows the best practices issued by ANESM, now part of the French National Authority for Health (HAS).

Weekly briefing meetings are held in each Group facility to discuss difficulties identified by team members and work together to determine the best solutions for respecting the freedom, rights, individuality and dignity of the residents and patients.

To strengthen and promote this shared culture of positive treatment in all its facilities, ORPEA is setting up a national network of "ethics and positive treatment correspondents" run by ambassadors in all its different regions. Training began in late March 2023 with the aim of forming a strong basis for the network before the summer of 2023. Awareness-raising modules using simulation technologies will be tested from June. An awareness-raising initiative within departments and management teams of facilities will also be rolled out.

(1) *At the beginning of 2023, ORPEA's International Scientific and Ethical Committee (ISEC) was restructured by creating new bodies, reporting to the Medical department (see section 3.2.1.3 of this Universal Registration Document).*

To bring in different perspectives, experts from outside the Group (mainly from the academic field) will also be invited to coach training sessions, as well as in-house experts, who will focus primarily on real-life situations.

Knowledge and skills relating to ethics and positive treatment are passed on to each of the Group's professionals involved in administrative, care or support as soon as they take up their posts, and subsequently through regular awareness-raising sessions.

The scope of the "ethics and positive treatment correspondents" duties will be updated to further define their skills and responsibilities, as well as the procedures for related procedures, while ensuring their independence through consultation with the Ethics Advisory Board.

Role of the ethics and positive treatment correspondents in facilities

Serving residents, patients, families and loved ones:

- welcoming new residents and patients: alongside staff, offering hospitality, attentiveness, and support with regard to maintaining social and family ties, integration, relationships and fulfilment within the facility, etc.;
- personalised monitoring and prevention of the risk of abusive attitudes and behaviours on the part of staff, other residents, or even families;
- gathering comments and suggestions to improve the ethical and positive treatment approach, including consultation initiatives;
- paying attention to the living conditions and social environment of persons cared for, and to the respect of their fundamental rights and freedoms, including the right to privacy, conviviality and safety.

Serving professionals:

- contributing to the integration of newly arrived professionals within teams, availability;
- serving as a helpful resource for employees to come to with their daily work difficulties and questions, advising and directing them to the appropriate people;
- collecting comments and suggestions relating to ethical and professional practices, initiating the necessary consultations with the management and supervisory teams, and referring matters to an ethics body for further consideration as required;
- raising teams' awareness of the challenges and methods of prioritising ethics when drawing up personalised life or care plans;
- organising awareness-raising sessions aimed at strengthening and promoting a shared culture of positive treatment.

2023 CSR objective

ORPEA is committed to identifying, appointing and training an ethics/positive treatment correspondent at each of its facilities who will be responsible for ensuring that best practices are implemented.

2022 progress report

As of 31 December 2022, 45% of the Group's facilities had an appointed and trained ethics/positive treatment correspondent.

% of facilities with a trained ethics/positive treatment correspondent in 2022[1]

Geographical areas	At 31 December 2022	Update - 31 December 2021[2]
France-Benelux-UK-Ireland	40%	45%
Central Europe	56%	11%
Eastern Europe	12%	5%
Iberian Peninsula and Latin America	88%	81%
Other countries	100%	50%
GROUP	**45%**	**35%**

(1) The scope of the facilities is as follows: all facilities with a care activity, i.e., hospitals and nursing homes that have been in the Group for more than one year.

(2) Given the decision for CLINEA facilities to no longer take into account ethics correspondents who have not received training under the new arrangements, the percentages for 2021 have been adjusted.

In France, 87% of nursing home facilities had at least one trained correspondent at 31 December 2022. For facilities that do not have one, a positive treatment correspondent will be trained during the first quarter of 2023. At hospitals, the Group has elected to include this activity in the training already provided for 2023, enabling it to achieve its objective.

Based on the mission statement drawn up by the ethics and positive treatment correspondents, only employees who have signed it will be incorporated in the calculations for 2022. The decline in the rate recorded in France, Benelux, the UK and Ireland is explained by the addition of facilities in the Netherlands, in which this training have not yet been implemented.

In the other geographical areas, training is progressing as planned. The Group is thus convinced that it will achieve its target of having an ethics and positive treatment correspondent in all of its facilities by the end of 2023.

3.2.1.3 A NEW BUSINESS MODEL STRUCTURED AROUND MEDICAL AND CARE ETHICS

In November 2022, the Group announced that it had decided to redefine its ethical practices through its *With you and for you, changing ORPEA* Refoundation Plan. The objective is to develop medical and care ethics based on real-life experiences, mobilising the entire community of professionals while taking into account their wide range of expertise, to support the company project in connection with those responsible for governance. The process is aimed at developing a practical, operational and non-prescriptive ethical code, empowering stakeholders to ensure that the right care and assistance are provided to patients and residents.

A revised medical policy

A new Group Medical Director and Executive Committee member appointed in October 2022 is responsible for revising the business model with respect to healthcare.

The Refoundation Plan places nursing homes and healthcare facilities at the core of its business. This policy is based on three complementary pillars:

- The **Group's Medical Committee:** provides a forum for discussing practices, organisation, and care pathways. This is an international structure within the company, which brings together the country-level medical directors and representatives in executive and operational support roles, in particular the directors of the Group's geographical areas. In addition, Medical Committees will be set up in the facilities to oversee the implementation of a personalised medical care plan for each patient or resident. These facility Medical Committees will be assisted by Medical Commissions at regional and national level in each country to guide the facilities' approach;
- The **Ethics Advisory Board:** created in January 2023, it comprises both Group and external professionals, promoting openness and the input of a broad range of expertise. To guarantee its independence, a public call for applications was launched to form the College of Associated Members. Its mission is to bring together experiences and expertise with practical relevance (including those of the people cared for and their loved ones, and associations); identify the ethical and societal challenges requiring in-depth thematic studies; create opportunities for consultation and discussions; in particular by supporting the development and work of local ethics bodies; promote access to awareness-raising and training; and organise regional and national events, including an ORPEA Summer University on Ethics;
- The **Scientific Council** is an international interdisciplinary body, comprising specialists in nutrition, neurocognitive diseases, sociology, etc. Its membership is made up of both internal experts and representatives of external stakeholders. Its mission is to keep abreast of the latest knowledge and developments and ensure that the Group's practices are in line with them. This approach will provide patients and residents with state-of-the-art medical and care practices based on science and best practices. This Council will, from now on, draw up the Group's research and innovation guidelines (see section 3.4.3 of this Universal Registration Document). It will also be responsible for strengthening the communication of best practices such as those set out in the ORPEA Excellence Awards (see section 3.2.4.3 of this Universal Registration Document), after first assessing their impact.

From 2023, these bodies, reporting to the Group's Medical department, will replace the ISEC, to ensure that medical, scientific and ethical issues are addressed in a coherent and relevant manner that promotes synergies.

This new policy will be supported in 2023 by the introduction of new indicators for monitoring the quality of facilities, as well as the quality of care to provide managers with the assessment data needed to improve practices.

Charter of Commitments to ethics and transparency in the sector

On 17 January 2023, ORPEA and 1,827 other members of the French National Union of Private Establishments, Residences and Home Help Services for the Elderly (*Syndicat national des établissements, résidences et services d'aide à domicile privés pour personnes âgées* – SYNERPA) signed an unprecedented Charter of Commitments to place ethics and transparency back at the centre of elder care. This charter includes ten individual and/or collective commitments:

1. Assessing and improving the quality of care and life of the elderly;
2. Assessing and improving quality of life in the workplace;
3. Providing high-quality food and support to safeguard health and autonomy;
4. Analysing and preventing the risk of mistreatment in our organisations;
5. Putting the sector's people-oriented and societal purpose at the centre of facilities and services;
6. Opening up facilities and services by engaging residents, families and staff in all projects and involving external stakeholders;
7. Improving education and training on our professional practices and the overall performance of our facilities and services;
8. Involving our facilities and services in research projects and collective actions to improve our businesses and practices;
9. Strengthening advocacy for solidarity and the place of the elderly in society;
10. Contributing to the low-carbon transition.

These commitments are accompanied by indicators that will be deployed within the Group from 2023.

Structure of the medical and care ethics programme

A Group Ethics Vice-President, reporting to the Medical Director, was appointed in January 2023. He is responsible for overseeing the roll-out and coordination of the Group's ethics programme, in consultation with Executive Management and the Ethics Advisory Board, which has three Colleges representing different parts of the Group.

This new organisation follows on from an internal investigation conducted in 2022 to map the ethics bodies in operation across the company in France. The relevant bodies were identified, as well as their operating methods. A College of the Ethics Advisory Board brings together the heads of these bodies. These "ethics consultation, monitoring and supervisory" bodies will be supported in their role of facilitating day-to-day discussions on ethical issues and raising awareness among professionals across the care and support network.

An emergency ethics consultation unit will be operational from April 2023, to support staff faced with an unexpected or unprecedented ethical dilemma.

In consultation with the Group's international managers, the approach currently being implemented in France may be adapted where necessary. In some countries, quality initiatives are in place, providing expertise that will strengthen the values shared and promoted within the Group.

It should be noted that two representatives of geographical areas are members of the committee of the Ethics Advisory Board.

3.2.1.4 PROMOTING A SHARED CULTURE OF ETHICAL REASONING AND COMMITMENT

The culture of ethics and positive treatment is an intrinsic component of the ORPEA model. The Group aims to ensure that the fundamental principles of democracy are respected, as well as the rights and dignity of individuals, in all its activities. A shared culture of ethics, hospitality and compassion is at the centre of its commitments.

This culture is promoted and spread through various initiatives on a daily basis:

- ORPEA's values are set out in the Group's Code of Conduct – Ethics and CSR. All professionals are expected to comply with these principles and demonstrate exemplary behaviour and practices;
- in France, the Group's Commitments Charter is displayed in the reception halls of nursing homes and given to new residents and new employees. It details what residents can expect from the staff, the facility and the Group throughout their stay in terms of care, meals, rooms, activities, etc. This charter, common to all nursing homes in the same country, demonstrates the Group's commitment to its residents and their families with regard to the quality of services offered. The effective display and communication of the charter and its compliance with practices is verified during the internal audits carried out in each facility every six months.

Participation in national consultations on the end of life

In France, a national consultation was initiated in late 2022 in conjunction with the French citizens' convention on the end of life (*Convention citoyenne sur la fin de vie*). The consultation addressed the following question, posed by the French Prime Minister: "Is the framework for end-of-life support suited to all situations or should changes be introduced?"

ORPEA is helping to answer this question, raised at the French President's initiative, through the deployment of its ethics programme. ORPEA believes that supporting individuals in its facilities or in their home, often until the end of their lives, while also supporting their loved ones, requires giving focused attention to ethical commitments and best practices across the professional community. The culture shared within the facilities attests to this day-to-day commitment, which can involve making difficult decisions that require discussion with the individual directly concerned, their loved ones and the caregivers, as part of a concerted and sometimes pre-emptive approach.

ORPEA is committed to making a direct and ongoing contribution to awareness-raising, consultation and training on the challenges of supporting individuals until the end of their lives:

- by taking a closer look, through public discussions, at challenges, dilemmas and responsibilities that require better understanding as part of an approach that respects the individual's own values, wishes and the expression, whenever possible, of their free choice;
- by sharing these experiences and analysing their complexity;
- by striving to be more responsive, attentive and helpful in situations that are sensitive for everyone.

A steering committee has been set up within the Group to implement this long-term approach; an investigation was launched to identify the specific challenges of the Group's various professional skills, and the approaches proposed, and to assess the initiatives to be developed to better meet a complex and sensitive societal need. Potential changes to existing laws could result in staff being asked to provide support for assisted dying or euthanasia (as is already the case in some of the Group's facilities outside France).

This work will be completed in 2023 and a summary report will be distributed within the Group. This process is also an opportunity for the Group to contribute to raising the awareness of its professionals on the importance of their duties in providing end-of-life care for individuals, and to become more involved in meeting the requirements of compassion and positive treatment inherent to the role of care provider. ORPEA considers this to be one of the Group's core values. It will also be used to draw up guidelines to be shared within the facilities as part of the ethics and positive treatment approach.

3.2.2 PROMOTING THE CULTURE OF QUALITY AND STRENGTHENING THE QUALITY MANAGEMENT SYSTEM

ORPEA puts quality at the heart of its concerns, based on a systemic approach. In 2022, the Quality department, under the impetus of the new Executive Management team, continued to develop the quality management system, in particular by strengthening the culture of quality within the facilities.

3.2.2.1 A CONTINUED FOCUS ON QUALITY

The services provided to patients and residents by ORPEA facilities as well as its teams is based on a culture of quality that is organised, documented and certified, and must be constantly managed and monitored.

It incorporates extensive nursing and healthcare regulations, covering several issues: care, building safety, nutrition, and specific requirements for the hospital sector.

However, the business of providing care and support to the frail and vulnerable remains fundamentally people-centric and can in no way be reduced to written tools and codes.

A stronger culture of quality

ORPEA's quality approach is overseen by the new Group Sustainable Development and Quality department, which reports directly to the Chief Executive Officer and participates in the Group Executive Committee.

The quality policy is implemented by the dedicated country teams who are responsible for monitoring the quality policy in their region. In total, in all geographical areas, nearly 110 people work in the Quality departments to implement the quality policy in all facilities. This approach is supported by a Quality Committee, which meets on a quarterly and monthly basis at Group and country level, respectively.

A defined culture of quality

The Group's quality policy has been drawn up in a formal document, the Group Standards[1], which sets out the principles and rules of the quality management system within ORPEA.

In addition, the quality department in each geographical area is responsible for harmonising, formalising and updating processes with the various business lines, to guarantee best practices for care and quality of life in all facilities.

This work aims to provide facilities with accessible and relevant application protocols traceability and team training tools. In 2022, the Group focused on streamlining its processes as much as possible, in line with the lessons learned from the outcome of internal and external investigations, to make it easier for staff to understand and use them, while maintaining high standards.

(1) *Since 2020, ORPEA has used a set of Group Standards, which, for each of the Group's key functions (operations, medical, quality, catering, human resources, finance, procurement, IT, legal, compliance, risks, etc.), define a common set of rules applicable to all entities in order to safeguard its activities, facilitate the integration of its various entities, encourage international collaboration, and harmonise best practices within the Group. The Group Standards will be reviewed in 2023 to better target control points.*

A culture of quality shared with employees

Continued awareness-raising on best practices is a major focus in ORPEA facilities, and is included in the Group Standards for quality. The highly regulated sector in which the Group operates, the vulnerability of the residents, patients and beneficiaries cared for, and the employee turnover faced by the entire sector, require rigorous standards for team practices. In addition to initial qualifications and the regular training they receive throughout the year, staff must also be offered further ongoing awareness-raising programmes. These programmes are implemented on a regular basis by way of weekly scheduled sessions in which the staff, together with the doctor and the health supervisor, go over a given practice, review an example of dysfunction and rework the fundamentals of the quality of care provided.

This essential measure is included in the key control points and is checked every six months as part of the internal audits carried out at each facility. Particular attention is also paid to raising the awareness of night staff.

In addition to this regular training and awareness-raising, and to ensure that the Group's quality standards are applied, emergency procedures were drawn up in the spring of 2022 and distributed to facilities. They are designed to help employees deal with specific situations, such as a medical emergency or a fall, and are an additional means of communicating simple and useful information to employees.

A culture of quality with certification of all facilities

ORPEA seeks to have its facilities certified so as to obtain an independent assessment of the quality and safety of the people being cared for and of the services provided. ORPEA has always been committed to choosing standards and benchmarks that put residents, patients and their families at the heart of its concerns. The minimum standard chosen by ORPEA is ISO 9000:2015. Some countries provide for other standards that are more appropriate to the health activities or culture of the country concerned, some of which are also regulatory. In France, all the facilities are required to follow the guidelines of the French National Health Authority (HAS). In Austria, the Group uses the E-Qalin system, a quality management system developed in Europe specifically for the healthcare and nursing sector. This certification constitutes a comprehensive quality management system focusing on both processes and results.

ORPEA has decided, in countries where there is no regulatory framework for certification, to certify all of its facilities by independent bodies to guarantee the quality system, with a focus on the quality and safety of care of the facilities. The Quality department of each country is responsible for selecting the benchmark that corresponds to the best quality level in conjunction with the Group Quality department. Where there are no stricter business standards than an ISO and/or mandatory standards, the countries choose to implement the internationally recognised ISO 9000:2015 standard. This is the case for the following countries and activities: Belgium, Ireland, Germany, Netherlands, Spain, Portugal (nursing homes), Poland and French-speaking Switzerland (hospitals).

2023 CSR objective

100% of facilities certified by an external body.

2022 progress report

67% of facilities are certified to at least ISO 9001 standard.

Quality certification of ORPEA facilities

Geographical areas	2022 results	2021 results	Target certification standard	Regulatory (Y/N)
France-Benelux-UK-Ireland	82%	86%	ISO 9000; HAS health and CQC	Yes for France (HAS) and the UK (CQC) NO for Belgium, Ireland and the Netherlands (ISO 9000)
Central Europe	21%	21%	ISO 9000 and ALS benchmark in Italy (based on ISO 9000)	YES for Italy NO for Germany and Switzerland (ISO 9000)
Eastern Europe	90%	29%	ISO 9000, E-Qalin, Easy Leaving	No
Iberian Peninsula and Latin America	86%	90%	ISO 9000	No
Other countries	50%	50%	Chinese authority benchmark based on ISO 9000	Yes
GROUP	**67%**	**61%**		

* *The scope of the facilities is as follows: care facilities (nursing homes and hospitals) opened or acquired at least two years ago.*

In Eastern Europe, the certification programme is in line with the Group's forecasts and 90% of facilities were certified to E-Qalin and Easy Leaving standards at 31 December 2022.

In Central Europe, the rate of certification remains low; however, the certification of nursing homes in Germany is under way and an audit will carried out in 2023. The rate will therefore increase by threshold effect, from 20% to 100%. The same effect will be observed in Belgium and Ireland, which will be audited in 2023 (France-Benelux area).

This should enable the Group to reach its 2023 target.

Focus France

In France, the National Authority for Health (HAS) issues the external certification once every four years for healthcare facilities and once every five years for nursing facilities. The HAS certification of nursing facilities was established in 2022, replacing the external assessment by an outside body already in force. The aim of these certifications is to assess the quality and safety of the care provided in facilities and to report on this to all stakeholders in a transparent manner.

To date, there are currently two concurrent systems:

- for hospitals: the HAS V2014 certification and the new HAS V2021 certification (quality and safety of care certification [*Certification qualité sécurité des soins* – CQSS]), which began to roll out in 2021. ORPEA has volunteered to make four of its hospitals pilot sites for this new certification;
- for nursing homes: the external assessment was previously carried out by an independent body. As of 2022, following a regulatory change, the facilities will have to undergo certification based on the guidelines set out by HAS, and the audit to certify the facilities will also be carried out by an approved external body. One of the ORPEA nursing homes was also a pilot site for this new system.

Results of certifications in France: hospital certifications in France

Breakdown of certification levels	Certification version	2022	2021	2020
Certified with distinction, High Quality of Care	CQSS	3.5%	2.5%	
A – Certification	V14	65.2%	73%	83%
Certified, Confirmed Quality of Care	CQSS	17.4%	7.5%	
B – Certification with recommendations for improvement	V14	11.3%	15%	17%
Certified subject to conditions, Quality of Care to be Improved	CQSS	2.6%	2%	
Not certified	V14/CQSS	0%	0%	0%

In France, 97.4% of hospitals have been certified A or B (according to the HAS V2014 standard) or "High Quality of Care" or "Confirmed Quality of Care" (based on the new CQSS standard).

By end-2022, 98% of nursing homes passed the external assessment carried out by an approved independent body. The other facilities benefited from a moratorium in 2020 and 2021 due, on the one hand, to the health crisis and, on the other hand, to the review of the certification process for nursing facilities. As part of the new certification system for nursing facilities implemented from 1 January 2023, 20 facilities have been classified priority facilities (including facilities that benefited from the moratorium) and will be assessed by an independent external body approved by the HAS in the first half of 2023.

3.2.2.2 ROLL-OUT OF EXTENSIVE AUDITS IN FACILITIES

To verify the smooth running of the systems in place to ensure the health and safety of residents and to meet the expectations of residents, patients and families, self-assessments and audits are implemented and carried out in all countries and are aimed at ensuring that procedures and regulations are properly followed, and that best practices are embraced by the staff.

Internal audits

ORPEA has developed a quality control process that applies to all its facilities in every country. Nearly 200 criteria are monitored and controlled every six months by facility directors, regional directors and the different support business lines (quality, medical/care, construction and catering).

The Group's Quality department monitors this system, which is based on quality standards and also meets regulatory requirements. The control points cover the following topics:

- the resident and patient pathway, including quality of accommodation, the information provided on admission and during the stay (in terms of services and fees), the implementation of a personalised plan (life plan, care plan) and the respect of rights and freedoms;
- care and treatment, including traceability of care, measures to prevent malnutrition, monitoring the use of restraints, preventing falls, the medication circuit, end-of-life care or support during difficult times of life, and ongoing institutional discussions around positive treatment;
- staff management, from recruitment to team integration and training, monitoring and evaluation of team practices, employee health and safety;
- the involvement of relatives, their place within the facility, methods for consulting residents and families, reviews in the event of a problem;
- safety, in particular the compliance of safety and fire registers, and the monitoring of works;
- catering, monitoring of the food safety control plan and quality of the catering, compliance with the food plan, menus and prescribed diets;
- hygiene, control of best practices, management of potentially infectious medical waste;
- entertainment and social life within the facility, an activities schedule tailored to residents' medical conditions;
- monitoring of the quality process, communication of the facility's project, sharing of quality protocols and adoption by the teams, use of care indicators, monitoring of inspections and external controls and monitoring of the action plan.

These internal assessments allow each facility to identify areas of non-compliance and implement appropriate corrective action plans as a team. The action plans are monitored by facility management and by the support teams during their regular visits. The Group promotes a positive error culture that includes systematically taking stock of and continually improving practices.

External audits

ORPEA entrusts external service providers with a number of specific inspections, such as food safety (bacteriological analyses, kitchen hygiene) or the detection of legionella in water. The results are taken into account by the staff, with corrective action taken where necessary.

The frequency of these checks varies from country to country and, in all cases, meet or exceed the regulatory requirements. For example, ORPEA carries out bacteriological analyses in all of its facilities, including those not required by regulations, to ensure the safety of the food products served.

Audits by public authorities

Checks are also carried out by the competent state authorities in each country. ORPEA ensures that it takes into account all the recommendations issued by these bodies to correct any discrepancies flagged and to improve its practices in a more general sense.

The Group supports the tightening of these controls, which are complementary to internal quality audits. The inspections performed by the health authorities also complement the various inspections carried out by the French local authorities for public protection (*Directions départementales de la protection des populations*), which check food safety, local labour inspectorates (*Services départementaux de l'inspection du travail*) and Safety Commissions (*Commissions de sécurité*), which check compliance with safety regulations, particularly in facilities open to the public. All these inspections systematically result in corrective actions that take into account the discrepancies identified and follow-up in conjunction with the relevant State or departmental authorities.

Inspections performed in France in 2022

In 2022, ORPEA was subject to the highest number of inspections of any operator in the sector. Following the publication of the book *Les fossoyeurs*, 179 inspections carried out by French supervisory authorities (regional health authorities, departmental councils) targeted nursing homes, in addition to ten inspections carried out by the General Inspectorate of Social Affairs (*Inspection générale des affaires sociales*) and the General Inspectorate of Finance (*Inspection générale des finances*). Accounting for overlap, almost three-quarters (72%) of nursing homes were inspected, compared to an average of 16 nursing homes each year over the 2018-2021 period, corresponding to 7% per year.

Almost all of these controls were performed without prior notice, although some of those relating to the management of medications were announced in advance as they required the presence of a doctor and a nurse. Comparatively, these unexpected checks corresponded to 25% over the 2017-2021 period. Most of these checks were carried out on-site, and only 12 document-based investigations were not followed up by an on-site inspection.

Despite the scale of these inspections, **no closures or temporary suspensions of activities** were imposed on the nursing homes. Most of the injunctions relate to the reporting of serious adverse events to the authorities, a flagship project led by the Group's Executive Management team and whose mechanism was strengthened in 2022 (see section 3.2.3.2 of this Universal Registration Document).

To date, ORPEA is also the only service provider to be audited at Group level as required by regulations.

International audits in 2022

In Germany, the medical department of the public health insurance service carries out audits of the quality of care and treatment. By 2022, 99% of facilities had been classified A or B, indicating a satisfactory level.

In Belgium, the authorities carried out 170 inspections in 2022 for 67 ORPEA nursing homes, compared to 62 inspections in 2021. To date, no nursing home has been closed or sanctioned as a result of these checks. However, in Flanders, six facilities are still under close surveillance and subject to additional monitoring by the quality and medical teams.

In April 2022, the Ombudsman of Salzburg in Austria reported serious shortcomings in the care provided by a nursing home in the city, run by SeneCura, an ORPEA subsidiary. On receipt of the report, the SeneCura staff worked hard to rectify the discrepancies identified. Following this report, a few months later, SeneCura was criticised by various press articles. To follow-up on these publications, and in addition to the action taken by SeneCura's management, ORPEA's Executive Management team commissioned an audit to determine the exact nature of the problem and the progress of corrective measures. The conclusions of the audit showed that the quality management system needs to be further improved.

3.2.2.3 MAJOR CHANGES IN FEEDBACK SYSTEMS FOR RESIDENTS, PATIENTS AND FAMILIES

Number of patients and residents staying in the Group's facilities in 2022: 267,450

The trust of residents, patients and their families is essential to succeed in providing the best possible care plan for the people the Group serves. In this context, fostering dialogue and exchanges with residents, patients and their families, gathering their opinions, and listening to their dissatisfactions with a view to meeting their expectations and concerns is a major focus for the Group, a point that is an integral part of the *With you and for you, changing ORPEA* Refoundation Plan presented by Executive Management in November 2022.

Active listening through regular satisfaction surveys

For more than 20 years, ORPEA has been tracking the satisfaction of its residents and patients through regular surveys of all the people it cares for, with the aim of understanding their expectations and identifying both the actions to be taken to improve them and the priority areas to work on with the teams in the facilities.

In nursing homes and senior assisted-living facilities, the survey is carried out at all facilities and countries by an independent external service provider; in 2022[1], the survey methodology was amended to take into account the conclusions of the internal and external investigations that took place within the Group at the beginning of 2022 (rules concerning residents' legal representatives, transparency on the number of respondents per item assessing the robustness of the result achieved, etc.).

Two collection methods were used to allow the largest number of residents, families and friends to respond to this satisfaction survey:

- digitally, with an email sent directly by the external company that allows access to a secure online questionnaire;
- on paper, including the delivery of a prepaid envelope addressed to an external address so that the questionnaire, once completed, does not pass through the facility.

In hospitals, surveys are carried out continuously, a few days before the patient is discharged, via a paper form or an e-mail sent to the patient, or via a survey company that calls patients a few days after discharge (Austria).

The content of the surveys is adapted to the specificities of each country and to the type of residents, patients and beneficiaries, in order to best take into account their expectations; however, common indicators have been defined and allow for the same measurement in every country.

In hospitals, there are five such indicators: general satisfaction concerning the facility, satisfaction with care, satisfaction with catering, satisfaction with the care team, and recommendation via the Net Promoter Score.

In nursing homes, there are 13 indicators: nine concerning satisfaction with main services and support: reception, staff, care, meals, bedrooms, information, activities, facilities and accessibility; general satisfaction; recommendation via the Net Promoter Score; and the score for trust in the facility and consideration for residents.

For home care services, each country organises its own satisfaction survey, either as a paper questionnaire or a digital survey. As for the other businesses, the survey assesses the recommendation rate and general satisfaction with the service, but also looks at specific areas such as relationship with the agency and quality of the provider.

Results

- Hospitals

Hospitals	Number of respondents	Response rate	General satisfaction rate[1]	Satisfaction with care	Satisfaction with catering	Satisfaction with the care team	NPS[2]
2020	65,224	54%	88%	/	/	/	NA
2021	81,062	63%	89%	87%	80%	89%	NA
2022	**80,626**	**60%**	**92%**	**91%**	**77%**	**92%**	**37.2**

(1) *Hospitals measure satisfaction on four levels: "very satisfied", "satisfied", "unsatisfied" and "very unsatisfied" – except in Germany, where they use five. This result includes the response rate of the first two levels of satisfaction out of all the responses given, namely "satisfied" and "very satisfied". The satisfaction rate regarding care, care teams and catering have only been consolidated since 2021.*

(2) *NA: not available.*

(1) *In regards to the 2022 satisfaction survey, it should be noted that some countries have had a collection period of up to January 2023.*

- **Nursing homes**

Nursing homes	Number of respondents	Response rate	Digitisation rate[1]	Type of respondents *(% residents)*	General satisfaction rate	Facilities with a general satisfaction rate of less than 7/10	NPS[2]
2020	27,424	55.4%	30.5%	/	92%	/	NA
2021	30,641	50.2%	48.2%	30%	90%	22%	NA
2022	**32,475**	**49.2%**	**44.1%**	**35%**	**90%[3]**	**24%**	**21**

(1) In 2022, the satisfaction survey could be filled in digitally in 16 of the 19 countries involved in the nursing home business. However, the participation rate was lower than for the paper version (44%). As a result, the participation rate decreased in 2022.

(2) NA: not available.

(3) The general satisfaction rate is calculated by adding the responses "very satisfied" (9,606) and "satisfied" (18,247), divided by the total number of responses (31,019), i.e., 90%.

- **Satisfaction criteria – Satisfaction rate**

Nursing homes	Reception	Facility	Staff	Care	Meals	Room	Accessibility	Information	Activities
2021	95%	96%	89%	88%	87%	89%	94%	91%	85%
2022	**95%**	**95%**	**89%**	**87%**	**87%**	**89%**	**93%**	**91%**	**86%**

Processing the results is a key part of the satisfaction survey. The management teams at each facility receive a detailed report of the ratings. An action plan is then worked out with all facility staff. All residents and their families are then invited, as well as the residents' councils in France or their equivalent abroad, to a feedback meeting where the results of the survey and the areas for improvement proposed by the team are presented. This is an important opportunity for discussion at the facility and helps set the tone for the year to come.

In addition to their action plan following the survey, facilities with a satisfaction rate of less than 7 (i.e., "fairly satisfied") for the past two years are subject to closer monitoring by Executive Management and the management of their geographical area, in order to define the actions and additional resources required to return to a higher level of satisfaction.

- **Home care services**

Home care and services	Number of respondents	Response rate	General satisfaction rate	NPS
2021	1,173	33%	93%	NA*
2022	**1,930**	**24%**	**91%**	**42**

** NA: not available; indicator calculated since 2022.*

Better involvement of residents, patients and families in the life of the facilities

ORPEA is aware that certain situations, and in particular admission to a nursing home, the progression of an illness or a new diagnosis, can cause feelings of stress, guilt or even failure and lead to misunderstandings and concerns. It is the primary mission of facility directors and their teams to maintain ongoing dialogue with residents and patients, and their families. Patient well-being also depends on loved ones feeling confident and secure in their decisions. Everyone has a role to play in supporting the lives of the frail and vulnerable people in ORPEA's care.

Transparent dialogue is initiated upon admission, giving residents, patients and relatives the opportunity to shape the life and care plan. This is a crucial part of taking a long-term approach to prevention and care, and of respecting the choices made by residents and patients, and the role of their families.

Each person is invited to get involved, according to their wishes, availability and abilities, in the organisations representing residents, patients and relatives. These dedicated bodies (residents' council, user committees, specific committees for catering and entertainment in France and meetings with residents and their families abroad) allow for transparent exchange of information on life within the facility, communicating expectations and plans, and contributing to the improvement of the policies implemented by the facility.

Functioning of the residents' councils in France

In accordance with the regulations in France, all of the Group's nursing homes have a residents' life council. This council met at least three times in 2022 at three out of four facilities and once or twice at the others. Various factors such as a change of director or the renewal of terms of office are likely to affect how the residents' council operates and how frequently it meets, depending on the facility.

Following the entry into force, on 1 January 2023, of the Decree of 25 April 2022 on the amendment of the residents' council and other forms of participation, elections are under way in the facilities to extend participation in the residents' council to new members.

Conferences organised in France by ORPEA

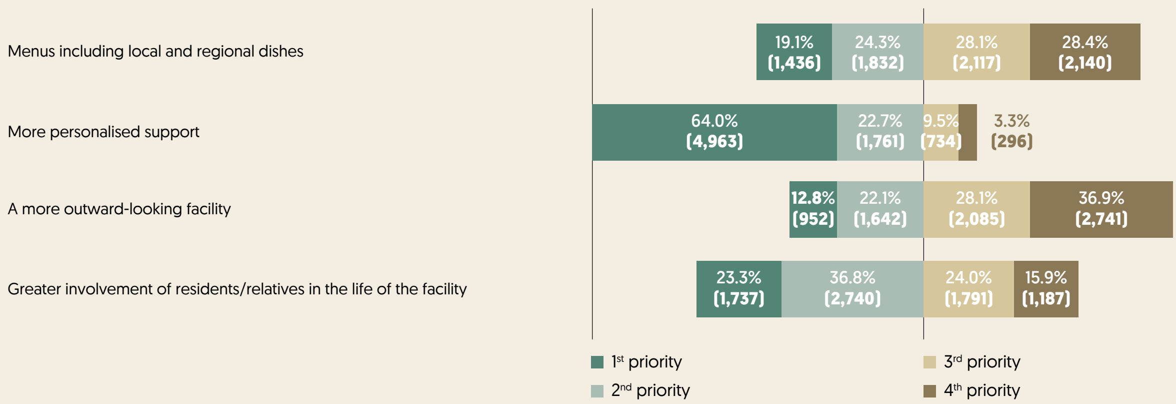
In 2022, in France, the Group organised Conferences for the Elderly to open up debate and encourage discussion on the expectations of patients, residents and their families. This initiative, which brought together more than 2,000 participants through some 50 physical meetings, attests to the Group's determination to strengthen its communication and mediation among its stakeholders. These Conferences revealed that families sought improved communication, particularly through bodies such as the residents' councils, as well as better information on the health situation of their relatives. This request from families, which is perfectly legitimate, is taken into perspective with requests from patients and residents, who sometimes wish to protect their loved ones from too much information about their state of health, and with their right to medical confidentiality.

At the same time, open days were organised in all the nursing homes in France to detail the organisation and life within these facilities to the public. This concern for transparency is also a way for ORPEA to raise visitors' awareness of the issue of the ageing population and dependency.

As part of the annual satisfaction survey, additional questions were included to gather the perception of residents and families on the General Meeting organised by ORPEA and to ask them about the priorities to be given to the main areas of work that emerged from it.

Of the 8,014 people who expressed their views, almost 89% stressed the value of this type of open discussion in developing care for the elderly. 80% of respondents also indicated that the reporting format used met their expectations.

Respondents indicated that priority should be given to more personalised support for their relative and to greater involvement of residents and families in the life of the facility. In 2023, ORPEA will take into account these expectations, which are an integral part of the *With you and for you, changing ORPEA* plan announced in November 2022.



Improving feedback and complaint management systems

Although complaint management is part of the systems historically put in place within the Group, these systems were reinforced in 2022, with the deployment of a helpline in France for residents, patients and their relatives, as well as the implementation of an external mediation system.

Complaint management

In each country, a procedure has been established for recording, handling and following up on complaints, whether they come directly from the patient, resident or their family. These procedures ensure that each complaint is taken into account and that a response is systematically provided. In 2022, the process was reviewed, particularly in nursing homes, in order to make the director and his or her team an integral part of the system and to respond as closely as possible to the expectations of the residents and their families.

In 2022, the critical complaints rate[1] was 0.45% (number of complaints in relation to the number of residents and patients in 2022). For the Group as a whole, the critical complaints rate for 2022 was slightly higher than in 2021. Particular attention is paid to verbal complaints, which are not yet always systematically tracked, even if corrective measures are taken by the facilities.

	Number of critical complaints received	Rate
2022	**1,215**	**0.45%**
2021	817	0.31%
2020	1,127	0.54%

In France, since the publication of the book *Les fossoyeurs* at the end of January 2022, the number of complaints received has increased slightly.

In addition to critical complaints, the Group follows up on all complaints received, regardless of the channel used to receive them (call centres, satisfaction survey, etc.). A total of 6,252 complaints were received, of which 1,215 were critical (19%).

Launch of a helpline in France

With a view to improving relations with patients and residents, a helpline dedicated to all residents, patients and families was opened in April 2022. It is a key tool for finding solutions adapted to the care and treatment pathway or care management of a patient or resident. Therefore, if patients, residents or their families encounter a problem or face a situation that seems abnormal to them, they can contact a team of psychologists who will take into account their concerns and liaise with the facility's management team in order to find appropriate solutions.

By the end of 2022, eight months after its deployment, the line had received and responded to 206 requests. The reasons for consulting the helpline were dissatisfaction with the care provided (32%), requests for information (26%), communication issues such as identifying the right people to contact or finding an e-mail address (13%), issues relating to patients' rights and information (10%), and logistical problems (laundry, kitchen, TV) (6%).

The Group notes that families often consult this platform in conjunction with a significant or sudden deterioration in the state of health of their loved one, or when the dependence of the patient or resident is increased, demonstrating the need to strengthen dialogue and exchange with families in these situations in order to provide better support.

Development of external mediation systems

Some countries have set up an external mediation system, such as Austria since 2019. The programme, which is available to facility directors, residents and families, helps each party to re-establish calm dialogue and find a satisfactory response to points deemed to be conflictual, through the involvement of an independent external third party. In 2022, 109 complaints were handled by this system, mainly by telephone. In addition, 24 initial contacts made during 41 regional walk-in days (announced at the facilities) led to the resolution of the related complaints.

In light of this experience, France launched a similar scheme in May 2022. By the end of 2022, 24 disputes had been addressed, and 100% were successfully resolved or in the process of being resolved. This mediation system was reinforced at the beginning of 2023[2] in partnership with a recognised association, which supports facilities in preventing and managing conflict situations, with particular expertise in supporting the relational difficulties that families and facilities may encounter in dealing with frail and vulnerable individuals.

This system, deployed in Austria, France, Italy, Belgium, Germany[3] and Spain, is free of charge for stakeholders, exchanges remain confidential and everyone is free to join and leave at any time.

(1) *Complaints are considered critical when they are sent to the headquarters of the different countries or to a competent authority. In the majority of cases, families write to these bodies when they have not obtained satisfaction in their dealings with the facility or when they no longer have confidence in the point of contact. Therefore, all complaints written outside the facilities are considered as critical. This definition of a critical claim is currently under review for the year 2023.*

(2) *The new mediation system, launched in March 2023, will be led at Group level in France by a mediation correspondent, Claude Évin, who is himself a mediator registered with France's National Centre for Mediation Lawyers (*Centre National de Médiation des Avocats *– CNMA), registered with the Courts of Appeal of Paris, Rennes and Angers. He will be tasked with ensuring an effective process and compliance with the principles of mediation, as well as its independence and impartiality. For more information, see https://www.orpea-group.com/2023/03/23/orpea-met-en-place-un-nouveau-dispositif-de-mediation-en-collaboration-avec-lassociation-mediation-partage-et-anime-par-un-referent-mediation-maitre-claude-evin/.*

(3) *Temporary post.*

Towards the creation of a Family Relations department in 2023

As part of its *With you and for you, changing ORPEA* Refoundation Plan, ORPEA wanted to give families, relatives and representatives of residents and patients a major role. Under the authority of the Group's Medical department, the Family Relations department will supervise all the measures that contribute to developing and improving relations with all its stakeholders, right from the preparation stage, during check-in and throughout the stay of patients and residents, by ensuring that an integrated pathway is proposed.

The roll-out of this department will be trialled throughout France in 2023 and may be replicated in other countries from 2024.

Improving and adapting communication methods

The facilities also provide regular information for relatives through letters and emails regarding, for example, the facility's situation regarding the pandemic, life within the facility (entertainment, meals, etc.) and how they are taking care of their loved ones.

They also organise regular meetings with families or family councils, as is the case in Spain, Latvia, Italy and Poland. In France, the residents' council fulfils this role; it is a periodic meeting that fosters necessary dialogue between the facility team, the residents and their families.

More "contemporary" solutions have been deployed to better maintain social ties, such as providing tablets, organising video calls, and using communication apps (messages, photos, etc.).

As a result, a project was designed in 2022, with the aim of adapting the family portal to support the transformation of the retirement home model towards greater transparency and inclusion of residents and families in the life of the facility. This work was carried out in 2022 as part of a working group made up of employee representatives in France and Belgium. The group identified needs, developed specifications to meet them and launched an international call for tenders, in order to identify a partner capable of proposing a suitable technological solution. The development of this project, during 2023, will be carried out in conjunction with user committees in each of the countries participating in this project.

ORPEA intends to introduce a system in all countries aimed at involving families more closely in life within a facility, improving the quality and transparency of the information provided, and maintaining the social bonds that are such a vital part of caring for residents and patients. This target is well on the way to being met, with 76% of countries covered by such a system in 2022, increasing from 58% in 2021.

2023 CSR objective

100% of countries have implemented a system to strengthen social links with families and loved ones.

2022 progress report

At 31 December 2022, 76% of the Group's countries had set up a system to enhance dialogue with families through apps, committees, mediation and partnering with patient associations.

3.2.3 INCREASED VIGILANCE ON THE HEALTH AND SAFETY OF PEOPLE RECEIVING CARE

3.2.3.1 PROGRAMME FOR PREVENTING AND MANAGING OPERATIONAL RISKS

The ORPEA Group has implemented appropriate preventive measures and corrective action plans to address the various health and safety risk factors that facilities may encounter (pandemic risk, infection risk, food safety risk, etc.), while taking into account the regulations in force in the various host countries. The analysis of these risks, the implementation of effective preventive measures and the handling of deficiencies are essential to guarantee the health and safety of the residents and patients.

Maintenance of facilities

ORPEA has identified the safety risks that may arise at its facilities and has introduced appropriate tools including procedures, training, checklists and control assessments to prevent and manage these risks. The main risks associated with buildings relate to:

- building safety (fire safety, asbestos, radon, etc.);
- water quality and temperature (prevention of the risk of legionella bacteria, monitoring drinking water and controlling tap water temperature, etc.);
- geographical location (risk of floods, chemical spills, forest fires, etc.);
- climate change (risk of heat waves).

ORPEA invests each year to ensure that its facilities in every host country provide high-quality, safe and comfortable accommodation and comply with the applicable health, safety and fire regulations. This investment also helps maintain the appeal of the Group's facilities and meet the comfort and safety expectations of residents and patients.

Prevention and facility maintenance

Maintenance teams set up in each country are responsible for building safety and maintenance, based on a dedicated yearly works budget. This includes training, internal and external audits, preventive and corrective maintenance and improvement work. In summary:

- a prevention policy implemented through training provided to all the facilities' employees (annually or semi-annually depending on the country). This policy is implemented by either an accredited external firm or a specially trained in-house correspondent in compliance with the legal requirements in each country;
- preventive maintenance work (fire safety system, smoke extraction system, fire doors, fire extinguishers, installation of hot water and maintenance of the water system, monitoring of building temperature, etc.);
- remedial measures (e.g., repairs) as part of a system assuring traceability to identify the issue that has arisen and monitor its resolution;
- internal audits conducted at least annually to verify the implementation and monitoring of these protocols and measures. At the same time, ORPEA has established a network of specialist independent contractors that can audit the safety of its facilities and buildings to check their compliance with the local regulations (fire safety, legionella checks, etc.).

Food safety and hygiene

All the Group's facilities implement ORPEA's food safety control plan, which helps prevent the chemical, physical and biological risks inherent in mass catering. The plan covers the requisite points for ORPEA's facilities to fully honour their responsibilities: best practices in food hygiene, compliance with the Hasard Analysis Critical Control Points (HACCP) method, management of corrective actions and warnings, and introduction of a traceability system.

The Group Catering department works with its suppliers to offer high-quality products and to safeguard the traceability of products and their origins. To ensure all countries adhere to the same principles, the Group has developed a catering standard that lays down the major rules when it comes to food safety and hygiene in particular (see section 3.2.4.2 of this Universal Registration Document).

Regular audits are carried out, both internally and via external companies. For example, the Group conducts quarterly external bacteriological analyses, in addition to the regulatory requirements of many countries, to ensure the best possible food safety.

Crisis management

Every facility has both a crisis management plan and a business continuity plan to deal with any situation, with different levels of response. In the event of a crisis, these plans provide for the immediate roll-out of a crisis unit within the facilities. The facility crisis unit communicates with the national crisis unit, which consists of the Operations department, the Medical department and the Quality department and the Human Resources department. The national unit coordinates actions throughout the Group and centralises the information reported by the local crisis units. In 2022, an appraisal of crisis management practices was carried out in the various countries, leading to a revision of the procedure currently being approved.

3.2.3.2 HANDLING ADVERSE EVENTS

An adverse event is an accident, incident, shortcoming or the occurrence of a risk within a facility, the consequences of which have or could have been harmful to residents, patients, visitors or staff. A serious adverse event is a significant and critical adverse event with consequences on people, whether reversible or not.

Definitions may vary between countries and activities; however, a Group consensus has been reached that each country qualifies serious adverse events in the same way, according to their category and their impact in terms of severity on people, also taking into account local regulatory requirements.

Adverse events represent a risk of which the Group is well aware and for which staff are committed to implementing all preventive measures necessary (risk assessment at the time of admission, ongoing staff training, preparation of sheets on what to do in the event of such an occurrence).

In the event of an adverse event, the first action is always the protection of people, their safety and, depending on the seriousness of the event, providing psychological support for both the people cared for and employees (see section 3.3.3.1 of this Universal Registration Document).

Reporting adverse events as part of ORPEA's "fair culture"

The reporting of adverse events is an essential step in preventing risks and investigating the causes of malfunctions, in order to implement the actions that will make it possible to prevent them. However, there may be obstacles to the reporting of these events by employees, particularly the fact of admitting an error or wrongdoing, etc.

In order to encourage these reports and remove any obstacles, in 2022, the Group strengthened the reporting culture by deploying a "fair culture" in the face of error. **The fair culture is an approach that encourages a coherent, constructive and fair response to the occurrence of an adverse event;** it is part of the institutional and managerial attitude supported by External Management, with the aim of building trust.

In practice, this "fair culture" takes the form of commitment charters directed by management, rolled out to all teams and which may, depending on the country or activity, bear different names, such as "Charter of Trust" and "Pro-reporting Charter". The objective is to ensure teams are fully transparent on the actions taken when a human error occurs and therefore promote feedback and alerting to optimise reporting, for the safety of people.

The numerous awareness-raising and communication actions within this "framework of trust" carried out in 2022 by both Executive Management and the entire management line enabled a considerable improvement in reporting as well as in the Group's progress in the awareness and management of these events.

At the same time, procedures were simplified and action sheets were distributed to all teams and posted in the staff rooms, helping to remind them of the main principles when an adverse event occurs.

Reporting and escalation of serious adverse events

Adverse events are reported to the authorities according to the regulations in force in the countries.

In addition, since July 2022, a weekly report is consolidated in each country and sent to the Group's Executive Management and to the Executive Committee of each country, listing the events that have occurred, their seriousness, the timeframe for reporting them to the authorities and the corrective measures taken. This report allows management, in addition to being fully informed, to identify new strategies in terms of collective prevention.

In 2022, 2,166 serious adverse events were reported, bringing the rate to 0.8%, a sharp increase compared to previous years and a clear indication of the awareness-raising actions carried out by the teams on this subject in 2022. In parallel and in addition to serious adverse events, 42,159 events and near misses were reported by the teams, reflecting the quality and safety culture established within the facilities.

■ Serious adverse events in 2022

	Rate of adverse events*	Care	Logistics	External factor
2020	0.2%	84%	12%	4%
2021	0.2%	87%	12%	1%
2022	**0.8%**	**76%**	**17%**	**8%**

* *Adverse events are considered to be related to:*
- care: running away, suicide or attempted suicide, abuse, aggression, inappropriate family behaviour (excluding Covid-19);
- logistics/technical issues: heating, water, electricity, etc.;
- external factor: theft, intrusion, climate event, etc.

The type of events reported reflects challenges in the Group's activity, as 76% involves care.

In France, the number of serious adverse events increased fourfold in 2022 compared to 2021; also, the timeframe for reporting these events to the supervisory authorities decreased from an average of more than 14 days in 2021 to an average of two days in 2022.

Reports of serious adverse events are also shared with representatives of residents, patients and their relatives (residents' councils, Users Committee, etc.).

A systemic analysis of incident causes

Each adverse event is the subject of an analysis of the causes examining the role of various professionals in order to highlight the real causes of the incident, both those that are immediately visible and those that are latent and which may relate to organisation, inter-team communication, training, etc.

This systemic approach to feedback has a corrective and preventive aim (correction of identified risk situations, identification of new protective measures, deployment of new training and/or awareness-raising measures for the teams), as well as an educational and human one (learning from mistakes, perception of multidisciplinary work, reaffirming major challenges at stake in the team, restoration of self-confidence and confidence in one's work).

Each country's quality department provides support and expertise in the methodology of analysing causes: feedback[1], morbidity and mortality review[2].

A monthly Incident Review Committee

The Quality department runs a monthly Incident Review Committee with the participation of the Medical, Operational and Support departments. The aim is to provide feedback on a wider scale in order to identify recurring causes, to review and disseminate best practices, to adapt tools and to identify new training areas to be implemented.

In some countries, this Committee relies on working groups set up to address specific issues, as is the case, for example, in France, on the prevention of suicide risk.

(1) A RETEX (feedback survey) is an analysis of the handling of cases, which aims to draw positive and negative lessons from the event in order to promote reflection, procedures and references with a view to preventing risks and improving practices. RETEX is based on analysing causes and explores all the human, organisational, technical, material and methodological fields.
(2) A morbidity and mortality review (MMR) is a collective, retrospective and systemic analysis of clinical cases in which adverse events related to health care (AE-HC) or any unexpected complication has occurred that may or may not have caused harm to patients.

Suicide Observatory in France

Suicide is unfortunately a high risk in psychiatry. In fact, it is the first risk that comes up as a serious adverse factor in this sector. In order to better address it, in 2018, the Group created an observatory for suicidal behaviour in France for the collection of data on suicide and attempted suicide events and an annual detailed analysis, leading to the implementation of strategies to prevent suicidal risks.

A monthly working committee including the Quality department, the Medical department and the Psychology department, i.e., linking the different fields of prevention (epidemiological, care and professional training), has been set up to oversee this sensitive subject. It works on analysing root causes and makes recommendations for preventive action.

The teams are regularly made aware of the need to systematically fill in the forms for these adverse cases, in order to improve the quality of downstream analysis. A suicide risk correspondent is set up in the facilities and regular training has been introduced to teams to prevent this risk.

Even if suicide remains a risk inherent to our activity, the decrease in the number of suicides or attempted suicides within the facilities, despite other exogenous factors (deterioration of mental health among the French population following the Covid-19 crisis, etc.), allows us to give an initial positive feedback on the implemented preventive measures.

3.2.4 STRENGTHENING THE WELL-BEING OF RESIDENTS, PATIENTS AND BENEFICIARIES

"Care by ORPEA" is centred on a personalised life pathway, in order to meet the expectations of patients and residents. The attention paid to the well-being of residents and patients is fundamental, in particular to contribute to maintaining their autonomy. This also helps to fight against depression, which is unfortunately still an illness that is all too present in nursing homes.

The Conferences for the Elderly, organised in France in 2022, highlighted the difficult balance in nursing homes between the essential respect for individuality and the constraints of life in a community, and similarly between safety and freedom of movement.

The declared ambition of nursing homes is to enable their residents to continue to live their lives, but the constraints of the community weigh on the quality of life of residents, some of whom express the frustration of no longer being at home. The restrictive aspect is reinforced by the fact that admission into a nursing home is more often a necessity than a choice, due to the vulnerability of the people concerned, and that it has often been poorly anticipated.

The Group is aware of this constraint and has made this point one of the priorities of the *With you and for you, changing ORPEA* Refoundation Plan: personalised support from the moment of admission and throughout the care and life pathways.

3.2.4.1 FACILITIES DESIGNED AND OUTFITTED FOR PEOPLE'S WELL-BEING

The Group pays particular attention to the interior and exterior architectural quality of its buildings. Many of the buildings were designed and developed by the Group. This enables the Group to provide living and working environments that best meet the needs of its stakeholders and the latest quality standards.

The Group implements design choices tailored to the usage needs and profiles of the residents in its buildings. In this way, architectural design serves to enhance the satisfaction and well-being of residents, patients, families and employees.

ORPEA selects locations based on their intrinsic quality as real estate, particularly the quality of the site and where it is geographically situated. Most of the Group's facilities are located in city centres or in attractive surroundings with the aim of fostering close ties with families and care networks, as this is essential for a high standard of care. One of the first selection criteria applied by residents and their families is a facility's location.

From the initial planning stages, ORPEA designs the architecture and amenities of its facilities around people. This philosophy is essential for creating a pleasant care and living environment and goes beyond the quality of nursing care to focus on the well-being of those being cared for.

Criteria for the design and layout of facilities

The Group takes several factors into account:

- lighting, with particular attention to the provision of natural light;
- indoor temperature, which must be kept ambient and comfortable;
- inviting, aesthetically pleasing areas for activities and socialising, and cosy, quiet spaces where residents and patients can spend time with loved ones;
- rooms for well-being and stimulation (hairdressing and well-being salon, Snoezelen relaxation area, reminiscence area, balneotherapy, rehabilitation room, gym, etc.);
- natural green spaces, landscaped to allow easy access for residents and patients;
- appropriate and attractive decor, anchored in the local environment, for example incorporating reminders of the local natural or cultural heritage;
- convenient access to public transport and local shops so residents/patients can go out and maintain a social life, and family and loved ones can travel easily to and from the facility;
- spaces for daily events or therapeutic, cultural and entertainment activities organised by facility staff or external organisations; these areas can also be used on a regular basis for local associations involved in programmes sponsored by the facility.

ORPEA is committed to obtaining BREEAM, LEED or HQE environmental certification for all its future construction projects (see section 3.5.1.3 of this Universal Registration Document). These certifications take comfort and well-being in the facilities into account:

- BREEAM (Building Research Establishment Environmental Assessment Method): Health and Well-being category;
- LEED (Leadership in Energy and Environmental Design): Indoor Environmental Quality category;
- HQE (High Environmental Quality): Quality of Life category.

In order to strengthen the role of the facilities as contributors to the well-being of patients, residents and employees, the Group drew up and updated Design Guidelines for retirement homes and hospitals. These Design Guidelines focus on comfort, occupant safety and operational efficiency, and apply to all Group entities.

Details on examples of best practice in terms of buildings that promote the well-being of residents

The design and architecture of the building and outdoor spaces contribute to the well-being and health of its occupants, primarily residents and patients, but also staff and visitors.

Here are two examples of retirement homes developed by ORPEA around the world, whose architecture is centred on the well-being of the occupants.

In the Netherlands, the nursing homes in Stoutenburg and Apeldoorn, developed by ORPEA subsidiaries September and Dagelijks Leven, respectively, place the well-being of residents at the heart of their living environment, striving to create a “home-like” atmosphere. Common areas are scaled to feel welcoming and personal, and the facilities count only 21 to 24 beds. They are decorated in a warm manner, following the aesthetic codes of the home with large windows that provide natural light and views over the gardens.

The family atmosphere can also be found in the residents’ rooms. At Stoutenburg, each resident has a private suite of 32 to 45 sq.m. with a living area and bathroom. The flat can be fully decorated to the residents’ taste, with their own furniture. A room for relatives of the residents can be provided by the facility.

In Apeldoorn, there is a memory box at the entrance to each room, made up of items reminiscent of the resident’s life, to stimulate his or her memory and personalise the entrance to the area.

In both facilities, the outdoor spaces are designed to encourage social interaction, contact with nature and sensory stimulation, with a walking circuit, bird shelters and collective leisure facilities.

The St. Jadwiga residence in Poland is a historic building that has been renovated and expanded into a three-storey 135-bed facility. The historical architectural elements have been preserved and restored, while the interior has been designed to be warm and comfortable. Spaces dedicated to relaxation, leisure and social interaction have also been set up, such as a restaurant, a library, a relaxation area, a cinema, a reminiscence room, a balneotherapy room, a beauty salon and gardens. Biodiversity has also been taken into account in the project, with gardens specially designed for people with Alzheimer’s disease.

As part of its satisfaction surveys (see section 3.2.2.3 of this Universal Registration Document), the Group evaluates the quality of the facility and its spaces and their accessibility, both inside and outside the facility (green spaces, paths adapted to people with reduced mobility, etc.), through feedback from residents, patients and relatives, to ensure that the facilities are well designed to promote and develop the well-being of people.

3.2.4.2 PATIENT AND RESIDENT MEALS: NUTRITIONAL INTAKE AND GUEST SATISFACTION

In 2022, 40 million meals were served in the Group’s facilities, including approximately 17 million in France

Meals are a special time of day, fostering a social atmosphere, sharing and enjoyment, and contribute to maintaining good physical and mental health. This is a fundamental issue for frail people who are at high risk of undernutrition.

The General Meetings of the Elderly, conducted in France in 2022 within ORPEA facilities with all stakeholders (see section 3.2.2.3 of this Universal Registration Document), reaffirmed the need to pay even more attention to meals, both in terms of enjoyability and nutrition. One of the key requests was to be able to benefit from local products from the region in which the facility is located.

The results of the satisfaction surveys carried out in 2022 show the general satisfaction of residents and patients with the meals served (see section 3.2.2.3 of this Universal Registration Document). However, these results show that in some facilities, the level of satisfaction may be well below expectations, and that even in facilities with a satisfactory level, residents’ and patients’ expectations on the subject of catering remain high.

In 2022, the Group is committed to working on the catering policy in order to take into account the legitimate desires of residents, patients and their relatives, as well as the kitchen teams, while balancing nutrition, taste and food safety. For example, in France, the food purchasing budget increased by 30% between 2021 and 2023, notably by improving the proportion of organic and locally purchased products.

Also in 2023, given the importance of this issue, a permanent survey system will be implemented in France in nursing homes in order to ensure proper attention by taking the most appropriate improvement actions to meet expectations.

Fighting undernutrition

In France, a food plan is drawn up to meet the nutritional requirements of each guest; it incorporates the recommendations of the French Agency for Food, Environmental and Occupational Health and Safety (*Agence nationale de sécurité sanitaire de l'alimentation* – ANSES), the French National Nutrition and Health Programme (*Plan national nutrition santé* – PNNS) and the contract catering and nutrition market research group (*Groupement d'études des marchés en restauration collective et de nutrition* – GEM-RCN), in order to ensure the right proportions are served according to the population group, and the right variety of dishes for a balanced diet.

The plan on offer provides variety and a balanced diet throughout the seasonal menu cycles and meets protein and calorie requirements. In addition, the Group commissioned an audit of this plan which will be conducted in 2023. Also in 2023, in France, the Group will display average weekly nutritional values on menus in its nursing homes, with the aim of fighting undernutrition and ensuring transparency of information for residents, patients and their families.

An initial assessment and adaptation of menus are carried out to create a personalised nutritional programme (e.g., in terms of protein). It is drawn up by the care team for each resident or patient, taking into account their needs and their tastes. Risks of undernutrition are monitored, and textures and diets can be tailored accordingly. Monitoring of nutrition and hydration is carried out by medical and nursing teams, and its frequency is adapted to the needs of the residents and patients and their medical conditions. In France, rigorous monitoring of undernutrition involves monthly weight checks for all residents and weekly weight checks for undernourished residents. The albumin levels of undernourished residents are measured at least once a year in order to evaluate the effectiveness of the implemented feeding plan. The kitchen teams are also trained in the challenges surrounding undernutrition and the specificities of the elderly and the frail. In France, 187 training sessions were organised for these teams in 2022.

In order to enhance the catering experience with the preferred dishes of patients and residents, replace less popular recipes, or include regional recipes, the facility's catering managers or dieticians can modify the menu's products, provided that they respect the food plan and remain vigilant about the diversity of the dishes offered.

In order to accommodate specific diets, meals on the menus are adapted by dieticians to diabetics, salt-free diets or those requiring soft textures. The dishes on the menu are made from recipe cards that take into account the portions necessary for the nutritional intakes defined by the supervisory authorities and specific to each population category.

The list of allergens present and the origin of meat in dishes are also communicated with the menus in the facilities, to be made available at reception.

ORPEA is committed to taking into account the opinions of residents and patients. Satisfaction surveys evaluate, among other things, their satisfaction with the quality of the meals (see section 3.2.2.3 of this Universal Registration Document). Dedicated catering feedback channels are in place in France, Belgium, Spain, Switzerland, Germany and Italy, with a number of other Group countries set to join this list by 2023. For example, these commissions meet in France three times a year at each nursing home.

Best practice in Spain to help fight undernutrition

In these facilities, dishes are displayed upon entry to the dining rooms, allowing residents and their families to visualise the presentation, quantities and textures of the dishes served. Through this initiative, the appetite of the residents has increased.

Responsible Food Charter

In 2021, based on its conviction that catering that incorporates "health and pleasure" is key to the well-being of patients and residents, ORPEA, together with all the Catering departments in the various countries, drew up a Catering Charter[1], which provides the Group's general strategy in terms of food for all its facilities and serves as guidelines for kitchen managers. It addresses the following themes: detecting and managing the risk of undernutrition as early as possible; guaranteeing food safety; respecting the seasons and promoting local culinary heritage; sourcing local, quality and environmentally-friendly products; making meals a real pleasure by stimulating the senses; customising the catering experience to best meet the expectations and needs of each individual; promoting dialogue and participation by residents, patients and users; enhancing the value of the work of the catering teams on a daily basis; reducing the Group's environmental footprint by fighting food waste, limiting energy consumption and water use.

Promoting the adoption and implementation of the charter

The charter is deployed in all countries of the Group. The country catering managers meet every six months to share progress in the roll-out in their country, exchange best practices and share the difficulties encountered in their work with local catering teams.

Action plans have been identified to support the countries in achieving the objectives of this charter. In France, for example, 17 of the 28 sub-commitments made under the charter were achieved by the end of 2022. As part of the review of the Group's catering policy, the charter could be adapted.

(1) *https://orpea-corp-events.com/rse/wp-content/uploads/2022/06/ORPEA-Group_Catering_Charter_GB.pdf.*

■ Responsible Food Charter

Geographical areas	% of achievement of the voluntary priority commitments of the Catering Charter*	% of facilities having implemented all the voluntary commitments of the Catering Charter
France-Benelux-UK-Ireland	37%	0%
Central Europe	85%	0%
Eastern Europe	84%	8%
Iberian Peninsula and Latin America	62%	0%
Other countries	67%	0%
GROUP	**67%**	**2%**

* *Commitments under the Catering Charter with regards to nutrition, food security and environmental footprint.*

2023 CSR objective

100% of facilities to have implemented the Group's Catering Charter and met the voluntary commitments relating to nutrition, food safety and environmental footprint.

2025 CSR objective

100% of the Group's voluntary Catering Charter commitments achieved in 100% of facilities.

2022 progress report

By 2022, 2% of facilities implemented the nine voluntary commitments of the Catering Charter and 67% of facilities implemented the voluntary commitments of the Group's Catering Charter relating to nutrition, food safety and environmental footprint.

For the reasons mentioned in the introduction to this Non-Financial Statement, the full roll-out of the charter, which started in January 2022 at the time of the media crisis , only achieved an average of five out of nine commitments in the facilities in France and internationally. This reinforces the need for ongoing support for this initiative throughout 2023, both for the benefit of residents and patients and for the positive impact of the Group on the food industry, which is committed to responsible production and marketing.

EGALIM Law[1]

In France, the EGALIM law, which focuses on food, is an opportunity for facilities in the healthcare and nursing sector such as ORPEA's, particularly through:

- the obligation to offer quality food: it stipulates that facilities in the healthcare and nursing sector must offer quality food that respects the environment and the health of consumers;
- the establishment of short supply chains: it encourages facilities in the healthcare and nursing sector to buy local and seasonal products; facilities can be encouraged to buy from local producers in order to offer quality food and support the local economy;
- the fight against food waste: it aims to reduce food waste, by requiring healthcare and nursing facilities to implement measures to reduce food waste, in particular by adjusting the quantities of food served according to the needs of residents.

The Group has therefore put in place a number of measures. For example, hospital and residence directors in France can choose a local baker as a way of participating in their region's economic ecosystem .

In November 2022, directors and chefs were given the additional possibility of buying their raw fruit and vegetables directly from the vicinity of their facility in order to limit the use of transport by using a short supply chain and also by prioritising local seasonality, therefore respecting the production cycle of the surrounding regions.

To add to this process, in 2022, the Group increased the number of sustainability-labelled food products in its price list: ORGANIC, MSC, PDO[2], etc. Work has begun to develop a direct monitoring indicator for chefs, so that they can track their consumption of labelled products during 2023.

With regard to regional procurement, an additional food buyer has been recruited in France to promote local purchases in the fruit and vegetable and meat categories, to best meet consumers' expectations while controlling specific health aspects of these products that present a risk for patients and residents.

(1) Law no. 2018-938 of 30 October 2018 for the balance of trade relations in the agricultural and food sector and for food that is healthy, sustainable and accessible to all.
(2) MSC: Marine Stewardship Council; PDO: Protected designation of origin.

3.2.4.3 INNOVATING AND SHARING BEST PRACTICES FOR GREATER WELL-BEING OF RESIDENTS AND PATIENTS

As part of its innovation policy, ORPEA is committed to identifying new projects and solutions every year to improve the well-being of the people in its facilities. Sharing best practices is essential, both for care staff and above all for doctors, who can approve the implementation of the innovations identified (see section 3.4.3.2 of this Universal Registration Document).

ORPEA Excellence Awards

The ORPEA Excellence Awards are held each year to reward the Group's teams who have proposed considered and innovative approaches to their care practices. This event is a way to support and nurture our teams' drive for innovation. The ceremony was held for the eighth time in 2022. The awards have been traditionally broken down into three categories:

- Clinical Ethics: original initiatives to implement ethical considerations in the most relevant way;
- Care Innovation: original and innovative programmes to improve the care provided to patients and residents;
- Research: scientific studies and projects leading to publication in a journal recognised by the scientific community.

Two additional categories have been added:

- the "1,000 Smiles" award has been part of the ORPEA Excellence Awards since 2021. It rewards original initiatives implemented in the Group's facilities to involve and unite teams, residents and patients and to build relationships;
- in 2022 a new category was created called Innovate! Accelerator, to reward a team or employee with an idea in any field. The winner is then invited to join the Group's internal innovation programme, which will provide the necessary support to develop the project. This internal acceleration system supports both the idea and the person who proposed the winning idea.

In 2022, an online platform was opened to facilitate the submission of projects. This year, 66 applications were received across all categories, and 45 were considered admissible by the jury.

The importance that the Group's teams place in these awards demonstrates their attachment to ethical considerations as well to constantly reviewing their care practices. The teams' goal is to continue to offer residents and patients innovative care to improve their quality of life and well-being. The high number of projects submitted in the care innovation category also shows how seriously they take their role as caregivers.

The award ceremony, which took place in February 2023, honoured the following winners:

"Clinical Ethics" category

This year the jury selected the "Psychology and Palliative Care" project presented by Italian nursing homes CasaMia in Treviso and Residenza Venezia in Venice. The initiative sets specific guidelines for psychologists' role in patients' end-of-life care to better support the resident, respect their wishes, provide non-medicinal therapies, assist relatives and respect religious practices.

"Innovation in Care" category

This year there was a tie between two winners, the "Memoreplus" project run by ORPEA Germany and the "Relieving Dysphagia to Improve Quality of Life" project run by the Ostrowia facility in Poland:

- Memoreplus is a virtual game training programme aimed at reducing the effects of age-related issues such as cognitive decline and the risk of falling, and at promoting social inclusion through shared activities. Various activities are available on the virtual game site such as bowling, table tennis, singing and dancing. This programme is already used by 20 care facilities in Germany.
- In Poland, a screening tool has been developed to identify swallowing disorders. These difficulties are common and their consequences can be serious. Screening is part of the gerontological assessment.

"Research" category

The jury awarded an ORPEA Excellence Award to the López Ibor hospital in Madrid, Spain for their project on the treatment of depression in patients with substance abuse disorders. Clinical trials with vortioxetine have shown it to be effective in clinical practice to alleviate the symptoms of depression and the severity of the illness. In addition, the treatment led to a reduction in the use of other drugs.

1,000 Smiles initiative

Based on the criteria of originality, impact, replicability and team commitment, the jury of Group employees awarded two prizes for the year 2022:

- 1st prize: The Le Clos des Lilas nursing home in France for its "Life Story" project which aims to connect individuals with the community. Over a year, a life story collector gathered the individual stories of residents with the help of the families and staff. Books, plays, short films, storytelling and photo exhibitions all contributed to an approach that animated the facility for a year and helped to create and strengthen individual relationships in an innovative and different way. This project contributed to the quality of life and socialisation of residents and patients, as well as to the quality of work life for employees.
- 2nd prize: The Konstancja Wentylacji Respiratorem respiratory centre in Poland offered its ventilator patients an outing to the Powsin Botanical Garden. This project has shown that this apparent limitation should not hold people back and that with the right drive and organisation, trips can be organised for mechanically ventilated patients. This project helped to strengthen social relationships and develop patients' areas of interest.

Innovate! Accelerator

The project selected for the incubation programme is the virtual assistant project led by the Buenavista nursing home in Madrid, Spain.

Through the use of a tablet that residents can have in their room, the digital assistant, designed for people with mild cognitive impairment, guides them in carrying out basic everyday tasks with autonomy and reminds them of their daily schedule. The assistant reduces the distress of disoriented residents, promotes autonomy in basic everyday tasks, increases participation in activities and integrates new technologies in the daily lives of the elderly.

Sharing innovative care practices

ORPEA endeavours to promote the sharing of best practices Group-wide. Its aim is for its entire network to reap the benefits of innovative care and treatment approaches, and also of initiatives successfully implemented at a facility that promote the well-being of residents and patients or improve the quality of life in a facility.

As part of this approach, every country publishes an internal local paper or online magazine for its teams to get the message across and share these insights.

The Quality programme and the tools rolled out Group-wide also contribute to these efforts. The Quality teams also help to pass on best practices and interesting initiatives and to adapt them to a greater extent.

3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being

As part of its Refoundation Plan, ORPEA is placing people at the centre of its strategy, by maintaining a balanced focus on its priorities. This commitment is the first pillar of the *With you and for you, changing ORPEA.*

The Group faces many human resources challenges that are exacerbated by professional tensions affecting the entire health sector, as well as by the reputation crisis that the Group must address. ORPEA therefore announced and committed to a major overhaul and restructuring of its human resources policy in 2022 in order to improve working conditions, value its employees and build their loyalty.

A programme to overhaul processes was initiated in order to meet the challenges of attractiveness, recruitment, integration and retention through the applicant and employee experience.

This new approach must also make it possible, first and foremost, to stabilise and maintain adequate staffing levels in order to ensure the continuity and quality of care and services.

KEY FIGURES: STRENGTHENING THE WORKFORCE AND ITS STRUCTURE TO ENSURE QUALITY AND CONTINUITY OF CARE

Workforce structure and working hours

The Group wishes to promote and increase the use of permanent contracts and full-time employment in order to meet the challenges of stabilising the workforce, ensuring staff continuity and enhancing the Group's appeal in a sector where recruitment is a major issue.

Geographical areas	Year	Workforce*	Permanent contracts	Fixed-term contracts	Full-time	Part-time
France-Benelux-UK-Ireland	**2022**	**34,514**	**28,244**	**6,270**	**24,572**	**9,942**
	2021	33,070	26,454	6,616	23,941	9,129
	2020	30,369	24,673	5,696	22,488	7,881
Central Europe	**2022**	**21,497**	**16,639**	**4,858**	**8,335**	**13,162**
	2021	20,132	15,373	4,759	7,497	12,635
	2020	20,668	15,626	5,042	7,366	13,302
Eastern Europe	**2022**	**9,293**	**7,942**	**1,351**	**4,736**	**4,557**
	2021	8,866	7,712	1,154	4,414	4,452
	2020	8,372	7,140	1,232	4,096	4,276
Iberian Peninsula and Latin America	**2022**	**6,422**	**5,917**	**505**	**5,661**	**761**
	2021	5,278	4,368	910	4,628	650
	2020	4,928	4,177	751	4,344	584
Other countries	**2022**	**130**	**53**	**77**	**130**	**0**
	2021	124	36	88	124	0
	2020	94	7	87	94	0
TOTAL GROUP	**2022**	**71,856**	**58,795**	**13,061**	**43,434**	**28,422**
	2021	67,470	53,943	13,527	40,604	26,866
	2020	64,431	51,623	12,808	38,388	26,043

* *Individuals employed at 31 December 2022 with all types of contracts.*

The Group increased the share of employees with permanent contracts from 80% to 82% for all countries, with a specific effort in France (accounting for 39% of the workforce), where the share of employees with permanent contracts increased by 2 points. The use of full-time contracts also increased by 1 point to 60% of all contracts. The Group did not reduce its workforce (through an employment protection plan (PSE) or otherwise).

The aim is to favour the use of permanent contracts and to limit staff turnover, which is still too high, particularly in view of the pressure on the labour market in care professions, in order to ensure quality care and support.

Staffing ratio

■ Group-wide staffing ratio

Geographical areas	Ratio of care staff(1)	Ratio of non-care staff	Staffing ratio Total(2)
France-Benelux-UK-Ireland	**0.48**	**0.37**	**0.85**
France	0.43	0.39	0.83
Netherlands	0.81	0.14	0.95
Ireland	0.70	0.33	1.03
United Kingdom	2.68	1.57	4.25
Central Europe	**0.43**	**0.21**	**0.63**
Germany	0.44	0.18	0.62
Italy	0.50	0.21	0.71
Switzerland	0.33	0.32	0.64
Eastern Europe	**0.36**	**0.16**	**0.52**
Poland	0.18	0.09	0.27
Austria	0.42	0.16	0.59
Czech Republic	0.32	0.17	0.49
Slovenia	0.26	0.29	0.55
Croatia	0.23	0.12	0.34
Latvia	0.17	0.16	0.33
Iberian Peninsula and Latin America	**0.50**	**0.22**	**0.72**
Spain	0.48	0.20	0.68
Portugal	0.53	0.25	0.78
Brazil	0.59	0.42	1.01
Other countries	**0.49**	**0.39**	**0.88**
China	0.49	0.39	0.88
GROUP	**0.45**	**0.28**	**0.73**

(1) "Care staff" are defined based on the Group's bank of job descriptions and include the following categories: Doctor/Nursing/Therapy and Paramedical/Pharmacist (see methodological note in section 3.8 of this Universal Registration Document).

(2) FTEs include all facility staff (including administrative staff). However, headquarters staff are excluded (see methodological note in section 3.8 of this Universal Registration Document).

■ Staffing ratio – Nursing homes only

Geographical areas	Ratio of care staff	Ratio of non-care staff	Staffing ratio Total
France-Benelux-Ireland	**0.41**	**0.36**	**0.77**
France	0.33	0.39	0.72
Netherlands	0.86	0.15	1.01
Ireland	0.70	0.33	1.03
Central Europe	**0.40**	**0.20**	**0.60**
Germany	0.42	0.17	0.60
Italy	0.44	0.20	0.64
Switzerland	0.30	0.30	0.60
Eastern Europe	**0.36**	**0.13**	**0.49**
Poland	0.15	0.08	0.24
Austria	0.44	0.10	0.53
Czech Republic	0.32	0.17	0.49
Slovenia	0.25	0.29	0.54
Croatia	0.23	0.12	0.34
Latvia	0.17	0.16	0.33
Iberian Peninsula and Latin America	**0.48**	**0.21**	**0.69**
Spain	0.48	0.19	0.67
Portugal	0.45	0.21	0.66
Brazil	0.60	0.34	0.94
Other countries	**0.49**	**0.39**	**0.88**
China	0.49	0.39	0.88
GROUP	**0.41**	**0.25**	**0.66**

The staffing ratio in nursing homes is defined as the total number of FTEs employed by the facility in relation to the number of residents[1]. The direct care ratio is defined by the French *Défenseure des droits* (Defender of Rights)[2] as a minimum ratio of care staff/staff directly involved in resident care[3]. The issue with this ratio is to determine whether there are enough professionals for a given resident, especially at key moments of the day (getting up, washing, eating, going to bed).

In ORPEA's nursing homes in France, the staffing ratio was 0.72 FTE per resident at the end of 2022 and the direct care ratio was 0.63 FTE per resident, up 9.19% in 2022. In addition, 79% of facilities have a coordinating doctor[4].

The main levers for influencing the staffing and direct care ratios are recruiting on a large scale and reducing turnover by addressing the causes of departure with a view to improving staff retention.

Accordingly, the Group has taken note of the direct care ratio recommended by the *Défenseur des droits*, the French independent authority for rights protection (0.8 FTE per resident for the nursing home sector in France), with the aim of improving the care provided to residents, the working conditions of professionals and job appeal. This is why, in each nursing home, the Group strives to adapt its teams to the needs of its residents in terms of care and daily support, in accordance with the commitments made to the health authorities and in all cases in line with projected and actual statements of revenue and expenditure.

The Group will endeavour to apply these recommendations while closely following the developments introduced by the public authorities further to *Défenseure des droits* recommendations. In this respect, during his hearing before the Social Affairs Committee[5] of the French National Assembly on 9 February 2023, Laurent Guillot, ORPEA's CEO, said he was "personally in favour" of introducing a minimum direct care ratio in nursing homes, "taking into account a transition period to address recruitment and training issues".

(1) *See the methodological note in section 3.8 of this Universal Registration Document.*

(2) *"The direct care ratio is obtained by dividing the number of full-time equivalent (FTE) staff by the number of residents". See note 44 of the 2021 report https://www.defenseurdesdroits.fr/sites/default/files/atoms/files/836210050_ddd_droitsehpad_access.pdf. In the same report, the* Défenseure des droits *recommends "following the recommendation of the Ageing Committee of the High Council for Family, Childhood and Ageing (HCFEA), which sets a target of 0.8 full-time staff (FTE) per resident".*

(3) *Press release –* Résidents accueillis en EHPAD : les cinq points d'alerte de la Défenseure des droits *– 16 January 2023.*

(4) *The role of coordinating doctors in nursing homes is defined by French legislation: Decree No. 2019-714 of 5 July 2019 reforming the profession of coordinating doctor in residential facilities for dependent elderly persons, https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000038730185; Decree No. 2022-731 of 27 April 2022 on the role of regional resource centres for the elderly and the minimum time spent by the coordinating doctor in residential facilities for dependent elderly persons, https://www.legifrance.gouv.fr/loda/id/JORFTEXT000045696583/2022-04-30/. The coordinating doctor in a nursing home is responsible for drawing up and monitoring the facility's care plan, as well as medically assessing residents and leading the care team.*

(5) *https://www.assemblee-nationale.fr/dyn/16/comptes-rendus/cion-soc/l16cion-soc2223053_compte-rendu.pdf.*

Turnover rate

	Recruitment rate			Departure rate			Turnover rate		
Geographical areas	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
France-Benelux-UK-Ireland	31.33%	26.44%	22.53%	26.34%	23.83%	20.96%	28.83%	25.14%	21.75%
Central Europe	33.65%	28.27%	26.07%	29.32%	24.53%	22.67%	31.49%	26.40%	24.37%
Eastern Europe	34.78%	31.55%	30.57%	28.15%	25.40%	21.60%	31.46%	28.48%	26.09%
Iberian Peninsula and Latin America	50.03%	23.53%	23.94%	31.83%	27.58%	25.69%	40.93%	25.56%	24.82%
Other countries	40.82%	82.05%	0.00%	6.12%	7.69%	14.29%	23.47%	44.87%	7.15%
TOTAL GROUP	**33.95%**	**27.53%**	**24.78%**	**27.86%**	**24.51%**	**21.94%**	**30.91%**	**26.02%**	**23.37%**

The Group has undertaken work to analyse the main factors behind staff turnover and the reasons for departures, including the systematic use of interviews with outgoing employees, before initiating action plans to reduce the risks of departure. ORPEA has set a target of a 5-point reduction in turnover by 2025.

In 2022, the turnover rate exceeded 30% in care (32.6%), accommodation (32.5%) and social life (31.5%) roles, and was close to 30% in the para-medical professions (29.6%). It is particularly high among nurses (35.7%).

The main reason for leaving is resignation (55% of departures in all countries). Central and Eastern Europe and the Iberian Peninsula show the highest rates of outgoing employees, with resignations accounting for 64% in Central Europe, terminations of mutual agreement for 36% and resignations for 37% in Eastern Europe, and resignations for 49% and interrupted trial periods for 21% (of which 13% were initiated by the employee) in the Iberian Peninsula.

Absenteeism rate

	Absenteeism rate		
Geographical areas	**2022**	**2021**	**2020**
France-Benelux-UK-Ireland	9.20%	8.70%	9.38%
Central Europe	7.70%	7.76%	8.04%
Eastern Europe	11.27%	8.10%	7.06%
Iberian Peninsula and Latin America	12.13%	12.08%	14.46%
Other countries	2.53%	2.50%	4.18%
TOTAL GROUP	**9.24%**	**8.60%**	**9.03%**

Absenteeism increased in 2022, mainly in Eastern Europe, due to an intensification of the Covid-19 epidemic requiring special health protocols to be followed in compliance with legislation.

Remuneration and payroll

	Payroll costs *(in millions of euros)*		
Geographical areas	**2022**	**2021**	**2020**
France-Benelux-UK-Ireland	1,553	1,373	1,171
Central Europe	694	638	617
Eastern Europe	294	264	242
Iberian Peninsula and Latin America	131	108	116
Other countries	1.9	2.5	2.1
TOTAL GROUP	**2,674**	**2,385**	**2,148**

There are major expectations regarding remuneration as a means of developing and promoting professions across the healthcare sector. ORPEA's new management resumed mandatory annual negotiations with employee representatives in France and developed a new salary review process that is gradually being implemented. A three-year plan includes, for example, the addition of 13th month pay for employees of CLINEA, the hospital business line.

To ensure effective implementation of the Group's new strategy, the conditions for the bonus of the Executive Management team and of regional directors and facility directors are being redefined. The new rules will be implemented for the 2023 bonus, in line with the conditions applied to the CEO as disclosed in a press release on 16 June 2022. The bonus is now subject to the achievement of financial objectives and non-financial qualitative objectives relating to CSR performance and the strategic plan (Refoundation Plan).

The Group's transformation has entailed an increase in headcount and more frequent rounds of salary increases and adjustments, and is therefore starting to generate higher payroll costs. Other spending categories, such as training, will require the Group to invest heavily. The resulting increase in engagement and retention will cut additional costs related to turnover, absenteeism and short-term contracts, and will contribute to better support and care for patients and residents from stable teams.

3.3.1 A FOCUS ON EMPLOYEES: A KEY PILLAR OF THE REFOUNDATION PLAN

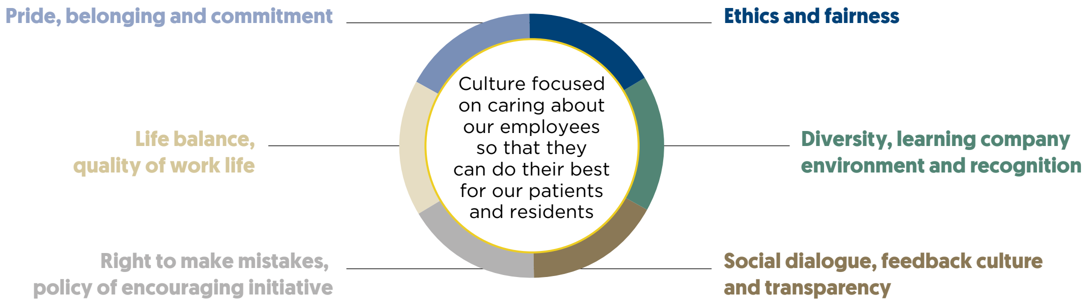
As the Group is refocusing a number of its investments, it is making employees a key priority, as announced on 15 November 2022 as part of its transformation and through the *With you and for you, changing ORPEA* Refoundation Plan. Human resources are the central pillar of this plan.

ORPEA is overhauling its team organisation and human resources policies to strengthen, initiate and implement a set of processes that were previously lacking.

HEALTH, SAFETY, WELL-BEING: REDEPLOYING THE KEY TENETS OF THE HUMAN RESOURCES POLICY WITH THE REFOUNDATION PLAN

ORPEA's refoundation requires instilling new management practices and a different culture to give employees the means to do their jobs right, by ensuring their health, safety and well-being, as well as their development, recognition and engagement.

This means designing new organisation and governance methods to foster collaboration at all levels and give facilities their independence back, while the country and regional units provide support services and the Group oversees policies, ethics and fairness through shared practices.



Initial achievements as of the second half of 2022

The first set of initiatives focused on France, the main scope concerned by the findings of the internal and external investigations conducted in the first half of 2022 following the publication of the book *Les fossoyeurs*.

In 2022, the human resources component of the Refoundation Plan translated into concrete measures and actions in France with:

- the repositioning of employee health and safety with the creation of a Group Health and Safety department reporting directly to the Human Resources department and Executive Management;
- the decentralisation of human resources teams and the roll-out of a new organisation based on nine regions and support services with, for each department, the recruitment of a Human Resources Director, a Human Resources Manager and Recruitment Officers to cover regional needs, close to operations in the field;
- strengthening recruitment practices and teams, resulting in an increase in the number of new hires, and the quality and variety of profiles recruited using new recruitment channels;
- the revival of social dialogue, repositioned as a lever for progress, which results in a series of concrete negotiations and a growing number of discussion forums, with the creation of Regional Social and Economic Committees (CSERs) – ten in different regions and one for support services.

The Refoundation Plan will continue to be implemented in 2023, and will notably be cascaded and rolled out in the different host countries, in order to ensure it is applied consistently throughout the Group. New tools will be introduced to facilitate and optimise the effectiveness of the new procedures.

ORPEA is carrying out this overhaul in a spirit of transparency, with a greater emphasis on listening to employees, who are consulted directly through surveys or involved through enhanced social dialogue, in order to arrive at a policy that meets their needs as much as possible.

3.3.2 RENEWING SOCIAL DIALOGUE, INVOLVING EMPLOYEES AND IDENTIFYING THEIR EXPECTATIONS

Creating the conditions for a collaborative culture makes it possible to leverage team spirit in our facilities and meet the Group's aim of involving employees in a continuous improvement process that factors in their expectations and needs. Based on the principle that caring for customers means caring for employees, the Group engages with employee representatives to promote many-sided social dialogue across different organisations to ensure broad representation and drive progress. In addition to this collective process, the Group's collaborative culture also means offering employees opportunities to voice their opinions so that the transformation can be achieved together.

3.3.2.1 RENEWING AND STRENGTHENING SOCIAL DIALOGUE

The Group is committed to developing freedom of association and collective bargaining as fundamental rights and a key lever for progress.

After years of minimal practice with small, centralised bodies, ORPEA's objective is to restore dynamic, transparent, constructive and many-sided dialogue with employees at local and international levels. In 2022, the Group's Human Resources department began overhauling social dialogue and employee representative bodies.

■ Trade union organisations in the main host countries

Country	National trade union organisations
France	CGT, CFDT, Arc-en-Ciel, UNSA
Germany	Ver.di
Austria	Vida, GPA
Spain	COO, UGT, CSIF, USO, CIG, SATSE

Organising and strengthening social dialogue worldwide

All Group employees covered by one or more agreements

All Group employees are covered by sector-based agreements in the various host countries and business lines, particularly regarding remuneration. In some countries, such as Germany, these sector-based or industry agreements are supplemented by specific company agreements, negotiated within each facility or group of facilities, particularly for the organisation of working time, the allocation of specific bonuses or additional paid days of leave under certain conditions.

At the global level, ORPEA and UNI Global Union[1] signed a global partnership agreement on social dialogue, collective bargaining and trade union rights on 8 April 2022, covering the Group's 72,000 employees[2]. Through this agreement, ORPEA also undertakes to avoid insecure employment schemes, pay a decent wage and listen to employees on issues such as staffing ratios. The agreement holds the company accountable through strong, binding enforcement mechanisms. This is the first agreement of its kind in the care sector.

The principle of union representation is applied and upheld across the Group's representative bodies, at local, national and European levels. The various bodies bring together non-affiliated representatives and members of leading trade union organisations in the healthcare sector. In total, more than 22 trade union organisations are represented in the Group's various bodies.

At European level, the European Works Council (EWC) has 16 members, 15 of whom are affiliated with a union. In 2022, the Group increased the number of meetings held (four committee meetings and two plenary meetings). In the interests of full transparency and co-construction, the EWC members were regularly informed about the Group's challenges in addressing the crisis. The Group Executive Committee members presented their strategy and answered all the questions that were asked. Two working groups were launched on staff shortages and psychosocial risks.

In France, an agreement to rebuild social dialogue

After years of minimal practice with small, centralised bodies, ORPEA's objective is to restore dynamic, transparent, constructive and many-sided dialogue with employees at local and international levels.

In 2022, the Human Resources department began a process of overhauling social dialogue and employee representative bodies.

In France, social dialogue was renewed through discussions with the national representatives of the trade union federations and the signing of six unanimous agreements with all employee representatives. One of these agreements, known as the company agreement to rebuild social dialogue, was also signed by a majority in 2022 and adapts social dialogue to local organisations and interactions.

The remainder of these agreements concerned the organisation of the elections that were upcoming in March 2023. The Group also set up mandatory annual negotiations for the hospitals and home care entities in France, covering salary increases, the gradual introduction of a 13th month and a review of mileage allowances.

(1) *UNI Global Union is an international trade union federation that brings together workers from over 150 different countries in the service economy to organise for decent jobs and better lives. It has a long-term commitment to empowering care workers and has been supporting worker organisation at ORPEA since 2015.*
(2) *71,856 employees (excluding Belgium).*

Company agreement to rebuild social dialogue, December 2022

On 8 December 2022, ORPEA's Executive Management and all the trade unions unanimously signed a company agreement on rebuilding social dialogue in France. Under this agreement, employee representative bodies have been mapped and new local bodies have been set up:

- 10 CSERs (Regional Social and Economic Committees) throughout France, including a committee for support services to take into account the wide variety of professions and site locations across the country;
- 10 CSSCTs (Commissions on Health, Safety and Working Conditions) in each region to address issues of employee health, safety and working conditions;
- 1 CSEC (Central Social and Economic Committee) to discuss cross-cutting issues common to all facilities;
- One local representative and one deputy on all sites without elected representatives, to have at least one employee representative on each site.

The agreement also provides for additional resources for elected representatives (secretary, treasurer, committee members) so that they can fully perform their roles.

This agreement therefore represents a concrete expression of the dynamic and transparent social dialogue that the Group's Executive Management wishes to foster and is a first step before the ORPEA union elections that will take place in the spring of 2023.

These developments reflect the desire to establish ambitious and constructive social dialogue at company level.

3.3.2.2 CONSULTING AND INVOLVING EMPLOYEES IN THE TRANSFORMATION

Throughout 2022, the Group created opportunities for employees to voice their opinions to ascertain and take into account their expectations and needs, in addition to their ideas for improving their satisfaction while involving them in the transformation.

The engagement survey, the first consultation initiative, was rolled out in all the Group's countries and conducted by an independent external organisation in January 2022. It revealed, with a response rate of 52%, an engagement rate of 65% among the teams and a strong desire to get involved within their facility. It also highlighted employees' significant expectations of the company. These expectations mainly concern providing teams with the necessary resources and satisfactory working conditions (remuneration, workload and sufficient staffing).

The engagement rate appears to be consistent with the level of employee involvement, which was maintained throughout 2022, despite the situation. A new survey format to measure engagement, and satisfaction with the employee experience in particular, will be launched in 2023.

2023 CSR objective

Stable or improved level of employee satisfaction as measured by the employee engagement surveys deployed starting in 2021.

2022 progress report

Employee engagement rate of 65%.

Following the crisis, the Group decided to consult all its stakeholders in France and in the nursing homes by organising a General Meeting between May and July 2022 (see section 3.2.2.3). Alongside patients, residents, beneficiaries and families, employees were asked for a complete overview of all the problems and changes that needed to be made.

Takeaways from the General Meeting concerning employees

Staff shortages have been reported across the board as an issue whereby time is lacking to both provide care and be appropriately attuned and attentive to residents.

Staffing issues are not only due to a lack of jobs, but also to a **lack of appeal in the caregiving professions, especially in elder care**. The causes given were mainly low pay and difficult working conditions, with some speakers also citing the negative stereotypes attached to older people.

Furthermore, nursing home employees **feel that they are not sufficiently recognised by society for their work and contribution**.

Staff shortages are compounded by the issue of turnover. High turnover can be disturbing to residents and families, to the extent that it erodes trust and generates anxiety. It can also mean that staff do not get to know residents well and that monitoring is less effective.

High staff turnover can be explained in particular by the low number of caregivers compared to the number of vacancies, which reduces the appeal of a permanent contract. However, **the atmosphere and working conditions in a given facility play a major role** in employees' decisions to work there on a permanent basis.

Working with the elderly is above all a people-centred job. Some stakeholders, mainly employees, regret that in a situation of staff shortages, people with poor interpersonal skills can be hired, with repercussions on the service and the satisfaction of residents and families.

Issues with initial training was also mentioned, e.g., too few available spots, drop-outs, an excessively low number of caregivers who are actually trained and the absence of specialised training in geriatrics.

Making work meaningful again and involving employees in defining ORPEA's company purpose (*raison d'être*)

As part of the *With you and for you, changing ORPEA* Refoundation Plan, the Group's Executive Management launched a project at the end of 2022 to define ORPEA's company purpose (***raison d'être***)[1]. The first project milestone was to carry out a major internal consultation entitled "With your ideas, let's build our future together", inviting all employees in all countries to contribute.

Employees were asked to respond individually or in groups to redefine the meaning of their work and the way in which the company contributes to society and the general interest. Other tasks will follow, including an initial diagnostic based on Very High Health, Social and Environmental Quality (THQSE) label standards in facilities in France and internationally throughout the first half of 2023. This work will subsequently lead teams to define ORPEA's *raison d'être* and the values that the Group wishes to promote and exemplify in carrying out its mission. In 2023, the company will also engage in discussions about its status as a mission-led company (*société à mission*),

Raison d'être: "With your ideas, let's build our future together" consultation initiative

In this major initiative, employees were asked to answer 12 questions, half of which were open-ended, allowing them to express themselves freely. Nearly 90,000 contributions were collected between 2 January and 5 February 2023, with a response rate of 6.5%.

The consultation revealed that employees approve of the Refoundation Plan objectives and identify with the mission of providing care, taking care of patients and residents and developing relationships with them. Facilities must be lively environments open to the outside world that guarantee quality service and accommodation. Employees also had the opportunity to express themselves more broadly and reiterate the challenges they face in terms of human and material resources and their high expectations of the Group to reposition and put the value back into care work. They also strongly emphasised the team spirit and mutual support that bring people together.

Introducing internal communications geared towards transparency

The implementation of the new governance system, the arrival of new leaders at the head of the Group and the announcement of the Refoundation Plan require all employees to be involved in all changes and to ensure that these are fully understood and embraced. The new Executive Management and the Communications department have set up an Internal Communications department for this purpose. It quickly introduced new communication practices to disseminate key messages transparently and to provide opportunities for direct dialogue with the new Executive Management.

Information about the Group is now systematically disseminated internally first (to managers and employees in France and abroad) in the form of briefs, educational messages, video interviews, remote and live meetings with the new Executive Management and question and answer sessions open to all employees.

For the first time, information on Group management (finance, capital expenditure, debt, real estate, human resources policy, medical policy) was presented to all employees, in the interests of transparency. A newsletter for all managers entitled *With you and for you, changing ORPEA* and an internal information application for all employees in France designed to report on Refoundation Plan progress are currently being developed for roll-out during 2023.

Since the announcement of the Refoundation Plan on 15 November 2022, nearly ten position statements have been issued by Executive Management and have been implemented in France and internationally, for facilities and headquarters. The Medical department and the Human Resources department also shared videos and live talks internally to outline strategic measures and answer questions.

3.3.3 EMPLOYEE HEALTH AND SAFETY: A KEY COMPONENT OF WORKING CONDITIONS

Strengthening a culture focused on caring for our staff, enabling them to provide the best care to patients and residents.

3.3.3.1 PROMOTING SAFETY AT WORK AND PREVENTING WORK-RELATED RISKS

Ensuring the health and safety of employees and service providers prevents accidents and psychosocial risks. This focus area is particularly cross-cutting as it has repercussions on the well-being and health of the patients and residents for whom the employees are responsible. Individual well-being also depends on suitable facilities, meaning facilities that are comfortable, equipped appropriately and fitted with amenities such as break rooms, etc., and on good working conditions, so that staff are able to provide the care that our patients and residents deserve.

Challenges

ORPEA employees face a number of risks in their work: job-related physical strain, the risk of exhaustion due to understaffing, work-related emotional strain, being directly confronted with the suffering of patients and residents, problems with the pace of work. Taking these risks into account is key to ensuring positive treatment for employees.

In the care sector (healthcare and nursing), musculoskeletal disorders (MSDs) are the primary consequence of work-related accidents and the leading cause of occupational diseases.

Against a backdrop of medium- and long-term demographic trends indicating an increase in the number of dependent elderly people and structural recruitment difficulties, it is all the more imperative for ORPEA to adopt a culture of occupational risk prevention and quality of work-life, and to further promote the health and safety of employees in their occupations.

(1) *within the meaning of the French Pacte law, Law no. 2019-456 on business growth and transformation.*

ORPEA's occupational health and safety policy

The Group has developed an occupational risk prevention policy based on an official, structured approach to risk prevention and the operational implementation of corrective action. The methodological approach implemented by the Group follows the proven pattern of identifying at-risk work situations, analysing their causes, developing corrective actions and having operational or cross-functional management teams monitor them.

Staff training

This policy is supported by specific training modules for the staff concerned, such as kitchen risk prevention for chefs and sous-chefs. For nursing home staff, specific training in welcoming and accommodating the elderly is offered to managers, occupational therapists, psychomotor therapists and nurses.

In France, several caregivers from every facility are trained in the prevention of risks related to physical activity. The aim of this training is to learn about work-related health risks and to participate in managing them, to adopt appropriate gestures and techniques and ergonomic measures, particularly in situations involving the handling of persons with reduced mobility, and to identify improvements in workplace design.

Monitoring work-related accidents

The work-related accident frequency rate is one of the main ways to measure the effectiveness of action plans implemented for employee health and safety.

2023 CSR objective

ORPEA is stepping up its commitment by targeting a 15% reduction in work-related accidents compared to 2020.

2022 progress report

In 2022, a 30% reduction in the frequency of work-related accidents was recorded, compared to 2020.

As the reduction target, using 2020 as the reference year, has been reached and considerably exceeded well before the deadline, it will be reviewed and adjusted more ambitiously in 2023.

At 31 December 2022, the work-related accident frequency rate for the entire Group was 27.03%, down from 38.64% in 2020 and 32.96% in 2021. This overall rate covers trends that differ between countries, with some, such as Austria, Germany, Italy and Ireland, seeing a marked improvement of over 50%. These variations should be considered against the impact of Covid-19, which was addressed to differing degrees in national legislations and which had a major impact on caregivers: over-work, understaffing and exhaustion.

■ Work-related accident rates

	Work-related accident frequency rate in 2021	Work-related accident frequency rate for the reference year 2020	Change in frequency rate	Work-related accident frequency rate in 2022	Work-related accident frequency rate for the reference year 2020	Change in frequency rate
Country		**2021**			**2022**	
France-Benelux	**44.62**	**37.88**	**+17.79%**	**34.05**	**37.88**	**-10.12%**
France	50.12	42.54	+17.81%	39.00	42.54	-8.33%
Ireland	4.89	11.01	-55.56%	1.48	11.01	-86.56%
Netherlands	1.84	0.70	+160.79%	4.02	0.70	+471.28%
Central Europe	**19.56**	**36.56**	**-46.49%**	**18.62**	**36.56**	**-49.07%**
Germany	15.21	21.61	-29.65%	9.06	21.61	-58.08%
Italy	48.05	166.63	-71.17%	36.04	166.63	-78.37%
Switzerland	28.70	52.22	-45.05%	57.92	52.22	+10.91%
Eastern Europe	**15.93**	**29.58**	**-46.16%**	**8.85**	**29.58**	**-70.10%**
Austria	20.58	39.09	-47.34%	9.09	39.09	-76.74%
Poland	0.00	2.39	-100.00%	3.45	2.39	+44.63%
Czech Republic	8.46	6.29	+34.48%	10.32	6.29	+64.10%
Slovenia	8.51	38.48	-77.89%	13.95	38.48	-63.75%
Iberian Peninsula and Latin America	**37.93**	**61.26**	**-38.07%**	**40.77**	**61.26**	**-33.44%**
Spain	37.81	65.72	-42.47%	40.15	65.72	-38.91%
Portugal	38.96	27.31	+42.67%	44.94	27.31	+64.57%
Other	**16.03**	**12.44**	**+28.80%**	**3.78**	**12.44**	**-69.64%**
China	16.03	12.44	+28.80%	3.78	12.44	-69.62%
GROUP	**32.96**	**38.64**	**-14.702%**	**27.03**	**38.64**	**-30.044%**

Identifying and preventing occupational risks (musculoskeletal disorders, falls, psychosocial risks)

To identify the risks that employees may face in their jobs, comprehensive risk mapping and analysis work is being carried out, particularly in France.

Workplace risk categories are assessed based on work units and characterised in terms of the hazards identified, the situations that can lead to them and the control measures in place. The major risks identified are musculoskeletal disorders, falls, and psychosocial risks, which are cross-cutting and common to all work environments.

In order to prevent and mitigate these risks, each country deploys different measures and actions based on several priorities:

- organisation of work, by respecting lunch times, regularly assessing workload, communicating weekly or shift work schedules several weeks in advance to facilitate work-life balance;
- implementation of emergency procedures: employees are regularly trained in all of these emergency procedures, and informed of the preventive action to be taken in all circumstances to limit the occurrence of a serious event. There is also an alert procedure;
- protection of teams through investments in specific equipment, such as medical devices to reduce physical workload and improve the comfort and safety of employees, patients and residents. In 2021 and 2022, the Group invested €316 thousand and €326 thousand respectively. The 2023 budget is €2.46 million, reflecting a real commitment from the Group. Employees are trained in the use of this equipment, which is adapted to their needs. A policy is also in place to provide support in the use of available equipment to make sure it is not under-used;
- staff training: this includes training offered in all Group host countries on the prevention of musculoskeletal disorders, infection risks, the use of equipment, the management of highly emotional work situations, etc.;
- building design: risk prevention is taken into account as soon as plans are drawn up for a new building, or whenever an existing building is about to undergo major refurbishment or an extension. This is a key priority for the Group and part of its strategy to improve working conditions. Adapting premises to meet the needs of people with disabilities, designing rooms equipped with rails to facilitate mobility and premises suited to logistical activities are factored into the specifications for the construction of facilities. The smooth flow of paths and movements of people are also the subject of specific study. To promote well-being at work, staff areas are designed for relaxation as well as socialising during meal breaks;
- setting up health and safety committees and analysing work-related accidents: this is done in accordance with local regulations and applied in particular in France, Italy, Spain and Germany. In Spain, for example, a Health, Safety and Environment (HSE) management system ensures that the HSE policy is implemented through regular controls and measurements in each facility. The HSE Committee, which comprises staff representatives, meets at least four times a year and its members receive at least 30 hours of specific training per year;
- involvement of management is crucial in the implementation of any initiative. This is why all managers are made aware of workplace health and safety issues as of the moment they arrive.

Preventing psychosocial risks

The psychosocial risks to which the Group's employees are exposed are identified within the framework for preventing occupational hazards and include everything related to stress as well as external and internal conflicts. The following risks are common to the work situations faced by employees:

- heavy workloads which can lead to burnout;
- intense emotional situations resulting from contact with patients, frail and vulnerable residents or those suffering from severe behavioural disorders;
- conflicting social relationships within the facility leading to in-house aggression (with another employee) or external aggression (with someone outside the company), or harassment;
- internal conflicts related to one's value (a feeling of undertaking unnecessary tasks or not doing enough);
- organisational changes (changing teams, moving to a new premises, acquisition, restructuring, change in management).

Managers and team leaders are trained on how to prevent these specific risks (in particular as part of their onboarding), how to deal with workplace events that may lead to them, and how to raise teams' awareness. In France, for example, the Psychology department conducts training on this topic with more than 20 courses available. This system will be further developed in 2023.

Specially adapted external or internal training and support may be offered for individual or collective situations that may trigger intense emotions (death, violent situations, etc.). Many of the Group's countries have emergency intervention units in several formats.

The Intervention Unit in France

The existing Intervention Unit in France is made up of clinical psychologists who receive specific training from an external organisation. Their assignment is to:

- support teams faced with a traumatic event that causes a disruption within teams, such as the suicide of a patient or resident, through a responsive and preventive approach;
- support and assist teams during a major change in a facility, such as a move to different premises;
- provide a holistic understanding of suicidal acts, by identifying the determining factors;
- diagnose and prevent psychosocial risks in teams, particularly those affected by the crisis in 2022.

Support can be provided on an occasional basis, through discussion groups when working with an entire team, or through a dedicated helpline for employees.

Policy and organisation as of December 2022

As part of the *With you and for you, changing ORPEA* Refoundation Plan, announced in November 2022, ORPEA has placed employees at the forefront of its transformation. For the implementation of this policy, a director in charge of occupational health and safety arrived in December 2022; reporting directly to the Group Human Resources department. Given the importance of employee health and safety within the company, the Occupational Health and Safety department also reports to the Group's CEO on this subject.

ORPEA's commitment to the health and safety of its employees

ORPEA is committed to ensuring that every Group employee works in a safe environment.

This safe environment includes premises, materials, equipment and working practices, which must ensure their safety and physical and psychological health.

ORPEA pays particular attention to strict compliance with legal obligations in terms of workplace health and safety for all its facilities and entities.

The Group's commitments apply worldwide and are non-negotiable.

ORPEA is committed to taking action in all daily activities to protect the health, safety and quality of working conditions of all its employees, as well as the health and safety of patients, residents and families.

ORPEA is equipping itself with all the necessary means to effectively analyse its occupational health and safety system and is driving a continuous improvement process. This involves sharing and working with employee representatives as part of a proactive social dialogue policy, identifying and mapping all the risks inherent to its activities; analysing all incidents and accidents in order to determine the causes and implementing the preventive actions necessary for risk management.

Each employee is responsible for their health and safety and is an active stakeholder in this commitment. This implies responsible behaviour as regards their own health and safety, as well as that of the people with whom they work and interact; compliance with all procedures relating to workplace health and safety and the adoption of all the best practices approved by the Group. Employees must always use and carry the materials and equipment made available to ensure their own safety, and report any risks or dangerous situations they may identify.

To support ORPEA's director responsible for occupational health and safety, teams will be deployed in the regions and will work closely with facility managers to identify and manage risks. Three engineers specialised in risk management are also being recruited at Group level.

A mapping exercise was launched at the end of 2022 to identify risk factors and countries' preparedness to address these risks. This basis will be used to develop simplified risk guidelines, making them more accessible to staff. Action plans are being drafted for each country, based in particular on the provision of relevant training and increased investment in technical aids (patient mobility aids such as floor hoists and grab bars, transfer aids such as track hoists), which help to reduce musculoskeletal disorders.

Lastly, the mapping work identified a strong cultural challenge to change practices within the company. In order to support this transformation, managers will be heavily involved in the roll-out of the new policy currently being developed. In particular, a review of the work-related accident procedure will help to strengthen the health and safety culture within the Group.

3.3.3.2 QUALITY OF LIFE IN THE WORKPLACE

Quality of life in the workplace, which complements the working conditions component of health and safety, is a key challenge for the Group and a major focus that underpins the process to rebuild the human resources policy. It is also a major lever for attracting and retaining staff, and also for their development and engagement in the quality of care provided to residents, patients and beneficiaries.

In addition to compliance with the regulations and legislation in force, ORPEA has made quality of life in the workplace and employee well-being a priority through its Refoundation Plan and its human resources component.

The Group has taken on board employees' expectations in terms of workload, which is directly linked to recruitment for open-ended and permanent contracts. The aim is to give employees the means to do their job well and in particular to ensure correct staffing in facilities, to set up an organisation and work tools that facilitate everyday tasks, to better plan work and care in order to balance the workload and take better care of patients, and to create the conditions for an environment that fosters well-being and learning.

By addressing fundamental issues such as recruitment, management practices, and investment in equipment and training as a priority to improve the physical working environment, the social climate, the collaborative culture and the workplace atmosphere, the Group intends to significantly improve quality of life at work.

It also undertakes to conduct appropriate risk prevention to protect healthcare and facility staff.

Corporate initiatives to promote well-being and sport

Given the company's reorganisation, especially in the Human Resources department, this new regulatory obligation did not give rise to official action at Group level in 2022.

Initiatives are carried out at certain facilities with financing for coaches and physical activity instructors, for occasional sessions at their own initiative.

To encourage sports activities and cohesion between facilities, Italy has, for example, set up an application for all employees to propose challenges between teams from different facilities: running, swimming, cycling, yoga, pilates, walking and step counting, sleep, meditation, etc. This health-focused approach is accessible to all.

In 2023, these initiatives will serve as a basis when building up a more structured policy of initiatives to promote sport at Group level.

Partnerships are being explored to provide digital activities and applications to improve employee physical and mental well-being, to develop their sense of belonging and to foster cohesion between teams.

3.3.4 PROMOTING CARE PROFESSIONS AND OFFERING AN ATTRACTIVE EMPLOYEE EXPERIENCE AT A LEARNING ORGANISATION

Faced with structural pressures on care professions and a shortage of key positions (nurses, nursing assistants, doctors, paramedical specialists, facility directors), as well as the general challenge of attracting people to the sector, which has been exacerbated by the major crisis of confidence the Group has been through, employee recruitment and retention are major challenges.

With that in mind, ORPEA's objective is to promote the jobs it offers using the human, organisational and financial levers of its *With you and for you, changing ORPEA* Refoundation Plan and the related human resources development policy. From job posting to onboarding, the candidate experience is key. Next, from onboarding to retirement; and at every career stage in between, the employee experience offered by the Group should be that of a learning organisation, where team development is a priority, using a collaborative and inclusive approach in which every individual is recognised and valued.

3.3.4.1 USING PROACTIVE POLICIES TO ATTRACT AND RECRUIT TOMORROW'S TALENT

The Group's objectives in the area of recruiting and attracting talent are twofold. First, the Group is working to make its offers more attractive in terms of compensation and working conditions, as part of its Refoundation Plan, with an initial set of actions already undertaken: recruitment targets for full-time permanent positions, salary increases, pay scales for all care staff, the gradual introduction of bonuses, and programmes to improve health and safety.

Second, ORPEA must help promote care professions and the sector as a whole, which is struggling to recruit from training programs. Demand is growing for jobs that are already in short supply, in a sector that is growing rapidly due to population ageing and an increase in non-independent living.

Improving the candidate experience with new recruitment tools and practices

Managing officers now have the ability to post positions, recruit and hire directly, with the support of human resources teams. Recruitment processes have been redefined, clarified, simplified and decentralised. The same applies to recruitment teams. France's central recruitment team has grown from eight to 30 people, spread across the country, with the recruitment of one or two recruitment officers per region, in order to support local operational needs and handle the high volume of applications expected as part of the recruitment plan.

In September 2022, ORPEA introduced its "FAIR" project[1] in France, which sets out an action plan to accelerate recruitment and support managing directors conducting mass hiring campaigns for high-demand jobs.

Kits and documents are provided to managers and HR teams to ensure a professional approach. For example, when it comes to compensation, a document such as a social balance sheet can be used to present the components of compensation and benefits. The Group promotes hiring for permanent contracts, and management has been trained on when they should use fixed-term and temporary contracts, which are subject to strict controls by the newly created regional Human Resources departments.

In 2023, the Group will continue to professionalise its recruitment teams and train all its managers.

Diversifying who and how we recruit

The Group is broadening its recruitment policy by allowing unqualified candidates to join development programmes that will eventually lead to careers as carers or facility directors. These measures, which are already in place in some countries, are being expanded and codified.

In Germany, for example, facility directors are recruited from specialised or generalist schools through an assessment centre and are placed in a specific training and immersion programme, with group training for more than a year and a diploma course provided externally.

In France, recruitment through work/study programmes or through career change/upskilling plan (Pro-A) and prior experience accreditation (VAE) measures offer opportunities to prepare for the future by broadening recruitment channels, opening up access to jobs in the care sector and professionalising care work. The results of the Group's 2022 efforts are promising: the number of work/study contracts doubled in France to 647 in 2022, mainly for care worker positions. There are currently 68 active files in the "Pro-A" career change/upskilling plan and 253 candidates have applied for prior experience accreditation.

France's "Pro-A" career change plan

Pro-A is a career change/upskilling plan enabling people employed on a permanent contract to access work/study training. The opportunity is available for employees who have not attained the level of qualification required for a particular professional certification (among those registered in the national directory of professional certifications) corresponding to a bachelor's degree. Their training allows them to obtain a diploma, a certificate of professional qualification or a prior experience accreditation.

(1) FAIR: a French acronym standing for "train, onboard, integrate, recruit".

Continuing to enhance the employer brand and expand our social media presence

One outcome of ORPEA's "*raison d'être*" project, launched in November 2022, will be to develop a strong employer brand, which will contribute to talent attraction and support the initiatives of the Human Resources department. While waiting to officially launch employer brand activities in 2023, the Group has increased its campaigns and initiatives in all countries. Ireland has launched massive recruitment campaigns and increased its presence at job fairs. Austria has continued its "care as an opportunity" campaigns to promote retraining.

France has led eight multi-media campaigns since the end of June for facility directors, geriatricians, psychiatrists, pharmacists, nurses, work/study care workers and seasonal replacements (for summer and winter holidays). In total, these campaigns resulted in some 2,400 applications, including almost 1,000 for seasonal replacements.

The Group has been increasing its use of social media and posting platforms, with impressive results. Group-wide ORPEA job offers posted on LinkedIn have seen a remarkable engagement and conversion rate (21.6%), and recruiters have been making increasing use of InMail, with an acceptance rate of 32% among target candidates.

In France, the Group is also testing a large-scale referral plan across all professions. A dedicated website and process have been set up to help recruit for all positions, with an incentive system and additional measures. By December 2022, after being in place just one month, the referral programme had generated 100 applications for nurse, care worker, doctor and facility director positions.

First results seen in Q4 2022

In addition to recruitment through referrals and through work/study, career change/upskilling and prior experience accreditation measures, the Group's recruitment plan and the efforts it has made in this area have resulted in the recruitment of permanent staff in all areas.

All of the new initiatives launched in France (referral programme, hiring process, managerial training, etc.) will be extended to all countries from 2023 onwards, adapting them to local realities. In order to achieve team stability and increase staffing numbers and ratios, it is necessary to reduce turnover and departures and combine recruiting efforts with retention initiatives.

3.3.4.2 RETAINING AND INTEGRATING TALENT: SKILLS DEVELOPMENT, EMPLOYABILITY AND CAREERS IN A LEARNING ORGANISATION

The changes to the Group's human resources policy will be accompanied by an increase in payroll and training costs; the Group expects to see an improvement in employee engagement and retention rates, which should help reduce unnecessary costs generated under the old model (due to turnover, sick leave, fixed-term contracts) and lead to better support and care thanks to team stability. Progress tracking will involve an overhaul of performance indicators, which are currently under review.

Loyalty

In order to offer fair compensation in line with the market, a salary analysis is being conducted for each of the Group's employment pools in France. This benchmarking exercise will be used for a salary review in 2023, in order to make compensation more attractive (salary, health insurance, social benefits), while also factoring in mandatory annual negotiations.

The Group also plans to build employee loyalty through successful team integration programmes designed to promote stability. These programmes will be prioritised for care workers, nurses and coordinating nurses. A tool to facilitate onboarding is being developed and will be rolled out in France in March 2023.

Building employee loyalty also involves skills development, which is the focus of ORPEA's training policy.

Training

Becoming a learning organisation by offering opportunities for career advancement, developing employees' skills and promoting from within will help the Group meet the dual challenge of ensuring employee employability and business development.

There is a need for employees to undergo regular training to adapt to changing patient and resident needs and to new developments in diseases and care methods. In fast-changing professions, it is vital to keeping employees' skills up-to-date.

Policy, tools and results

The Group has strengthened its commitment to providing access to training, encouraging internal promotions and ensuring career development for all employees. Developing, acquiring and maintaining professional skills is key to meeting ORPEA's quality standards and also contribute to employee engagement and recognition.

The aim of continuous training is to develop mobility, personal career paths and bridges between professions. France has set a new target for 2023 of having 1,000 employees on a path to promotion or prior experience accreditation (this target was previously 300).

A training catalogue is made available to employees, with new formats adapted to on-site teams and how they work: that means short, highly targeted training courses on specific subjects, particularly on the fundamentals of the profession (hygiene, care, etc.). These training courses are primarily aimed at care workers and staff in accommodation professions.

Training at ORPEA by the numbers

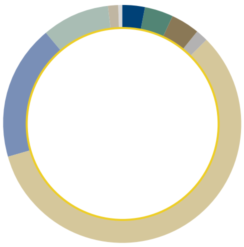
- 913,972 hours of training provided in 2022.
- 30.92% of employees received training[1].
- 30.06 hours per employee who received training[1].

(1) *Does not include awareness-raising activities.*

	Number of employees trained in health/safety (excluding awareness-raising activities)			Number of employees trained in care/support (excluding awareness-raising activities)			Number of employees trained in management/personal development (excluding awareness-raising activities)		
Geographical areas	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
France-Benelux-UK-Ireland	2,474	2,122	0	3,722	1,606	0	636	666	0
Central Europe	1,059	636	0	505	212	0	36	25	0
Eastern Europe	2,323	860	0	5,038	3,100	0	496	343	0
Iberian Peninsula and Latin America	1,599	1,061	0	2,148	669	0	345	146	0
Other countries	0	0	0	0	2	0	1	0	0
TOTAL GROUP	**7,455**	**4,679**	**0**	**11,413**	**5,589**	**0**	**1,514**	**1,180**	**0**

The number of training hours increased in 2022, due in part to pandemic-related catch-up and also to stricter monitoring and data tracking in some countries.

Breakdown of employees who received training by job category



Number of hours of training completed by employees, broken down by professional category:

- 3.2% – Support functions (headquarters)
- 3.8% – Operational management
- 3.9% – Administration
- 1.7% – Doctors
- 58.0% – Care
- 18.3% – Accommodation and social life
- 9.2% – Para-medical
- 1.5% – Technicians/Maintenance
- 0.3% – Pharmacists

58% of training was in care and 18% was in accommodation and social life.

The continuous training policy will be reviewed in 2023 to ensure that it is even better adapted to the needs of facilities. The goal is to facilitate access to ongoing training, expand the catalogue of available training opportunities and streamline it to make it easier for employees to use.

In France, another tool was introduced in December 2022 to help take stock of individual training needs for each employee, to better structure the training offering, and to better monitor the training plan, for example by following up on individual registrations. The tool also allows for better management of the training budget.

Internal mobility

A mobility policy was finalised in December 2022. Under the policy, positions will be opened up to anyone able to apply for them, an assessment system will be used, overseen by Human Resources departments, and internal candidates will be given priority. A digital app is also under development, with a planned launch in March 2023, to support the referral programme.

More generally, thought is being given as to how to build real career paths, in line with the training offering.

Internal promotion

Giving employees the opportunity to develop professionally by taking on more responsibilities is part of the Group's employee loyalty policy. It is a way of recognising employees' skills, performance, experience and potential.

In the healthcare and nursing sector, and at ORPEA in particular, care assistants looking to become care workers are prime candidates for France's Pro-A upskilling plan. The human resources sector has been tasked with encouraging people to apply to diploma-awarding certification programmes via France's Pro-A and VAE (prior experience accreditation) plans. This initiative will be scaled up in 2023.

2023 CSR objective

50% of key managers (regional directors, facility directors and nurses/head nurses) are promoted internally.

2022 progress report

Internal promotion rate: 37.3% (down 3 points from 2021).

Internal promotions for the positions of regional director, director and head nurse

Country	2021 Permanent staff in these positions at 31 Dec. – via internal promotion	2021 Permanent staff in these positions at 31 Dec. – Total	2021 Internal promotion rate	2022 Permanent staff in these positions at 31 Dec. – via internal promotion	2022 Permanent staff in these positions at 31 Dec. – Total	2022 Internal promotion rate
France-Benelux-Ireland	**484**	**962**	**50.31%**	**537**	**1,119**	**47.99%**
France	449	827	54.29%	490	872	56.19%
Ireland	14	64	21.88%	32	159	20.13%
Netherlands	21	71	29.58%	15	88	17.05%
Central Europe	**117**	**452**	**25.88%**	**142**	**645**	**22.02%**
Germany	90	324	27.78%	101	372	27.15%
Italy	22	41	53.66%	16	48	33.33%
Switzerland	5	87	5.75%	25	225	11.11%
Eastern Europe	**35**	**83**	**42.17%**	**72**	**228**	**31.58%**
Austria	12	24	50.00%	31	153	20.26%
Poland	13	17	76.47%	14	26	53.85%
Czech Republic	9	34	26.47%	14	36	38.89%
Slovenia	1	8	12.50%	13	13	100.00%
Iberian Peninsula and Latin America	**63**	**130**	**48.46%**	**39**	**124**	**31.45%**
Spain	59	106	55.66%	32	103	31.07%
Portugal	4	24	16.67%	7	21	33.33%
Other countries	**1**	**1**	**100.00%**	**2**	**5**	**40.00%**
China	1	1	100.00%	2	5	40.00%
GROUP	**700**	**1,628**	**43.00%**	**792**	**2,121**	**37.34%**

For the majority of functions, the internal promotion rate fell between 2021 and 2022, particularly for regional directors and facility directors.

2023 CSR objective

For 10% more employees to have obtained a diploma or certificate.

2022 progress report

4.55% of employees on permanent contracts have completed a training course leading to a certificate or diploma in France[1].

3.3.4.3 PROMOTING DIVERSITY AND INCLUSION WITHIN THE ORGANISATION

Challenge

Diversity helps prevent discrimination in the workplace, whether towards employees, patients, residents or beneficiaries. Everyone – regardless of gender, background, sexual orientation or age – should have the same opportunities for professional development and receive the same quality of treatment. More broadly, it is important to help change the way society views old age, frailty and disability.

Compliance with international human rights and labour standards

In its Code of Conduct – Ethics and CSR, the Group reaffirms its commitment to respect universal human rights and labour standards. In accordance with its international commitments as a signatory to the United Nations Global Compact, ORPEA is committed to respecting and promoting human rights in accordance with the Universal Declaration of Human Rights of 10 December 1948 and the United Nations Guiding Principles on Business and Human Rights of 16 June 2011.

(1) *Since "certificate" and "diploma" do not mean the same thing across all countries, only French figures are provided.*

Through its global presence, ORPEA is particularly attentive to the subjects covered by the Fundamental Conventions of the International Labour Organization (see section 3.1.3.4 of this Universal Registration Document: prohibition of undeclared work, child labour and forced labour, non-discrimination, respect for freedom of association and collective bargaining); to promoting diversity; to fighting all forms of discrimination; and to women's rights.

On 29 July 2022, the Group submitted its annual progress report to the Global Compact, summarising the improvements it has made to address its commitments (see section 3.1.3.4 of this Universal Registration Document).

Policy

All guidelines related to inclusion, diversity and non-discrimination are part of the Group's Code of Conduct – Ethics and CSR, which includes practical examples in order to help the Group's employees understand and adopt them.

These topics are also incorporated into training on the Code of Conduct, which is being gradually rolled out to all staff in 2022 and 2023 (see section 3.4.1.3 of this Universal Registration Document for the training deployment indicator).

Women in management bodies

As part of the process of reshaping the Group's Executive Committee, three women joined the committee between late 2022 and early 2023.

2023 CSR objective

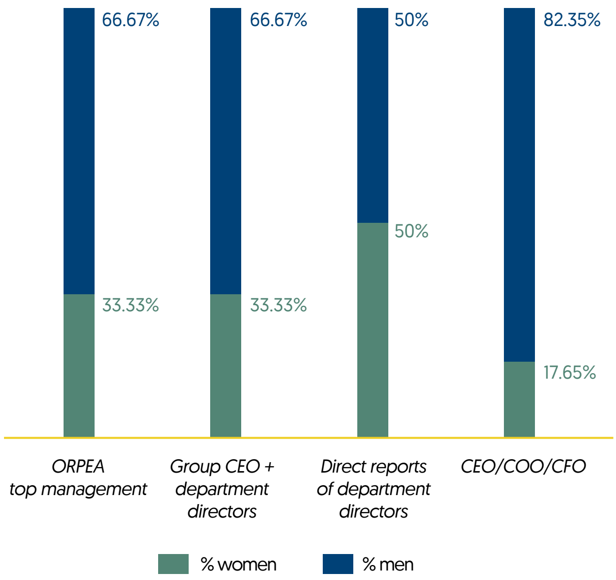
For 50% of ORPEA's top management to be female, in line with ORPEA's commitment to diversity[1].

2022 progress report

In 2022, the percentage of women in top management positions stood at 33%.

A comparison with 2021 figures for this indicator is not possible due to changes that have been introduced (a stricter definition of top management and a new management structure that was not yet final in 2022).

Women in top management positions



French Occupational Equality Index

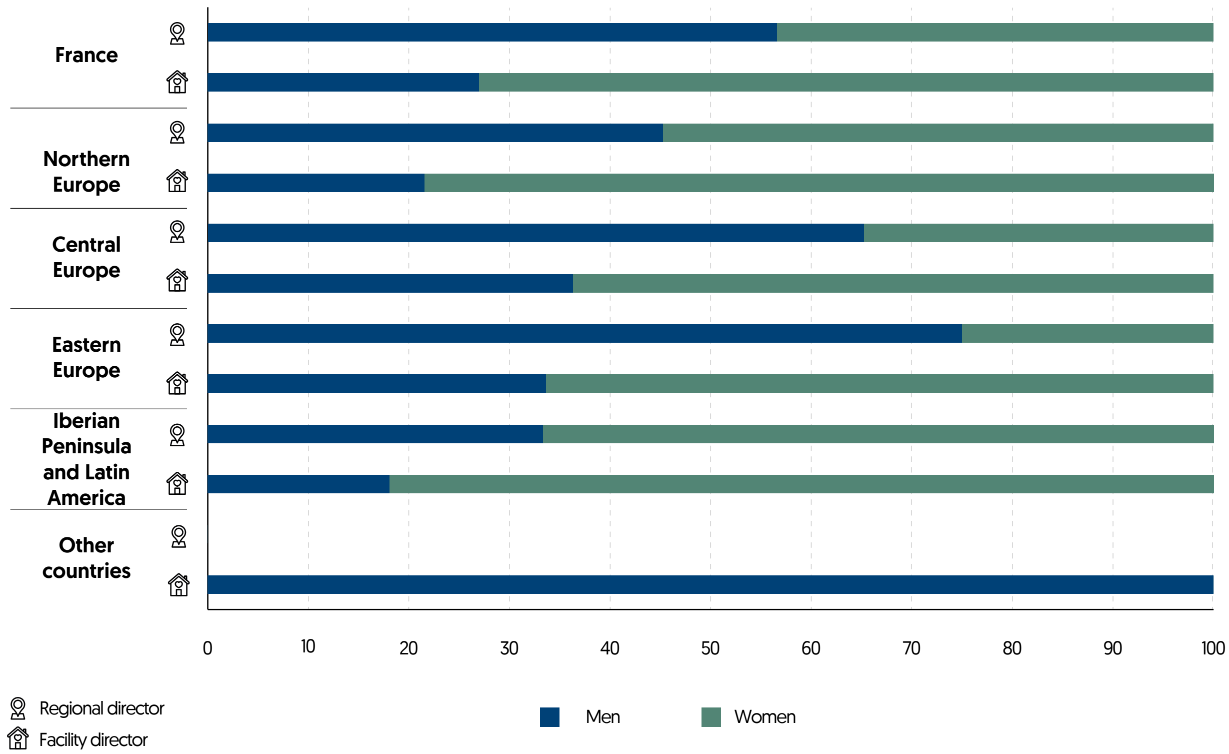
Gender equality is an unwavering point of focus for the organisation, especially in a sector in which women account for the majority of the workforce.

In France, an Occupational Equality Index was set out in Decree No. 2019-15 of 8 January 2019. In 2022, index results were unchanged from 2021 and demonstrate the success of the organisation's focus on gender equality:

- 79 out of 100 for the ORPEA Economic and Social Unit;
- 79 out of 100 for CLINEA SAS.

(1) Top management is defined as follows for the Group: the Group's Chief Executive Officer, the Group's department heads (Directors for Medical, Finance/Procurement/IT, Human Resources, Communications, Sustainable Development and Quality, Real Estate) and their direct reports, Directors, Chief Operating Officers, Chief Financial Officers and Chief Human Resources Officers for each geographical area. See the methodology note in section 3.6 of this Universal Registration Document. Note that the Group's top management structure is due to change in 2023.

■ % of management positions held by women



Disability support

A disability working group has been set up in France. There are plans to develop a more inclusive policy in 2023, drawing on the diversity of existing models in the Group.

Disability best practices in France

Helping to change the way people view disability

The disability working group organised events to mark European Disability Employment Week at ORPEA facilities across France from 14 to 18 November 2022. At headquarters, talks were presented to raise awareness of the different types of disabilities and diseases that can lead to disability. These talks could be streamed live by all employees in France and were also made available in playback so that patient and resident care teams could watch them at a time that fit into their schedules. All facilities were also given a list of examples of actions that could be implemented to encourage employees to change their view of disability. In order to improve future events, a satisfaction survey was sent out to employees.

Promoting the inclusion of disabled employees

For several years, the ORPEA Group has been committed to the inclusion of disabled workers in its teams, particularly in France. Led by its disability working group, the Group conducts awareness-raising, communication and support initiatives to promote access to lasting employment for all.

In October 2022, a partnership was set up with outside experts from Aktisea (an *entreprise adaptée*, which means at least 55% of its workforce has a recognised disability) to assist employees looking for confidential guidance on how to apply for recognised disability status.

As part of the partnership, Aktisea makes a specialised consultant available to ORPEA's teams in France to answer questions about the country's disabled worker scheme (RQTH) and provide one-on-one support to interested employees. The services provided by the disability consultant are 100% confidential.

A communications campaign was organised and posters were put up to inform employees about the initiative.

3.4 A responsible corporate citizen committed to its communities

ORPEA strives to extend its social, societal and environmental commitments to its relationships with its stakeholders. With its new Code of Conduct – Ethics and CSR, the Group has reaffirmed its business ethics commitments towards its employees, patients, residents and beneficiaries, partners, investors, lenders and public authorities.

These commitments are a distillation of the framework within which the Group operates. ORPEA stands firmly committed to its values and ethics principles in terms of responsible procurement and the collection and management of personal information, enabling ORPEA to position itself as a responsible corporate citizen that is committed to the communities in which it operates.

3.4.1 COMPLIANCE WITH ETHICS AND CYBERSECURITY LAWS

ORPEA is a leading provider of long-term care for frail and vulnerable people. ORPEA complies with the laws and regulations applicable to its operations, ensuring that all Group employees act with transparency, fairness and integrity.

The events of 2022 and the reputational impact they had on the Group have shown just how critical this is. As a result, ORPEA has introduced measures to increase the transparency of country-level operations initiated by the Group's headquarters.

3.4.1.1 STRUCTURE AND RESPONSIBILITIES OF THE GROUP COMPLIANCE DEPARTMENT

Business ethics matters are overseen by a team at headquarters consisting of a Compliance Director and a Compliance Officer. Hiring is planned in 2023 to give the department more resources, particularly in the area of competition law, to ensure better monitoring of France's Sapin II law and better enforcement of rules among employees. The department reports to the Group's Audit, Risk and Internal Control Director.

The role of the Compliance department is:

- to ensure compliance with laws on anti-corruption and influence peddling, anti-money laundering and countering the financing of terrorism, as well as competition and lobbying laws;
- to ensure ethical business practices, in particular by drafting official guidance documents, conducting awareness-raising and training activities, carrying out due diligence on third parties, particularly during acquisitions and disposals, supporting employees in resolving ethical dilemmas, and collaborating with internal control and internal audit to carry out controls;
- to coordinate and oversee the Group's compliance network;
- to ensure that the whistleblowing line is operational and that reports are addressed, by making sure that the system is accessible and compliant with the law, by checking that whistleblowing reports are effectively addressed in an ethical way that preserves anonymity, by carrying out investigations at the headquarters level and in support of teams located in the Group's geographical areas.

To do this, it relies on seven compliance correspondents spread across the Group's geographical areas and holds regular meetings with them. 2022 was a particularly active year for the team in France.

These local compliance correspondents, who are assigned to oversight duties, ensure that the Group's best practices are disseminated and followed. They are also responsible for adapting the Group Standards and any policies or procedures to local realities. Coordination between the Group teams and the teams in the geographical areas is achieved through communication and regular interactions to foster transparency on issues that occur at both the Group and local levels. Individual meetings are held every three weeks between the Group Compliance Director and the compliance correspondent in each geographical area.

The Audit, Risk and Internal Control department also holds a joint teleconference with all geographical areas every six weeks. These meetings are an opportunity to discuss compliance issues: sharing news from headquarters, discussing new procedures being developed, following up on training roll-outs, raising any difficulties encountered and sharing best practices.

3.4.1.2 UPDATED CODE OF CONDUCT – ETHICS AND CSR

In 2022, the Group published its new Code of Conduct – Ethics and CSR, replacing the code of conduct in force since 2018 and updated in 2020 (see section 3.1.3.3 of this Universal Registration Document). This document establishes a common ethics framework, covering both medical and business ethics, and is binding on employees. It answers questions that employees may have and serves as a resource for external stakeholders. The process of drafting the new Code was an opportunity to reaffirm the importance that Executive Management attaches to ethics in all aspects of ORPEA's operations. It clearly sets out the principles that employees are required to follow in their daily work.

It is based on principles derived from the following international or national conventions: the 1948 Universal Declaration of Human Rights; the UN Guiding Principles on Business and Human Rights; the UN Convention Against Corruption; duty of care laws; the French law of 9 December 2016, known as Sapin II; the fundamental conventions of the International Labour Organization (see section 3.1.3.4 of this Universal Registration Document); the OECD Guidelines for Multinational Enterprises; the WHO Principles; and the UN Global Compact, which ORPEA joined in 2020.

The Code has allowed the Group to refocus on its core business of accommodating and caring for patients and residents. It is structured around four main commitments, including the commitment to integrity in the conduct of business (principles 10 to 16), which covers the Group's anti-corruption commitments, respect for its business partners and its commitments as a listed company.

The Code of Conduct – Ethics and CSR is a real working tool for all Group employees and partners. In particular, it serves as a guide for employees in terms of the choices and decisions they make on a daily basis and their relationships with residents, families, public authorities, professionals and suppliers.

To make sure the Code is clear and accessible to all employees, it is written in an explanatory format. Plain language is used to explain each commitment and set out dos and don'ts. Case studies are used to clearly illustrate principles, based on situations that employees are likely to encounter in their interactions with patients, residents, suppliers, service providers, intermediaries or public officials that the Group regularly interacts with.

3.4.1.3 COMPLIANCE WITH THE SAPIN II LAW

The Group has set up a compliance programme dedicated to its obligations under France's Sapin II law on transparency, anti-corruption and the modernisation of business practices. In order to meet its legal obligations, the Group has developed and is working to improve its dedicated compliance programme.

Business ethics overseen directly by ORPEA Executive Management

The *With you and for you, changing ORPEA* Refoundation Plan, presented in November 2022, makes clear that ethics and accountability permeate every aspect of the Group's operations and are a key focus for Executive Management.

A clear and unequivocal management commitment has been made: there will be zero tolerance for unethical conduct, with an emphasis on anti-corruption. The Chief Executive Officer reaffirmed this zero tolerance principle in the preface to the Group's Anti-Corruption Code of Conduct.

The Chief Executive Officer also recorded a video on business ethics[1] to make sure management's commitment in this area is heard by all.

To implement this commitment, the Group Executive Committee received anti-corruption training in July 2022, 18 days after the new CEO took office.

The entire Executive Committee is actively and regularly involved in ensuring that the Group makes progress in the area of business ethics.

Mapping of corruption and influence peddling risks

To remain aligned with evolving market practices and regulatory requirements, a risk mapping process was undertaken in 2021 to specifically address corruption and influence peddling risks. The Group has enlisted the support of an internationally renowned firm in order to benefit from best practices and to guarantee the impartiality of the process (other risks being dealt with in the Group's risk mapping). The mapping exercise covered 19 countries with specific maps that were then summarised into a single Group map. Between the end of 2021 and the beginning of 2022, the results were shared with the management in the different geographical areas and with Executive Management.

The exercise identified 10 particularly sensitive corruption and influence peddling risks, the most critical one being the risk of direct or indirect bribery of public officials and influence peddling. It also led to the identification of employees who are in exposed roles as well as at-risk third parties.

Corporate action plans were launched, and 6 out of 14 have been completed. The remainder will be completed in 2023, both at corporate level and in the Group's geographical areas. Each geographical area has also drawn up its own area-wide or country-specific action plan.

Compliance policies and Anti-Corruption Code of Conduct

The basic compliance rules applicable to the entire Group were compiled into what are known as the Group Standards, which comprise two types of compliance principles:

- a Group Standard entirely dedicated to compliance;
- individual Group Standards that standardise key controls to ensure that compliance issues are taken into account in all processes.

In order to monitor and coordinate the Group Standards, the Group has implemented a twice-yearly self-assessment system. In 2021, the first self-assessment campaign regarding major Group Standard rules was conducted at Group level.

In addition to these standards, a new Code of Conduct – Ethics and CSR was released in June 2022 (see section 3.4.1.2 of this Universal Registration Document).

An Anti-Corruption Code of Conduct was also introduced in 2022[2]. This Code was drafted in connection with the mapping exercise for corruption and influence-peddling risks. Written in a way that everyone can understand, it sets out dos and don'ts, presents the anti-bribery compliance programme and gives examples of warning signs. Concrete examples are also used to make the content easier to understand. It will be translated into all the Group's languages in 2023.

For its roll-out, the Code was shared with the members of the Group Executive Committee and distributed to the Group's regional headquarters. The information was also relayed to permanent controllers in the geographical areas. It was shared as well with all country-level directors and appended to local equivalents of Internal Rules of Procedure, after being validated by staff representatives where appropriate. To date, the Code is available in French, English, Spanish, Portuguese and German. At headquarters, it is handed out to all new employees as part of the compliance welcome package. The Code is also referred to during anti-corruption training. A motion design video is planned for September 2023 to further drive home the Code's key messages to teams.

The gifts and entertainment policy was updated and released in 2022 and is currently being rolled out Group-wide. The version applicable to headquarters and to France includes a section on lobbying and another on the decree relating to benefits offered by manufacturers and distributors of health products and services[3].

The rule on facilitation payments, which are prohibited, was made official in a document circulated to geographical areas.

A sponsorship policy has been validated and will be released in early 2023.

The conflict of interest declaration form has been updated for the 2022 season. Every year, employees are asked to report any offices they hold or shares they own in third-party companies.

(1) https://youtu.be/oHxW_EmZ6nE (video in French).
(2) https://www.orpea-group.com/wp-content/uploads/2023/02/02788_ORPEA_DOCS-CORPO_RSE-Anticorruption-GB.pdf.
(3) Decree No. 2020-730 of 15 June 2020 relating to benefits offered by manufacturers and distributors of health products and services.

With regard to lobbying, there is a register maintained by the High Authority for Transparency in Public Life (HATVP) in France. In 2023, applicable employees will also be asked to sign a Lobbying Code of Conduct.

In 2023, efforts will be made to make these documents more accessible to headquarters personnel, for instance by including them in the welcome email from the compliance department.

At corporate level, a compliance welcome package is sent to all new hires. It provides an overview of the compliance function and includes the essential documents that employees need to read (via a link to a SharePoint site). It also mentions the internal whistleblowing system. The welcome package will be given to new hires at all regional headquarters and to facility directors and regional directors in the geographical areas.

Employee training on the Code of Conduct – Ethics and CSR

Training on the new Code of Conduct – Ethics and CSR began to be rolled out to all employees in September 2022 (June 2022 in France). The roll-out will continue in 2023 until all of the Group's employees have received training.

2023 CSR objective

The revised Code of Conduct, now ORPEA's Code of Conduct – Ethics and CSR, will be entirely rolled out to all employees in 2023.

2022 progress report

The Code of Conduct – Ethics and CSR was completely revised. It was distributed in June 2022 to all Group employees.

At 31 December 2022, 27% of employees had been trained Group-wide, and 68% of employees had been trained in France.

The low rate of training completion is due to the relatively late start of the roll-out amid the disruptions of 2022. Efforts will be deployed in 2023 to meet the target.

Number of employees trained on the Code of Conduct – Ethics and CSR by geographical area

Geographical area	Number of employees trained on the Code of Conduct – Ethics and CSR	Total number of employees	Training rate	2023 target
France-Benelux-UK-Ireland	14,423	32,825	44%	100%
Central Europe	1,317	14,508	9%	100%
Eastern Europe	0	8,130	0%	100%
Iberian Peninsula and Latin America	831	6,105	14%	100%
Other countries	0	130	0%	100%
GROUP	**16,571**	**61,698**	**27%**	**100%**

For the first time in 2022, corruption training was given to employees in both exposed and unexposed roles via Metacompliance, an external platform containing video modules on ethics and corruption issues. Many videos are available in short formats, adapted to the reality of the Group's operations. The training roll-out will continue in 2023.

As mentioned above, the Group Executive Committee received anti-corruption training in July 2022. In June 2022, compliance correspondents received "Train the Trainers" training to properly equip themselves before providing face-to-face training to people exposed to corruption risks in their geographical areas. And so as from June 2022, enhanced anti-corruption training has been rolled out to employees in exposed roles in all countries and at headquarters. At 31 December 2022, 64% of employees whose roles were identified as exposed (2,500 employees) had been trained Group-wide. New hires in exposed roles also receive training. The target audience of the training has been expanded to include, for example, coordinating nurses and coordinating physicians. The objective is to have trained all employees whose functions are exposed to corruption and influence-peddling risks by the end of 2023.

In France, the magazine published by headquarters for the facilities marked International Anti-Corruption Day, a United Nations initiative, on 9 December 2022.

In 2023, more will be done to raise employee awareness of corruption and business ethics, through a poster campaign and new communication channels such as motion design.

A compliance welcome package was put together in 2022 and is being rolled out at headquarters for new hires. It includes documents such as the Group's Code of Conduct – Ethics and CSR, a presentation of the whistleblowing system (see below) and mandatory e-learning sessions for all new employees. At headquarters, new hires are also invited to attend in-person training on the Code of Conduct – Ethics and CSR as well as anti-corruption and influence peddling training for people in the most exposed roles.

Third party assessment

The Group Standards and the Anti-Corruption Code of Conduct provide clear guidelines for facilities and for headquarters staff. The Code of Conduct – Ethics and CSR provides all Group employees with an understanding of the challenges involved.

The Group's Anti-Corruption Code also lists all types of at-risk third parties and details the corresponding best practices to put in place.

Third parties involved in acquisitions or disposals (sellers, buyers, intermediaries, developers) are required to complete a mandatory due diligence questionnaire. A compliance check is performed on legal entities and individuals who are beneficial owners using LexisNexis and Dow Jones tools.

In 2023, a cross-sector initiative will be carried out to improve how non-compliance risk is factored in for major suppliers.

In connection with the new sponsorship policy, which involves a compliance check for all transactions of €2,500 or more, a sponsorship steering committee was set up in 2023. It meets quarterly and is responsible for approving all Group sponsorship transactions of €10,000 or more.

Internal whistleblowing system

ORPEA has developed an internal whistleblowing tool[1] which allows employees, suppliers and other stakeholders to report breaches of the Code of Conduct – Ethics and CSR or illegal activity, including corruption, influence peddling and duty of care violations.

In view of its low rate of use, the Group increased visibility and communications activities promoting the tool beginning in April 2022. An e-learning module on how to use the platform has been available in France and at headquarters since 2021. Posters were also put up at headquarters and in the break rooms of all Group facilities in the spring of 2022, and information was published in the internal employee newsletter sent out by headquarters. An explanation of the whistleblowing system features in the Group's anti-corruption and Code of Conduct training.

In France, following the report by the General Inspectorate of Social Affairs after the crisis in early 2022, abuse was added as a reporting category on the whistleblowing platform and a toll-free number was set up in September 2022.

■ Number of reports addressed and number of substantiated reports

	2022					
Types of alerts received	**Number of reports**	**Anonymous reports**	**Cases closed**	**% of cases closed**	**Substantiated reports[1]**	**% of substantiated reports**
Bribery, influence peddling and conflicts of interest	6	2	4	67%	3	75%
Discrimination, harassment, occupational health and safety	14	8	10	71%	4	40%
Abuse, quality of care[2]	3	1	2	67%	1	50%
Non-compliance with laws, regulations or the public interest	3	2	3	100%	1	33%
Anti-competitive practices	2	2	2	100%	1	50%
GROUP	**28**	**15**	**21**	**75%**	**10**	**48%**

(1) Substantiated reports are those that, after investigation, are found to be true.
(2) Cases of abuse account for a small number of reports, a dedicated channel for serious adverse events is used to report these cases to the supervisory authority (see section 3.2.3.2 of this Universal Registration Document).

28 whistleblower reports were made in 2022, 25 of which were substantiated, an increase compared to previous years. Only those cases that fall within the scope of the whistleblowing system can be addressed; three cases were not addressed either because they were out of scope or because there was insufficient information for the Group to act on them. The higher number of reports is the result of increased awareness about the system, thanks to the Group's communication efforts, and a better understanding of the types of issues that should be reported. As a matter of fact, it was after training started to be rolled out that reporting numbers went up (in the second half of the year).

The priority for 2023 will be to increase communication about the whistleblowing system to build trust in it and put it to better use. Furthermore, the procedure for collecting and addressing whistleblower reports will be updated after the EU whistleblowing directive is enacted into French law. A business ethics steering committee was set up in March 2023. It meets quarterly and is responsible for ensuring that all whistleblower reports are dealt with effectively, for monitoring the implementation of action plans where necessary, and for protecting people with whistleblower status.

Accounting controls

In 2022, accounting control initiatives led to progress in this area. In particular, a list of people in exposed roles, both inside and outside the Group, was drawn up. An external consulting firm was hired to improve the system. For the Group's France operations, it helped to define the issues to be covered, taking into account the corruption risk map, existing controls in place (inventoried via interviews) and the internal accounting control plan, as well as a proposal for additional controls. The distribution of responsibilities is now being validated and action plans are being drawn up. The initiative will be rolled out to the other geographical areas in 2023.

Control plan for the system

All countries in the Group conduct self-assessments of the system, based on the principles of the Group Standards. In 2023, an analysis of these self-assessments will help clarify the nature and frequency of controls carried out in each country and to put action plans in place to reinforce them as necessary.

In addition, a control plan was introduced in 2022 with the Internal Control department, and in 2023 an outside expert will be brought in to finalize the control plan and bring it into compliance with the Sapin II law.

Disciplinary system

The Code of Conduct – Ethics and CSR is a binding document. It is appended to the Internal Rules of Procedure in France and to the equivalent in other countries. In 2023, the same will be done for the Anti-Corruption Code of Conduct.

(1) The whistleblowing platform can be accessed at https://orpea-corp-events.com/rse/wp-content/uploads/2021/03/orpea_data_protection_compliance_statement_march2021_1.pdf

3.4.1.4 DATA PROTECTION AND CYBERSECURITY

Personal data protection

The Group considers data security, protection and confidentiality to be a strategic priority due to the sensitive nature of the data processed. Accordingly, it has laid down and implemented strict security rules to safeguard data integrity, availability, traceability and confidentiality.

ORPEA SA's Data Centre has been ISO 27001 certified since October 2016, and has held Health Data Hosting (HDS) certification since 2019. These certifications were both renewed in August 2022 for a period of three years.

The Information Systems Security department is responsible for securing the infrastructure, systems and applications necessary for the Group's business. Its role is to prevent breaches, viruses and attacks by administering a set of hardware and software dedicated to IT security and by regularly carrying out penetration testing, as well as awareness-raising campaigns and employee training on phishing, for example. In 2022, more than 20,000 employees were given cybersecurity training as part of 137 awareness campaigns worldwide.

Specialised companies, external auditors and the Group Internal Audit department occasionally test the effectiveness and robustness of the access management rules and controls implemented. The Group also regularly implements and monitors concrete security and data privacy measures. These include programmes to raise employee awareness, an impact assessment procedure, upskilling of the Information Systems Security department staff, etc.

In 2022, an internal Security Operations Centre (SOC) team and an internal Computer Emergency Response Team (CERT) were established, strengthening the Group's cyber defence capability.

It further strengthened its data protection policy in May 2018 when the General Data Protection Regulation (GDPR) entered into force. A data protection officer (DPO) for ORPEA SA (an outsourced role since 2022) is responsible for managing GDPR obligations within the Group. This has strengthened the Group's personal data protection framework.

Cooperation between the DPO, the data protection department and the teams responsible for the security of information systems was also reinforced. Each project is now subject to a formalised and joint review before it is launched to ensure, notably, the protection of personal data from the design stage (privacy by design).

The DPO, with assistance from the data protection department, coordinates answers to requests relating to the exercise of rights as well as responses to security incidents and personal data violations, in particular, those which could be reported via the Group's whistleblowing platform.

The GDPR Steering Committee, which includes members of the Audit, Risk and Compliance department and Legal department, monitors the deployment of the Group's personal data roadmap and makes any necessary decisions. This bi-monthly Steering Committee has been in place since 2022.

In accordance with the principle of minimisation, the Group has paid special attention to the use of user profiles to restrict data access, especially to health and personal data. Accordingly, each user has access solely to the data required for their duties and assignments.

In addition, a specific tool developed by the external DPO hosts the records of processing activities for each of the Group's entities in France. This tool combines the three mandatory types of records: records of processing activities maintained by the controller and by the processor, and documentation of any data breaches. It also centralises the records of different entities.

The promotion of a culture of GDPR compliance is an ongoing focus within the Group and its subsidiaries.

Lastly, in the first half of 2021 the Group published on its website a "Data Protection Compliance Statement"[1] setting out ORPEA's commitments to complying with GDPR principles, or local regulations where the GDPR does not apply (countries outside Europe): legality, transparency, data minimisation and proportionality, accuracy, retention and deletion, data confidentiality and security, and accountability.

A commitment to respecting individual rights is also included, as are the procedures for notifying data breaches.

Information system security

Governance of information systems security is based on a security management system, with ISO 27001 certification for ORPEA SA since 2016 and Health Data Hosting (HDS) certification since 2019 for the Group's Data Centre. As mentioned above, the HDS certification and the ISO 27001 certification were both renewed in August 2022 for a period of three years. As part of this certification process, information system and cybersecurity risks were mapped in 2022 and will be updated during the next renewal process.

An IT Charter detailing the general conditions and rules for using the information systems is deployed throughout France. In France, all current employees are subject to this charter, which is also an appendix to the Internal Rules and given to every new employee. This IT Charter also applies to service providers with access to ORPEA's information systems.

3.4.2 IMPLEMENTING A RESPONSIBLE PROCUREMENT POLICY

3.4.2.1 CHALLENGES

The Group aims to develop and implement a responsible procurement policy, enabling ORPEA to ensure the proper identification, monitoring and consideration of CSR risks in its value chain, in order to prevent and protect people, companies and the environment from impacts that could be caused directly or indirectly by the activities of third parties in their business relationships with the company.

In this context, the procurement policy responds to the Group's strategic challenges, which include providing our patients, residents and employees, both in our facilities and at the headquarters, with high-quality and competitive products and services. It also aims to standardise and secure processes, and ensure strict compliance with applicable standards in all countries.

(1) https://orpea-corp-events.com/rse/wp-content/uploads/2021/03/orpea_data_protection_compliance_statement_march2021_1.pdf.

3.4.2.2 FUNCTIONS AND ORGANISATION

A new head of procurement reporting to the Finance Director was appointed in November 2022. The Procurement department's organisation and procedures are currently being overhauled.

The Group's Procurement department is responsible for defining and implementing an ethical and responsible procurement policy in the Group's host countries. In particular, the department:

- is building an organisation structured by areas of expertise (medical, catering, real estate, IT, services) and by geographical areas (France, Germany, Eastern Europe, Northern Europe, Iberian Peninsula), composed of teams leading efficient supplier partnerships, particularly in terms of quality, CSR (including ethics), innovation and competitiveness;
- selects products and services that respect the well-being of our patients, residents and employees, and help reduce environmental impacts;
- continuously monitors technological developments with its strategic partners to innovate.

In addition, a "Procurement Excellence" unit will be created in 2023, to strengthen and standardise all the major processes across the Group's host countries. The aim is to have a consolidated team of 60 people by the end of 2023.

Quarterly meetings between the procurement teams in the Group's various host countries allow them to exchange best practices and share difficulties encountered in the course of their work and to collectively define rules for improving these practices.

In 2023, the responsibilities of buyers will be extended and more focused on:

- supplier panel strategies, allowing the Group to make the most of its partnerships with strategic suppliers in terms of innovation, CSR (including ethics), quality, competitiveness, etc., for the benefit of patients, residents and employees;
- strict compliance with key processes: internal expenditure commitments, call for tenders, risk management, contracts;
- the contribution of suppliers to the company's CSR strategy;
- suppliers' competitiveness in terms of quality and price.

With regard to catering procurement, a food buyer has been recruited in France to promote local purchasing in the fruit and vegetable and meat categories. The responsible catering policy is defined by the various Catering departments in the Group's host countries.

Facility directors have purchasing autonomy for "local" product categories, not managed by the Procurement department. In addition, certain product categories have item catalogues that are accessible to facilities through the E-procurement software (a system that is only being deployed in France for the time being).

ORPEA currently has 20,000 suppliers, including 1,500 referenced nationally by the procurement teams.

3.4.2.3 MAIN FOCUSES OF THE RESPONSIBLE PROCUREMENT POLICY

The Group's procurement policy was until now formalised in the Group Standards for procurement, which are intended to provide guidance for management and employees on their responsibilities and compliance with the regulations in force. This policy is currently distributed to all of the Group's buyers and their managers. A review of the Group Standards will be undertaken in 2023 to better target control points.

Following the conclusions of internal and external investigations conducted in early 2022 in the wake of the publication of the book *Les fossoyeurs*, the practices of end-of-year rebates (EAR) or fees relating to areas concerned by public subsidies were called into question. In response to this situation, the Group has changed its practices: with regard to its two major medical device suppliers, the Group terminated its contracts as of 31 December 2022 with its suppliers for services that may give rise to back margins. In addition, fees received in 2022 were systematically recorded and reported in the section provided for this purpose within the statements of actual revenue and expenditure (ERRD) of the facilities concerned.

The aim of the Refoundation Plan is to improve procurement efficiency by making ethical practices in supplier relations a top priority, and to ensure quality, easy-to-implement procurement for facilities at the right price. The arrival of the new Procurement department and the restructuring of the procurement team provide an opportunity to review procurement processes and governance with a view to further decentralise decision-making.

The responsible procurement policy is currently based on the following priority actions:

- the widespread roll-out of the Responsible Procurement Charter, signed by suppliers committing to respect its principles;
- the wider use of supplier rating using the EcoVadis methodology;
- regular training for buyers in responsible procurement practices.

3.4.2.4 RESPONSIBLE PROCUREMENT CHARTER

The daily priority of the ORPEA teams is to offer patients and residents an impeccable quality of care, based on high operational standards. ORPEA also aims to extend its social, societal and environmental commitments to its relationships with its suppliers. It considers them to be real partners with whom it is vital to build a trust-based relationship and to share common values, goals and objectives. The responsible procurement policy is now formalised through the Responsible Procurement Charter[1]. It sets out the reciprocal commitments of ORPEA and its partners and specifies the requirements relating to respect for individuals and working conditions, as well as the environmental and ethical requirements of the partnerships. The ORPEA Responsible Procurement Charter, drawn up in 2021, is in line with the Group's Code of Conduct – Ethics and CSR. Its purpose is to serve as a reference framework shared by all players, from ORPEA's purchasing teams to suppliers and their subcontractors. ORPEA believes that its development must be based on a framework of carefully defined and strictly applied rules with its suppliers and partners, taking into account the regulations in force, ecological and social challenges and its commitment to fair and balanced commercial relations.

(1) *https://www.orpea-group.com/wp-content/uploads/2023/01/ORPEA-Responsible-Procurement-Charter.pdf.*

ORPEA's objective is for 100% of global and national suppliers managed by the Procurement department to sign the Responsible Procurement Charter by 2023, across all countries. In order to achieve this target, the Charter has been included in calls for tender since 2022, and added as an appendix to contracts with all suppliers in the global and multinational categories.

As part of the CSR roadmap, a data collection platform has been rolled out across all countries in 2022 to monitor the adoption rate for this charter in the different countries where the Group operates.

2023 CSR objective

100% of significant suppliers (global, multinational, national and regional) signed on to the Group's Responsible Procurement Charter.

2022 progress report[1]

As of 31 December 2022, 49% of listed suppliers (global, multinational, national and regional) had signed the Group's Responsible Procurement Charter.

■ Responsible Procurement Charter

Geographical areas	Adoption rate 2021	Adoption rate 2022
France-Benelux-UK-Ireland	14%	37%
Central Europe	40%	37%
Eastern Europe	63%	74%
Iberian Peninsula and Latin America	56%	73%
Other countries	50%	100%
GROUP	**29%**	**49%**

3.4.2.5 SUPPLIER REFERENCING AND ASSESSMENT

Supplier selection

Buyers carry out checks (for corruption, convictions, business ethics, etc.) when selecting any national supplier using LexisNexis. This is a mandatory step for all new partnerships. In the event of doubt, the supplier file is automatically passed on to the Compliance department, which carries out further analysis using the Dow Jones platform.

Supplier assessment

Since 2019, ORPEA has taken the CSR performance of its suppliers into consideration and since 2020, has further formalised this commitment by using EcoVadis, a third-party organisation, to assess the CSR performance of its partners. EcoVadis is a platform that assesses the social and environmental responsibility practices of suppliers. The EcoVadis assessment method is based on a grid of criteria covering different areas, such as human rights, environmental sustainability, business ethics and social responsibility. Assessments are carried out based on information provided by suppliers, external sources and, in some cases, on-site audits. The results are presented in the form of a score and come with a detailed report, allowing companies to identify areas for improvement and take steps to strengthen their commitment to social and environmental responsibility.

EcoVadis (or equivalent) ratings are carried out for global and national suppliers managed by the Procurement department, representing approximately 70% of total expenditure.

The Group aims to update these assessments annually.

2023 CSR objective

An assessment of the supplier's CSR performance required in all calls for tender.

2022 progress report

In 2022, 51% of tenders for global and national suppliers were subject to supplier CSR performance assessments.

(1) The definition and scope of this indicator are explained in the methodological note (see section 3.8 of this Universal Registration Document).

- Call for tenders

Geographical areas	Percentage of global and national supplier tenders that include a CSR assessment 2022
France-Benelux-UK-Ireland	85%
Central Europe	0%
Eastern Europe	75%
Iberian Peninsula and Latin America	0%
Other countries	0%
GROUP	**51%**

Initiate a collaborative approach in the choice of suppliers

Within the framework of a call for tenders covering 14 countries of the Group for the "cleaning products" purchasing category, a specific rating grid was developed jointly by the Procurement department, the Quality department and the CSR department. In this grid, the quality and CSR criteria each count for 25% of the overall score, and take into account the supplier's EcoVadis score and the eco-design of the packaging.

Training buyers

The Group's buyers are trained in the EcoVadis methodology: by 2022, 90% of them had received training in this methodology.

Given the high turnover of teams, the Group plans to conduct a new buyer training programme in 2023.

3.4.3 INTEGRATION INTO A MEDICAL AND REGIONAL ECOSYSTEM

Due to the nature of its business and its robust development, ORPEA is deeply engaged in its host communities. Its engagement is first and foremost economic and social, as it relates to the creation of local jobs; ORPEA also contributes to making cities more inclusive and supportive by actively forging connections with local community stakeholders of all kinds, such as local authorities, care providers, non-profits and citizens. Thus, by offering patients, residents and beneficiaries care that is closely connected to their personal support network, ORPEA has a positive impact on society.

ORPEA's facilities are part of a regional project initiated by local authorities seeking solutions to public health problems. As part of the ACT BEYOND pillar of its Improving Tomorrow programme, ORPEA is working with local stakeholders to develop a healthcare project that will help to address the economic, social and urban challenges of the area.

3.4.3.1 ACTIVELY CONTRIBUTE TO THE DEVELOPMENT OF MEDICAL AND CARE KNOWLEDGE FOR PATIENTS, RESIDENTS AND STAFF

ORPEA works to help respond to public health challenges and helps improve care for vulnerable people who have experienced a loss of autonomy. For the Group, this commitment also includes its contribution to research work.

Research challenges for ORPEA

In 2022, the Research department continued to work on three strategic areas that feed into the *With you and for you, changing ORPEA* Refoundation Plan. Prevention: "Taking care" of the people we support and "taking care" of our employees. Since 1 January 2023, the Research department reports to the new Group Medical Director, who is a member of the ORPEA Executive Committee.

Within the Group, research is leveraged to support the large-scale scientific analysis of its businesses and practices, in order to guide its ethical and **strategic approach**, **with and for the** various stakeholders (families, patients, residents, professionals, suppliers, start-ups) and to **find solutions** to:

- improve care practices and ensure their safety;
- retain and recruit the best employees;
- create new care and treatment pathways and new models to prevent the loss of autonomy, in order to support patients through change and the evolution of their needs;
- improve the Group's performance.

Improving prevention

Prevention is part of the Group's strategy of helping patients return to their home environment, including support to help them continue living in their home and developing new intermediary models between home care and nursing home services. This approach is based on the development of new services and new professions that also redefine the role of hospitals. Several angles are being explored in this area:

- **the use of data**, and more particularly French nursing home data, which are highly structured and have made it possible to review the indicators used to monitor the quality of care in facilities. A new tool was deployed in facilities in 2022, which is easier to use and more ergonomic, in order to improve data collection. The structuring of these data has allowed pneumococcal vaccination effectiveness to be measured in real terms, through a partnership with universities and public service laboratories. Work has also been carried out to analyse the blood pressure levels of people when they enter nursing homes in France, which has been found to be a time when patients are frequently overmedicated. The results show a correlation between blood pressure levels and their life expectancy. The research will be published in 2023 and will help improve practices in facilities to offer better care for residents;
- **falls** remain a key issue for elderly people and continue to be the subject of extensive research. The Postadychute clinical trial, which was successful in the call for projects proposed by the Île-de-France region as part of its "Longevity and Ageing" research support scheme, is continuing. As of 31 December 2022, five of the Group's facilities were included in the study, and 18 residents had started participating in the programme. High-quality work was carried out between the technical teams of the IT department, the suppliers of the medical equipment needed for this trial and the Research department. Over the longer term, this work will make it possible to integrate bio-signals from medical devices into the Group's databases for analysis. It also helps reinforce links with historical partners (ENS Paris-Saclay, CNRS, University of Paris) who have actively supported the Group's research for several years. This trial has also provided an opportunity to test a digital tool for automating the collection and analysis of clinical trial data.

Going further in caring for the people the Group supports

Several studies have been carried out on the pandemic: a trial on the use of virtual reality to reduce isolation among residents, a study on the consequences of isolation among patients suffering from psychiatric illnesses, and the effect of psychiatric drugs on the severity of Covid-19 cases.

The Group has participated in **cancer** research programmes, notably in France, by including patients in two drug trials. In Germany, the oncology teams have worked on two recommendations for the body issuing guidelines for the diagnosis and treatment of haematological and oncological diseases in German-speaking Europe, one on stomach cancer and the other on gastric cancer. These recommendations are also being rolled out in Switzerland. In parallel, they created a webinar with the same body on cancer rehabilitation.

Several studies have also been carried out on **mental health** covering: anorexia nervosa; the impact of the pandemic on psychosomatic rehabilitation programmes; the relationship with authority in addiction; teenagers and the paternal relationship; and suicidal risk.

The Group has chosen to develop the work studying depression in nursing homes in France as part of an initiative carried out by a dozen ORPEA facilities. Following the perception expressed by several facility teams that the nursing home is a place where the state of people suffering from depression on their arrival improves, a scientific question was formulated in collaboration with the 16 Group professionals involved, including doctors, nurses, psychologists and psychomotor therapists. The question was as follows: "What are the effects on mood in elderly people entering a nursing home in the year following their entry? Are there any predictive factors for these changes?" A collaborative scientific method of systematic literature review has been put in place, which is very encouraging and rewarding for the teams. The results confirm that certain categories of residents entering nursing homes see an improvement in morale following their admission to the facility. This research confirms that it is possible to improve how nursing home care is targeted and personalised to residents. Above all, it makes it possible to offer them scientifically validated socialisation activity programmes based on recognition of their skills, such as offering a pianist the opportunity to lead a musical evening, respecting their ability to act autonomously. These three pillars, whose effectiveness has been confirmed by a high level of scientific evidence, help enrich practices.

Several areas of **rehabilitation** were worked on, including cardiac rehabilitation with the creation of a game for heart failure patients, aiming to teach them to better manage this chronic disease. Work has also been carried out on the impact on chronic lower back pain of a six-week rehabilitation programme using a motorised platform to perform isometric physical exercises. The results are encouraging but are not yet sufficient for wide-scale deployment.

A systematic literature review was carried out on phantom limb pain, which affects over 50% of amputees and has a negative impact on their rehabilitation, mental health and quality of life. Mirror therapy is used in some of the Group's facilities, but its effectiveness remains controversial. This work was therefore inconclusive and requires further trials with a larger number of patients, or an increase in the number and frequency of mirror therapy sessions before large-scale deployment can be considered.

Taking care of employees so that they can take care of patients and residents

This is a major challenge for the sector, which is under great pressure (see section 3.3.4.1 of this Universal Registration Document).

In Germany, in one of the Group's hospitals, a doctoral research project is being conducted on the stress situation of senior doctors in psychosomatic rehabilitation clinics examining the following main question: "What conclusions can be drawn from the situation of psychological stress, and what is the significance of the psychological stress of senior doctors in psychosomatic medicine in CELENUS clinics with regard to health even in old age?" This research will help provide an in-depth look at the working conditions of the Group's professionals.

Mental health, and in particular that of caregivers, was the subject of research in 2022 through two major projects:

- an assessment was carried out of the intervention unit in France (see section 3.3.3.1 of this Universal Registration Document), which has been working for about ten years in healthcare and nursing home facilities to support caregivers faced with bereavement in clinics. It offers support groups for teams who have been confronted with sometimes very brutal deaths. It also provides support through the grief process using group psychodynamic approaches to explore with them the reasons that may hinder the stages of grief in the team, as well as the effects identified in the support groups. A publication has been produced summarising the activity of this unit;
- the Group responded to the EU call for proposals HORIZON-STAYHLTH-01-01: "Boosting Mental Health in Europe in Times of Change", through the PROMESS "PROfessional Mental WellnESS" project. This project was an opportunity to create a consortium of universities involving France, Portugal, Switzerland, Ukraine, the Netherlands, Germany and Austria, thus initiating a European scientific approach.

Partnerships and scientific publications

In addition to the consortium partnerships mentioned above, several partnerships with universities in Spain, Austria and France make it possible to offer internships to nursing students in ORPEA facilities during and especially at the end of their studies. Employment contracts can subsequently be offered to interns in the Group's facilities.

The Group participated in five calls for proposals in France, the results of which were announced in 2022. It did not receive the support of the public institutions involved, probably due in particular to the crisis that the Group went through following the publication of the book *Les fossoyeurs*.

All this work has led to the publication of several research articles. A doctoral thesis was also defended in 2022, on a subject falling under the "care of patients" research focus: "The use of storytelling mediation in the psychological treatment of adolescents: putting into perspective the adolescent process and the process of creating a collective story". A further nine theses are in preparation and were continued in 2022.

2023 CSR objective

To strengthen this policy, ORPEA aims to establish a partnership with a renowned university in all countries where the Group operates.

2022 progress report [1]

By 31 December 2022, 40% of countries had established a research partnership with a university that is among the country's top 10 universities in the Shanghai Ranking.

Research partnerships are down compared with 2021, when 50% of countries had a research partnership with a top 10 university in their country. This is due in particular to the reputation crisis that hit ORPEA in 2022 and affected the confirmation of new planned partnerships. However, new partnerships are expected to be established in the course of 2023, particularly in Latin America.

(1) The definition and scope of this indicator are explained in the methodological note (see section 3.8 of this Universal Registration Document).

▪ Research partnerships

Country	Partnership signed with a university (2021)	Partner (2021)	Partnership signed with a university (2022)	Partner (2022)
FRANCE-BENELUX-UK-IRELAND				
Belgium	No		No	
France	Yes	Paris Saclay University - CNRS - INSERM - SSA - Borelli Centre	Yes	Paris Saclay University - CNRS - INSERM - SSA - Borelli Centre
Ireland	Yes	Trinity College Dublin	Yes	Trinity College Dublin
				University College Cork
Netherlands	Yes	Leyden Academy	Yes	Leyden Academy
United Kingdom	No		No	
CENTRAL EUROPE				
Germany	Yes	German Centre for Aeronautics in cooperation with the University of Cologne	Yes	German Centre for Aeronautics in cooperation with the University of Cologne
		Albert-Ludwigs-Universität Freiburg		Albert-Ludwigs-Universität Freiburg
		University of Applied Sciences Niederrhein		University of Applied Sciences Niederrhein
		University of Heidelberg		University of Heidelberg
Italy	Yes	Università di Torino San Luigi di Orbassano	Yes	Università degli studi di Padova
Switzerland	No		No	
EASTERN EUROPE				
Austria	Yes	Paracelsus Privat Universität Salzburg	Yes	Paracelsus Privat Universität Salzburg
Latvia	No		No	
Poland	Yes	University of Warsaw	No	
Czech Republic	Yes	Palcky University Ölmutz	No	
Slovenia	No		No	
Croatia	No		No	
IBERIAN PENINSULA AND LATIN AMERICA				
Spain	Yes	Universidad Complutense de Madrid	Yes	Universidad Complutense de Madrid
		Universidad Autónoma de Madrid		Universidad Autónoma de Madrid
Brazil	No		No	
Mexico	No		No	
Portugal	Yes	Universidade de Coimbra	Yes	Universidade de Coimbra
				Universidade de Lisboa
Uruguay	No		No	
OTHER COUNTRIES				
China	No		No	

3.4.3.2 SUPPORTING THE INNOVATION PROCESS TO CHANGE PRACTICES

Innovation is a key element in ORPEA's development, enabling us to meet the expectations of today's patients, residents and employees and to anticipate those of tomorrow. For ORPEA, it helps improve care and support services provided to residents and patients and their families as well as the working conditions of employees.

Innovation supports the Group's transformation, which is why the roadmap has been refocused in 2022 on two priority areas, in line with the Refoundation Plan: the experience of residents and their families and the experience of employees.

Organisation and steering of innovation

The Group Innovation department, which reports to the CEO, strives to promote open innovation by giving priority to co-construction with users to meet their needs and expectations as closely as possible, and by promoting project and idea leaders, fostering a culture of innovation and involving the entire ecosystem. It also ensures the consistency of initiatives across all countries, the transfer of best practices and assistance in scaling up and deploying innovations, aligned with the Group's strategic challenges.

Country-level Innovation Units report on the progress of innovative projects at least quarterly, within the framework of their management committee, or an ad hoc committee in order to monitor ongoing projects, make decisions on new opportunities and share information on the cross-cutting projects they underpin.

At Group level, the progress of innovation projects is regularly presented at the COO *Community Meetings*, which bring together all ORPEA country operations managers. Progress reviews with the support departments (Human Resources, Medical, etc.) are also carried out on a monthly basis to promote transparency and coordination on projects and to make any necessary adjustments collaboratively.

A structured and agile innovation approach

The Group's Innovation department helps to steer strategic cross-cutting projects. The geographical areas carry out projects with a local focus, such as innovative product testing and, if the results are satisfactory, manage local deployment in an agile manner. Day-to-day, ORPEA's innovation strategy is driven by a network of Innovation Units in all geographical areas, which are in charge of the local project portfolio. They also help develop an innovation culture in their territory and support major strategic projects led by the Group's Innovation department.

The innovation policy has been built progressively since 2019. The rules governing innovation in the Group are formalised in dedicated Group Standards. This document, shared in particular with the Innovation Unit network, specifies the methods for evaluating innovation projects within the Group.

The year 2021 was devoted to developing the internal and external governance of the Innovation department by setting up the Innovation Units in the geographical areas. The year 2022 saw the transition to operational implementation, with the launch of innovation projects and the continued strengthening of the innovation unit network.

The Group has also adopted an agile methodology of co-constructing projects, in particular with its local teams, to align them as closely as possible to the needs and expectations of patients, residents, families and employees. This method offers the advantage of facilitating a collaborative approach to innovation within the Group. In order to carry out strategic projects at Group level, international project groups including field teams and the relevant operational and support departments have been set up, in order to be able to co-construct these projects with them and benefit from their feedback. The aim of these methods is for ORPEA's different countries to learn to work together on large-scale projects and on projects that can be deployed throughout the Group.

In addition, acculturation work has also been carried out to strengthen the Group's understanding of the challenges of innovation, how it can be managed, the contribution of each individual to the innovation process and the benefits it will deliver.

In order to improve project management, in 2021 the Group will set up an information sharing platform to collect and handle innovation requests or ideas ("innovation window") where project progress can be managed and shared.

As of 31 December 2022, ORPEA had 124 active projects, including both local and strategic headquarters-led initiatives. Almost half concerned medical and nursing innovations.

Leveraging the collective intelligence of ORPEA teams

The annual ORPEA Excellence Awards (see section 3.2.4.3 of this Universal Registration Document) aim to reward Group teams that have proposed innovative approaches to their care practices.

A digital platform was deployed throughout the Group by the Innovation department in 2022 to facilitate the submission, evaluation and archiving of projects proposed by facilities for the ORPEA Excellence Awards.

In addition, in order to create the right conditions for the development of exemplary projects, ORPEA has developed a fast-track system for 2022. The scheme will be implemented in 2023 for the winning project in the new category, Innovate! Accelerator launched as part of the ORPEA Excellence Awards (see section 3.2.4.3 of this Universal Registration Document).

Innovating by opening up to the outside world

The Group continues to strengthen its Open Innovation strategy which consists of innovating in an open and collaborative manner by calling on external expertise. It strives to create a framework that nurtures effective and mutually beneficial collaborations with start-ups and other innovative external partners.

To encourage collaboration within countries, ORPEA has defined a framework with recommendations for financial and non-financial partnerships with a variety of players (academic, industrial, accelerators, associations, etc.). These guidelines provide a springboard for multiplying the impact of the Innovation policy in all the geographical areas and countries where ORPEA is present.

In each geographical area, the innovation units regularly receive and centralise collaboration opportunities and requests from external partners, while the headquarters support team helps source international partners.

The Enovea Network sharing platform, which was set up in 2021, also facilitates the sharing of best practices and gives access to the start-up database, providing visibility throughout the Group.

This platform, which is present in all of the Group's countries, is run by the Innovation correspondents. Through the platform, the Group can monitor innovative projects in each geographical area and facilitate the sharing and exchange of information between Innovation correspondents and external players. As of 31 December 2022, ORPEA is in active discussions with 106 start-ups across its priority areas of innovation.

2023 CSR objective

By 2023, 100% of countries will have implemented at least one programme driven by the Group Innovation department, aiming to enhance individual autonomy, promote social interaction or stimulate the five senses of residents and patients.

2022 progress report

In 2022, Belgium, Italy, Poland and Spain all implemented at least one programme aiming to enhance autonomy, promote social interaction or stimulate the five senses of residents and patients.

The CSR indicator shows that four countries have implemented one of the programmes supported by the Group Innovation department to improve the well-being of residents.

This indicator does not reflect the reality of the innovation dynamic in countries, since 124 projects are under way, either locally or internationally, in 14 of the Group's countries, 65% of which were being deployed on the ground by the end of 2022. The Group will work on revising the innovation performance indicator in 2023 so that it better reflects the Group's innovation dynamic.

An innovation strategy that is part of the new ORPEA, "With you and for you" plan

The medical and nursing research and innovation project provides for the formal evaluation of innovative measures, organisational improvements and new pathways in terms of impact, feasibility and implementation. The structuring of the Group's new Medical department from the beginning of 2023 will promote closer links between research and innovation, in order to ensure more robust evaluations of medical and nursing innovations.

This approach will offer real-world applications for all of the Group's clinic, nursing home and home care teams. It will be consistent with the indications of the Scientific Council (see section 3.2.1.3 of this Universal Registration Document). Collaboration between the Group's Medical department and Innovation department will help strengthen the resident and patient experience in the innovation roadmap.

3.4.4 LOCAL RESPONSIBILITY

The Group is committed to a social and solidarity-based approach through the numerous initiatives of its facilities in support of vulnerable local populations. ORPEA is committed to ensuring that its facilities develop in a way that is ever more inclusive and closer to communities. The Group, through its facilities, supports local associations and opens up its doors by involving its teams, residents and patients in community outreach and healthcare education initiatives. This makes it a key player in local town centres and society. The facilities themselves are open places that encourage meetings, exchanges, and local and territorial collaborations. For example, restaurants, cafés and hairdressing salons within the facilities – particularly in Austria, Switzerland and Germany – are designed as meeting points that encourage interaction with neighbourhood life. In these countries, the sports equipment at the facilities are also open to students from neighbouring schools and to elderly people living in the area.

ORPEA teams also run charitable projects within the facilities. These charitable actions take the form of financial donations, donations in kind (equipment, objects crafted by the residents, etc.) or time donated by the teams to a cause or association.

In 2022, the pandemic and the media crisis were not conducive to the organisation of community outreach events or gatherings. Despite this, with the exception of Switzerland, Uruguay, Croatia and Latvia, the Group's facilities in all its host countries have maintained a high level of commitment to charitable actions.

The Group's facilities are involved in three main categories of action, identified by ORPEA: fighting social isolation and promoting the inclusion of loved ones; supporting charitable and general interest projects; and carrying out preventive actions in local communities.

The ORPEA Foundation: collective energy in action

While continuing its actions with its partners and the associations it supports, the ORPEA Foundation has re-evaluated its role and usefulness. This work led to a reaffirmation of its founding principle, which is still evidenced today: the Foundation is the work of all ORPEA employees, which is what makes it strong and effective.

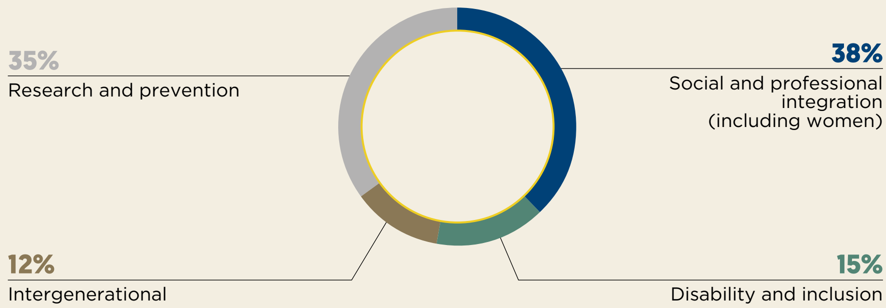
The ORPEA Foundation was built by and with employees and is the result of a collective effort. It is employees **who defined the Foundation's mission with two strong focuses: education and health**.

The Foundation enables employees who wish to go the extra mile to promote social ties and the handing down of knowledge between generations by supporting projects with a strong social impact.

The projects supported help promote the social and professional integration of vulnerable groups, encourage social inclusion and reduce geographical and social inequalities in care, in particular with strategic partners such as Psychodon[1], Agir pour le Cœur des Femmes (Bus du cœur)[2], Rêv'Elles[3] and La Cravate Solidaire[4], as well as iconic partners such as La Maison des Marraines[5], Choisis ta Planète[6] and Les Liens du Cœur[7].

In 2022, following two **calls for proposals,** the Foundation financed **26 projects** (13 in education, 13 in health) for a total of **€655,600**, bringing together **770 employees** as part of **49 initiatives**. More than **692 beneficiaries** have been directly helped by the Foundation's actions.

Details of funding allocated to the ORPEA Foundation in 2022



The Foundation's aim is to encourage and support the commitment of employees to take actions to advance major causes in the general interest.

Solidarity is expressed and built TOGETHER: by employees, residents, patients, families and partners.

(1) *Psychodon provides support, educates, raises awareness and organises initiatives in the field of mental health, with three main focuses: research, supporting patients and families and prevention in communities.*
(2) *Agir pour le Cœur des Femmes is a women's cardiovascular health foundation that organises the Bus du Cœur, a bus that travels through French cities to help prevent cardiovascular disease in women.*
(3) *Rêv'Elles is an association offering innovative programmes for young girls from modest backgrounds, to help them build their future career plans.*
(4) *La Cravate Solidaire is an association that carries out daily action against discrimination, particularly in relation to hiring and physical appearance.*
(5) *La Maison des Marraines is a project that offers young women experiencing housing insecurity a place to stay while they receive training and appropriate support.*
(6) *Choisis ta Planète is a youth organisation that co-constructs audiovisual resources with associations from developing countries, specialising in challenges related to the Sustainable Development Goals and living together in social harmony.*
(7) *Les Liens du Cœur supports people with heart defects and their families.*

3.4.4.1 FIGHTING SOCIAL ISOLATION AND PROMOTING INCLUSION

In all the countries where the Group operates, facilities contribute, according to their own scale, to the development of social bonds within their community, especially for the most vulnerable groups. For example:

- during heat waves or cold spells, facilities open their doors to vulnerable members of the public to provide relief and share the support of staff and residents;
- during holiday periods, some facilities approach town halls and parishes and invite families or isolated elderly people to share a meal with the residents and staff. In 2022, facilities made in-kind, food and non-food donations, and prepared gift boxes for isolated families or those without income in Italy, Spain, France and Germany. In France, for example, many facilities took part in the "Boxes of Solidarity" operation led by the ORPEA Foundation. More than 900 boxes containing basic necessities for isolated people were prepared and delivered either through associations such as the Petits Frères des Pauvres organisation or Secours Populaire, or through outreach activities for people experiencing poverty.

3.4.4.2 SUPPORTING GENERAL INTEREST AND SPONSORSHIP PROJECTS

The Group's CSR roadmap includes two main areas of action:

- **charity**: charitable campaigns and other community outreach initiatives in favour of local associations can be carried out through donation drives involving employees and residents, or by crafting objects that can be sold to raise funds.
- **local involvement:** building connections between the various actors present in the region or in the nearby area surrounding the facility. It can also include sharing the Group's medical expertise open to all (not only to employees).

The main causes supported by facilities in 2022 in host countries were the following.

Solidarity with Ukraine

Thanks to the coordination carried out by its Polish subsidiary with NGOs and local authorities, the Group was able to unite the solidarity of each of its European subsidiaries in favour of the Ukrainian victims of the conflict between their country and Russia. Collections of materials (medical equipment, first aid kits, medicines, clothes, blankets and bed linen, hygienic and basic necessities, non-perishable foodstuffs, etc.) have been carried out in all our European countries. These essential material donations were first sent to Poland and then collected by local NGOs acting as relays for the Ukrainian refugees. Some countries, such as Germany, Belgium and France, have also chosen to form direct partnerships with national or international NGOs and associations (International Red Cross, Medical Help Karpato-Ukraine, etc.). For example, ORPEA in Spain, in collaboration with the Once Foundation (which has an agreement with the Spanish Ministry of Foreign Affairs), donated wheelchairs and walkers to Ukrainians who needed them.

Supporting non-profits working with children

In 2022, various non-profits working with children were supported. In Austria, for example, the headquarters coordinated campaigns to donate gifts and toys for children in paediatric hospitals during the festive season. In Austria, each nursing home director chose the local organisation he or she wanted to support through a fundraising campaign organised among the residents, staff and local population. In Belgium, one facility collected funds and donated them to a Zambian association that collects school supplies. Other facilities have also chosen to support children's causes in Italy and Germany (financial support or donations in kind to local schools).

General interest projects to support people with disabilities and neurological and neurodegenerative diseases

In France, the Group is deeply committed to working in the field of disability, through its support for the AFM Telethon and for mental health causes (in particular through the partnership between the ORPEA Foundation and Psychodon). Through the annual movement organised by Psychodon, the Group joins forces with other players to raise awareness about mental health challenges. This commitment is part of the ALL IN CSR programme, which aims to help change the way society views mental illness. Thirty facilities took part by supporting, raising awareness and mobilising in three main areas: research, supporting patients and families and prevention in the territories.

In Italy, employees of the facilities raised funds at charity sales for research into neurodegenerative diseases. In France, local branches of the France Alzheimer association and *Fondation Recherche Alzheimer* (Alzheimer's research foundation) were supported by many facilities.

Cancer research initiatives

In Italy, as part of an ongoing collaboration between certain facilities and the Burlo Garofalo hospital centre, which raises funds to support research into children's cancer, crocheted booties for infants were made and sold and greetings cards were sent. The employees of the facilities donated soft toys and games for the children in the children's hospital. In France, research and disease prevention was a major focus in 2022 of efforts led by the ORPEA Foundation. In France, teams have actively supported the Pink October campaign organised by the *Ligue contre le cancer*. On this occasion, facilities carried out various initiatives to support associations fighting cancer, such as *Ruban Rose*, or those helping people in hospital, such as *Les Blouses Roses*. In Germany, several facilities supported community hospitals by donating medical equipment and/or money. In Spain, one institution organised a charity sale to mark breast cancer awareness day, and residents sold items they had made for the association.

Local involvement

Having strong roots in a region is an essential part of helping combat the isolation of patients and residents and giving the facility an active role in the local community. In France, several facilities have established partnerships with nearby schools to promote intergenerational exchanges: this contributes to the emotional development of children and reduces the isolation of the elderly. Some facilities have hosted artists to promote access to culture for residents and patients. This may involve exhibitions, concerts or events open to the general public. For example, in Spain a group of ballroom dancers came to spend time with the residents.

2023 CSR objective

All facilities conduct at least one charitable/community outreach initiative during the year.

2022 progress report

44% of facilities carried out at least one charitable/community outreach initiative during the year through a financial donation and/or a donation in kind.

All the Group's facilities occasionally arrange meetings with the local population in the form of open days, conferences and café debates. These meetings are an opportunity for the local population to obtain information and advice via practical seminars and workshops, to meet health professionals, and to share experiences with other families. They are also a way to better inform the local media about public health issues and the challenges of ageing.

Eating well, sleeping well, preventing falls, understanding Alzheimer's disease and learning to live better with one's disease are some of the topics addressed during these events. During these discussions, teams of health professionals provide families or relatives with concrete tools to understand their situation. Many of the Group's facilities have also mobilised to help raise awareness among the local population on national and international days such as World Alzheimer's Day, Breast Cancer Day, Smoke Free Month and Mental Health Day. Other topics were also covered, such as preventing falls, emergency training, fighting malnutrition and hand hygiene. In Spain, workshops were organised for home caregivers.

All these initiatives illustrate the very close connection between the facilities and their local environment and are part of the Refoundation Plan proposed by Executive Management with the aim of providing even better care and support for patients, residents and their families in their life plans, as well as having a positive economic and social impact.

ORPEA facilities involved in charitable and community outreach initiatives

- Charitable and community outreach work

	2021			2022		
Geographical areas	**Number of institutions having carried out at least one initiative in 2021**	**Number of facilities**	**Percentage of institutions having carried out at least one initiative in 2021**	**Number of institutions having carried out at least one initiative in 2022**	**Number of facilities**	**Percentage of institutions having carried out at least one initiative in 2022**
France-Benelux-UK-Ireland	132	581	23%	207	563	37%
Central Europe	57	258	22%	110	244	45%
Eastern Europe	16	141	11%	56	120	47%
Iberian Peninsula and Latin America	25	111	23%	53	80	66%
Other countries	2	2	100%	1	1	100%
GROUP	**232**	**1,093**	**24%**	**427**	**1,008**	**44%**

The commitment of facilities to charitable and community outreach initiatives increased significantly throughout the Group in 2022, particularly in the Iberian Peninsula and in Central and Eastern Europe.

3.5 Better control over the environmental impact of ORPEA's activities

Environmental protection issues are directly linked to public health challenges. ORPEA's activities have an impact on natural resources and greenhouse gas emissions. Managing the impact of its activities on the climate and the natural environment is therefore a priority for the Group, and a central focus of its Refoundation Plan expressed through the Green Building Strategy.

3.5.1 ORPEA'S ENVIRONMENTAL PRIORITIES: ENERGY, CARBON FOOTPRINT, WASTE, BIODIVERSITY

Aware of the systemic environmental impacts of its activities, ORPEA is committed to a global environmental approach involving all operational and support departments. Implementation of the approach is monitored via measurable objectives and performance indicators.

There are many ways the Group can contribute to the green transition, particularly in real estate, as well as in catering and in the day-to-day running of its facilities.

The carbon footprint measured at Group level for Scopes 1, 2 & 3 confirms that energy consumption is the Group's main source of greenhouse gas emissions. As a result, ORPEA has taken assertive measures in this area, rolling out an ambitious Green Building Strategy. ORPEA's aim is to innovate by building facilities that blend perfectly into their environment, are energy-efficient and low-emissions during both the construction and operating phases, and contribute to the quality of life, autonomy and comfort of residents, patients and employees.

3.5.1.1 COMPREHENSIVE MANAGEMENT BY ORPEA'S NEW SUSTAINABLE DEVELOPMENT AND QUALITY DEPARTMENT

The new Sustainable Development and Quality department works closely with the operational and support departments (see section 3.1.2 of this Universal Registration Document) to raise awareness of environmental issues and promote responsibility in this area. A digital non-financial reporting platform was rolled out in 2022 to support the implementation of the CSR strategy at an operational level.

Following the creation in March 2023 of the Sustainable Development and Quality department, which reports directly to the Chief Executive Officer and a member of the Group Executive Committee, an assessment of the environmental actions taken so far has been carried out and a systemic sustainable development strategy will be proposed to the Group's governance bodies. The environmental component of this strategy will include climate change mitigation and adaptation to the impacts of climate change, the circular economy and contributing to preserving biodiversity.

3.5.1.2 THE GREEN BUILDING STRATEGY, A FORMATIVE POLICY ATTESTING TO THE GROUP'S ENVIRONMENTAL COMMITMENT

The Green Building Strategy involves the design, construction and operation of buildings with a focus on reducing their environmental impact and promoting sustainability.

The Green Building Strategy applies to both new and existing buildings and is based on four pillars, which adhere to and go beyond the environmental standards and regulations in force:

- promoting energy efficiency and reducing greenhouse gas emissions to mitigate climate change;
- making biodiversity and biophilic design a central aspect of our facilities to respect and reconnect with nature;
- easing pressure on non-renewable natural resources and developing the circular economy;
- sharing the Green Building approach with all stakeholders and involving them in its implementation.

The strategy's various approaches include using sustainable building materials, optimising energy and water efficiency and using renewable energy sources.

The Green Building Strategy also prioritises the health and well-being of building occupants, for example by improving indoor air quality, increasing access to natural light and optimising thermal comfort. Occupants are encouraged to engage in sustainable practices and behaviours, particularly to ensure that the building is operated in a sustainable and environmentally friendly manner.

The building's entire life cycle is taken into account, from its development and operation to its eventual demolition or repurposing, in order to integrate the principles of the circular economy.

The Green Building Strategy applies to all buildings operated by ORPEA. However, certain aspects of the strategy, such as the recovery of construction waste and environmental certification, only apply to the Group's new buildings and major renovation projects.

Real estate development at the centre of the Group's environmental strategy

Under the aegis of the Group Real Estate Executive Vice-President, who serves on the Group Executive Committee, the Group Real Estate department is responsible for defining and implementing the real estate strategy in line with ORPEA's Refoundation Plan. Organised into four divisions, this new department is more specifically responsible for asset and property management, development and construction, as well as arbitration and special projects, with the objective of enhancing the Group's real estate potential in accordance with the sites' operation.

The department in charge of real estate development, i.e., from the search for land and property, building design and construction, right up to delivery to the Group's operations teams, factors environmental challenges into its work. The department is now made up of two units:

- the Design and Engineering unit, which develops Group design standards for construction and renovation projects, integrating environmental standards; designs and rolls out the Green Building

Strategy throughout the Group; assists the Construction departments of the different geographical areas in reviewing projects and ensuring that environmental procedures are applied; supports the Group's entire construction network by providing training on the ecological transition, assessing construction costs, sourcing innovation solutions and conducting architectural pre-feasibility studies; ensures technology monitoring and guides retirement homes on their path to the future. It is made up of a team of six people: a Technical Director, a Sustainable Real Estate and Innovation Manager, an Energy Manager, two architects and a quantity surveyor;

- the Construction Project Management unit, which ensures that construction and renovation projects in all geographical areas are aligned with the Group's standards, particularly its environmental standards. This unit consists of two assistant managers, each responsible for monitoring real estate development projects within a given geographical area, and a project controller.

The Group's sustainable real estate approach is supported by the local Construction and Maintenance departments and local developers in all the different geographical areas. These departments are supported in-house by property managers and externally by architects and specialist consulting firms, which help the Group put its environmental objectives into practice.

The Green Building Strategy applies to both new and existing buildings, whether they are owned or leased by ORPEA.

Operational roll-out of the Green Building Strategy

The operational roll-out of the Green Building Strategy is organised as follows:

Green Building specifications and methodological notes are used to apply the Green Building Strategy criteria to projects. A Green Building Strategy **steering process** has been implemented for actions relating to new buildings and major renovations, by integrating Green Building Strategy monitoring into the standard construction project development process. Roll-out of the strategy is managed via a **reporting process** that consolidates monitoring indicators.

In preparation for the roll-out of this strategy, several initiatives have been taken to **train and inform the employees** most directly concerned by its implementation:

- employees in the various business lines concerned have been informed of the Green Building Strategy's background and priorities. Several webinars were held on the roll-out of the Green Building Strategy, with over 200 participants;
- a 5.5-day technical training course on sustainable construction was set up for construction project managers, delivered by external training organisation Bureau Veritas to more than 100 people;
- ORPEA's internal "Construction" newsletter covering real estate and construction news was launched, focusing on innovative Green Building Strategy projects and case studies.

3.5.1.3 ENVIRONMENTAL CERTIFICATION OF OUR BUILDINGS

ORPEA is committed to obtaining environmental certification for all its future construction projects.

At the beginning of 2021, as part of the 2023 CSR roadmap, ORPEA committed to obtaining HQE[1] (or equivalent) certification for 100% of future construction projects. At the end of 2022, with the CSR roadmap strengthened and intensified by the Green Building Strategy, the BREEAM Very good and LEED Gold accreditations, which are recognised in the countries where the Group operates, were selected. As ORPEA expands its operations internationally, these certifications provide the Group with the recognition of international stakeholders (building buyers, banks, investors, financial and non-financial rating agencies, NGOs, etc.).

These certifications offer a cross-cutting approach to sustainable real estate, covering a wide range of issues: energy, materials, the circular economy, health and well-being, biodiversity, pollution and sustainable mobility.

2023 CSR objective

From 2021, ORPEA's goal is for all new construction projects approved by the Development Committee to seek HQE or equivalent (e.g., LEED or BREEAM) certification.

2021 progress report

Of the 20 new construction or major renovation projects approved by the Development Committee in 2021, nine projects, or 45%, sought environmental accreditation (BREEAM Very good, LEED Gold or HQE Excellent). The Group's Green Building Strategy was approved in November 2021 and the environmental certification process was gradually implemented throughout the year.

2022 progress report

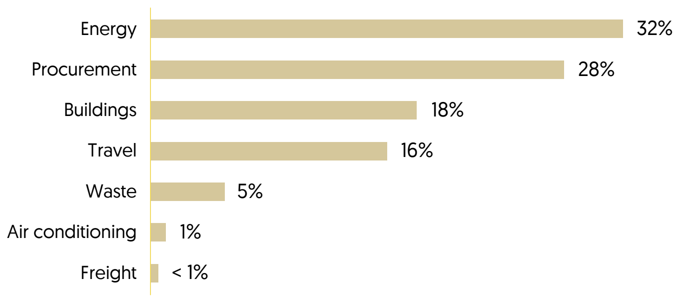
A new construction project approved by the Development Committee in 2022[2], (i.e., 100% of approved projects) is seeking environmental certification (BREEAM Very good).

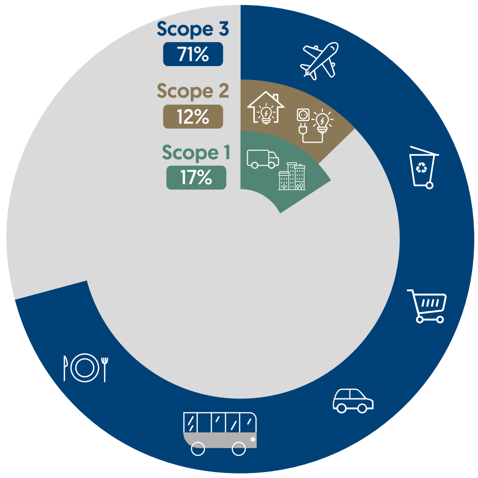
(1) High quality environmental standard.
(2) The Group's development strategy – development of new operations, real estate ownership, geography – was reviewed in 2022 in the light of the Refoundation Plan.

3.5.2 CARBON AND ENERGY STRATEGY

3.5.2.1 MEASURING GREENHOUSE GAS EMISSIONS

■ **GHG emissions by category** *(as a %)*





The Group's activity generates greenhouse gas (GHG) emissions linked to energy consumption, various purchases (food, medical equipment, etc.), visitor and employee travel, etc. In 2022, the Group measured its global carbon footprint in order to identify the various emission sources. The top three sources of the Group's emissions are energy, which accounts for 32% of emissions, purchases (in particular for catering) representing 28% of emissions, and fixed assets, which generate 18% of total emissions.

As in 2021, the Group's carbon footprint was measured according to the GHG Protocol. For fixed assets, the Bilan Carbone® methodology was applied. Unlike the GHG Protocol, the Bilan Carbone® factors in depreciation over the life of the assets, spreading the associated emissions over the depreciation period.

■ **Scope 1, 2 & 3[1] GHG emissions calculated using the GHG Protocol[2]**

	Group		France Benelux United Kingdom Ireland		Central Europe		Eastern Europe		Iberian Peninsula and Latin America		Other countries	
(in $tCO_2eq.$)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Scope 1	82,848	94,167	46,860	53,496	21,396	23,016	5,277	5,866	9,213	11,550	102	239
Scope 2	65,904	56,181	12,028	14,322	25,945	22,516	16,583	8,760	9,373	8,882	1,975	1,701
Scope 3	376,977	391,687	189,474	206,249	107,303	88,260	44,359	61,595	35,841	34,520		1,063
TOTAL SCOPES 1, 2 & 3	**525,729**	**542,035**	**248,362**	**274,067**	**154,644**	**133,792**	**66,219**	**76,221**	**54,427**	**54,952**	**2,077**	**3,003**

(1) Scope 3 emissions have been calculated since 2021. Therefore, the total of Scope 1, 2 & 3 GHG emissions is not comparable to previous years, and further information regarding Scopes 1 & 2 is presented separately.

(2) The GHG Protocol (Greenhouse Gas Protocol) sets out rules and standards for recording GHG emissions in order to establish an international standard and harmonise the calculation of carbon footprints.

■ **Scope 1 & 2 GHG emissions calculated using the GHG Protocol***

	Group				France Benelux United Kingdom Ireland				Central Europe				Eastern Europe				Iberian Peninsula and Latin America				Other countries			
(in $tCO_2eq.$)	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**	**2022**	**2021**	**2020**	**2019**
Scope 1	82,848	94,167	77,206	78,361	46,860	53,496	39,045	41,667	21,396	23,016	22,398	21,426	5,277	5,866	6,792	7,088	9,213	11,550	8,887	8,093	102	239	84	87
Scope 2	65,904	56,181	63,410	66,468	12,028	14,322	11,524	11,552	25,945	22,516	25,987	27,443	16,583	8,760	14,745	15,511	9,373	8,882	8,389	9,009	1,975	1,701	2,764	2,953
TOTAL	**148,752**	**150,348**	**140,615**	**144,829**	**58,888**	**67,818**	**50,569**	**53,219**	**47,341**	**45,532**	**48,385**	**48,869**	**21,860**	**14,626**	**21,537**	**22,599**	**18,586**	**20,432**	**17,276**	**17,102**	**2,077**	**1,940**	**2,848**	**3,040**

* *In 2021, the Group changed the methodology used to calculate its carbon footprint compared to previous years. The decision to apply the GHG Protocol has changed the breakdown of emissions by Scope: a portion of the emissions classified in 2020 and 2019 as Scopes 1 & 2, which correspond to the upstream energy emissions as well as network losses, are now classified as Scope 3 (and are therefore no longer recorded in Scopes 1 & 2).*

3.5.2.2 REDUCING ENERGY CONSUMPTION AND THE ASSOCIATED CO_2 EMISSIONS (SCOPES 1 & 2)

Monitoring and optimising energy consumption

The appointment of Energy Managers, which began in 2021, continued throughout 2022. By the end of the year, there was at least one Energy Manager in each of ORPEA's geographical areas. In addition to the local Energy Managers, there is also a Group-level Energy Manager.

To roll out the energy pillar of the Green Building Strategy, the Energy Managers are tasked with:

- monitoring the energy management system, taking into account all the parameters that influence building energy performance;
- supervising the reporting of all energy and fluid consumption on the dedicated monitoring platform, improving the site metering plans and producing reports on the associated indicators;
- budgeting, planning and implementing energy performance improvement actions;
- coordinating energy audits;
- continuously monitoring available technology to keep abreast of innovations and market trends;
- identifying areas for improvement by consulting with experts and running workshops;
- raising awareness of best practices on facility performance among all relevant parties;
- supporting the CSR department in reporting energy data.

In 2022, the addition of the Energy Manager network enabled ORPEA to improve the monitoring of its energy consumption and the implementation of actions to reduce it:

- the **Deepki tool** for reporting energy data directly from energy suppliers' platforms had been deployed at 90% of facilities by the end of 2022. This tool is to be rolled out to all facilities operated by the Group, whether owned or leased;
- **energy audits** will be conducted for any potential new acquisitions. For existing buildings in the French real estate portfolio, as of 31 December 2022, 319 audits had been carried out and audit reports produced for 262 buildings. All 363 sites will be audited by mid-2023. For the other countries, calls for tenders were conducted to select service providers to conduct the audits. These energy audits will be carried out as a priority at the most energy-intensive sites, in Belgium, Austria, Italy, Spain, Germany, the Netherlands and Ireland;
- in response to the energy crisis, and with the aim of reducing energy consumption in buildings in operation in France, a short-term action plan with immediate effects was implemented at the end of 2022, focusing in particular on optimising equipment settings, such as adjusting set temperatures to between 21°C and 23°C for heating, in accordance with the recommendations of the health authorities, optimising the temperature in the heating loop, and insulating hot water tanks. For the audited buildings, **renovation plans** have been drafted to improve facilities' energy performance, starting in 2023. Awareness-raising initiatives for all facility and headquarters staff have been implemented to share information on energy-saving practices (see section 3.1.2 of this Universal Registration Document).

	Energy consumption *(in kWh net)*				Change in energy consumption per sq.m.	
Geographical areas	**2019 benchmark year**	**2020**	**2021**	**2022**	**2021 vs. 2019**	**2022 vs. 2019**
France Benelux United Kingdom Ireland	380,027,921	368,275,576	441,803,877	421,053,552	+3.50%	+8.82%
Central Europe	178,175,076	207,514,136	192,680,367	199,272,446	-6.70%	-31.41%
Eastern Europe	96,859,626	100,301,539	115,132,230	106,761,503	-3.70%	-6.62%
Iberian Peninsula and Latin America	76,018,528	81,571,044	91,633,937	89,434,161	-1.40%	-63.20%
Other countries	4,263,316	3,999,200	3,430,450	3,056,010	-19.50%	-39.51%
GROUP	**735,344,466**	**761,661,495**	**844,680,862**	**819,577,671**	**-0.80%**	**-11.29%**

Process for collecting and controlling energy and water consumption data

1. **Each Business Unit's** Energy Manager **is responsible for the quality of the consumption data they report**.

Consumption data is collected based on energy and water bills.

For some countries (France and Belgium), consumption data is extracted from Deepki, with any missing data retrieved from bills.

2. Once the first versions have been received, **the Corporate Energy Manager carries out macro checks** for each facility and each country. This includes verifying:

- the number of buildings reported at the Business Unit level;
- whether key data has been provided: surface area, number of beds;
- whether water, electricity and heating consumption data has been provided for each building;
- macro consistency check of consumption by ratio, by facility and by Business Unit:
  - water consumption/number of beds per facility (litre/bed/day),
  - electricity consumption/surface area per building (kWh/sq.m./year),
  - heating consumption/surface area (kWh/sq.m./year),
  - overall energy consumption by surface area: electricity + heating (kWh/sq.m./year),
  - verification of year-on-year % change;
- verification of conversions between heating units (cu.m., tonnes, etc.) and its equivalent in kWh;
- that an explanation for year-on-year changes in consumption is given for each project.

3. In the event of "suspicious" or missing data, or depending on the results of the above checks, the Corporate Energy Manager submits a memo to the **Business Unit Energy Manager/Facility Manager**.

4. **The Business Units check the bills and consumption data and update the memo based on the Corporate Energy Manager's comments**.

2023 CSR objective

ORPEA is committed to reducing its energy consumption by 5% in kWh net/sq.m. by 2023 (2019 benchmark).

2025 and 2030 CSR objectives

ORPEA is committed to reducing its energy consumption by 16% by 2025 and 30% by 2030, in kWh net/sq.m./year (2019 benchmark year).

ORPEA is committed to reducing its greenhouse gas emissions by 17% by 2025 and by 32% by 2030, in kgCO_2eq./sq.m./year, for Scopes 1 & 2 (2019 benchmark year).

2022 progress report

In 2022, the Group decreased its energy consumption in kWh net/sq.m. by 11% compared to its benchmark year (2019).

The Group's Scope 1 and 2 emissions relating to the energy consumption of its buildings stood at approximately 157,794 tCO_2eq. in 2022, i.e., up 8.21% compared to its benchmark year (2019).

On-site green energy production

In addition to reducing its energy consumption, ORPEA has been increasing its focus over the past few years on using renewable, low-carbon energy from non-fossil sources (solar, wind, water, geothermal, heat pumps, biomass, etc.). Doing so involves on-site energy production and the purchase of green energy from the grid. In 2022, one site using geothermal energy was delivered and another was under construction.

Green energy in Plancoët

In October 2022, ORPEA opened a hospital in Plancoët, France that is Europe's first healthcare facility to be heated and cooled by geothermal energy using "star-shaped" drilling with inclined probes. This innovative technology uses underground thermal inertia to reduce the hospital's carbon emissions and energy consumption, while maintaining thermal comfort for patients and staff.

Geothermal energy reduces the building's overall energy consumption by up to 27% and carbon emissions from heating and cooling by up to 91% compared to more traditional heating and cooling solutions. The installation comprises probes drilled to a depth of 160 metres, a heat pump and a digital energy management solution that optimises the use of geothermal energy and the heat pump connected to the building.

The hospital has 130 inpatient beds and 15 outpatient spaces specialising in post-acute and rehabilitation care for musculoskeletal conditions and for elderly people with or at risk of needing long-term care.

Green energy purchasing

In 2022, the Group renegotiated its energy contracts in France to increase the share of green energy in the overall mix and reduce related carbon emissions.

As a result, 100% of the electricity it uses is green and generated in France (wind, solar and hydro) and 50% the gas is from French biogas, generated through a partnership between a supplier and 11 agricultural sites.

3.5.2.3 SETTING A PATHWAY ALIGNED WITH THE PARIS AGREEMENT FOR SCOPES 1 & 2 BY 2050

In 2021, ORPEA set out pathways for reducing its energy consumption and energy-related greenhouse gas emissions (Scopes 1 & 2) by 2050, in order to align with the Paris Agreement.

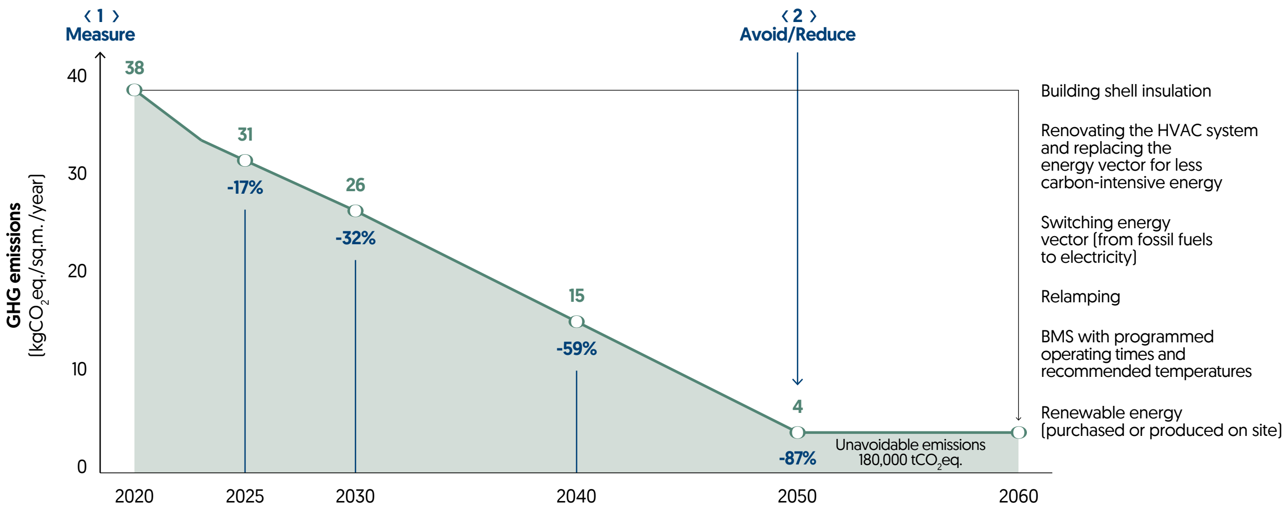
In 2021, the Group had planned to commit to the Science-Based Targets initiative (SBTi). This was postponed to 2023 due to the 2022 crisis.

Carbon pathway (Scopes 1 & 2)

The CO_2 emissions reduction plan was drafted using the Carbon Risk Real Estate Monitor (CRREM) tool funded by the European Union's Horizon 2020 programme. The plan complies with the Paris Agreement's 1.5°C climate pathway.

Based on this analysis, ORPEA set the following plan to reduce carbon emissions compared to 2019, the Group's benchmark year:

- 17% reduction in GHG emissions by 2025, i.e., a threshold of 31 $kgCO_2eq.$/sq.m./year;
- 32% reduction in GHG emissions by 2030, i.e., a threshold of 25.8 $kgCO_2eq.$/sq.m./year;
- 59% reduction in GHG emissions by 2040, i.e., a threshold of 15 $kgCO_2eq.$/sq.m./year;
- 88% reduction in GHG emissions by 2050, i.e., a threshold of 4 $kgCO_2eq.$/sq.m./year.

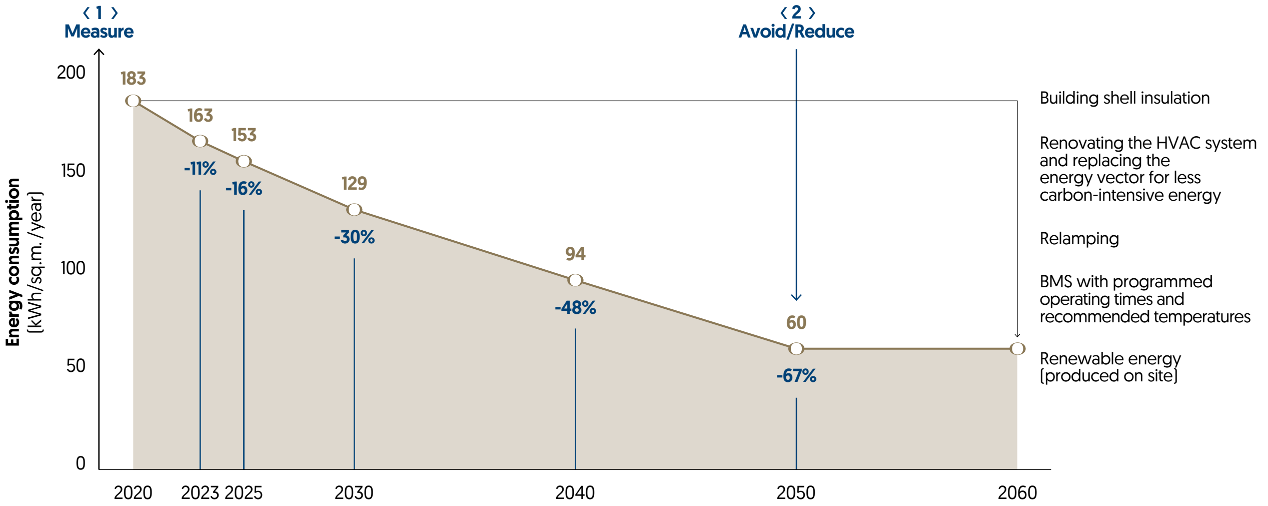


Energy pathway

The Group's energy pathway was defined by categorising the existing real estate portfolio according to various criteria (year of construction, type of assets, etc.) and then prioritising the actions to be implemented according to the impact on energy consumption.

As a result of this analysis, ORPEA has set the following plan to reduce its energy consumption compared with 2019:

- 16% reduction by 2025 (for a threshold value of 153 kWh net/sq.m./year);
- 30% reduction by 2030 (for a threshold value of 128 kWh net/sq.m./year);
- 48% reduction by 2040 (for a threshold value of 94 kWh net/sq.m./year);
- 67% reduction by 2050 (for a threshold value of 60 kWh net/sq.m./year).



As the energy regulations governing the construction sector progress, building energy performance is becoming a crucial factor, for both new buildings and major renovations. For existing buildings, energy audits are being carried out and works plans devised.

3.5.2.4 REDUCING INDIRECT SCOPE 3 CO_2 EMISSIONS

To further its efforts in the low-carbon transition, in addition to its own energy transition plan, ORPEA seeks to take action to reduce its indirect greenhouse gas emissions, particularly those resulting from purchases, business travel or waste production. In 2022, Scope 3 carbon emissions represented 71% of ORPEA's carbon footprint.

The current policy is incentive-based and will be linked to a formal, quantified commitment, which will be submitted to the Group's governance bodies in 2023.

Limiting emissions from travel and transport

The Group has implemented a policy for its employees' business travel in its geographical areas. It recommends limiting travel, especially internationally, to what is strictly necessary. All geographical areas encourage the use of videoconferencing whenever possible, thereby significantly reducing the related carbon emissions. However, in light of the Group's activity, there is still a certain amount of travel that cannot be avoided (visits to facilities as part of field audits, development, etc.).

In France, the Group is switching car fleet management providers, which should enable it to better monitor its consumption from 2023. Initiatives are also being put in place in the Group's other host countries. These actions will be catalogued in 2023.

Reducing emissions from building materials, construction sites and building location

Aware of the large volume of greenhouse gas emissions generated during construction work (production of materials, site machinery, demolition work, etc.) and as a result of location, the Group has taken a number of measures over the past few years, including prioritising central locations close to public transport; promoting off-site construction to reduce construction-related transport (prefabricated wooden façades, modular wooden buildings, prefabricated bathrooms); using structures made of wood or wood-concrete composite.

3.5.2.5 IMPLEMENTING A CLIMATE RESILIENCE STRATEGY

ORPEA is keenly aware of the importance of factoring climate resilience into its real estate management. Buildings are particularly exposed to the effects of climate change and its impact on the comfort of residents, patients and employees. Strengthening the climate resilience of the Group's real estate assets is part of the commitments made in its Green Building Strategy.

Physical risks are taken into account when choosing locations for the Group's future buildings. This criterion is included in the project selection and presentation form submitted to the Group's Development Committee. Before a potential future site is approved, a climate risk study must first be carried out. If risks are identified, an action plan must be proposed[1].

In 2022, service providers were selected to carry out climate risk analyses and to develop adaptation plans for new buildings. In December, physical climate risk vulnerability analyses began for 64 buildings under development in 2022.

(1) As no land was purchased in 2022, this criterion was not tested operationally.

Alignment with TCFD recommendations

In accordance with the recommendations of the TCFD (Task Force on Climate Related Financial Disclosures), ORPEA has begun to identify the climate change risks and opportunities that could have a direct impact on its daily work in the service of vulnerable people requiring care.

In order to follow the TCFD recommendations, the Group has gradually integrated climate change indicators and targets into its environmental strategy. For example, ORPEA analysed its alignment with the TCFD recommendations for the first time in 2021.

Governance	The CSR approach is fully integrated into the Group's governance bodies. Supported by the Ethics, Quality and CSR Committee, the Board of Directors monitors progress in relation to the Group's CSR approach and climate challenges. The Executive Committee sets out the strategy and subsequently monitors the action plans. Lastly, the countries monitor the implementation of the action plans on a monthly basis through their Operations Committees.
Strategy	The Group puts its impact on climate change at the centre of its environmental strategy through its Go Green programme. In 2021, ORPEA committed to a carbon pathway for Scopes 1 & 2 aligned with the Paris Agreement. In 2022, ORPEA also began physical climate risk vulnerability analyses for buildings under development.
Risk management	As part of its risk analysis, the Group considered resilience of its real estate portfolio to climate change as a risk factor: risk of failure to adapt to climate change (see section 3.6.2 of this Universal Registration Document).
Indicators and objectives	In 2022, the Group measured its global carbon footprint for all of its greenhouse gas emissions across the three scopes. Additionally, the Group set medium- and long-term objectives to reduce its energy consumption and its Scope 1 & 2 greenhouse gas emissions. ORPEA has also been reporting its greenhouse gas emissions on the CDP (Carbon Disclosure Project) platform for several years.

3.5.3 EUROPEAN TAXONOMY

3.5.3.1 REGULATORY ENVIRONMENT

The Taxonomy is a system established to classify economic activities as environmentally sustainable. It applies ambitious and consistent technical screening criteria for activities belonging to the same sector.

The Taxonomy Regulation (EU Regulation 2020/853 of June 2020) is a key pillar of the European Commission's Sustainable Finance Action Plan launched in 2018, which aims to redirect capital flows to a more sustainable economy and identify activities that contribute to the goal of carbon neutrality. This regulation is based on two delegated acts:

- Delegated Act of 4 June 2021[1] establishing the technical environmental criteria for the two climate change objectives;
- Delegated Act of 6 July 2021[2] defining the information to be disclosed and the methodology for calculating the Taxonomy indicators.

As a Group subject to the obligation to publish non-financial information in accordance with Article 29a of Directive 2013/34/EU, ORPEA must for the first time disclose the proportion of its activity eligible for and aligned with the Taxonomy in relation to 2022 – turnover (revenue), capital expenditure (CapEx) and operating expenditure (OpEx) – for the first two environmental objectives related to climate change.

The environmental objectives defined in the EU Taxonomy regulation are:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

So far, technical screening criteria have been established for the first two objectives in the delegated climate act. The Group's activities contribute to the climate change mitigation objective. To be considered eligible, an activity must be described in the Delegated Acts (which currently only refer to climate change), even if it does not meet all the technical screening criteria defined in the Delegated Acts.

ORPEA carries out several activities defined in the Taxonomy, particularly through its real estate operations:

- 7.1 Construction of new buildings (for sale);
- 7.2 Renovation of existing buildings;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings;
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 7.7 Acquisition and ownership of buildings (and construction of new buildings to retain ownership).

The regulator issued clarifications regarding activity 12.1 in an FAQ document published on 2 February 2022. Based on this document, consolidation of eligibility for activity 12.1 is contingent on the completion of a physical risk study and the deployment of adaptation action plans. ORPEA's disclosures are therefore solely focused on its real estate activities.

To be considered sustainable, an activity must (i) make a substantial contribution to one of the six above-mentioned environmental objectives, by meeting the applicable technical screening criteria, (ii) cause no significant harm to any of the other five objectives ("Do No Significant Harm" (DNSH) principle), and (iii) comply with minimum social and governance safeguards related to human rights, bribery/corruption, taxation and fair competition.

The Group's Key Performance Indicators (KPIs) are determined in accordance with Annex I to Article 8 of the Delegated Act of 6 July 2021.

(1) Delegated Act of 4 June 2021: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R2139.
(2) Delegated Act of 6 July 2021: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2178.

3.5.3.2 DEFINITION OF INDICATORS AND PRESENTATION OF RESULTS

Eligibility

For the 2022 reporting period, the KPIs are revenue (referred to as turnover in the Taxonomy Delegated Acts), CapEx and OpEx.

	TOTAL *(€m)*	**Proportion of eligible activities** *(%)*	**Proportion of non-eligible activities** *(%)*
Revenue	**4,680,899**	2%	98%
CapEx	**1,737,549,000**	23%	77%

The proportion of economic activities associated with ORPEA's eligible activities out of its total revenue for the year ended 31 December 2022 amounted to 2%.

The proportion of eligible capital expenditure under the Taxonomy for 2022 was 23%.

Eligible operating expenditure, as defined in the Taxonomy, amounted to €193,053 out of total consolidated operating expenses of €9,280,240, representing 2.1%.

In view of the above, the amounts to be taken into account in the denominator of the operating expenditure KPI represent less than 5% of the Group's total consolidated operating expenses for 2022. Consequently, as the proportion of OpEx as defined in the Taxonomy was considered non-material in relation to the Group's total operating expenses for the year, ORPEA has chosen to use the materiality exemption provided by the Regulation and not to present this indicator.

Alignment

Revenue

The revenue generated by ORPEA that can be considered as contributing to the climate change mitigation objective corresponds to the amount of lease payments received on assisted-living facilities and relates to activity 7.7 "Acquisition and ownership of buildings" for real estate assets that meet the technical screening and DNSH criteria.

CapEx

ORPEA's CapEx that can be classified as contributing to the climate change mitigation objective corresponds to CapEx related to (i) the development of new real estate projects for third parties (activity 7.1), renovation projects (activity 7.2) or the development of new real estate projects for the Group (activity 7.7); (ii) operational works on the Group's managed real estate portfolio (activities 7.3 to 7.6); (iii) the routine operation of assets in the managed real estate portfolio (activity 7.7).

This CapEx comprises acquisitions of intangible assets and property, plant and equipment.

Assessment of minimum safeguards

The Group engages in a continuous improvement process, particularly with regard to the implementation of the policies and procedures necessary to align its activities with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In light of this process, and following the publication of the book *Les fossoyeurs*, ORPEA has placed heightened focus on its Sapin II compliance programme and on rebuilding social dialogue.

However, in line with the Refoundation Plan presented on 15 November, the entire HR policy is currently being overhauled and existing processes relating to unfair competition and taxation are going to be further developed as part of action plans that are in the process of being implemented.

As a result, despite the policies and procedures implemented at Group level, compliance with the minimum safeguards could not be demonstrated at 31 December 2022.

3.5.3.3 VOLUNTARY KPIS

Development of real estate projects

As part of the 2022 reporting process, ORPEA extended its assessment of the technical screening and DNSH alignment criteria to its European scope for the real estate project development activity for third parties (activity 7.1) and for the Group itself (activity 7.7). This work involved assessing the alignment of projects with (i) the substantial contribution to the climate change mitigation criterion (technical screening), and (ii) the DNSH criterion.

Substantial contribution to climate change mitigation criterion

For ORPEA's real estate development projects, the NZEB-10% criterion was analysed on the basis of the local regulations transposing the NZEB directive[1] into the laws of the various European countries.

For example, its transposition into local legislation in France corresponds to two regulations depending on the date of the building permit concerned. For the type of projects developed by ORPEA (healthcare and nursing sector), the only regulation currently applicable is the RT 2012[2] with a performance of – 10% required to meet the substantial contribution criterion.

DNSH criterion

A physical risk analysis was conducted for real estate projects meeting the above-mentioned energy performance criterion.

In 2022, a service provider (a consortium made up of Axa Climate and Bureau Veritas) was selected to carry out climate resilience analyses of the Group's buildings.

These site-by-site analyses include:

- an analysis of the building's vulnerability to physical climate risks (heat waves, floods, etc.): prospective modelling of the exposure to physical climate risks of the land where the building is located, in the medium and long term (2030, 2050), followed by analysis of the facility's sensitivity to the identified physical risks, taking into account the activities taking place within them, planned operational processes and the building's design;
- development of adaptation plans to increase resilience to climate risks, combining both architectural design measures and operational processes.

In December 2022, these analyses were launched for 64 of the Group's buildings that were in the development (design or construction) phase in 2022.

Results for the development of real estate projects

As part of the 2022 taxonomy reporting process, ORPEA identified 57 ongoing projects that respect the technical screening and DNSH alignment criteria, corresponding to total CapEx of €222,380,261 over the year.

For this first reporting year, only CapEx directly associated with real estate projects that respect the technical screening and DNSH alignment criteria was consolidated.

Acquisition and ownership of buildings

As part of the 2022 reporting process, ORPEA carried out additional work on assessing the technical screening and DNSH alignment criteria of the real estate acquisition and ownership business (activity 7.7). This work involved assessing the alignment of the assets in the European real estate portfolio with (i) the substantial contribution to the climate change mitigation criterion (technical screening), and (ii) the DNSH criterion.

Substantial contribution to climate change mitigation criterion

For the properties in ORPEA's real estate portfolio, two criteria were analysed to assess compliance with the technical screening criteria for alignment:

For buildings in operation, delivered before 31 December 2020:

- for properties with an energy performance certificate, those with at least an A rating were included;
- for properties without an energy performance certificate, the analysis of the Top 15% threshold was based on two studies, the Observatoire de l'immobilier durable (2022) for the residential category and the Deepki survey (2022) for the healthcare category.

For buildings in operation, delivered after 31 December 2020:

- the assets selected meet the NZEB 10% performance threshold.

DNSH criterion

For properties meeting the energy performance criterion, a vulnerability risk assessment will be carried out in 2023 and adaptation plans will be defined to manage the priority physical risks.

Results for the real estate portfolio

In ORPEA's real estate portfolio in 2022:

- 89 buildings comply with the substantial contribution alignment criterion but have not yet undergone a vulnerability analysis;

For this first reporting year, the CapEx directly associated with properties in the portfolio that comply with the technical screening and DNSH alignment criteria has been consolidated.

(1) NZEB: Nearly Zero-Energy Buildings, in accordance with Directive 2010/31/EU of 19 May 2010 on building energy performance.
(2) RT2012: 2012 thermal regulations defined in the Order of 28 December 2012 on the thermal characteristics and energy performance requirements of new buildings.

3.5.3.4 ANNEXES TO THE EUROPEAN TAXONOMY

Revenue

				Substantial contribution criteria						DNSH criterion										
Economic activities	**Code(s)**	**Absolute turnover**	**Proportion of turnover**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of turnover – year Y**	**Taxonomy-aligned proportion of turnover – year Y-1**	**Category (enabling activity)**	**Category (transitional activity)**
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
Activity 7.1: Construction of new buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.2: Renovation of existing buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.3: Installation, maintenance and repair of energy efficiency equipment					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.6: Installation, maintenance and repair of renewable energy technologies					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.7: Acquisition and ownership of buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**		**0**	**0**	**0**	**0**	**0**	**0**								**0%**			
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Activity 7.1: Construction of new buildings																				
Activity 7.2: Renovation of existing buildings																				
Activity 7.3: Installation, maintenance and repair of energy efficiency equipment																				
Activity 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)																				
Activity 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings																				
Activity 7.6: Installation, maintenance and repair of renewable energy technologies																				
Activity 7.7: Acquisition and ownership of buildings		101,914,529	2%	2%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**101,914,529**	**2%**	0	0	0	0	0	0											
Total turnover of Taxonomy-eligible activities (A.1 + A.2) (A)		**101,914,529**	**2%**	0	0	0	0	0	0								**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		**4,578,984,471**	**98%**																	
TOTAL (A + B)		**4,680,899,000**	**100%**																	

For the activities listed in A2, non-financial undertakings may choose whether or not to complete columns F to R.

Not applicable for 2022 reporting (first full-year reporting).

Y/N = Yes/No.

CapEx

				Substantial contribution criteria						DNSH criterion										
Economic activities	**Code(s)**	**Absolute CapEx**	**Proportion of CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of CapEx, year Y**	**Taxonomy aligned proportion of CapEx – year Y-1**	**Category (enabling activity)**	**Category (transitional activity)**
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0**	**0**	**0**	**0**	**0**	**0**								**0%**			
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																				
Activity 6.3: Urban and suburban transport, road passenger transport		2,103,507	0%																	
Activity 7.1: Construction of new buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.2: Renovation of existing buildings		27,740,679	2%	2%	N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.3: Installation, maintenance and repair of energy efficiency equipment					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.5: Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.6: Installation, maintenance and repair of renewable energy technologies					N/A	N/A	N/A	N/A	N/A	N/A										
Activity 7.7: Acquisition and ownership of buildings		350,670,091	20%	20%	N/A	N/A	N/A	N/A	N/A	N/A										
Activity 8.1: Data processing, hosting and related activities		14,508,738	1%	1%																
Activity 8.2: Data-driven solutions for GHG emissions reductions		10,414,953	1%	1%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**405,437,968**	**23%**	0	0	0	0	0	0											
Total CapEx of Taxonomy-eligible activities (A.1 + A.2) (A)		**405,437,968**	**23%**	0	0	0	0	0	0								**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		**1,332,111,032**	**77%**																	
TOTAL (A + B)		**1,737,549,000**	**100%**																	

For the activities listed in A2, non-financial undertakings may choose whether or not to complete columns F to R.

Not applicable for 2022 reporting (First year of full reporting).

Y/N = Yes/No.

OpEx

				Substantial contribution criteria						DNSH criterion										
Economic activities	**Code(s)**	**Absolute OpEx**	**Proportion of OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy aligned proportion of OpEx, year N**	**Taxonomy aligned proportion of OpEx – year Y-1**	**Category (enabling activity)**	**Category (transitional activity)**
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED ACTIVITIES)																				
Activity 7.7: Acquisition and ownership of buildings		193,053	0%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**193,053**	**0%**	100%	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Total OpEx of Taxonomy-eligible activities (A.1 + A.2) (A)		**193,053**	**2%**	0	0	0	0	0	0								0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		**9,087,187.00**	**98%**																	
TOTAL (A + B)		**9,280,240**	**100%**																	

For the activities listed in A2, non-financial undertakings may choose whether or not to complete columns F to R.

Not applicable for 2022 reporting (first full-year reporting).

Y/N = Yes/No.

3.5.4 BIODIVERSITY: MAKING NATURE CENTRAL TO PATIENTS' AND RESIDENTS' CARE PLANS

Biodiversity refers to all the different kinds of life found in one area – from species to natural habitats – and the interactions between them. Biophilia is defined as the innate human instinct to connect with nature and other living beings, and biophilic design has been found to support physical health and psychological well-being.

ORPEA pays particular attention to diversity and biophilic design in its activities, particularly taking into account the following issues:

- in the construction of its buildings, ORPEA has to factor in the issues of land development and the preservation of wildlife;
- in the operation of its facilities, the Group needs to, for example, adopt an ecological approach to the maintenance of its green spaces.

In addition, it has been scientifically proven that contact with nature can have an impact on the health and well-being of residents, patients and staff. Research has shown that the benefits of such contact include improved cognitive and motor stimulation, community and social bonding, as well as relaxation, which can contribute to better sleep and functional capacities, as well as to the natural reduction of behavioural problems and mood disorders in vulnerable patients and residents.

With this in mind ORPEA has put in place numerous initiatives over the past few years to integrate nature and biodiversity into the design, construction and operation of its facilities.

BIODIVERSITY IN THE DESIGN AND CONSTRUCTION OF BUILDINGS AND GREEN SPACES

Several facilities have already implemented a number of best practices, including:

- green roofs and permeable parking surfaces;
- a landscaping project that integrates wildlife shelters (nesting boxes, insect hotels, etc.) and prioritises local, indigenous and drought-tolerant plant species;
- 141 facilities in service have therapeutic gardens, which are outdoor green spaces designed to stimulate the senses, help maintain independence, calm residents and patients and preserve their motor skills.

INTEGRATING BIODIVERSITY AND BIOPHILIA INTO FACILITY OPERATIONS

ORPEA integrates biodiversity into the operation of many of its facilities, thanks to a number of initiatives:

- encouraging outdoor activities and contact with nature, including therapeutic gardening and animal therapy (contact with animals including llama therapy and equine-assisted therapy) in care pathways, to improve residents' and patients' mental well-being through non-drug treatments;
- developing ecological management of green spaces: for example, all facilities in France have banned the use of pesticides. At Group level, 15 facilities have introduced the eco-pasture process – an ecological form of maintaining green spaces by simply allowing sheep to graze.

3.5.5 PRESERVING RESOURCES AND DEVELOPING THE CIRCULAR ECONOMY

Through the construction and operation of its facilities, ORPEA generates waste (such as medical, catering, and construction waste) and consumes natural resources (water, food and mineral raw materials). The Group is taking action to adopt a circular economy approach and has introduced initiatives and made commitments to control the waste generated from its operations and construction sites as well as its water consumption.

3.5.5.1 WASTE AND THE CIRCULAR ECONOMY

Group policy and context

The management of waste in healthcare facilities and nursing homes represents a major challenge for the protection of both the environment and public health. Significant categories of waste for the healthcare and nursing sector include Potentially Infectious Medical Waste (PIMW), drug waste, chemical waste, food waste, electronic waste and construction waste. PIMW is of the greatest concern because it can contain pathogenic micro-organisms and chemical substances that could be harmful to health or the environment. The healthcare and nursing sector also consumes large amounts of natural resources, such as water and mineral raw materials.

ORPEA's objective is to enhance the management and reduce the environmental impact of the waste produced by all its facilities. However, achieving this objective is complex as the facilities' waste management is carried out by many waste collection players, which can be local or national and public or private. In order to reduce the Group's environmental footprint and preserve the health of the living environment, ORPEA has adopted the following methodology: measure, reduce, optimise (recycle, reuse, upcycle), and raise awareness.

With a view to helping the Group achieve its goals in this area, ORPEA has been working with a specialised company in France since 2019 to both (i) ensure that waste management services are fully under control, and (ii) optimise the facilities' waste management from an environmental, quality and financial standpoint.

Given the success of this project, the Group has extended the analysis to all of its regions in order to obtain an overall view and measurement of its waste production and to establish a common measurement methodology for all host countries.

In 2022, the Group's waste production analysis provided a reliable measurement of ordinary waste in nine countries (France, Belgium, Ireland, China, Germany, Croatia, Poland, Slovenia and Austria), representing over 75% of the Group's scope. The coverage rate was 60% in 2021, which means that the Group has made good progress in this area.

■ Ordinary waste production (Group scope)

(in tonnes)	Total scope		France-Benelux-UK-Ireland		Central Europe		Eastern Europe		Iberian Peninsula and Latin America		Other countries	
Year	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Waste production	39,771	32,376	27,829	26,944	9,150	N/A	2,268	5,272	369	N/A	155	160

■ Ordinary waste production (France)

(in kg)	**2022**	**2021**	**2020**
France overall mass	21,980,982	21,836,558	19,271,925

Potentially infectious medical waste (PIMW)

The mass of this type of waste is directly correlated to the Group's activities and to the amount of care provided to patients and residents who often suffer from multiple conditions and are increasingly dependent.

The challenge for ORPEA is to optimise waste management by ensuring, among other things, that PIMW is properly sorted in compliance with the applicable regulations and professional best practices.

For example, in France, training and awareness-raising programmes are provided to the staff concerned, either by the facility's management (using training materials at their disposal) or by the external service providers in charge of waste collection. Sorting practices for PIMW are also checked in the French facilities during six-monthly quality audits, with corrective action put in place if necessary.

In addition, all of the Group's facilities comply with the local regulations of each city, region and country where they are located. However, definitions as well as collection and disposal processes can vary significantly depending on the applicable national and even regional waste management policies. The facilities are provided with the necessary equipment to collect this waste. In the countries concerned, PIMW is removed and disposed of by an authorised company under a service agreement. These agreements and traceability records are kept available for the relevant authorities.

Thanks to the roll-out of the new data collection platform for CSR indicators in 2022, volumes of PIMW collected could be reliably measured for 11 countries, representing more than 85% of the Group's scope (France, Belgium, Italy, Portugal, Spain, China, Germany, Croatia, Poland, Slovenia and Austria), and waste disposal methods (ordinary and infectious waste combined) were reliably measured for eight countries, representing more than 80% of the Group's scope (Austria, Belgium, China, France, Germany, Ireland, Poland and Switzerland). These measurements are presented below:

■ Production of potentially infectious medical waste (PIMW): Group scope

(in tonnes)	Total scope			France-Benelux-UK-Ireland			Central Europe			Eastern Europe			Iberian Peninsula and Latin America			Other countries		
Year	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
PIMW production	585	872	779	407	642	668	39	49	48	117	118	N/A	22	63	63	0.3	0.5	N/A

Initiatives are implemented in each country, applying the Group's methodology but adapted to local regulatory requirements and the existing collection and disposal systems. France is a good example in this area.

Production of potentially infectious medical waste (PIMW): France

(in kg)	2022	2021	2020
PIMW – France	384,148	598,491	Data not available

The production of PIMW in France decreased in 2022, due in particular to the lifting of certain health restrictions in accordance with regulatory and hospital hygiene provisions, as well as to training and awareness-raising initiatives about sorting practices. A call for tenders is currently under way for this category of waste in order to ensure that it is effectively managed and collected.

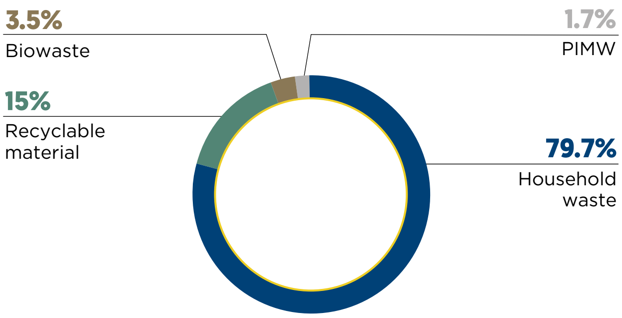
2022 achievements in France

Measurement, analysis and optimisation of waste production

In France, a "waste diagnosis" was carried out for all facilities in 2019 and 2020, and was updated in 2021. These diagnoses, coupled with the aggregation of waste production data, have made it possible to create a precise view of waste production as well as to target areas for improvement and organise the roll-out of action plans at the facilities. In France, private service providers and local authorities are subject to numerous procedures and regulatory obligations and required to provide certain services. This makes it difficult to identify the volumes of waste treated as well as the types of waste and disposal concerned, and therefore to implement a common set of optimisation levers.

ORPEA's facilities in France produced 21,981 tonnes of waste in 2022 (including 384 tonnes of PIMW), i.e., an average of **656 kg of waste per bed** compared to 653 kg of waste per bed in 2021. The quantities of waste collected in France in 2022 break down as follows by category:

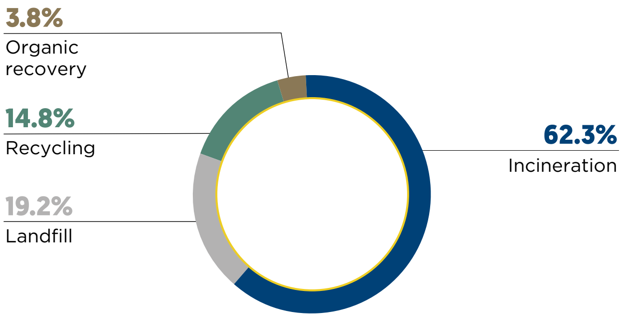
Waste categories in 2022 (in kg)



Waste is grouped into five main categories: residual household waste, biowaste (food waste and garden waste), potentially infectious medical waste (PIMW), hazardous waste (0.1%), recyclable materials (all materials that do not fall into the four previous categories).

The disposal of waste collected in France in 2022 breaks down as follows by type:

Waste disposal in France in 2022 *(in kg)*



Main projects in France in 2022

- **Roll-out of new biowaste recovery systems:** 31 additional facilities in France have set up a biowaste recovery system.
- **Improvement of sorting at source:** project launched to improve at-source sorting processes. Meetings were held with several suppliers of voluntary waste drop-off points. Localized lists of these drop-off points will be created for each waste production area to facilitate sorting by the operations teams.
- **Raising awareness among operations teams:** significant work was carried out to aggregate waste recovery data for each facility in France for it to be fully integrated into a digital platform. As a result, each facility director now has access to the main measurement indicators: mass, volume, cost and recovery rate of waste. Making this data available gives the directors an awareness of the impact of the waste produced at their facilities.
- **Progressive compliance with France's anti-waste for a circular economy law (AGEC).**
- **Traceability of hazardous waste:** the facilities closely monitor changes in regulations relating to the traceability of hazardous waste, particularly PIMW. The Group is working with the PIMW collection service providers to implement the French Ministry of Ecological Transition's TRACKDECHETS platform for its facilities, allowing Hazardous Waste Tracking Slips to be submitted electronically. In 2023, the PIMW Hazardous Waste Tracking Slips will be created, published, transmitted and signed electronically via the TRACKDECHETS platform for all facilities in France.

The above-mentioned projects helped the Group achieve the following results in France in 2022: a 16% increase in the recycling rate, a 50% increase in the recovery of organic waste and a 7% decrease in the landfill rate.

Recovery and reuse of food waste in France

In France, thanks to the deployment of biowaste recovery systems, together with sorting at source and training of operations teams, 768 tonnes of biowaste were recovered in 2022, i.e., 116% more than in 2021. This waste is then put through a composting or anaerobic digestion process in order to create compost or energy thanks to our specialised collection partners, two of which have official ESUS (*entreprise solidaire d'utilité sociale* – social utility enterprise) status.

Fighting food waste in France

Through its national pact against food waste (*Pacte national de lutte contre le gaspillage alimentaire*), France has committed to halving food waste by 2025 (vs. 2015). ORPEA's approach is fully in line with this process, as demonstrated in the ninth commitment of its Catering Charter and its national campaign to fight food waste in all of its facilities in France. This campaign – which was launched in 2020 against the backdrop of the difficult conditions caused by the Covid pandemic – was carried out again in 2021 and 2022, with over 80% of facilities taking part. Part of the campaign involved weighing waste, which gave facilities the opportunity to measure actual quantities of waste over a period of eight consecutive days, in accordance with ADEME recommendations. To that end, the facilities concerned were equipped with an internal application to enable them to enter their daily waste generation and to use the data to subsequently make improvements. A detailed analysis of the results by facility will help each director to identify and implement action plans to reduce food waste while maintaining the necessary nutritional requirements.

Fighting food waste (Group scope)

Given the nature of ORPEA's business and the number of meals served each year within its facilities, the Group attaches great importance to fighting food waste (see section 3.2.4.2 of this Universal Registration Document). As part of its Be Well programme and Catering Charter, the Group is committed to systematically measuring its food waste production through regular weighing campaigns in all the countries where it operates. Analysis of the results of these campaigns enables the development of targeted action plans that can be customised to each country in order to fight food waste while maintaining the size of food portions.

ORPEA has already taken practical measures in its various geographical areas which it intends to further strengthen through awareness-raising, training, adaptation, analysis and organisational measures.

Raising teams' awareness

Training and awareness-raising initiatives have been implemented with teams to remind them of best practices for compacting waste (for example, cardboard boxes and bottles) and sorting rubbish, as well as for fighting food waste.

2023 forecasts for France

In 2023, the Group will continue its efforts to improve waste management in France, with a target waste breakdown for 2025 of 25% recyclable materials (fibrous, plastic and metal) and 15% biowaste.

Creating partnerships

Aware of the systemic approach required for waste disposal, the Group seeks to integrate partnerships with external organisations or associations into its strategy in order to encourage a more responsible approach throughout the process. For example, in France, the Group has created a partnership with the environmental organisation Ecologic. Ecologic treats waste electrical and electronic equipment (WEEE) and electrical and electronic medical devices. To do this, it collects, decontaminates and recycles WEEE throughout France, ensuring that each stage is carried out correctly. In addition, two partnerships are in the process of being signed with the environmental organisations Valdelia (authorised to collect and recycle professional furniture) and Corepile (authorised to collect small batteries).

Progress on the waste management policy in Belgium

In 2022, the diagnoses carried out on all of the Group's facilities enabled it to obtain a far more precise and controlled record of waste than in 2021, particularly with regard to quantities of recyclable materials and disposal methods for all types of waste:

- the proportion of recyclable materials collected increased from 9.7% in 2021 to 15.8% in 2022;
- in 2022 all of the disposal methods used for waste produced could be identified, whereas in 2021 the methods used to dispose of 33% of the waste produced were unidentified.

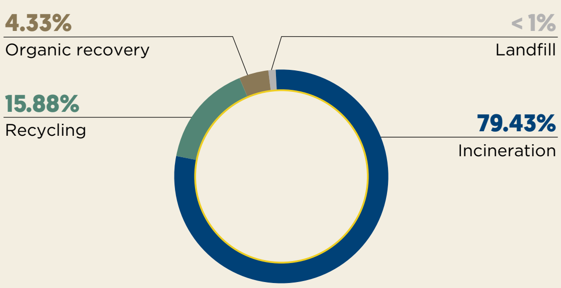
In 2022, total waste produced by facilities in Belgium amounted to 2,989 tonnes (including 2,375 tonnes of household waste and 472 tonnes of recyclable materials, i.e., more than 94% of the total waste produced). This corresponded to an average of 602 kg of waste per bed.

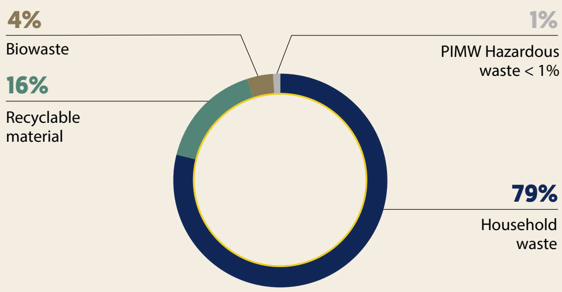
The main area identified for improvement is to increase the recycling rate and the recovery rate for organic waste in order to reduce the proportion that is incinerated. The three main avenues to achieving this objective are:

- rolling out biowaste collection on sites where it is not yet in place (according to the 2022 register, 35% of Belgian sites currently collect biowaste);
- increasing the collection of recyclable materials by setting up new sorting systems;
- improving sorting at source by rolling out voluntary drop-off points and raising teams' awareness.

Waste produced in Belgium and its disposal methods break down as follows for 2022:

Waste disposal in 2022 in Belgium





Actions and projects in Belgium in 2022

A member of the United Nations Global Compact since 2020, the Group decided to reinforce its commitment by joining the new SDG Ambition Accelerator programme at the end of 2021, an initiative led by the teams in Belgium.

The programme supports companies in setting sustainability targets aligned with ambitious benchmarks and accelerating integration of the Sustainable Development Goals into core business management. Between October 2021 and May 2022, ORPEA Belgium, representing the Group, followed the "Ambition Accelerator" programme to define an ambitious strategy and action plan aligned with the "zero waste to landfill and incineration by 2030" benchmark, with a first step of "diverting/eliminating 50% of waste from economic activities (WEA) and municipal waste (MW) by 2025".

Following the 3Rs rule (Reduce-Reuse-Recycle), ORPEA Belgium has mapped the waste produced by its facilities and prioritised the actions to be taken in order for it to be reduced, reused or recycled. An audit of waste containers and sorting practices was carried out in all of the country's 82 facilities to ensure that all municipal waste (paper/cardboard, PMD (plastic bottles, metal packaging and drink cartons), glass, etc.) could be effectively sorted and that collections were optimised.

The measures taken to reduce waste include a pilot launched in 16 homes to replace plastic water bottles with glass jugs (made in Europe), which has saved **almost 115,000 plastic bottles per year and over 2 tCO_2eq.** of emissions.

In addition, "zero waste" workshops have been organised with the homes' chefs, and seasonal "zero waste" recipes created by the chefs are shared each month with all employees via an internal application.

The measures put in place in Belgium to increase the reuse of waste include the launch of a collection campaign for electronic devices in partnership with a non-profit organisation. Over **420** computers, phones, printers and other devices were collected, which created jobs for a month for **two** unemployed people, provided **130** disadvantaged people with refurbished devices, and avoided nearly **90 tCO_2eq** of emissions thanks to the reuse and recycling of the devices. This initiative will be repeated on an annual basis.

As for recycling, an **approved collector or a specific process** has been identified for each category of recyclable items (mattresses, solid wood furniture, printer toners, expanded polystyrene, etc.), which has been shared with all facilities in order to increase the scope and volume of waste recycled. A vast staff awareness-raising and communication campaign is planned for 2023.

A specific approach to construction project waste

In 2022, ORPEA adopted a Low-Pollution Worksite Charter, which will be included in all future works contracts. It includes a waste recovery target of 70% (through recycling or reuse) for all major renovation or new construction projects.

3.5.5.2 CONTROLLING WATER CONSUMPTION

ORPEA's business includes activities that consume water such as laundry and catering operations. The healthcare and nursing sector is also subject to specific requirements regarding the bacteriological and chemical quality of water, such as water quality controls and measures to prevent legionella. The Group is implementing monitoring, reduction and reuse measures to better control its level of consumption.

Monitoring and controlling water consumption

As is the case with energy consumption, water consumption is monitored in all of the Group's geographical areas. 90% of the facilities have implemented data collection systems using the Group's Deepki platform. This tool allows for the automatic collection of water consumption data directly from the supplier areas of the platform. Water consumption is also checked and analysed in order to identify leaks.

- Water consumption

	Group			France-Benelux-UK-Ireland			Central Europe			Eastern Europe			Iberian Peninsula and Latin America			Other countries		
(in cu.m.)	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Water	5,332,528	5,230,689	5,156,577	2,733,958	2,716,567	2,555,340	1,152,954	1,046,234	1,151,962	609,884	602,525	610,651	783,334	824,303	796,544	52,398	41,060	42,079

Reducing water consumption at source

Various measures to control water consumption are implemented in new buildings. These measures – which are adapted to the local context – include the installation of water-saving plumbing systems (such as dual flush toilets and aerators that can reduce a tap's water consumption by 30% to 50% without any loss of comfort or pressure), and of water-efficient kitchen appliances (e.g., dishwashers).

As part of the Group's Green Building Strategy, many projects in the design or construction stage in 2022 (see section 3.5.1.3 of this Universal Registration Document) are aiming for environmental certification, which means they will be subject to minimum requirements in terms of the building's overall water consumption. New construction and major renovation projects will incorporate water-saving plumbing systems (taps and toilets) into their design that meet the European Taxonomy criteria.

Reusing rainwater

To date, 59 facilities in service are equipped with tanks for collecting rainwater that is subsequently used for watering plants.

As part of its Green Building Strategy, ORPEA will install these systems at all of its new buildings in order to reduce the consumption of drinking water.

3.5.5.3 HELPING COMBAT URBAN HEAT ISLANDS

Urban overheating is detrimental to the well-being of residents and patients. With climate change bringing an acceleration in heatwaves, cooling strategies are becoming an imperative for health and well-being.

The Group has put in place a number of practical measures to combat urban heat islands (UHIs), in both the design and operational phases of its buildings, including:

- site greening – more than 115 facilities have a green roof;
- integration of plants as a key part of real estate projects, with green spaces at ground level or on balconies;
- using permeable outdoor parking spaces and pedestrian walkways;
- at sites with gardens: prioritising landscaping projects that feature a varied range of plants at different levels (trees, shrubs, herbaceous plants, etc.) and differentiated management of green spaces (with areas of fallow grassland), in order to preserve humidity and coolness more effectively than a garden consisting solely of a short-cut lawn.

Action is also being taken in new buildings and renovations to passively reduce building temperature through zero-energy methods such as bioclimatic design. This includes installing reinforced thermal insulation of the building envelope; light-coloured façades and roofs which reflect more light and therefore reduce the sun's impact on the building; and alternative cooling systems (such as the two projects under construction integrating geothermal cooling, see section 3.5.2.2); as well as taking into consideration a building's exposure to sun and the prevailing winds when designing its form and orientation.

3.6 Duty of Care Plan

ORPEA believes that constant vigilance must be exercised with regard to the impact of its activities on people and the environment as this is a key factor in the resilience of its business model. In addition, ORPEA endeavours to uphold human rights and comply with the labour, personal health and safety, and environmental legislation in all the geographical areas where it is present.

As part of the commitment to the Global Compact in 2020 and in compliance with the 27 March 2017 law on duty of care, ORPEA has put in place a Duty of Care Plan (see section 3.6.2 below), which aims to identify and prevent serious violations of human rights, fundamental freedoms, human health and safety, and the environment. The Procurement department ensures that global, national and regional suppliers sign the Group's Responsible Procurement Charter, which includes requirements relating to respect for people and working conditions, the environment and ethics.

The Duty of Care Plan sets out the methodology used to draw up the duty of care risk map as well as the governance structure related to the duty of care, and then details all of the procedures implemented within the Group.

3.6.1 RISK MAPPING AND GOVERNANCE STRUCTURE

ORPEA has a risk management and prevention policy that is adapted to the risks inherent to its business. This policy is based on a structured approach to identifying, assessing, prioritising and then controlling the risks that could compromise the Group's objectives.

RISK MAPPING METHODOLOGY

At the end of 2022, the Group conducted a new assessment of its main risks and updated its risk map accordingly (see Chapter 2 of this Universal Registration Document).

The risk identification process was carried out by the Risk Management department, which compiled a risk universe aligned with the Group's activities. The risk universe was drawn up based on market practices and with the assistance of the Operations departments, both in France and internationally. Each risk was then assessed using scoring scales defined at Group level, which took into account, among other things, the impact of the risk on the physical and mental integrity of patients, residents, beneficiaries, employees and other stakeholders, as well as the environmental, societal and governance impacts of the risk.

The risks identified in the risk mapping process were ranked in order of severity: low, moderate, significant and major. The ranking corresponds to a qualitative assessment, carried out in conjunction with the Operations departments, and for each risk is based on a combination of its probability of occurrence and its potential impact. The effect of the Group's internal control systems was then factored in to obtain the net risks (see Chapter 2 of this Universal Registration Document).

GOVERNANCE

The Audit and Risk Committee monitors issues relating to the effectiveness of the systems used to manage significant risks, in conjunction with the Specialised Committee in charge of non-financial issues where appropriate, to ensure all financial and non-financial factors are taken into account.

The Ethics, Quality and CSR Committee receives a presentation of the Group's environmental, social and ethical risk map; it studies the risks that have been identified and is kept informed of their status and the features of the related management systems. The Ethics, Quality and CSR Committee coordinates its work with the Audit and Risk Committee on all matters relating to its areas that fall within its remit, including risk management and analysis.

In particular, it ensures that the Group complies with rules and conventions on respecting human rights and fundamental freedoms in its operations, and that all of its commercial partners and associates comply with the values set out in the Group's Responsible Procurement Charter and its Code of Conduct – Ethics and CSR.

The Duty of Care Plan is overseen by the CSR department.

3.6.2 PROCEDURES FOR ASSESSING, MONITORING AND MITIGATING RISKS

The table below summarises ORPEA's Duty of Care Plan in the areas of human rights, the environment, and personal health and safety, both for its own activities and for those of its suppliers and subcontractors.

The table outlines all the measures that have been put in place, identifying the duty of care issue concerned; the associated risks; the procedures for assessing the risk and measures to mitigate or prevent the risk (for both the Group's own activities and those of its subcontractors and suppliers); the whistleblowing system in place; the performance monitoring system in place; and the related performance indicators.

References are provided to other sections of this Non-Financial Statement where more detailed descriptions can be found.

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors
PERSONAL HEALTH AND SAFETY	Risk related to medical care and quality of care and the safety of patients and residents	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] Group Medical Committee, Ethics Advisory Board, Scientific Council [3.2.1.3] Quality management system: Group Standards – Quality [3.2.2.1] Quality certification of facilities [3.2.2.1] Employee training and awareness-raising on quality [3.2.2.1] Internal audits, external audits and regulatory inspections [3.2.2.2] Crisis management and business continuity plans [3.2.3.1] Procedure for reporting and managing serious adverse events (SAEs) [3.2.3.2] Catering Charter [3.2.4.2] Satisfaction surveys [3.2.2.3] Healthcare and nursing research work: "improving prevention" and "going further in caring for the people the Group supports" programmes [3.4.3.1] **Best practices** General Meetings (France) [3.2.2.3] SYNERPA Ethics and Transparency Charter (France) [3.2.1.3] Confidence Charter (France) [3.2.3.2] Suicide Observatory (France) [3.2.3.2] Food Plan (France) [3.2.4.2] Residents' councils (France) and User Committees [3.2.2.3]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3]
	Risk related to the unsuitability or inadequacy of the health and safety conditions of premises	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] Procedure for reporting SAEs [3.2.3.2] Building safety checks [3.2.2.1] Architectural specifications [3.3.3.1] and Corporate Design Guidelines for the design of buildings integrating risk prevention and adaptation for people with disabilities and facilitating operational efficiency [3.2.4.1] Technical training and awareness-raising on sustainable construction challenges [3.5.1.2] Maintenance of buildings to maintain the quality of the property and the physical working and living environment [3.2.3.1] Maintenance training [3.2.3.1] Corrective and preventive maintenance [3.2.3.1] Safety audits [3.2.3.1]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3] Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers [3.4.2.4] Architectural specifications [3.3.3.1] and Corporate Design Guidelines for the design of buildings integrating the prevention of risks related to the built environment and adaptation for people with disabilities and facilitating operational efficiency [3.2.4.1] Safety audits [3.2.3.1]
	Risk of harm to employee health, safety and security	Code of Conduct – Ethics and CSR/Principle: Ensuring health, safety and well-being in our facilities [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] Building safety checks [3.2.2.1] European Works Council: working group on psychosocial risks [3.3.2.1] Building design specifications and Corporate Design Guidelines for the design of buildings incorporating staff break and catering areas [3.3.3.1] Investment in specific equipment [3.3.3.1] Policy for the use of equipment [3.3.3.1] Training on occupational risk prevention: musculoskeletal disorders, etc. [3.3.3.1] Health and safety committees in facilities [3.3.3.1] Site safety training for corporate construction employees Healthcare and nursing research: "taking care of our employees" programme [3.4.3.1]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3] Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers [3.4.2.4] List of "on-site health and safety" best practices displayed at each construction site "On-site health and safety" scorecard completed monthly by ORPEA to assess construction companies Low-Pollution Worksite Charter including a safety component

Whistleblowing system	Performance monitoring system	Performance indicators
ORPEA whistleblowing system covering most* of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report categories: ▪ Rights and protection of individuals ▪ Abuse and quality of care (in France and at Group level, to be extended to other countries in 2023) Complaints management system (3.2.2.3) System for reporting serious adverse events (3.2.3.2) **Best practices** ▪ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform ▪ In France, Austria, Italy, Spain, Belgium and Germany: mediator for residents, patients and families (3.2.2.3) ▪ Helpline for residents, patients and families in France (3.2.2.3)	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 (3.4.1.3) Monitoring of facilities' training plans (3.2.2.1) Follow-up to the six-monthly audits of facilities (3.2.2.2) Monitoring of SAEs (3.2.3.2) Follow-up of complaints (3.2.2.3) Monitoring of the Catering Charter (3.2.4.2) Monitoring the deployment of mechanisms involving families in life within facilities (3.2.2.3) Follow-up of satisfaction surveys (3.2.2.3) Monitoring of serious adverse events according to their criticality (3.2.3.2)	% of employees trained on the Code of Conduct – Ethics and CSR % of facilities internally audited every six months Number of criteria monitored on an ongoing basis SAE rate Complaints rate Number of mediations carried out Number of calls to the helpline % of facilities that have implemented the Catering Charter % of countries that have set up a system of dialogue with residents'/patients' families Satisfaction rate
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report categories: ▪ Discrimination, harassment, occupational health and safety ▪ Non-compliance with laws, regulations or the public interest **Best practices** ▪ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 (3.4.1.3) Follow-up of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of SAEs (3.2.3.2) Monitoring of technical training on sustainable construction (3.5.1.2) Green Building Strategy reporting (3.5.1.2) Traceability of corrective maintenance operations (3.2.3.1)	% of employees trained on the Code of Conduct – Ethics and CSR % of significant (global, national and regional) suppliers that have signed the Responsible Procurement Charter (3.4.2.4)
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report categories: ▪ Discrimination, harassment, occupational health and safety ▪ Non-compliance with laws, regulations or the public interest Serious adverse event handling system (3.2.2.4) **Best practices** ▪ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform ▪ Institutional Response Unit in France (3.3.3.1) ▪ Austria: employee mediator	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 (3.4.1.3) Monitoring of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of work-related accidents (3.3.3.1) Employee engagement survey (3.3.2.2) SAE monitoring (3.2.3.2) Employee helpline **Best practices** ▪ Institutional Response Unit (France) (3.3.3.1)	% of employees trained on the Code of Conduct – Ethics and CSR % of significant suppliers (global, national and regional) signing the Responsible Procurement Charter (3.4.2.4) Accident frequency rate Employee engagement rate

** The platform has been rolled out in 19 of the countries in which the Group operates. The five countries not included in this scope are Croatia, Luxembourg, Colombia, Latvia and the United Arab Emirates.*

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors
PERSONAL HEALTH AND SAFETY	Risk related to managing personal and medical data, cybersecurity and information systems	Code of Conduct – Ethics and CSR/Principle: Respecting the privacy of individuals and their personal data [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] HDS and ISO 27001 certification [3.4.1.4] Audits [3.4.1.4] SOC and CERT teams [3.4.1.4] Data Protection Officer [3.4.1.4] Data Protection Compliance Statement [3.4.1.4] Employee training and awareness-raising campaigns [3.4.1.4] **Best practices** IT Charter (France) [3.4.1.4] Privacy by Design Committee intervention before personal data are processed [3.4.1.4]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3]
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	Risk related to a failure to respect the rights and dignity of vulnerable people requiring care	Code of Conduct – Ethics and CSR/Principle: Respecting the rights and dignity of people [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] Preventive and corrective mistreatment protocol [3.2.1.2] Ethics and positive treatment correspondents [3.2.1.2] Ethics Advisory Board [3.2.1.3] **Best practices** SYNERPA Ethics and Transparency Charter (France) [3.2.1.3]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3]
	Labour-related tensions or conflicts and non-compliance with labour laws	Code of Conduct – Ethics and CSR/Principle: Promoting social dialogue [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] Global Partnership Agreement on Ethical Employment, Social Dialogue, Collective Bargaining and Trade Union Rights signed with UNI Global Union [3.3.2.1] European Works Council [3.3.2.1] **Best practices** Company agreement for the rebuilding of employee dialogue (France) [3.3.2.1] Review and redrafting of contract and amendment templates	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3] Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers [3.4.2.4]
	Discrimination risk	Code of Conduct – Ethics and CSR/Principle: Promoting and respecting Equality, Diversity and Inclusion [3.1.3.3] Employee training on the Code of Conduct [3.4.1.3] **Best practices** *Mission Handicap* disability unit (France) [3.3.4.3]	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers [3.1.3.3] Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers [3.4.2.4]

Whistleblowing system	Performance monitoring system	Performance indicators
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: ■ Rights and protection of individuals **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Group's Code of Conduct – Ethics and CSR: target to have 100% of employees trained by 2023 (3.4.1.3) Monitoring of cybersecurity awareness-raising campaigns Monitoring of alerts and reports Record of data processing activities Cybersecurity indicators and scorecard Regular Safety Committee meetings External audits (3.4.1.4)	Regular tier-3 controls carried out by internal audit with the support of cybersecurity specialists
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report categories: ■ Rights and protection of individuals ■ Mistreatment and quality of care (France and headquarters level, to be extended to other countries in 2023) **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform ■ Mediation system: France, Austria, Italy, Belgium, Spain, Germany (3.2.2.3) ■ Helpline for residents, patients and families in France (3.2.2.3)	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: 100% of employees trained by 2023 (3.4.1.3) Monitoring of the deployment of trained ethics and positive treatment correspondents (3.2.1.2)	% of positive treatment correspondents trained
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: ■ Rights and protection of individuals **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 (3.4.1.3) Monitoring of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of and provisioning for disputes	Number of reports received via the platform
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: ■ Discrimination, harassment, occupational health and safety **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 (3.4.1.3) Monitoring of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of the internal promotion rate for women (3.3.4.2)	Number of reports received via the platform % of women promoted Disability: % of employees with disabilities

Duty of care issue	Risks	Risk assessment procedures and mitigation measures for ORPEA's own activities	Risk assessment procedures and mitigation measures for the activities of ORPEA's suppliers and subcontractors
ENVIRONMENT	Risk related to failure to adapt to the consequences of climate change	Code of Conduct – Ethics and CSR/Principle: Limiting our environmental footprint (3.1.3.3) Employee training on the Code of Conduct (3.4.1.3) Scorecard for projects integrating the Green Building Strategy and the EU Taxonomy (3.5.1.2) Technical training and awareness-raising on sustainable construction (3.5.1.2) Design and construction specifications meeting the criteria for environmental certification of buildings (3.5.1.3) Assessment of the ORPEA Group's carbon footprint by an external third-party in 2022 (3.5.2.1) Setting of a carbon pathway for Scope 1 and 2 emissions in line with the Paris Agreements (3.5.2.3) Building design specifications incorporating ORPEA's Green Building Strategy and the EU Taxonomy, with a threshold for both energy and carbon performance (3.5.2.3 and 3.5.3.3) Physical climate risk analysis and adaptation plans for buildings under development (3.5.2.5) Climate risk study for new land acquisitions (3.5.2.5) Building design specifications integrating the fight against urban heat islands (3.5.5.3) Bioclimatic construction for new buildings and major renovations (3.5.5.3) Crisis management and business continuity plans (3.2.3.1) **Best practices** Employee awareness-raising about climate change in France (3.1.2)	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers (3.1.3.3) Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers (3.4.2.4) EcoVadis or equivalent assessment of global and national suppliers, including environmental sustainability compliance scorecards (3.4.2.5) Training of buyers in sustainable procurement practices and EcoVadis assessments (3.4.2.5) Building design specifications incorporating the Green Building Strategy and the EU Taxonomy, with a threshold for both energy and carbon performance (3.5.2.3 and 3.5.3.3) Design and construction specifications meeting the criteria for environmental certification of buildings (3.5.1.3) Building design specifications integrating the fight against urban heat islands (3.5.5.3)
	Risk of environmental damage	Code of Conduct – Ethics and CSR/Principle: Limiting our environmental footprint (3.1.3.3) Employee training on the Code of Conduct (3.4.1.3) Energy audits, Energy Management System (3.5.2.2) Energy renovation plans (3.5.2.2) Design specifications to boost energy performance (3.5.1.2) Deployment of the Green Building Strategy in the design and construction specifications for new projects (3.5.1.2) Technical training and awareness-raising on sustainable construction (3.5.1.2) Environmental certification specifications: energy, circular economy, biodiversity, pollution, etc. (3.5.1.3) Project scorecard integrating the Green Building Strategy and the EU Taxonomy/DNSH criteria (3.5.3.3) Integrating biodiversity into design specifications (3.5.4) Waste: optimised sorting and monitoring of production (3.5.5.1) Control of water consumption (3.5.5.2) Crisis management and business continuity plans (3.2.3.1) **Best practices** Employee awareness-raising about eco-friendly behaviours in France (3.1.2) Collection scheme for electronic waste (France, Belgium) (3.5.5.1) Eco-efficiency initiatives implemented at the Group's headquarters and regional offices Biodiversity initiatives put in place by facilities (3.5.4)	Code of Conduct – Ethics and CSR, commitment towards suppliers and service providers (3.1.3.3) Responsible Procurement Charter, appended to all calls for tender and contracts with global and national suppliers (3.4.2.4) EcoVadis or equivalent assessment of global and national suppliers, including environmental sustainability compliance scorecards (3.4.2.5) Training of buyers in sustainable procurement practices and EcoVadis assessments (3.4.2.5) Deployment of the Green Building Strategy in new project specifications (3.5.1.2) Environmental certification specifications: energy, circular economy, biodiversity, pollution, etc. (3.5.1.3) Building design specifications incorporating the Green Building Strategy and the EU Taxonomy, with a threshold for both energy and carbon performance (3.5.2.3 and 3.5.3.3) Integration of biodiversity into design specifications (3.5.4) Low-Pollution Worksite Charter (3.5.5.1)

Whistleblowing system	Performance monitoring system	Performance indicators
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: ■ environmental protection **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 (3.4.1.3) Monitoring of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of supplier assessments (3.4.2.5) Monitoring of the greenhouse gas emission reduction pathway (3.5.2.2) Green Building Strategy reporting (3.5.1.2) Monitoring of technical training on sustainable construction Monitoring of the proportion of the real estate portfolio aligned with the EU Taxonomy (3.5.3) Monitoring of the proportion of construction projects under development aligned with the EU Taxonomy (3.5.3)	% reduction in carbon emissions by 2025 and by 2030 for Scopes 1 & 2
ORPEA whistleblowing system covering most of the Group's countries (https://orpea.signalement.net): system governed by a procedure for receiving and dealing with whistleblower reports (3.4.1.3) Report category: ■ environmental protection **Best practices** ■ In France, an employee whistleblowing phone line, in addition to the whistleblowing platform	Monitoring of the deployment of training on the Code of Conduct – Ethics and CSR: target of 100% of employees trained by 2023 (3.4.1.3) Monitoring of the signature of the Responsible Procurement Charter (3.4.2.4) Monitoring of supplier assessments (3.4.2.5) Monitoring of energy consumption (3.5.2.2) Monitoring of water consumption (3.5.2) Monitoring of waste production and collection (3.5.5.1) Green Building Strategy reporting (3.5.1.2) **Best practices** ■ Initiatives to improve sorting at source (France, Belgium) (3.5.5.1)	% reduction in energy consumption by 2023 compared to 2019 % reduction in energy consumption by 2025 compared to 2019 % of sites in operation where Deepki has been rolled out % of sites that have had an energy audit % of new construction projects to be HQE, LEED or BREEAM certified

3.7 GRI, SASB cross-reference tables

The cross-reference table below highlights the information constituting the Non-Financial Statement pursuant to Articles L. 225-102-1, L. 225-102-2, R. 225-104 and R. 225-105 of the French Commercial Code and references the pages of this Universal Registration Document.

The Group refers to the European Commission's Guidelines on non-financial reporting (2017/C/215/01) and its Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 2019/01).

3.7.1 GLOBAL REPORTING INITIATIVE (GRI)

ORPEA has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

The standards presented below are applicable to all business sectors and represent the economic, social and environmental indicators for the Group's activity.

GRI

GRI reference	Topic	Relevant section of the URD
GENERAL INFORMATION		
1. The organisation and its reporting practices		
2-1	Organisational details	Introduction: Business model
		3.1.2 Aligning CSR governance with the Group's ongoing transformation
2-3	Reporting period, frequency and contact point	3.8 Methodological note
2-5	External assurance	3.9 Report of one of the Statutory Auditors appointed as an independent third party on the consolidated non-financial statement
2. Activities and workers		
2-7	Employees	3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being
		3.3.4.3 Promoting diversity and inclusion within the organisation
		3.3.4.2 Retaining and integrating talent: skills development, employability and careers in a learning organization
3. Governance		
2-9	Governance structure and composition	3.1.2 Aligning CSR governance with the Group's ongoing transformation
2-13	Delegation of responsibility for managing impacts	
2-15	Conflicts of interest	3.4.1.2 Updated Code of Conduct – Ethics and CSR
		3.4.1.3 Compliance with obligations under France's Sapin II law
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Introduction: Message from the Chairman
2-23	Policy commitments	3.1.1 Strategic challenges
		3.1.3.3 Code of Conduct – Ethics and CSR
		3.6 Duty of Care Plan
2-24	Embedding policy commitments	3.1.3 Improving Tomorrow 2020-2023 roadmap review
		3.6.2 Procedures for assessing, monitoring and mitigating risks
2-26	Mechanisms for seeking advice and raising concerns	3.4.1.3 Compliance with obligations under France's Sapin II law
		3.2.1 Medical and care ethics
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	3.1.3 Improving Tomorrow 2020-2023 roadmap review
		3.1.4 Adopting a new CSR strategy
2-30	Collective bargaining agreements	3.3.2.1 Renewing and strengthening social dialogue

Specific standards

GRI reference	Standard	Topic	Relevant section of the URD
GRI 200: ECONOMIC TOPICS			
204: Procurement practices	204-1	Proportion of spending on local suppliers	3.4.2 Implementing a responsible procurement policy
			3.4.2.4 Responsible Procurement Charter
205: Anti-corruption	205-1	Operations assessed for risks related to corruption	3.4.2 Implementing a responsible procurement policy
			3.6.2 Procedures for assessing, monitoring and mitigating risks
			3.4.1.3 Compliance with obligations under France's Sapin II law
	205-2	Communication and training about anti-corruption policies and procedures	3.4.1.3 Compliance with obligations under France's Sapin II law
GRI 300: ENVIRONMENT			
302: Energy	302-1	Energy consumption within the organisation	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 & 2)
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	
303: Water and effluents	303-1	Interactions with water as a shared resource	3.5.5.2 Controlling water consumption
	303-5	Water consumption	
304: Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	3.5.4 Biodiversity: making nature central to patients' and residents' care plans
305: Emissions	305-1	Direct (Scope 1) GHG emissions	3.5.2.1 Measuring greenhouse gas emissions
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 & 2)
			3.5.2.3 Setting a pathway aligned with the Paris Agreement for Scopes 1 & 2 by 2050
			3.5.2.4 Reducing indirect Scope 3 CO_2 emissions
306: Waste	306-1	Waste generation and significant waste-related impacts	3.5.5.1 Waste and the circular economy
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	3.4.2.5 Supplier referencing and assessment

Specific standards

GRI reference	Standard	Topic	Relevant section of the URD
GRI 400: SOCIAL TOPICS			
401: Employment	401-1	New employee hires and employee turnover	3.3.4.1 Using proactive policies to attract and recruit tomorrow's talent
			3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being
403: Occupational health and safety	403-1	Occupational health and safety management system	3.3.3.1 Promoting safety at work and preventing work-related risks
	403-5	Worker training on occupational health and safety	
	403-9	Work-related injuries	
404: Training and education	404-1	Average hours of training per year per employee	3.3.4.2 Retaining and integrating talent: skills development, employability and careers in a learning organization
405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	3.3.4.3 Promoting diversity and inclusion within the organisation
413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	3.4.3.1 Actively contribute to the development of medical and care knowledge for patients, residents and staff
			3.4.3.2 Supporting the innovation process to change practices
			3.4.4 Local responsibility
416: Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	3.2.3 Increased vigilance on the health and safety of people receiving care
417: Marketing and labeling	417-1	Requirements for product and service information and labeling	3.2.1.4 Promoting a shared culture of ethical reasoning and commitment

3.7.2 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

The Group has also included a cross-reference of the information in this Non-Financial Statement with the SASB Health Care Delivery standards. This is part of its commitment to provide transparent and relevant information on economic, environmental and social performance to the Group's stakeholders.

ORPEA will continue its efforts to improve the reporting of its quantitative and qualitative indicators and to strengthen its disclosure according to SASB standards.

SASB

Indicator	Code	Unit of measurement	Relevant section of the report
ENERGY MANAGEMENT			
Total energy consumed		Gigajoules (GJ)	3.5.2.2 Reducing energy consumption and the associated CO_2 emissions (Scopes 1 & 2)
Percentage grid electricity, percentage renewable	HC-DY-130a.1	%	
WASTE MANAGEMENT			
Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	HC-DY-150a.1	Tonnes	3.5.5.1 Waste and the circular economy
Total amount of: (1) hazardous and (2) non-hazardous pharmaceutical waste		Tonnes	3.5.5.1 Waste and the circular economy
Percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	HC-DY-150a.2	Tonnes and %	3.5.5.1 Waste and the circular economy
PATIENT PRIVACY & ELECTRONIC HEALTH RECORDS			
Description of policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	HC-DY-320a.2	n/a	3.4.1.4 Data protection and cybersecurity
(1) Number of data breaches, (2) percentage involving (a) personally identifiable information (PII) only and (b) protected health information (PHI), (3) number of customers affected in each category, (a) PII only and (b) PHI	HC-DY-320a.3	Number and %	3.6.2 Procedures for assessing, monitoring and mitigating risks
QUALITY OF CARE & PATIENT SATISFACTION			
Number of Serious Reportable Events (SREs) as defined by the National Quality Forum (NQF)	HC-DY-250a.2	Number	3.2.3.2 Handling adverse events
PRICING & BILLING TRANSPARENCY			
Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	HC-DY-270a.1	n/a	3.2.2.2 Roll-out of extensive audits in facilities
EMPLOYEE HEALTH & SAFETY			
(1) Total recordable incident rate (TRIR) and (2) days away, restricted, or transferred (DART) rate	HC-DY-270a.1	n/a	3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being 3.3.3.1 Promoting safety at work and preventing work-related risks
EMPLOYEE RECRUITMENT, DEVELOPMENT & RETENTION			
Voluntary and involuntary turnover rate for caregivers and non-caregivers	HC-DY-330a.1	Rate	3.3 People at the centre of the Group's transformation: prioritising employee health, safety and well-being
Description of talent recruitment and retention efforts for caregivers	HC-DY-330a.2	n/a	3.3.4 Promoting care professions and offering an attractive employee experience at a learning organisation
CLIMATE CHANGE IMPACTS ON HUMAN HEALTH & INFRASTRUCTURE			
Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases associated with climate change	HC-DY-450a.1	n/a	3.5.2.5 Implementing a climate resilience strategy

3.8 Methodological note

REPORTING GUIDELINES

To ensure the consistency and reliability of the indicators monitored in all of its entities, the Group has implemented a common social and environmental reporting framework specifying the methodologies to be used for reporting the different indicators for the entire Group, consisting of definition, calculation method and calculation unit. The Corporate Human Resources, Construction-Maintenance, Procurement, Research, Innovation, Quality and CSR departments ensure that the indicators are properly understood by their country correspondents.

The data reported in this Non-Financial Statement is for the calendar year 2022, from 1 January to 31 December. Certain KPIs are reported on a six-monthly basis via the CSR Platform.

For 2022, ORPEA has complied with its non-financial reporting obligations pursuant to:

- the framework set out in the Decree dated 9 August 2017, transposing the European NFRD (Non-Financial Reporting Directive) into French law;
- the Sustainable Accounting Standards Board (SASB) Health Care Delivery standards, which are widely recognised by economic and financial players as the international benchmark for sustainability disclosures in the healthcare industry (see section 3.7.2 of this Universal Registration Document).

For 2023, ORPEA is committed to enhancing its non-financial reporting, including by (i) preparing for the non-financial reporting requirements set out in the CSRD (Corporate Sustainability Reporting Directive) published in the Official Journal of the European Union on 16 December 2022, which is in the process of being transposed into the laws of the EU Member States, and (ii) aligning its disclosures more closely with the requirements of the SASB Health Care Delivery standards.

SCOPE OF CONSOLIDATION

As a matter of principle, social and environmental data are consolidated for all Group entities and facilities as soon as they are fully consolidated and in operation (before 1 July of the relevant year), regardless of their areas of activity (nursing homes, etc.).

Unless otherwise specified, the data are consolidated by geographical area in line with the other information in the Universal Registration Document. By geographical area, operations in the following countries are consolidated:

- France-Benelux-UK-Ireland: France, the Netherlands, Ireland and the United Kingdom;
- Central Europe: Germany, Italy and Switzerland;
- Eastern Europe: Austria, the Czech Republic, Poland, Slovenia, Croatia and Latvia;
- Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Chile, Mexico and Uruguay;
- Other countries: China.

Some countries (Mexico and Uruguay), which were included in the financial scope of consolidation but not yet fully integrated from a social standpoint, were excluded from the scope of reporting. Both countries are included in the environmental data scope.

Furthermore, the maturity of some entities is not yet sufficient to ensure a high level of detail on all data. In general, after the first year of integration into the process, particular attention is paid to ensuring that the Group's reference systems, formulas and definitions are fully understood and incorporated and to increasing the accuracy of the data reported.

SOCIAL INDICATORS

Scope of consolidation

Belgium is unable to provide reliable data and has therefore been excluded from the Group figures.

As the Group does not currently have automated dashboards or interconnected tools, in late 2022 it launched a process to put in place a monthly reporting system, which will be effective in 2023. Consequently, as the situation currently stands each country provides raw data from their payroll software and the tracking tables that they complete as part of their own processes. In order to reduce calculation risks, the indicators are consolidated and calculated by the Corporate teams and double-checked using the CSR Platform tool.

The methods relating to certain social indicators may have limitations owing largely to the absence of internationally accepted definitions for such concepts as the various types of employment contracts or the practical means by which information is collected and entered. Accordingly, the methodologies used for certain indicators or related margins of uncertainty are specified, when possible.

Concerning training, although training is provided in all countries, for some countries the monitoring of the related data needs to be reinforced, both in terms of consolidation and reliability, in order for it to be effectively used. Consequently, no data on training has been disclosed for Ireland or Brazil as the data provided was not sufficiently reliable. For the United Kingdom, although the data reported is reliable, additional detail is required in terms of the training followed by each employee.

Job descriptions

In order to ensure the homogeneity of the indicators, the Group has implemented a common set of job descriptions following the alignment of local job titles with these descriptions.

Now, each local function can be associated with an identifiable profession (care worker, nurse, etc.) and to a general group (support function, care, medical, etc.).

Basis for data

All of the indicators and figures disclosed include all Group countries except Belgium.

Changes to the calculation methodology

In order to ensure the consistency of the indicators, the methodology for the turnover rate and absenteeism rate indicators has been reviewed.

The calculation of these rates was previously based on the median for all facilities but it has now been adjusted to be based on overall data at the level of each country.

Previous years' indicators have been recalculated using this new definition in order to enable year-on-year comparisons.

Staffing ratio

The staffing ratio is calculated using the following formula:

$$\textit{Staffing ratio} = \frac{\textit{FTE}}{\textit{Average number of residents during the month}}$$

FTEs include all facility staff (including administrative staff). However, headquarters employees are excluded.

The term care staff is based on the Group's job description references and includes the following categories: Doctor/Care/Therapy and Paramedical/Pharmacist.

Workforce

The workforce is calculated for all countries on the basis of the total workforce on the payroll at 31 December of the relevant year. A person with several contracts in X facilities will be counted X times.

An exception is made for Poland, where "civil contracts" (*umowa cywilnoprawna*) are very common and are therefore included.

Interns, apprentices and those on other professional training courses are included in the workforce when they are listed on the payroll.

Age

The age of each person is calculated at 31 December of the relevant year.

Type of contract

Contracts for which no end date is defined in advance are considered to be permanent.

Fixed-term contracts are contracts for which an end date is defined when the employment contract is signed.

The local definition of a permanent contract is used where appropriate, including, for example, the concept of on-demand permanent contracts (Switzerland) but excluding the concept of undefined-term replacement contracts (Belgium).

Regarding China, with the exception of headquarters contracts, the majority are long-term fixed-term contracts in accordance with local labour law.

Working hours

For all countries, employees whose contractual working hours are equivalent to the statutory working hours applicable are considered full-time (the number of contractual hours is counted).

Statutory working hours obviously differ from one country to another and sometimes from one geographical area or one function to another. Specific conditions for the Senevita entity and Swiss hospitals: "on-demand permanent contracts" are considered to be part-time.

Recruitment

Permanent contracts signed between 1 January and 31 December, including (with the exception of the Netherlands) permanent contracts signed following a fixed-term contract (also called "internal switches") are taken into account.

This method includes all new hires who sign a permanent contract during that period, even though they may already have left during that period for whatever reason, such as at the end of a probationary period, resignation, dismissal, etc.

New hire rate, departure rate and turnover rate

The formulas used are as follows:

$$\textit{New hire rate} = \frac{\textit{Number of new hires}}{\textit{Number of employees on permanent contracts at 1 January of the relevant year}}$$

$$\textit{Departure rate} = \frac{\textit{Number of departures}}{\textit{Number of employees on permanent contracts at 1 January of the relevant year}}$$

$$\textit{Turnover rate} = \frac{\textit{New hire rate + Departure rate}}{2}$$

In the case of full consolidation, a headcount-weighted average is calculated.

Absences and absenteeism rate

Absences counted (in hours or in days) solely reflect work-related illness and accidents (whether or not the employee continues to receive pay).

Specific conditions for the Senevita entity (Switzerland): Spitex does not report hours of absence due to the nature of the employees' contracts (on-demand permanent).

To calculate the absenteeism rate, the days of absence are converted into hours using the following method:

- number of calendar days of listed absence/7 (days per week) x 5 (weekdays) x local statutory number of daily work hours on a full-time basis (i.e., x 8 when the working week is 40 hours);
- number of work days of listed absence x local statutory number of daily work hours on a full-time basis (i.e., x 8 when the working week is 40 hours).

The formula used to calculate the absenteeism rate is as follows:

$$\frac{\textit{Number of hours of absence due to illness or a work-related accident}}{\textit{Number of hours worked}}$$

In the case of consolidation by financial block or full consolidation, a headcount-weighted average is calculated.

Remuneration

This figure reflects the total amount of gross fixed and bonus remuneration charged (i.e., including employee and employer social security contributions) and includes all types of benefits.

Local currency figures were converted into euros at the exchange rates applicable on 20 February 2023 as follows:

Switzerland	0.9874
Poland	4.7543
Czech Republic	23.7125
Croatia	7.5345
China	7.3341
Brazil	5.5276
United Kingdom	0.8887

Training

The overall figure disclosed reflects the number of hours of training provided to employees during the relevant year, including mini-training sessions. The portion of mini-training, awareness-raising sessions in the overall volume referenced has been added. Training sessions given that are held but not formalised (attendance record, counting) are not taken into account. When the data are provided in days, they are converted into hours using the same formula as for absenteeism.

In France, "open" training hours that will be provided after 31 December are also counted when they are part of a training course leading to a recognised qualification that began during the current year. As a result, in some countries, including France, for courses lasting several years all of the training hours are recorded in a single year.

In some countries, including France, the training hours recorded are the hours resulting from the contract between the training organisation and ORPEA, and not the actual training hours.

The formula adopted then incorporates the average number of hours per employee trained, excluding mini-training sessions listed as such.

Work-related accidents

Workplace accidents and commuting accidents could be distinguished for some countries, but this does not affect the calculation method since the legislation provides that all commuting accidents are considered workplace accidents. It should also be noted that, depending on national regulations, Covid-19-related absences may or may not be counted as workplace accidents.

Accident frequency and severity rates were calculated for the geographical areas using the following formulas and definitions:

Frequency rate

$$\frac{\textit{Number of hours of absence due to work-related illness or accident}}{\textit{Number of hours worked}}$$

- A work-related accident is defined as any accident generating a case number (internal) or insurance claim (external) reported between 1 January and 31 December leading to at least one day of lost-time.
- The number of hours is the number of hours paid across the entire scope from 1 January to 31 December.
- As data on "hours worked" is not available for some countries, the formula was applied based on "hours paid".

Severity rate

$$\frac{\textit{Number of days lost}}{\textit{Number of hours worked}} \times 1{,}000$$

- The number of days lost is the number stated on the accident report (in calendar days).
- As data on "hours worked" is not available for some countries, the formula was applied based on "hours paid".

Positions of responsibility

The number of positions of responsibility is calculated for all countries on the basis of the total workforce on the payroll at 31 December of the relevant year.

Four indicators have been created on the basis of the Group's job descriptions:

- the Group's top management positions, corresponding to the Group Chief Executive Officer, the Directors of the Group departments (Medical, Finance/Procurement/IT, Human Resources, Communication, Sustainable Development and Quality, Real Estate) and the people who report directly to them, as well as other senior executives including COOs, CFOs and Human Resources Directors of the geographical areas. The structure of the top management team as of end-2022 is set to change during 2023;
- regional and facility director positions;
- management positions;
- all positions identified as being positions of responsibility: this indicator includes all three of the above categories (top management, regional and facility directors and managers).

CSR OBJECTIVES

The intermediate results presented for the first time in this report are likely to vary depending on process improvements, the reliability of data and the experience of the teams in the field in each country in order to meet the Group's objectives as accurately and precisely as possible.

It is also important to note that the CSR objectives were defined in the 2020 Non-Financial Statement. The countries included in the scope have been involved from the beginning, therefore the monitoring of these objectives is done at scope level.

Reducing the number of work-related accidents

A work-related accident is any accident that occurs at the workplace or on the way to or from work. The frequency rate is calculated using the following formula: number of workplace accidents (and commuting accidents) leading to at least one sick day/number of hours worked X 1,000,000. Scope: all declarations recorded during the year in the corresponding SEFP file, for all employees (regardless of the type of employment contract or whether they have left by 31 December).

As data on "hours worked" is not available for some countries, the formula was applied based on "hours paid".

The frequency rate of work-related accidents has decreased by 30% vs. 2020.

Carrying out an employee engagement survey

This corresponds to a process carried out in all countries to measure employee engagement across several levels (commitment, working conditions, resources, work-life balance, career development and training, CSR, innovation, respect and recognition, management, etc.), performed with an external partner to ensure anonymity and external benchmarks. The planned frequency is every two years. Employees working under any type of employment contract for at least three months can participate.

The survey was first implemented in 2021, and by 2023, the goal is to maintain or improve the level of employee satisfaction. In practice, a survey was carried out in 2022 and not in 2023.

Increasing internal promotion

Internal promotion refers to a regional director, director or head nurse who has been promoted to that position after having held another post within the organisation with a lower level of responsibility. A lower level of responsibility means either that the employee was at a lower hierarchical level in the organisation (e.g., from nurse to head nurse) or that the employee's scope of responsibility increased (e.g., from director of a 50-bed facility to director of a 100-bed facility).

The internal promotion rate is calculated based on how many regional directors, directors and head nurses on permanent contracts and present on 31 December had previously held a post at a lower level of responsibility. Monitoring is carried out in relation to the Group's job description references.

The aim is to have 50% of these key Group functions filled internally.

Increasing qualification levels

The objective is for at least 10% of employees on permanent contracts on 31 December to have completed at least one training course leading to a certificate or diploma during the past year.

A diploma is considered to be an official document issued by a body outside the company and which certifies skills recognised by national or regional authorities.

Being certified means that the employee has received "certified training" which means that the employee is proficient in certain specific professional skills. This training is delivered by an external organisation with an individual training certificate, or is set up and monitored internally.

In the case of "internal certification", several conditions must be met: (i) the trainer must have obtained official approval in line with local regulations and/or have been selected internally as having the capacity to provide training (because of their profession and/or diploma), (ii) the trainer must have received "trainer training", (iii) the training must include specific content/materials with a defined target audience and, (iv) the trainee must receive an individual certificate of training completion.

Increasing the number of women in top management

Executive Management currently defines the Group's top management as follows: the Group Chief Executive Officer, the Directors of the Group departments (Medical, Finance/Procurement/IT, Human Resources, Communication, Sustainable Development and Quality, Real Estate) and the people who report directly to them, as well as other senior executives including COOs, CFOs and Human Resources Directors of the geographical areas. The structure of the top management team as of end-2022 is set to change during 2023.

The objective is for 50% of top management positions to be held by women.

ENVIRONMENTAL INDICATORS

Environmental indicators are either calculated on an annual basis (for example, CO_2 emissions) or reported monthly (for example, water consumption). As with social indicators, data entries are made by each facility before being reported to the country headquarters and then consolidated by the Group's headquarters.

Consumption and management of heating, electricity, water and CO_2 emissions generated by energy consumption in 2022

In 2022, the environmental reporting scope included 876 facilities.

Data relating to the sites' energy consumption represents approximately 95% of the Group's Scope 1 and 2 emissions. Other emissions correspond to those generated by air conditioning (excluding energy) and by vehicles owned by the Group (business travel).

An error in allocating upstream energy emissions and network losses (Scopes 1 and 2) for 2019 and 2020 has been identified and corrected in this document. The GHG Protocol method for calculating CO_2 emissions generated by energy consumption has also been applied to the historical data (2019 and 2020) in order to enable year-on-year comparisons.

Annual energy consumption was calculated in kWh in all countries. The coefficients used for the calculations come from the French Agency For Ecological Transition (ADEME).

For electricity consumption, the following conversion factors were applied:

Country	In kg CO_2/kWh
Germany	0.461
Italy	0.406
Switzerland	0.0273
Austria	0.188
Croatia	0.305
Czech Republic	0.589
Latvia	0.227
Poland	0.781
Slovenia	0.325
Belgium	0.22
France	0.0599
Ireland	0.458
Netherlands	0.415
Brazil	0.0868
Mexico	0.455
Portugal	0.255
Spain	0.238
Uruguay	0.081
China	0.766

For heating:

- for fuel oil, a conversion factor of 0.347 kg CO_2/kWh was applied for all subsidiaries;
- for natural gas, a conversion factor of 0.214 kg CO_2/kWh was applied for all subsidiaries;
- for propane gas, a conversion factor of 0.269 kg CO_2/kWh was applied for all subsidiaries;
- for wood (and wood pellets), a conversion factor of 0.032 kg CO_2/kWh was applied for all subsidiaries;
- for district heating, a conversion factor of 0.223 kg CO_2/kWh was applied for all subsidiaries.

Waste management

In 2022, the Group's waste production analysis provided a reliable measurement of ordinary waste in nine countries (France, Belgium, Ireland, China, Germany, Croatia, Poland, Slovenia and Austria), representing over 75% of the Group's scope. Volumes of potentially infectious medical waste (PIMW) collected could be reliably measured in 11 countries, representing more than 85% of the Group's scope (France, Belgium, Italy, Portugal, Spain, China, Germany, Croatia, Poland, Slovenia and Austria), and waste disposal methods (ordinary and potentially infectious waste combined) could be reliably measured in eight countries, representing more than 80% of the Group's scope (Austria, Belgium, China, France, Germany, Ireland, Poland and Switzerland).

The France scope in relation to waste and waste management included 391 ORPEA sites in 2022: 233 retirement homes and assisted-living facilities; 126 hospitals; 30 home care service agencies; and two other sites (headquarters and training institute).

The data aggregation and reporting methodology used by the Group – which aims to present the most recent and accurate data possible – is based on the following:

Data source

In compliance with the applicable regulations, quantities must be presented in mass (kg) or volume (litres). The following data sources were used, from the most to the least qualitative:

- current-year register: quantity indicated in the waste register and recorded directly in the client's waste register;
- conversion: conversion (kg/l);
- estimate: calculation made when no quantity has been reported (see methodology for estimating quantities).

Accuracy of estimates – type of inputs used

- extrapolation: when data are partially reported by a service provider;
- prior-year register: when a service provider has not reported any data in the current year;
- estimate based on the amount of waste recovery tax or duties: when a service provider has not transmitted any data in the current or prior year;
- estimate based on surface area: when a service provider has not reported any data in the current or prior year and where there is no known amount of waste recovery tax or duties.

Treatment codes

The waste treatment codes used are those in Annexes I and II of Directive 2008/98/EC ranging from D1 to D15 for disposal operations and from R1 to R13 for recovery operations. Treatment codes can be adjusted if data are not available or of poor quality.

For example:

1. household waste
   a. public: incineration with energy recovery (R1)
   b. private: landfill (D13)
2. recyclable waste: recycling (R5)
3. biowaste: recovery of organic substances (R3)
4. PIMW: landfill (D9)

For clarity, these treatment codes have been aggregated into the following categories: Recycling, Organic recovery, Incineration and Landfill.

The codes included in each category are as follows:

- Recycling: R2, R4 to R13;
- Organic recovery: R3;
- Incineration: R1;
- Landfill: D1 to D15.

In France, tonnes of PIMW are calculated on the basis of invoices received from a single service provider that processes the waste (for 335 facilities). For facilities using a different service provider (18 facilities, i.e., 5% of the total number of facilities in France reporting waste), the same methodology was applied.

For other countries, data are calculated on the basis of invoices provided by the authorised service provider(s). This invoicing is subject to consistency checks by the administrative headquarters of the relevant geographical areas.

Regarding PIMW, the Group's external service provider assessed each country using a questionnaire to determine:

- waste produced by type (household, recycled, organic and infectious waste);
- the source of the data provided.

The information was analysed and each country was evaluated according to several criteria for both ordinary waste (OW) and infectious waste (IW): identification of waste services suppliers (coef. OW: 3 – coef. IW: 3); proportion of private service providers (coef. OW: 0.25 – coef. IW: 0.25); proportion of quantities collected (coef. OW: 3 – coef. IW: 3); quality of quantities collected (coef. OW: 2 – coef. IW: 2); quality of the data (coef. OW: 2 – coef. IW: 2); quality of collection points (coef. OW: 1 – coef. IW: 1).

An extrapolation of waste quantities was calculated for countries for which at least 50% of the data are collected.

$$\textit{Extrapolated quantity} = \frac{\textit{Quantities collected}}{\textit{Proportion of quantities collected}}$$

For the quantities collected (data provided in kg or litres), the following conversion rates were used:

- household waste: 77 kg/1,000l;
- recycled waste: 42 kg/1,000l;
- organic waste: 300 kg/1,000l;
- infectious waste: 42 kg/1,000l.

The proportion of quantities collected is based on:

- estimated proportion of data collected;
- quality of the source.

Data sources, from the most qualitative to the least qualitative:

- waste inventory with proof;
- waste inventory without proof;
- informal information from the supplier;
- waste declaration (X number of containers, X volume, X frequency of collection, etc.);
- country estimate, no source.

QUALITY INDICATORS

These indicators are compiled by the quality managers in each country, and consolidated and calculated using Excel. This process is being restructured in 2023.

Adverse events

An adverse event (safety event) is defined as any high-risk situation, incident or accident, which has or could have caused harm to patients, professionals or the facility.

ORPEA calculates the ratio of adverse events to the number of residents/patients during the year (in %).

A serious adverse event (SAE or sentinel event) is defined as:

A. An event affecting a patient or resident (not primarily related to the natural development of their underlying illness or condition) which results in any of the following:
   a) death,
   b) permanent injury,
   c) serious temporary harm.

B. Any other event that the applicable law or regulations require to be added to the list of sentinel events, or that the country concerned considers should be added to said list.

ORPEA calculates the ratio of serious adverse events to the number of residents/patients during the year (in %).

In view of the disparities between the timeframes for reporting SAEs (particularly for SAEs occurring at the beginning of 2022), and a threshold effect for events that were identified and reported late, the Group has chosen to use the median rather than the mean for these data. The median gives a clearer reflection of the timeframes of the various SAEs and provides a better view of the related work that has been done and the work that remains to be completed.

The scope for adverse events and SAEs includes the following countries: Austria, Belgium, Brazil, China, Croatia, Czech Republic, France, Germany, Ireland, Italy, Latvia, Mexico, Netherlands, Poland, Portugal, Slovenia, Spain, Switzerland, United Arab Emirates, United Kingdom, Uruguay.

Complaints

A complaint is defined as any written document received expressing the dissatisfaction of a resident, patient or relative.

A critical complaint corresponds to any letter received by ORPEA at one of its headquarters (definition in the process of amendment).

ORPEA calculates the ratio of the number of critical complaints to the number of residents/patients during the year (in %).

The scope of complaints and critical complaints covers the following countries: Austria, Belgium, Brazil, China, Croatia, Czech Republic, France, Germany, Ireland, Italy, Latvia, Mexico, Netherlands, Poland, Portugal, Slovenia, Spain, Switzerland, United Arab Emirates, United Kingdom and Uruguay.

Satisfaction

The Net Promoter Score (NPS) is the percentage of customers who rate their likelihood of recommending a company, product or service to a friend or colleague as 9 or 10 ("promoters") minus the percentage who rate their likelihood as 6 or less ("detractors") on a scale of 0 to 10 Respondents who give a score of 7 or 8 are called "passive" and are included in the calculation of the overall percentage. The result of the calculation is expressed without the percentage sign.

The **overall satisfaction rate** corresponds to the sum of "very satisfied" and "satisfied" responses, divided by the total number of responses, expressed as a % and calculated as an average score out of 10 by assigning the value of 10 to "very satisfied", 7 to "fairly satisfied", 3 to "fairly dissatisfied" and 0 to "very dissatisfied".

The **response rate** is calculated as the number of surveys sent/number of surveys received.

Satisfaction surveys conducted for hospitals concerned the following countries: Austria, CLINEA France, CLINEA Switzerland, Germany, Italy, Poland, Portugal, Spain, United Arab Emirates (overall satisfaction and recommendation rate only), United Kingdom (overall satisfaction and recommendation rate only).

Satisfaction surveys conducted for nursing homes concerned the following countries: Austria, Belgium, Brazil, China, Croatia, Czech Republic, France, Germany, Ireland, Italy, Latvia, Mexico, Netherlands, Poland, Portugal, Slovenia, Spain, Switzerland and Uruguay.

Satisfaction surveys conducted for home care activities concerned the Adhap and Domidom subsidiaries in France and the Allerzorg subsidiary in the Netherlands.

Ethics and positive treatment correspondents

$$\frac{\textit{Number of facilities with an ethics and positive treatment correspondent}}{\textit{Total number of facilities included in the scope}} \times 100$$

- All countries in the Group's financial scope of consolidation for more than two years are included in this indicator.
- To qualify as an ethics and positive treatment correspondent, the person concerned must (i) be officially appointed with an engagement letter, (ii) have been given training, (iii) ensure the implementation of best practices, and (iv) develop a culture of positive treatment and ethical reflection within each facility (see the ethics correspondent job description for further details).

Dialogue with families

$$\frac{\textit{Number of countries that have deployed a solution to strengthen dialogue with families and/or user associations}}{\textit{Total number of facilities included in the scope}} \times 100$$

- All countries within the Group's financial scope of consolidation are included in this indicator.
- Solutions to strengthen dialogue are defined as:
  - digital communication tools (e.g. an app),
  - regular meetings (at least twice a year) with families, with an agenda and minutes,
  - agreements with associations representing users or families,
  - family and/or user representative focus groups on specific topics (e.g. nutrition or hygiene),
  - mediation available to families,
  - a telephone helpline for families.

Certification of facilities

$$\frac{\textit{Number of facilities certified}}{\textit{Total number of facilities included in the scope}} \times 100$$

- All countries that have been in the Group's financial scope for more than two years are included in this indicator.
- Certifications must be issued by an external organisation and must be at least equivalent to standard quality certification (evidence required: certification report, audit certification, etc.).

PURCHASING INDICATORS

Percentage of suppliers who have signed the Responsible Procurement Charter

$$\frac{\textit{Number of active global, multinational, national and regional suppliers in the scope who have signed the Charter}}{\textit{Total number of global, multinational, national and regional suppliers in the scope}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- A supplier is considered "active" if a purchase has been made in the last 12 months.
- Global and multinational suppliers are managed at the corporate level, and national and regional suppliers at the level of the geographical area of the Business Unit.
- Link to the Responsible Procurement Charter: https://orpea-corp-events.com/rse/wp-content/uploads/2021/03/ORPEA_Group_Responsible_Procurement_Charter_GB.pdf

CSR assessments during the call for tender process

$$\frac{\text{Number of global and national calls for tender during the period where the supplier's CSR performance was taken into account in the selection process}}{\text{Total number of calls for tender during the period}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- CSR performance should be assessed by incorporating suppliers' EcoVadis or equivalent rating into the overall assessment of the call for tenders.

Catering Charter

$$\frac{\text{Number of facilities having implemented the voluntary commitments of the Group's Catering Charter relating to nutrition, food safety and environmental footprint}}{\text{Total number of facilities in the scope}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- Commitments relating to nutrition, food safety and environmental footprint:
  - voluntary commitment no. 1: detecting and managing the risk of undernutrition as early and as effectively as possible
  - voluntary commitment no. 2: guaranteeing food safety,
  - voluntary commitment no. 9: reducing our environmental footprint, by fighting food waste, and limiting our energy consumption and water use;
- Link to the Catering Charter: https://orpea-corp-events.com/rse/wp-content/uploads/2022/06/ORPEA-Group_Catering_Charter_GB.pdf

RESEARCH INDICATOR

Research partnerships

$$\frac{\text{Number of host countries that have signed a research partnership with a renowned university}}{\text{Total number of countries in the scope}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- The renowned university must be among the country's top 10 universities as per the Shanghai Ranking.
- Three types of partnerships can be signed with a university: training, innovation or research (e.g. to create a new diploma or a new profession; to create and reflect on a prototype; to publish scientific articles; to organise training symposiums or medical conferences; or to test an innovation in a laboratory or in the field in the Group's facilities).

INNOVATION INDICATOR

Well-being innovation programmes

$$\frac{\text{Number of countries that have deployed at least one well-being programme from the Corporate Innovation roadmap}}{\text{Total number of countries in the scope}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- Each country will have to deploy at least one innovative programme from the Corporate Innovation roadmap.
- A programme is considered deployed if it is active in at least 20% of a given country's facilities.
- A well-being programme is defined as an innovation that contributes to achieving at least one of the following criteria: maintaining independence, promoting social interaction or stimulating the five senses.

SOLIDARITY INITIATIVE INDICATOR

Solidarity initiatives

$$\frac{\text{Number of facilities that carried out at least one solidarity initiative* during the period}}{\text{Total number of facilities in the scope}} \times 100$$

- All countries that have been in the Group's financial consolidation scope for more than one year are included in this indicator.
- A solidarity initiative is defined as an action that is intended to provide assistance to mentally or physically disadvantaged people or to protect the environment. Solidarity initiatives are carried out on a not-for-profit basis and must in no way contribute to ORPEA's profit or influence. The initiative must involve a donation, which can take one of the following forms:
  - financial support (more than €100 paid to a non-profit organisation through a simple donation or through a fundraising activity such as a fun run or a charity sale),
  - an in-kind donation (donations of clothing, goods made by residents or staff, medical items, furniture or computer equipment, etc.),
  - the donation of time (hosting refugees, cleaning beaches, creating items for a specific humanitarian cause, or hosting elderly people for a Christmas dinner or during a heatwave, etc.).

3.9 Report of one of the Statutory Auditors appointed as an independent third party on the consolidated non-financial statement

Year ended 31 December 2022

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders of ORPEA,

In our capacity as Statutory Auditor of your Company (hereafter the "entity"), appointed as an independent third party ("third party") and accredited by the French Accreditation Committee (COFRAC) under number 3-1886 rev. 0 (whose scope is available at www.cofrac.fr), we have carried out work to provide a reasoned opinion expressing a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement (hereinafter the "Information" and the "Statement"), prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended 31 December 2022, included in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

CONCLUSION

We were not provided with supporting documentation for the energy and water consumption data for Germany, which accounts for between 10% (electricity consumption) and 30% (gas consumption) of the Group figures. As a result, it was not possible to verify the accuracy of the data regarding water and energy consumption and the associated CO_2 emissions (Scopes 1 and 2) for Central Europe and the Group as a whole.

Based on our work, as described in the "Nature and scope of our work" section, and the information collected, with the exception of the issue described above, no material misstatement has come to our attention that causes us to believe that the Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly and in accordance with the Guidelines.

COMMENTS

Without qualifying our conclusion and in accordance with Article A. 225-3 of the French Commercial Code, we have the following comments:

- The "Number of hours of training" indicator is subject to uncertainty inherent in the reporting method selected, particularly with regards to France, because, as stated in the methodological note to the Statement, the hours recorded are the theoretical hours planned and not the actual hours of training that take place.
- As stated in the methodological note to the Statement, the social indicators do not include Belgium. The number of employees presented in the Statement excluding Belgium (71,856) is therefore different from that presented in other parts of the Universal Registration Document, in particular the notes to the consolidated financial statements (76,160).

PREPARATION OF THE DECLARATION

In the absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of the Information, different but acceptable measurement techniques may be used, which may affect comparability between entities and over time.

The Information should therefore be read and understood with reference to the Guidelines, the significant elements of which are set out in the Statement and available upon request from the entity's head office.

LIMITATIONS INHERENT IN THE PREPARATION OF THE INFORMATION RELATED TO THE STATEMENT

The Information may be subject to uncertainty due to the state of scientific or economic understanding and the quality of external data used. Some information may be sensitive to the methodological choices, assumptions or estimates made in preparing the Information presented in the Statement.

THE ENTITY'S RESPONSIBILITY

It is the responsibility of Management:

- to select or establish appropriate criteria for the preparation of the information;
- to prepare a Statement in line with the legal and regulatory provisions, incorporating a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented to address those risks and the outcomes of those policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- to implement the internal controls that it deems necessary to prepare information that does not contain any material misstatements, whether due to fraud or error.

The Statement has been prepared by applying the entity's Guidelines as mentioned above.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fair presentation of the information provided in accordance with Article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes of the policies, including key performance indicators, and measures implemented in light of the principal risks (the "Information").

As it is our responsibility to form an independent conclusion on the Information as prepared by Management, we are not permitted to be involved in the preparation of this Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular regarding the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy), the French duty of care (*devoir de vigilance*) law and anti-corruption and tax evasion legislation;
- the fairness of the information provided pursuant to Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with the applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL STANDARDS

We conducted our work as described below in line with our verification programme and in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, with the professional standards applicable in France for this type of engagement, and with the international standard ISAE 3000 (revised – Assurance engagements other than audits or reviews of historical financial information).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the code of ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

MEANS AND RESOURCES

Our work was carried out by a team of six people between February and May 2023 and took a total of 14 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted ten interviews with the persons responsible for preparing the Statement. The following departments were involved in the audit: CSR department, Quality department, Human Resources department, Legal department, Construction and Property technical department, and the Audit, Risk and Compliance department.

Our procedures involved the use of information and communication technologies, which enabled us to carry out our work and interviews remotely without any negative effects on their performance.

NATURE AND SCOPE OF THE WORK

- We planned and carried out our work taking into account the risks of material misstatement of the Information.
- We believe that the work we performed by exercising our professional judgement allows us to express a limited assurance conclusion.
- We reviewed all the companies included in the scope of consolidation and the presentation of the principal risks.
- We assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, impartiality and clarity, taking into consideration, where relevant, industry best practice.
- We verified that the Statement covers each information category provided for in Article L. 225-102-1 III with regard to social and environmental responsibility and respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement presents the information required under Article R. 225-105 II when it is relevant with regard to the principal risks and includes, where applicable, an explanation of the reasons for the absence of the information required under Article L. 225-102-1 III, paragraph 2.
- We verified that the Statement presents the business model and a description of the principal risks related to the business activities of all entities included in the scope of consolidation, including where appropriate and proportionate, the risk factors arising from their business relationships, products and services, as well as their policies, measures and the outcomes thereof, including key performance indicators with respect to the principal risks.

- We consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the principal risks as well as the consistency of the outcomes, including the key performance indicators selected, with respect to the principal risks and policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[1]. For some Information, our work was carried out at the level of the consolidating entity; for other information, our work was carried out at the level of the consolidating entity and in a selection of entities.
- We verified that the Statement encompasses the whole consolidated scope, i.e., all the businesses included in the scope of consolidation pursuant to Article L. 233-16, with the restrictions stipulated in the Statement.
- We reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process to ensure the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[2] that we considered to be the most important, we implemented:
  - analytical procedures to verify that the data compiled was consolidated correctly and that any changes were coherent;
  - tests of details using sampling or other selection methods, which consisted in verifying the proper application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 21% and 86% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement based on our knowledge of the entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with French professional standards; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, 23 May 2023

One of the Statutory Auditors,

DELOITTE & ASSOCIÉS

Damien Leurent *Partner*	Erwan Harscoet *Partner*

(1) Launch of a process to re-establish social dialogue in France; Existence of an Ethics, Quality and CSR Committee; Existence of an Ethics Advisory Board; Existence of action plans aimed at ensuring full take-up of the Group Standards on quality, the Code of Conduct – Ethics and CSR, and the Responsible Procurement Charter.

(2) HR and health and safety information: Workforce at 31 December 2022 and breakdown by contract (permanent or fixed-term) and by full-time and part-time staff; Permanent contract recruitment; Number of hours of absence; Number of hours of training; Gross remuneration paid to employees; Number of work-related accidents with lost time; Number of days lost due to work-related accidents; Number of hours worked; Staff turnover rate; Total staffing ratio; Percentage of employees with a diploma or certification.

Environmental information: Group electricity consumption; Group heating consumption; Group water consumption; Scopes 1 & 2 greenhouse gas emissions; Quantity of Potentially Infectious Medical Waste (PIMW).

Quality information: Overall satisfaction rate; Complaints rate; Serious adverse event rate.

(3) For HR and quality information: Orpéa France and Orpéa Germany.

For environmental information: Orpéa Germany and Orpéa Spain.

Appendix: Cross-reference table for the Non-Financial Statement

The cross-reference table below highlights the information constituting the Non-Financial Statement pursuant to Articles L. 225-102-1, L. 225-102-2, R. 225-104 and R. 225-105 of the French Commercial Code and references the pages of this Universal Registration Document.

Heading		Chapter(s)	Page(s)
1	Business model	Introduction	22 - 23
2	Description of the main risks associated with the Company's or the Group's business, including, where relevant and proportionate, the risks created by business relationships, products or services	3	165 - 171
3	Information on the effects of the business on respect for human rights and the fight against corruption and tax evasion, and the way in which the Company or the Group takes into account the social and environmental consequences of its business (description of the policies applied and due diligence procedures implemented to prevent, identify and mitigate the main risks arising from the Company's or the Group's business)	3	77 - 187
4	Results of the policies applied by the Company or the Group, including key performance indicators	3	84 - 87
5	Employee information (employment, work organisation, health and safety, employee relations, training, equal treatment)	3	113 - 129
6	Environmental information (general environmental policy, pollution, circular economy, climate change)	3	146-164
7	Societal information (societal commitments to sustainable development, subcontracting and suppliers, fair practices)	3	130-145
8	Information on the fight against corruption and tax evasion	3	130-134
9	Information on human rights actions	3	127; 130 - 134; 165 - 171
10	Specific notices: ▪ the Company's policy on preventing the risk of technological accidents; ▪ the Company's ability to cover its civil liability for property and persons arising from operating such facilities; ▪ means provided by the Company to manage the compensation of victims in the event of a technological accident for which it is liable.	N/A	N/A
11	Collective bargaining agreements concluded within the Company and their impact on the Company's economic performance and on employees' working conditions	3	113 - 129; 165 - 171
12	Report by the independent third party on the information presented in the non-financial statement	3	184 - 186

CHAPTER 4
CORPORATE GOVERNANCE

Corporate governance

4

"Dear Shareholders,

Pursuant to Article L. 225-37 of the French Commercial Code, the Board of Directors presents to the Annual General Meeting a corporate governance report alongside the management report.

This report contains the information provided for in Article L. 22-10-8 et seq. of the French Commercial Code.

The Company has also implemented AMF recommendation 2012-02 on corporate governance and the remuneration of company executives, pursuant to the AFEP-MEDEF Code."

This report was approved by the Board of Directors at its meeting on 26 May 2023.

The publication on 26 January 2022 of the book *Les fossoyeurs*, describing inappropriate practices within the ORPEA Group, received immediate and widespread media coverage, both in the general public and in the financial community. This publication triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had an impact on the Company's day-to-day management, its financial sustainability and its governance.

At the Annual General Meeting on 28 July 2022, the Company's shareholders approved major changes in the membership of ORPEA's Board of Directors. At its first meeting, held immediately after that Annual General Meeting, the new Board of Directors decided to (i) appoint Guillaume Pepy as Chairman of the Board of Directors, (ii) change the membership of the Board Committees in order for the new directors to become members, and (iii) redefine the duties assigned to the Committees in order to reaffirm the Board's commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges. The membership and operating procedures of the Board of Directors and its Committees as of the date of this Universal Registration Document are set out below.

ORPEA makes reference to the AFEP-MEDEF corporate governance code for listed companies, as revised in December 2022 (hereinafter the "**AFEP-MEDEF Code**").

The Board of Directors and its Committees are governed by internal rules of procedure (hereinafter the "**Internal Rules**"), which were updated most recently on 14 March 2023. These Internal Rules are available on the Company's website (www.orpea-group.com/en/) and are presented in Appendix 1 to this report.

ORPEA believes that its practices comply with the recommendations of the AFEP-MEDEF Code.

Board of Directors

GUILLAUME PEPY
Independent director
Chairman of the Board of Directors
Term of office expiring: 2026 AGM

LAURENT GUILLOT
Director
Chief Executive Officer
Term of office expiring: 2026 AGM

CORINE DE BILBAO
Independent director
Member of the Audit and Risk Committee
Member of the Appointments and Remuneration Committee
Term of office expiring: 2024 AGM

ISABELLE CALVEZ
Independent director
Member of the Audit and Risk Committee
Term of office expiring: 2026 AGM

BERNADETTE DANET-CHEVALLIER
Independent director
Term of office expiring: 2025 AGM

LAURE DUHOT
Independent director
Member of the Audit and Risk Committee
Member of the Appointments and Remuneration Committee
Term of office expiring: 2023 AGM

MIREILLE FAUGÈRE
Independent director
Chair of the Ethics, Quality and CSR Committee
Term of office expiring: 2024 AGM

JOHN GLEN
Independent director
Member of the Audit and Risk Committee
Term of office expiring: 2026 AGM

DAVID HALE
Independent director
Member of the Audit and Risk Committee
Member of the Ethics, Quality and CSR Committee
Term of office expiring: 2026 AGM

14
directors

59.6
Average age

92.9%
Attendance rate

2 years
Average seniority

91.7%
Board of Directors' independence

50%
Women on the Board of Directors

100%
International experience

OLIVIER LECOMTE
Independent director and Chair of the Audit and Risk Committee
Term of office expiring: 2025 AGM

PEUGEOT INVEST ASSETS, represented by BERTRAND FINET
Independent director
Chair of the Appointments and Remuneration Committee
Member of the Audit and Risk Committee
Term of office expiring: 2023 AGM

PASCALE RICHETTA
Independent director
Member of the Appointments and Remuneration Committee
Member of the Ethics, Quality and CSR Committee
Term of office expiring: 2024 AGM

SOPHIE KALAIDJIAN
Director representing employees
Member of the Ethics, Quality and CSR Committee
Term of office expiring: 2024 AGM

LAURENT SERRIS
Director representing employees
Member of the Appointments and Remuneration Committee
Term of office expiring: 2023 AGM

4.1 Membership and operating procedures of the Board of Directors

Article 14 of ORPEA's Articles of Association defines and sets out the conditions for the membership and operating procedures of the Board of Directors.

The following tables present the 2022 key indicators applicable to the Board of Directors and the directors' individual attendance rates at Board meetings in 2022.

2022 key indicators	
Number of meetings of the Board of Directors	23
Attendance rate at meetings of the Board of Directors[1]	92.86%
Number of directors[2]	14
Proportion of independent directors[3]	91.67%
Proportion of women on the Board of Directors[4]	50.00%
Number of nationalities represented on the Board of Directors[5]	4
Average length of service of directors[6]	2.00
Average age of directors[6]	59.58

(1) This percentage was calculated including the directors representing employees.
(2) This number was calculated based on the membership of the Board of Directors at 31 December 2022 and including the directors representing employees.
(3) This percentage was calculated based on the membership of the Board of Directors at 31 December 2022 and, in accordance with recommendation 10.3 of the AFEP-MEDEF Code, excluding the directors representing employees.
(4) This percentage was calculated based on the membership of the Board of Directors at 31 December 2022 and, in accordance with Article L. 225-27 of the French Commercial Code, excluding the directors representing employees.
(5) This number was calculated based on the membership of the Board of Directors at 31 December 2022 and excluding the directors representing employees.
(6) This average was calculated based on the membership of the Board of Directors at 31 December 2022 and excluding the directors representing employees.

Directors' individual attendance rates in 2022	
Guillaume Pepy[1]	100.00%
Laurent Guillot[1]	100.00%
Corine de Bilbao	82.61%
Isabelle Calvez[1]	90.00%
Bernadette Danet-Chevallier	95.65%
Laure Duhot[2]	100.00%
Mireille Faugère[3]	85.71%
John Glen[1]	100.00%
David Hale[1]	70.00%
Olivier Lecomte	100.00%
Peugeot Invest Assets, represented by Bertrand Finet[4]	100.00%
Pascale Richetta	95.65%
Sophie Kalaidjian	100.00%
Laurent Serris	100.00%
Philippe Charrier[5]	100.00%
Laure Baume[6]	87.50%
Jean-Patrick Fortlacroix[7]	100.00%
Moritz Krautkrämer[8]	100.00%
Joy Verlé[9]	100.00%
Yves Le Masne[10]	50.00%

(1) Isabelle Calvez, Laurent Guillot, John Glen, David Hale and Guillaume Pepy were appointed as directors by the Annual General Meeting of 28 July 2022. At its meeting immediately following that Annual General Meeting, the Board of Directors confirmed the separation of the roles of Chairman and Chief Executive Officer and appointed Guillaume Pepy as Chairman of the Board of Directors.
(2) Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022.
(3) Mireille Faugère was appointed as a director by the Board of Directors on 28 September 2022, with effect from 1 October 2022, to replace Laure Baume, who resigned on 28 September 2022.
(4) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.
(5) Philippe Charrier resigned as Chairman of the Board and a director at the end of the Annual General Meeting of 28 July 2022.
(6) On 28 September 2022, Laure Baume resigned as a director.
(7) Jean-Patrick Fortlacroix's term of office as a director expired at the end of the Annual General Meeting of 28 July 2022.
(8) On 17 June 2022, Moritz Krautkrämer resigned as a director.
(9) On 30 August 2022, Joy Verlé resigned as a director.
(10) On 30 January 2022, the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer. On 10 February 2022, Yves Le Masne resigned as a director.

4.1.1 MEMBERSHIP OF THE BOARD OF DIRECTORS

4.1.1.1 INFORMATION REGARDING THE IDENTITY OF DIRECTORS

The Company's Articles of Association stipulate that the Board of Directors should have at least three and no more than 18 members, subject to the exceptions provided for in law. Directors may be natural or legal persons.

The directors are appointed by the shareholders in an Ordinary General Meeting, on the recommendation of the Board of Directors, after consulting the opinion of the Appointments and Remuneration Committee. They may be removed from office at any time by a vote of the shareholders in a General Meeting.

Pursuant to the AFEP-MEDEF Code, directors serve for a term of four years, after which they may be reappointed (except for the directors representing employees, who have a term of three years). Directors' appointments and reappointments are staggered to prevent all the terms of office from expiring at the same time and to ensure a smooth Board renewal process.

Until ORPEA's professional elections held in March 2023, a representative of the Social and Economic Committee of the ORPEA Economic and Social Unit attended the meetings of the Board of Directors in an advisory capacity. On 10 May 2023, the Company's newly elected Central Social and Economic Committee appointed a new representative who attends Board meetings in an advisory capacity.

At 31 December 2022, the Board of Directors had 14 members, including two directors representing employees.

The following table summarises the personal details and professional experience of the directors in office at the date of this report, together with information regarding their term of office as a director of the Company.

		Personal details			Experience	
Name	**Office**	**Age[1]**	**Gender**	**Nationality**	**International experience**	**Operational skills**
Guillaume Pepy[5]	Director (and Chairman of the Board of Directors)	64	M	French	Germany, Italy, Morocco, United Kingdom, United States	Public Relations, Business Development, Executive Management, Governance, Management, Strategy
Laurent Guillot[5]	Director (and Chief Executive Officer)	53	M	French	Africa, Asia, Europe, Latin America, United States	Purchasing, Executive Management, Finance, Governance, Information Systems, Management
Corine de Bilbao	Director	56	F	French	Africa, Asia, Europe, North America, South America	Purchasing, Business Development, Digital, Management, Executive Management, CSR
Isabelle Calvez[5]	Director	57	F	French	Europe	Human Resources
Bernadette Danet-Chevallier	Director	64	F	French	Asia, Europe, United States	Sales, Management, Marketing, Human Resources, Executive Management
Laure Duhot[6]	Director	61	F	French	Europe	Finance, M&A, Capital Markets and Fundraising, Real Estate Development and Construction, Real Estate Investment and Fund Management
Mireille Faugère[7]	Director	66	F	French	Africa, Europe	Public Relations, Executive Management, Finance, Strategy
John Glen[5]	Director	63	M	British and Irish	France, Germany, United Kingdom, United States	Executive Management, Finance
David Hale[5]	Director	54	M	French and American	Africa, Asia, Europe, Latin America, Middle East, United States	Digitalisation, Executive Management, Marketing, Services, Sales
Olivier Lecomte	Director	57	M	French	Europe	Development, Digital, Executive Management, Finance, Governance, Real Estate
Peugeot Invest Assets, represented by Bertrand Finet[8]	Director	57	M	French	Europe	Executive Management
Pascale Richetta	Director	63	F	French	Asia, Australia, Europe, North America, South America	Sales, Management, Medical Services
Sophie Kalaidjian	Director representing employees	45	F	French	-	Legal
Laurent Serris	Director representing employees	52	M	French	Asia, Europe, South America	Quality, Management

(1) Age of directors at 31 December 2022.
(2) Annual General Meeting (AGM) called to approve the financial statements for the previous year.
(3) Length of service of directors at 31 December 2022.
(4) At the date of this report.
(5) Isabelle Calvez, Laurent Guillot, John Glen, David Hale and Guillaume Pepy were appointed as directors by the Annual General Meeting of 28 July 2022. At its meeting immediately following that Annual General Meeting, the Board of Directors confirmed the separation of the roles of Chairman and Chief Executive Officer and appointed Guillaume Pepy as Chairman of the Board of Directors.

Experience			Position on the Board of Directors			
Industry experience	**Number of offices held in listed companies**	**Independence**	**Expiry of term of office[2]**	**Date of first appointment**	**Length of service on the Board of Directors[3]**	**Member of Board Committees[4]**
Business to Consumer, Digital, Logistics, Public Utility Services, Transport	2	Yes	2026 AGM	28 July 2022	0	-
Government, Industry (construction, automotive, aerospace, medical components)	2	No	2026 AGM	28 July 2022	0	-
Energy, Oil and Gas, Electricity Generation and Distribution, Engineering, Healthcare	2	Yes	2024 AGM	23 June 2020	2	Audit and Risk Committee (member) Appointments and Remuneration Committee (member)
Insurance, Consulting, Environment, Retail	1	Yes	2026 AGM	28 July 2022	0	Audit and Risk Committee (member)
Hospitality, Tourism, Cruises	1	Yes	2025 AGM	16 September 2014	8	-
Real Estate, Investment, Finance	1	Yes	2023 AGM	10 September 2022	0	Appointments and Remuneration Committee (member) Audit and Risk Committee (member)
Transport, Healthcare, Public Utility Services	1	Yes	2024 AGM	1 October 2022	0	Ethics, Quality and CSR Committee (Chair)
Business to Consumer, Business to Business, Energy, Real Estate, Industry	1	Yes	2026 AGM	28 July 2022	0	Audit and Risk Committee (member)
Banking, IT, Healthcare	1	Yes	2026 AGM	28 July 2022	0	Audit and Risk Committee (member) Ethics, Quality and CSR Committee (member)
Real Estate, Finance, Healthcare	2	Yes	2025 AGM	16 November 2020	2	Audit and Risk Committee (Chair)
Finance, Investments	3	Yes	2023 AGM	15 February 2012	10	Appointments and Remuneration Committee (Chair) Audit and Risk Committee (member)
Pharmaceuticals, Healthcare	1	Yes	2024 AGM	23 June 2020	2	Appointments and Remuneration Committee (member) Ethics, Quality and CSR Committee (member)
Healthcare	1	No	2024 AGM	15 January 2015	7	Ethics, Quality and CSR Committee (member)
Industry, Healthcare	1	No	2023 AGM	15 December 2020	2	Appointments and Remuneration Committee (member)

(6) Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022.

(7) Mireille Faugère was appointed as a director by the Board of Directors on 28 September 2022, with effect from 1 October 2022, to replace Laure Baume, who resigned on 28 September 2022.

(8) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.

The diverse backgrounds and complementary international, operational and industry skills and knowledge of the directors, the balanced representation of men and women, and the representation of several nationalities on the Board of Directors enrich its discussions and contribute to its strategic vision.

Short biographies of directors at the date of this report, including details of their careers, terms of office and positions they hold or have held outside the Company over the past five years, along with the number of shares they own, are presented in Appendix 2 of this report.

4.1.1.2 INDEPENDENCE OF DIRECTORS

The Company believes that having independent directors on its Board of Directors improves the quality and objectivity of discussions. It considers that a Board member is independent if they have no relationship of any kind with the Company, its Group or its management liable to compromise their independence of judgement.

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board of Directors performs an annual review, following discussions held by the Appointments and Remuneration Committee, of whether each of its members qualifies as independent. It also reviews the status of new directors following their appointment. In this review, the Board applies the criteria for independence set out in recommendation 10 of the AFEP-MEDEF Code and presented in the table below.

In 2022, the Board of Directors, based on the recommendation of the Appointments and Remuneration Committee, reviewed the status of directors with regard to the criteria for independence set out in recommendation 10.5 of the AFEP-MEDEF Code.

Pursuant to recommendation 10.7 of the AFEP-MEDEF Code, the Board paid particular attention to the status of John Glen and Laure Duhot, directors whose appointment was proposed by CPPIB, which was ORPEA's largest shareholder at 31 December 2022, with 14.49% of the Company's share capital and 24.13% of the voting rights, before it sold all of its ORPEA shares between 2 and 8 February 2023. When these two directors were appointed, on the recommendation of the Appointments and Remuneration Committee, the Board considered that they could qualify as independent in the light of (i) the criteria for independence of the AFEP-MEDEF Code, which they both met, (ii) ORPEA's shareholding structure, (iii) the absence of any potential conflicts of interest between the directors and ORPEA, and (iv) the non-material nature of ORPEA's stake in the asset portfolio managed by CPPIB.

Neither CPPIB's sale of its entire shareholding, nor any other factor resulted in a change in the qualification of John Glen and Laure Duhot as independent directors during the annual review of their independence by the Board of Directors.

When Guillaume Pepy was appointed, on the recommendation of the Appointments and Remuneration Committee, the Board of Directors considered that he could be qualified as an independent director. Guillaume Pepy fulfilled all the independence criteria set out in the AFEP-MEDEF Code and, even beyond these criteria, his relationship with CPPIB, which had ended by the time he took office, was not likely to affect his independence in any way. Guillaume Pepy was chosen as part of the selection process for director candidates, conducted by the Appointments and Remuneration Committee with the assistance of a leading recruitment firm. His appointment was in no way recommended by CPPIB, which no longer had any links whatsoever with Guillaume Pepy. He provided advisory services to CPPIB under a consultancy contract that ended on 5 July 2022 but was not bound to CPPIB by an employment contract or by a corporate office. Guillaume Pepy was not receiving any remuneration linked, directly or indirectly, to ORPEA's performance and, more generally, he was no longer receiving his fixed remuneration as a consultant to CPPIB as his contract had ended. Lastly, neither he nor CPPIB had any business ties to ORPEA.

No factors were identified during the Board of Directors' annual independence review that resulted in a change in the qualification of Guillaume Pepy as an independent director.

The Board considered that Laurent Guillot, the Company's Chief Executive Officer since 1 July 2022, could not be qualified as independent in view of this role.

No director has any business relationship with the Company.

The table below provides an overview of the status of each director at the date of this report.

	Criterion 1: Employee or executive officer during the previous 5 years	Criterion 2: Appointments at related companies	Criterion 3: Material business relationships	Criterion 4: Family relationship	Criterion 5: Statutory Auditor	Criterion 6: Term of office of over 12 years	Criterion 7: Non-executive corporate officer	Criterion 8: Major shareholder	Definition assigned by the Board of Directors
Guillaume Pepy[1]	√	√	√	√	√	√	√	√	Independent
Laurent Guillot[1][2]	X	X	√	√	√	√	√	√	Non-independent
Corine de Bilbao	√	√	√	√	√	√	√	√	Independent
Isabelle Calvez[1]	√	√	√	√	√	√	√	√	Independent
Bernadette Danet-Chevallier	√	√	√	√	√	√	√	√	Independent
Laure Duhot[3]	√	√	√	√	√	√	√	√	Independent
Mireille Faugère[4]	√	√	√	√	√	√	√	√	Independent
John Glen[1]	√	√	√	√	√	√	√	√	Independent
David Hale[1]	√	√	√	√	√	√	√	√	Independent
Olivier Lecomte	√	√	√	√	√	√	√	√	Independent
Peugeot Invest Assets, represented by Bertrand Finet[5]	√	√	√	√	√	√	√	√	Independent
Pascale Richetta	√	√	√	√	√	√	√	√	Independent

(1) Isabelle Calvez, Laurent Guillot, John Glen, David Hale and Guillaume Pepy were appointed as directors by the Annual General Meeting of 28 July 2022. At its meeting immediately following that Annual General Meeting, the Board of Directors confirmed the separation of the roles of Chairman and Chief Executive Officer and appointed Guillaume Pepy as Chairman of the Board of Directors.

(2) Laurent Guillot took up his position as Chief Executive Officer of the Company on 1 July 2022. As a reminder, on 30 January 2022, the Board of Directors (i) terminated Yves Le Masne's duties as Chief Executive Officer, (ii) decided to temporarily combine the roles of Chairman and Chief Executive Officer, which it considered appropriate in light of the crisis affecting the Company following the publication of the book Les fossoyeurs, and (iii) appointed Philippe Charrier, previously Chairman of the Board of Directors, as Chairman and Chief Executive Officer. The Company therefore reverted to a governance structure with the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer as from 1 July 2022, with Philippe Charrier returning to his position as Chairman of the Board of Directors until the end of the Annual General Meeting of 28 July 2022.

(3) Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022.

(4) Mireille Faugère was appointed as a director by the Board of Directors on 28 September 2022, with effect from 1 October 2022, to replace Laure Baume, who resigned on 28 September 2022.

(5) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.

The proportion of independent directors stood at 91.67% at 31 December 2022. Recommendation 10.3 of the AFEP-MEDEF Code – which stipulates that the proportion of independent directors should be at least half in non-controlled companies – is thus satisfied.

4.1.1.3 EMPLOYEE REPRESENTATION

In accordance with Article L. 225-27-1 of the French Commercial Code and Article 15 of ORPEA's Articles of Association, two directors representing employees sit on the Board of Directors, following their appointment by the Social and Economic Committee of the ORPEA Economic and Social Unit:

- Sophie Kalaidjian, since 15 January 2015. At its meeting on 30 March 2021, said Social and Economic Committee decided to reappoint her for a term of three years, i.e., until the close of the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2023. On 28 July 2022, Sophie Kalaidjian ceased to be a member of the Appointments and Remuneration Committee and became a member of the Ethics, Quality and CSR Committee.
- Laurent Serris, since 15 December 2020, for a term of three years, i.e., until the close of the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2022. Since 28 July 2022, he has been a member of the Appointments and Remuneration Committee.

In accordance with the aforementioned Article 15 of ORPEA's Articles of Association, following the establishment of a European Works Council, the Annual General Meeting of 28 July 2022 decided to amend the procedures (provided for in the Articles of Association) for appointing the second director representing employees and to entrust their appointment to the European Works Council. The next term of office of an employee-representative director to expire will be that of Laurent Serris.

Until ORPEA's professional elections held in March 2023, a representative of the Social and Economic Committee of the ORPEA Economic and Social Unit also attended the meetings of the Board of Directors in an advisory capacity and received the same information as the directors. On 10 May 2023, the Company's newly elected Central Social and Economic Committee appointed a new representative who attends Board meetings in an advisory capacity and receives the same information as the directors.

4.1.1.4 DIVERSITY, EQUALITY AND COMPLEMENTARY NATURE OF DIRECTORS' SKILLS AND EXPERTISE

Pursuant to Article L. 22-10-10 of the French Commercial Code, this section outlines the diversity policy applicable to members of the Board of Directors (based on criteria such as age, gender, qualifications and professional experience), its objectives, the arrangements for its implementation and the results achieved during 2022.

ORPEA's Board of Directors aims for its membership to mirror the Group's profile as a global benchmark player and expert in the full spectrum of long-term care, generating more than half its revenue outside France, its real estate portfolio worth an estimated €6.5 billion, and its major emphasis on the quality of the services it provides (both care- and accommodation-related) and the working conditions of its employees.

All Company directors must share a fundamental set of skills and expertise, namely the ability to comprehend ORPEA's business lines and demonstrate an interest in its sector, the ability to listen, contribute to discussions, put forward and express their opinions, availability to attend meetings of the Board of Directors and its Committees and contribute to preparatory work, and proficiency in English.

Moreover, as well as a diverse range of international experience, the Board of Directors seeks to ensure that its members have (i) operational experience in finance, sustainable development, governance, real estate, team management, human resources and/or medical services, and (ii) industry experience in the healthcare, real estate and/or hospitality sectors.

Lastly, the Board of Directors wishes at least one director to be a senior executive or to have had executive management experience so that they are able to act as a "sparring partner" with Executive Management.

At the date of this report, as outlined in greater detail below, all of these skills and areas of expertise were covered by the members of the Board of Directors in the proportions below:

Objectives	Results achieved during 2022[1]
OPERATIONAL SKILLS	
Experience in development	33%
Experience in finance	42%
Experience in real estate	17%
Experience in management	42%
Experience in medical services	8%
Experience in governance	25%
Experience in CSR	8%
Experience in digitalisation/marketing/sales/communication	42%
Experience in executive management	75%
INDUSTRY EXPERTISE	
Professional experience outside France	100%
Experience in the hospitality sector	8%
Experience in the real estate sector	25%
Experience in the healthcare sector	42%
Experience in the public utility services sector	17%
Experience in the financial sector	17%

(1) The directors representing employees are not included in the calculations shown in this table.

Adding to the advantage of a varied range of complementary experience, the Board of Directors seeks to ensure that its membership is diverse in terms of age and gender. The average age of directors is 59.58[1] and none of the directors are over 70. In addition, 50%[2] of the members of the Board of Directors are women (this percentage is unchanged when including the directors representing employees).

Following the Group's financial restructuring, detailed in section 1.5 of this Universal Registration Document, the Board of Directors will be reorganised to take into account the Company's new shareholding structure.

In particular, the following principles for the membership of the Board of Directors will apply:

- the roles of Chairman of the Board of Directors and Chief Executive Officer will remain separate;
- the Board of Directors will comprise 13 members: the Chief Executive Officer, two directors representing employees, in accordance with the applicable laws, seven members appointed by the investor group made up of Caisse des Dépôts, CNP Assurances, MAIF and MACSF (including three independent directors) and three independent directors within the meaning of the AFEP-MEDEF Code;
- a non-voting advisor role will be created for a member of the new shareholder, the SteerCo[3].

Any resulting proposed appointments will be submitted for approval at the 2023 Annual General Meeting.

(1) The average age was calculated based on the membership of the Board of Directors at 31 December 2022, excluding the directors representing employees.
(2) This percentage was calculated based on the membership of the Board of Directors at 31 December 2022 and, in accordance with Article L. 225-27 of the French Commercial Code, excluding the directors representing employees.
(3) Five institutions that hold the Company's unsecured debt.

4.1.1.5 APPOINTMENT/REAPPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS

Procedure to reappoint/select directors who are not employees

At its meeting held in the last quarter of each year, the Appointments and Remuneration Committee includes on its agenda a review of the membership of the Board of Directors and the Board Committees. Discussions take place based on a brief prepared by Executive Management, which contains an overview of the Board of Directors' diversity policy and its objectives, highlighting the terms of office expiring during the next four years. On this occasion, special attention is paid to the terms of office expiring at the end of the following Annual General Meeting, with a focus, on the one hand, on the aforementioned diversity policy, and, on the other hand, on the length of service, intentions, operational skills, industry experience, and contribution of the directors whose terms of office are expiring.

In the event that one (or more) director(s) needs to be replaced, a call for tenders is launched to select a recruitment firm in order to find new profiles, based on a brief – covering the desired profile and listing the common set of shared core skills and expertise that are expected – prepared by the Appointments and Remuneration Committee. The chosen firm then presents a selection of candidates to the Committee, who are interviewed by the Chair of the Committee, the Chairman of the Board and the Chief Executive Officer, and then by any Committee members who wish to interview the candidates.

The Appointments and Remuneration Committee finalises the selection of director candidates by April at the latest for the following year, and presents its selection to the Board of Directors ahead of convening the Annual General Meeting to express an opinion on the renewal of the terms of office of directors in office and/or the appointment of new directors.

The Appointments and Remuneration Committee reports on its work to the Board of Directors throughout this process and on a regular basis, with respect to the renewal of the terms of office of existing directors and/or the selection of new directors.

Changes in the membership of the Board of Directors and of the Board Committees since 1 January 2022

The table below provides an overview of changes in the membership of the Board of Directors and Board Committees since 1 January 2022.

	Departures	Arrivals	Reappointments
Board of Directors	Yves Le Masne[1] Moritz Krautkrämer[2] Philippe Charrier (Chairman)[3] Jean-Patrick Fortlacroix[4] Joy Verlé[5] Laure Baume[6]	Guillaume Pepy (Chairman)[7] Laurent Guillot[7] Isabelle Calvez[7] John Glen[7] David Hale[7] Laure Duhot[8] Mireille Faugère[9]	
Audit and Risk Committee[10]	Jean-Patrick Fortlacroix (Chair)[4] Joy Verlé[5]	Corine de Bilbao[10] Isabelle Calvez[10] John Glen[10] David Hale[10] Peugeot Invest Assets[10][11] Laure Duhot[8]	
Appointments and Remuneration Committee[10]	Bernadette Danet-Chevallier[10] Sophie Kalaidjian[10] Joy Verlé[5]	Laure Duhot[8] Pascale Richetta[10] Laurent Serris[10]	
Ethics, Quality and CSR Committee[10]	Corine de Bilbao (Chair)[9] Moritz Krautkrämer[2] Peugeot Invest Assets[10]	Mireille Faugère (Chair)[9] David Hale[10] Sophie Kalaidjian[10]	

(1) On 10 February 2022, Yves Le Masne resigned as a director.

(2) On 17 June 2022, Moritz Krautkrämer resigned as a director.

(3) Philippe Charrier resigned as Chairman of the Board and as a director at the end of the Annual General Meeting of 28 July 2022.

(4) Jean-Patrick Fortlacroix's term of office as a director expired at the end of the Annual General Meeting of 28 July 2022.

(5) On 30 August 2022, Joy Verlé resigned as a director.

(6) On 28 September 2022, Laure Baume resigned as a director.

(7) Isabelle Calvez, Laurent Guillot, John Glen, David Hale and Guillaume Pepy were appointed as directors by the Annual General Meeting of 28 July 2022. At its meeting immediately following that Annual General Meeting, the Board of Directors confirmed the separation of the roles of Chairman and Chief Executive Officer and appointed Guillaume Pepy as Chairman of the Board of Directors.

(8) Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022. She was appointed as a member of the Appointments and Remuneration Committee on 10 September 2022 and a member of the Audit and Risk Committee on 14 March 2023.

(9) Mireille Faugère was appointed as a director by the Board of Directors on 28 September 2022, with effect from 1 October 2022, to replace Laure Baume, who resigned on 28 September 2022. She was appointed Chair of the Ethics, Quality and CSR Committee, replacing Corine de Bilbao.

(10) On 28 July 2022, the Board of Directors decided to (i) redefine the duties assigned to its Committees in order to reaffirm its commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges, and (ii) change the membership of the Board Committees in order for the new directors to become members:

– the role of the Audit Committee, renamed the Audit and Risk Committee, was strengthened and clarified, particularly with regard to risk-related responsibilities. Olivier Lecomte was appointed Chair of the Audit and Risk Committee and Corine de Bilbao, Isabelle Calvez, David Hale, John Glen and Peugeot Invest Assets, represented by Bertrand Finet, were appointed as members of this Committee. Joy Verlé resigned as a director on 30 August 2022. Consequently, her term as a member of the Audit and Risk Committee ended on the same date. Laure Duhot was appointed as a member of this Committee on 14 March 2023.

– the Appointments and Remuneration Committee was tasked with more duties relating to talent pool supervision, to ensure a succession plan for the Executive Committee and other key positions, and also to HR policy. Bernadette Danet-Chevallier and Sophie Kalaidjian resigned as members of the Appointments and Remuneration Committee and Pascale Richetta, Joy Verlé and Laurent Serris were appointed as members of the Committee. Joy Verlé resigned as a director on 30 August 2022. Consequently, her term as a member of the Appointments and Remuneration Committee ended on the same date. Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022, and was appointed as a member of the Appointments and Remuneration Committee on the same date.

– the CSR and Innovation Committee became the Ethics, Quality and CSR Committee, the aim being to support the Board of Directors' work by ensuring that Ethics, Quality and CSR are at the heart of the Group's mission and activities. Peugeot Invest Assets, represented by Bertrand Finet, resigned as a member of the Ethics, Quality and CSR Committee and David Hale and Sophie Kalaidjian were appointed as members of the Committee. Mireille Faugère replaced Corine de Bilbao as Chair of this Committee, as of 1 October 2022, the date on which Corine de Bilbao ceased to be a member.

(11) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.

Staggering of terms of office

The reappointment of the directors is staggered as follows:

Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2022	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2023	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024	Term of office expiring at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025
Laure Duhot	Corine de Bilbao	Bernadette Danet-Chevallier	Guillaume Pepy
Peugeot Invest Assets, represented by Bertrand Finet	Mireille Faugère	Olivier Lecomte	Laurent Guillot
Laurent Serris (director representing employees)	Pascale Richetta		Isabelle Calvez
	Sophie Kalaidjian (director representing employees)		John Glen
			David Hale

Ratification of the appointment of Laure Duhot and Mireille Faugère and terms of office of directors expiring at the close of the next Annual General Meeting

In keeping with the diversity policy applicable to members of the Board of Directors, a proposal will be made to the 2023 Annual General Meeting to ratify the Board of Directors' appointment of Laure Duhot and Mireille Faugère as directors, at its meetings of 10 and 28 September 2022 respectively, to replace Joy Verlé and Laure Baume, who resigned on 30 August 2022 and 28 September 2022 respectively. The Board appointed Laure Duhot and Mireille Faugère for a period expiring at the end of their predecessors' terms of office, i.e., until the close of the Annual General Meeting held to approve the financial statements for the year ended 31 December 2022 and the Annual General Meeting held to approve the financial statements for the year ending 31 December 2023 respectively.

In addition to their diligence and international outlook, each of these directors possesses key skills that are useful for the Board. Their personal details and experience, as well as information about their term of office as a director within the Company, are presented in greater detail in the table at the beginning of the section entitled "Information regarding the identity of directors". Short biographies, including details of their careers, terms of office and positions they hold or have held outside the Company over the past five years, together with the number of shares they own, are presented in Appendix 2 of this report.

The Board of Directors considered that Laure Duhot and Mireille Faugère are independent under the independence criteria set out in Article 10 of the AFEP-MEDEF Code.

The 2023 Annual General Meeting will also be asked to appoint at least seven new directors (see paragraph 4.1.1.4 above). The names of the new candidates for director, as well as their backgrounds, will be provided in the Board of Directors' report to said Annual General Meeting.

Decision regarding the term of office of the director representing employees, expiring at the close of the next Annual General Meeting

Laurent Serris' term of office as a director representing employees will expire at the close of the 2023 Annual General Meeting.

In accordance with Article 15 of the Company's Articles of Association, as amended by the Annual General Meeting of 28 July 2022, the appointment of his replacement will be entrusted to the European Works Council.

4.1.1.6 ETHICAL CONDUCT OF CORPORATE OFFICERS

The Board of Directors' Internal Rules are intended to supplement the rules laid down in law, regulations and the Articles of Association so as to clarify how the Board of Directors and its Committees should operate in the interests of the Company and its shareholders. They set out the rules regarding confidentiality and the disclosure of conflicts of interest, as well as those applicable to trading in the Company's shares and the associated declaration and notification requirements.

The Internal Rules are updated regularly, most recently on 14 March 2023. They can be downloaded from the Company's website (www.orpea-group.com/en/) and are presented in Appendix 1 to this report.

Management of inside information

Each corporate officer is required to respect the provisions of the Internal Rules of the Board of Directors relating to insider trading, which comply with the obligations under Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR") and the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) Position-Recommendation 2016-08 of 26 October 2016 on ongoing information and management of inside information. Accordingly, corporate officers are required to comply with the rules applicable to the management of inside information and trading in the Company's shares, particularly during closed periods.

Conflicts of interest and declarations concerning corporate officers

Absence of family relationships between the corporate officers

To the best of the Company's knowledge, there are no family relationships between any corporate officers of the Company.

Absence of conflicts of interest

To the best of the Company's knowledge, there are no potential or proven conflicts of interest between the corporate officers' duties with regard to the ORPEA Group and their own private interests. The Chairman of the Board of Directors and the Chief Executive Officer do not undertake any other business activities or hold any other office outside the Group liable to give rise to a business relationship with the Group. There is no agreement or other arrangement between the directors and the Group. There are no financial flows between the directors and the Group, with the exception of (i) the remuneration allocated to the directors for their participation in the meetings of the Board of Directors and, where applicable, the Board Committees, and (ii) the exceptional remuneration of Olivier Lecomte, in his capacity as Chair of the Ad Hoc Committee formed to oversee the independent review following the publication of the book *Les fossoyeurs* (approved in accordance with the procedure for related-party agreements), which was paid to him in respect of the period beginning on 15 February 2022 and ending on 30 June 2022. The organisation of the Board of Directors and its operating procedures, including the procedure for related-party agreements, are designed to prevent any such conflicts of interest.

In addition, under the Internal Rules, directors are obliged to disclose to the Board of Directors any conflict of interest, or even a potential conflict of interest, that may directly or indirectly affect them. In such circumstances, the director(s) in question must refrain from attending the relevant discussions and participating in the vote related thereto.

Absence of convictions and criminal liability among the corporate officers

To the best of the Company's knowledge, none of the corporate officers have, in the past five years, been convicted of fraud, subject to bankruptcy, liquidation, receivership or had companies placed in administration, been accused of wrongdoing and/or publicly sanctioned by the statutory or regulatory authorities (including designated professional bodies), or been issued with any court order barring them from office as director, senior executive or supervisory board member or from involvement in the management or conduct of a listed company's affairs.

Absence of service agreements

No service agreement has been entered into between directors and the Company or any of its subsidiaries providing for the granting of benefits under such agreements.

4.1.1.7 HONORARY CHAIRMAN

On 23 March 2017, the Board of Directors appointed Jean-Claude Marian, founder of the ORPEA Group, as Honorary Chairman upon his retirement. Jean-Claude Marian did not attend meetings of the Board of Directors and did not receive the documents presented at them.

Given the crisis the Group experienced following the publication of the book *Les fossoyeurs* in January 2022, and the aim of building a new ORPEA, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, terminated his role as Honorary Chairman on 27 July 2022.

4.1.2 OPERATING PROCEDURES AND MAIN WORK UNDERTAKEN BY THE BOARD OF DIRECTORS

4.1.2.1 OPERATING RULES AND MAIN WORK UNDERTAKEN BY THE BOARD OF DIRECTORS

The operating procedures of the Board of Directors are governed by statutory and regulatory requirements, and by the Articles of Association and Internal Rules.

The Articles of Association form the constitutional basis for the Company, specifying its characteristics and operating procedures. They may only be amended with the approval of shareholders at an Ordinary or Extraordinary General Meeting, depending on the issue concerned, either directly or following a delegation of powers to the Board of Directors. The Articles of Association are updated regularly, most recently on 1 September 2022. They can be downloaded from the Company's website (www.orpea-group.com/en/).

The Internal Rules are intended to supplement the rules laid down in law, regulations and the Articles of Association so as to clarify how the Board and its Committees should operate in the interests of the Company and its shareholders. The Internal Rules are updated regularly, most recently on 14 March 2023. They can be downloaded from the Company's website (www.orpea-group.com/en/) and are presented in Appendix 1 to this report.

A digital platform is used to manage the work of the Board of Directors and the Board Committees. As well as safeguarding the security of exchanges of information, the platform enhances the performance and governance of the Board of Directors and the Board Committees. The papers presented at meetings of the Board of Directors and Board Committees and at strategic seminars are made available on the digital platform, together with published financial analyses and other documents that may be of use to directors in the performance of their duties (directors' guide, Internal Rules of the Audit and Risk Committee, etc.).

The working language of the Board and the Board Committees is French. Given the international nature of the topics covered and the diversity of the participants, English is also regularly used.

Arrangements for meetings of the Board of Directors

The Board of Directors meets whenever the interests of the Company so require. Meetings may be convened by any means (letter, fax, email and even orally) by the Chairman of the Board of Directors.

Notices of meeting may be issued by the Secretary of the Board. Barring special circumstances, notice of a meeting is given in writing at least eight days in advance and is accompanied by the agenda and the minutes of the previous meeting. It states where the meeting is to be held, which may be the Company's registered office or any other location.

In special circumstances, the Chairman may solicit the Board's opinion on a particular matter by convening a meeting with 24 hours' notice.

The Board of Directors can validly deliberate only if at least half of its members are present. A director may be represented by another director holding a special proxy.

Directors may participate in meetings via video-conferencing or telecommunication methods that allow them to be identified and ensure their effective participation in the meeting, in accordance with the applicable regulations. However, directors may not attend meetings remotely when the Board of Directors is called to approve either the Company's individual and consolidated financial statements, the corporate governance report or the management reports.

In accordance with Article 17 of the Company's Articles of Association and Article 3.6 of the Board of Directors' Internal Rules, the Board may, on the initiative of its Chairman, take certain decisions by written consultation under the conditions provided for in the applicable regulations.

Decisions are taken by a majority vote of the directors present or represented, except for the decision on whether to separate or combine the roles of the Chairman of the Board of Directors and the Chief Executive Officer, for which a two-thirds majority vote by directors is required. The Chairman of the Board of Directors has a casting vote.

The proceedings of meetings and the decisions made are recorded in minutes.

Board seminars

The Board of Directors usually organises at least two strategic seminars each year, including at least one outside France. The Board seminars held abroad are an opportunity for the directors to visit the Group's facilities outside France.

Due to the crisis faced by the Group and its stakeholders following the publication of the book *Les fossoyeurs* and the large number of Board meetings in 2022, it was not possible to organise a strategic seminar in 2022. Nevertheless, an on-boarding session was organised on 13 September 2022 to welcome the new directors. This session was an opportunity to present the economic and institutional models of the Group's activities in France and Europe and to provide more in-depth information about its financing strategy. A seminar on the Group's Refoundation Plan was also organised.

Executive sessions

The Board of Directors meets at least once a year without the executive corporate officers in attendance, in accordance with recommendation 12.3 of the AFEP-MEDEF Code. All directors take part in this session with the exception of (i) the directors representing employees and (ii) the executive and non-executive corporate officers, in the debates concerning them. The Social and Economic Committee representative does not take part in this session.

As from 28 July 2022, given the high level of activity over the period, the directors met without the presence of the executive corporate officers or any other employees at the end of most Board meetings (five times between that date and 31 December 2022).

Duties and activities of the Board of Directors

The provisional schedule of Board meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on the above-mentioned schedule, the agenda for each meeting is made available online on the Board of Directors' digital platform in the week preceding the meeting, together, wherever possible, with documents that must be reviewed for effective decision-making by the directors. A matrix for the preparation of Board and Board Committee meetings is prepared by the Secretary of the Board in the year-earlier period and is updated and sent to the directors on a regular basis.

The minutes of each meeting of the Board of Directors are expressly approved at the following meeting.

The Board of Directors met 23 times in 2022 (eight times in 2021). The directors' attendance rate stood at 92.86% (versus 97.12% in the previous year). Directors' individual attendance rates at the various Board of Directors' meetings are stated at the beginning of section 4.1 of this report.

In addition to its usual activities, the Board of Directors was very active throughout the crisis following the publication of the book *Les fossoyeurs* in January 2022, meeting on numerous occasions by video conference, on a daily, weekly or bi-monthly basis (depending on the development of the crisis and the degree of urgency) so that (i) Executive Management could present it with updates of the operational and managerial situation, the measures implemented, and the impacts on the Group, and (ii) it could make decisions on the issues that fell within its remit.

In parallel, on 30 January 2022, the Board resolved to set up an Ad Hoc Committee to oversee the independent review of the acts described in the book *Les fossoyeurs*. On 23 February 2022, the Committee's responsibilities were expanded to include management of the crisis. The Chair of the Committee, Olivier Lecomte, gave a verbal report on its meetings at the following Board meetings. Following the submission of the final reports from Grant Thornton and Alvarez & Marsal, the Ad Hoc Committee was disbanded on 1 July 2022.

In view of the issues related to the Company's real estate strategy, on 28 September 2022 the Board of Directors resolved to create a real estate working group. This group's responsibilities are to act as a sparring partner in discussions with Executive Management and to review asset disposal strategies, particularly considering the various asset categories, the possibility of setting up a real estate company and the composition of ORPEA's portfolios. On 14 March 2023, on the recommendation of the Appointments and Remuneration Committee, the Board of Directors decided to extend the Audit and Risk Committee's responsibilities to cover real estate and therefore terminated this working group.

On 22 October 2022, the Board of Directors resolved to create another Ad Hoc Committee to monitor changes in the Company's financial position, and to challenge and support Executive Management in its proposals to the Board and in its decisions (including monitoring the progress of the negotiations and the conciliation procedure) between Board meetings. This Ad Hoc Committee met on a weekly basis until February 2022 and has met on a bi-monthly basis since then. It reports on its work at the following Board meetings.

The table below provides a summary of the duties of the Board of Directors and the topics covered during its meetings held in 2022, it being noted that each Board meeting starts with a report by the Chief Executive Officer (Chairman and Chief Executive Officer from 30 January until 30 June 2022) on recent news, developments, and the status of the Group's key performance indicators (in particular occupancy rates, serious adverse events, and the accident frequency and severity rate).

Duties of the Board of Directors	Activities of the Board of Directors in 2022
Discussions and decisions concerning the Group's major strategic, business, employee-related and financial priorities and the monitoring of their implementation by Executive Management	▪ Regular review of the Group's business activities, developments in progress, the Group's financial position and level of debt ▪ Review and approval of the 2022 budget and five-year business plan ▪ Regular discussions about the communication strategy ▪ Description and implementation of the share buyback programme ▪ Discussion regarding the Chief Executive Officer's activity reports ▪ Decision to commission the firms Grant Thornton and Alvarez & Marsal to conduct an independent review ▪ Creation of an Ad Hoc Committee to oversee the independent review carried out by Grant Thornton and Alvarez & Marsal and regular monitoring of this Committee's work ▪ Discussion regarding Mirova's open letter
Discussions and decisions relating to the financial difficulties encountered by the Company following the publication of the book *Les fossoyeurs*	▪ Monitoring of the Group's financial position and financing ▪ Review and follow-up of negotiations with the G6 banks ▪ Approval of the term sheet entered into with the G6 banks on 12 May 2022 ▪ Approval of the conciliation procedure dated 3 June 2022 ▪ Approval of the syndicated loan agreement dated 13 June 2022 ▪ Support for the opening of a second amicable conciliation procedure with the President of the Nanterre Commercial Court on 25 October 2022 ▪ Review and approval of the Refoundation Plan, review of and support for the financial restructuring project ▪ Creation of a "Real Estate" working group and an Ad Hoc Committee to monitor the second conciliation procedure and the financial restructuring
Decisions regarding investment opportunities, including acquisitions or disposals, that may have a material impact on the Group's results, balance sheet structure or risk profile	▪ Approval of plans to dispose of real estate portfolios, particularly in the Netherlands ▪ Approval of the proposed acquisition of minority interests in September, Allerzorg and Thuismakers (Netherlands)
Approval of the annual and interim financial statements and preparations for the Annual General Meeting	▪ Review of preliminary key financial indicators for the results for full-year 2021 and first-half 2022 and of the economic environment for second-half 2022 ▪ Review and approval of the individual and consolidated financial statements for the year ended 31 December 2021, the condensed consolidated interim financial statements at 30 June 2022, and the related management reports ▪ Review of related-party agreements entered into in 2021 and those entered into in prior years which remained in effect during 2021 ▪ Review of agreements in force at 31 December 2021 that were entered into in the ordinary course of business and on arm's length terms ▪ Preparation and approval of the Group's management report ▪ Decision not to pay a dividend for the year ended 31 December 2021 ▪ Review of draft press releases and results presentations for the investor community prior to their publication, and of the Group's financial position, including changes in its cash and debt levels ▪ Proposed appointment of Mazars and reappointment of Deloitte & Associés as principal Statutory Auditors ▪ Approval of draft resolutions and documents required by the applicable law and regulations pertaining to the Annual General Meeting ▪ Calling the Annual General Meeting of 28 July 2022 ▪ Answers to written questions ▪ Analysis of the results of the Annual General Meeting vote on 28 July 2022
Governance/ proposal, upon the recommendation of the Appointments and Remuneration Committee, to the Annual General Meeting of candidates for the role of director	▪ Termination of Yves Le Masne's duties as Chief Executive Officer ▪ Temporary combination of the roles of Chairman of the Board of Directors and Chief Executive Officer and appointment of Philippe Charrier as Chairman and Chief Executive Officer ▪ Review of the membership of the Board of Directors, discussion on the search for new directors and proposal of candidates in connection with major changes in the Board's membership structure ▪ Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer, appointment of Laurent Guillot as Chief Executive Officer and Philippe Charrier as Chairman of the Board of Directors ▪ Review, on the recommendation of the Appointments and Remuneration Committee, of the directors' individual status to determine whether they are independent ▪ Termination of Jean-Claude Marian's term of office as Honorary Chairman ▪ Appointment of Guillaume Pepy as Chairman of the Board of Directors ▪ Reshaping of the Board Committees' membership to enable new directors to become members ▪ Appointment of Laure Duhot and Mireille Faugère as directors, replacing Joy Verlé and Laure Baume respectively ▪ Review, based on the work of the Appointments and Remuneration Committee, of matters relating to the renewal of terms of office of directors expiring at the close of the 2023 Annual General Meeting

Duties of the Board of Directors	Activities of the Board of Directors in 2022
Determination of the remuneration policies for executives and corporate officers, on the recommendation of the Appointments and Remuneration Committee	■ Setting the financial terms of Yves Le Masne's departure ■ Approval of the exceptional remuneration paid to Olivier Lecomte for his duties as Chair of the Ad Hoc Committee formed to oversee the independent review carried out by Grant Thornton and Alvarez & Marsal ■ Review of the achievement of the performance conditions applicable to the 27 June 2019 free share plan ■ 2021 variable remuneration, 2022 remuneration policy and decision regarding Yves Le Masne's 2019, 2020 and 2021 free share plans ■ Proposal of the 2022 remuneration policies for (i) the directors, (ii) Philippe Charrier for his role as Chairman and Chief Executive Officer from 30 January to 30 June 2022, and (iii) the Chairman of the Board of Directors and the Chief Executive Officer (prospective "say on pay" vote) ■ Approval of exceptional remuneration to be granted to the Chairman and Chief Executive Officer, Philippe Charrier ■ Approval of a free share plan for Laurent Guillot, in line with the 2022 remuneration policy for the Chief Executive Officer
Annual assessment of the Board of Directors	■ Review in early 2022 of the results of the annual formal assessment of the membership and operating procedures of the Board of Directors and the Board Committees, carried out by Spencer Stuart ■ Preparation of the discussion regarding the membership, organisation and operating procedures of the Board of Directors and Board Committees held at the beginning of 2023
Corporate social responsibility	■ Discussions on the gender balance policy in management bodies, the arrangements for its implementation and the results achieved ■ Review of the annual 2021 and interim 2022 quality audits ■ Discussions on the transformation of ORPEA into a mission-led company (*société à mission*) ■ Monitoring the "Values and Corporate Purpose" project
Other	■ Decision to commission the firms Grant Thornton and Alvarez & Marsal to conduct an independent review ■ Monitoring of activities and the managerial situation during the crisis ■ Renewal of the general authorisation given to the Chief Executive Officer to grant guarantees, sureties and endorsements on behalf of the Company ■ Amendment of the delegation of authority granted by the Board of Directors on 26 January 2021 to the Chief Executive Officer to award free shares; approval of new plan regulations and approval of a new ceiling and delegation ■ Restructuring of the Internal Rules of the Board of Directors ■ Discussion on positive treatment and mistreatment ■ Approval of the termination of the liquidity agreement entered into with Gilbert Dupont and the signing of a new liquidity agreement with ODDO BHF

Pursuant to the Internal Rules, the Chief Executive Officer must seek the prior authorisation of the Board of Directors before carrying out certain transactions (see section 4.1.1.4 above).

Moreover, the directors are regularly informed of developments concerning the Group's markets, competitive environment and key priorities, including in the area of the Company's corporate social responsibility.

Procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code and on the recommendation of the Audit and Risk Committee, on 23 April 2020, the Board of Directors introduced a procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms. Under this procedure: (i) the agreements entered into by ORPEA SA are identified and sent to the Group Legal department, (ii) the Group Legal department reviews the conditions under which the agreements were established and prepares a summary table of agreements entered into in the ordinary course of business and on arm's length terms, (iii) the table is reviewed with the Group Finance department, (iv) the classification of agreements as entered into in the ordinary course of business and on arm's length terms is regularly reviewed, (v) the summary table is provided once a year to the Statutory Auditors as part of their statutory audit of the annual financial statements, and (vi) a presentation of the procedure's implementation is given to the Audit and Risk Committee, which reports thereon at the next Board of Directors meeting.

In the first half of 2022, the Audit and Risk Committee reviewed the agreements entered into since 1 January 2021 that were classified as regulated (and therefore subject to a specific approval process under French law), as well as the list of agreements classified as entered into in the ordinary course of business and on arm's length terms (and therefore not subject to the specific approval process). The Committee then reported on its review to the Board of Directors.

Role and powers of the Chairman and Chief Executive Officer (from 30 January to 30 June 2022)

On 30 January 2022, the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer, decided to temporarily combine the duties of Chairman of the Board of Directors and Chief Executive Officer, and appointed Philippe Charrier as Chairman and Chief Executive Officer. The Chairman and Chief Executive Officer's role was to ensure, under the Board of Directors' supervision, that best practices were applied throughout the Group and to shed full light on the acts described in the book *Les fossoyeurs* published at the end of January 2022, drawing in particular on the independent review commissioned by the Board of Directors from Grant Thornton and Alvarez & Marsal.

His exceptional commitment enabled the Group to meet major financing challenges and announce the signing and approval of a conciliation protocol with its main banking partners, allowing it to secure new credit facilities.

In parallel to the in-depth audits under way since February 2022, the identification and implementation of the first corrective measures, and the organisation of Conferences for the Elderly throughout France, Philippe Charrier led the process to recruit the new Chief Executive Officer in an unprecedented and particularly uncertain situation. Following Laurent Guillot's appointment as Chief Executive Officer as of 1 July 2022 and given the Board's decision to revert to a governance structure separating the roles of Chairman of the Board of Directors and Chief Executive Officer on that date, the Board appointed Philippe Charrier as Chairman of the Board of Directors until the end of his term of office as a director. Philippe Charrier decided to resign as a director at the close of the Annual General Meeting of 28 July 2022.

Role and powers of the Chairman

The Chairman of the Board of Directors represents the Board of Directors. He/she organises and manages its work, and reports on its work to the General Meeting. He/she ensures that the Company's governing bodies are operating smoothly and checks, in particular, that the directors are able to fulfil their duties.

In addition to his/her statutory duties, the Chairman's remit is as follows:

- he/she is consulted by and meets with the Chief Executive Officer concerning certain events and projects of significance and/or strategic importance to the Group;
- he/she attends certain internal meetings with the Company's senior executives and teams, as well as certain meetings of the Board Committees;
- he/she seeks to maintain the balance and effectiveness of the Board.

As stated above, Philippe Charrier held the position of Chairman of the Board of Directors until 30 January 2022 (when he was appointed Chairman and Chief Executive Officer) and then from 1 to 28 July 2022.

At its meeting immediately following the Annual General Meeting of 28 July 2022, the new Board appointed Guillaume Pepy as Chairman of the Board of Directors.

Following his appointment, Guillaume Pepy focused on leading the Board of Directors and its monitoring of the situation faced by the Group and its stakeholders. He also met regularly with the Chief Executive Officer and maintained frequent dialogue with the other directors. He attended a number of meetings of the Board Committees. Lastly, he visited many of ORPEA's facilities, both in France and abroad, in order to deepen his knowledge of the Group.

4.1.2.2 DIRECTORS' INDUCTION AND TRAINING

An induction programme is organised for each new director. This includes a presentation of the Group, visits to facilities, meetings with certain members of Executive Management and training sessions.

Following the major changes in the Board of Directors approved by the Annual General Meeting of 28 July 2022, an on-boarding session was organised on 13 September 2022. External consultants gave the directors a presentation of the economic and institutional models of the Group's activities in France and Europe as well as its financing strategy.

Each director also receives a copy of the Board of Directors' guide when they are appointed. This guide includes a presentation of the Board of Directors and the Board Committees, the contact details of directors, the schedule for meetings of the Board of Directors and Board Committees, the investor calendar (including a list of closed periods), ORPEA's Articles of Association and the Board's Internal Rules.

Directors who are members of the Audit and Risk Committee also receive the Internal Rules of the Audit and Risk Committee.

A procedure allowing directors to visit Group facilities was introduced in 2022. Since 28 July 2022, some 60 visits have been made.

4.1.2.3 ASSESSMENT OF THE BOARD OF DIRECTORS

Pursuant to the recommendations of the AFEP-MEDEF Code, the Internal Rules state that the Board should periodically conduct an assessment of its membership, organisation and effectiveness, and concurrently perform a similar assessment of its Committees. The Board of Directors reviews this topic every year, and a formal assessment supervised by the Chairman of the Board of Directors is conducted every three years.

Accordingly, a formal assessment of the membership and operating procedures of the Board of Directors and the Board Committees was conducted by Spencer Stuart in 2021 after it presented its methods to the Appointments and Remuneration Committee. The previous formal assessment was carried out in 2018 by the same firm.

The 2021 assessment focused on the directors' assessment of (i) the progress made since the last assessment, (ii) the collective operating procedures of the Board of Directors, (iii) the directors' individual contribution and (iv) the Board of Directors' organisational culture. As part of the process, the directors were given a questionnaire to serve as a guideline for individual interviews with two of the firm's consultants and an online questionnaire to complete in order to determine the Board of Directors' organisational culture.

The results of this assessment were reported to the Board and the Appointments and Remuneration Committee in the first quarter of 2022.

The areas for improvement identified in the formal assessment of the Board of Directors in 2021 are listed in the table below, along with the measures implemented by the Board since 1 January 2022:

Areas for improvement identified	Measures implemented by the Board in 2022
Invest in developing social interaction within the Board and deepening its knowledge about the Group, and finalise plans for integrating new directors through field visits open to all	Board meetings are preceded by a breakfast or lunch, as appropriate. Due to the crisis in 2022 and the ongoing restructuring, no strategic trips or seminars could be organised other than the on-boarding session and the seminar related to the Refoundation Plan. However, a procedure allowing directors to visit the Group's facilities was introduced. Since 28 July 2022, some 60 visits have been made.
Schedule annual meetings between the Chairman and each director	The Chairman of the Board held a status review meeting with each of the directors at the end of 2022.
Increase contact with members of the management team and organise geography- or function-based "deep-dives" into particular topics, presented by operations and support managers	Contact with Executive Management has increased overall. In addition to the regular presence of Management Committee members at Board of Directors and Board Committee meetings, the following exceptional presentations were given in 2022: ■ a presentation about positive treatment with Professor Emmanuel Hirsch; ■ a presentation on the status of information systems and cybersecurity by the Information Systems Director; ■ astonishment reports presented by the Procurement Director, the Occupational Health and Safety Director and the Human Resources Director; ■ a presentation on internal audit and risk given by the Head of Internal Audit and the Head of Risk Management.
Review the scope of the Audit Committee to give it an active role in the strategic issues of investments, risk management, cybersecurity, balance sheet and financial strategy and internal control	On 28 July, the Audit Committee was renamed the Audit and Risk Committee by the Board of Directors and its role was strengthened and clarified, particularly with regard to risk-related responsibilities (risk management, cybersecurity, balance sheet and financial strategy and internal control). On 28 September 2022, in view of the issues related to the Company's real estate strategy, the Board of Directors set up a real estate working group whose tasks included acting as a sparring partner for Executive Management and reviewing asset disposal strategies, particularly considering the various asset categories and the composition of ORPEA's portfolios. On 14 March 2023, on the recommendation of the Appointments and Remuneration Committee, the Board of Directors decided to extend the Audit and Risk Committee's responsibilities to cover real estate and therefore terminated this working group.
Set up two executive sessions per year (without management in attendance), with planned but flexible agendas – one dedicated to performance, remuneration, succession, etc., and the other to strategic issues and the Board's operating procedures	As from 28 July 2022, the directors met, without the executive corporate officers or any other employee in attendance, after most Board meetings (five times between that date and 31 December 2022).
Enrich the Board's membership with other international profiles representative of ORPEA's expansion areas and profiles bringing operational experience of the Group's businesses	The Board's new membership structure is more international and has brought new skills/experience and strengthened existing ones. The search for a geriatrician is still under way. Following the financial restructuring, the Board of Directors will be reorganised to take into account the Company's new shareholding pattern, structured around the investor group (see section 1.5.2.2 of this Universal Registration Document).
Dedicate one meeting per year to reviewing the Human Resources strategy and the topics of talent, culture and the employer brand	These issues are addressed in the Refoundation Plan presented on 15 November 2022. In addition: ■ a talent review and discussions about the 2021 succession plan took place in the first quarter of 2022; ■ a project on values was launched at the end of 2022, overseen by the Ethics, Quality and CSR Committee.
Dedicate one meeting per year to a discussion about risk mapping and hedging mechanisms	■ At the end of 2022, the Group Head of Risk Management reviewed the work carried out on risks in the past and presented the methodology for drawing up the new risk map, which was finalised at the beginning of 2023. ■ The syndicated loan agreement signed between the Company and the G6 banks in June 2022 requires the Group's related risks to be fully hedged.

In the second half of 2022, the Board of Directors decided, on the proposal of the Appointments and Remuneration Committee, and in accordance with the recommendations of the AFEP-MEDEF Code, to organise an assessment of the membership, organisation and operating procedures of the Board of Directors and the Board Committees based on a written questionnaire. This assessment was finalised in the first quarter of 2023.

The areas for improvement identified during the annual assessment of the Board of Directors conducted in the first quarter of 2023 – which are not disclosed for confidentiality reasons – will be monitored by the Appointments and Remuneration Committee and will be disclosed when the related measures have been implemented.

4.1.2.4 FINANCIAL AUTHORISATIONS

Delegations of powers currently valid and use thereof

The table below summarises the currently valid delegations of powers, granted by the Annual General Meetings of 23 June 2020 and 28 July 2022, and the use made thereof during 2022.

Type of authorisations/Maximum total nominal amount/Other information	Period of validity	Use of authorisations during 2022
ANNUAL GENERAL MEETING OF 23 JUNE 2020		
27th resolution – Capital increase through the capitalisation of premiums, reserves, earnings or similar: ▪ maximum nominal amount of capital increases: €30,000,000.	26 months	None
28th resolution – Award of existing or new shares to corporate officers and/or employees free of consideration, without pre-emption rights for shareholders: ▪ up to a ceiling of 1% of the share capital, with a sub-ceiling of 0.2% of the share capital for executive corporate officers; ▪ service condition for all grantees; ▪ performance conditions assessed over a period of three years for executive corporate officers; ▪ three-year vesting period.	26 months	320,934 shares, of which: ▪ 41,645 shares (0.06% of the share capital) awarded to executive corporate officers subject to performance conditions – Board of Directors' meetings on 23 June 2020 and 24 June 2021 ▪ 279,289 shares (0.43% of the share capital) awarded to key managers subject to performance conditions – decisions made by the Chief Executive Officer on 1 February 2021 and by the Chairman and Chief Executive Officer on 17 June 2022
ANNUAL GENERAL MEETING OF 28 JULY 2022		
22nd resolution – Share buyback programme: ▪ up to a ceiling of 10% of the share capital; ▪ maximum purchase price ≤ €100 per share.	18 months	None
23rd resolution – Reduction in the share capital through the cancellation of treasury shares: ▪ maximum amount: 10% of the share capital.	18 months	None
24th resolution – Issue of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities with pre-emption rights for shareholders: ▪ maximum nominal amount of capital increases: €40,000,000; ▪ maximum nominal amount of debt securities: €750,000,000.	26 months	None
25th resolution – Issue, by means of public offerings other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities without pre-emption rights for shareholders: ▪ maximum nominal amount of capital increases: €8,078,915; ▪ maximum nominal amount of debt securities: €750,000,000.	26 months	None
26th resolution – Issue, by means of public offerings referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities without pre-emption rights for shareholders: ▪ maximum nominal amount of capital increases: €8,078,915; ▪ maximum nominal amount of debt securities: €750,000,000.	26 months	None
27th resolution – Increase in the number of securities to be issued in the event of a capital increase with or without pre-emption rights for shareholders: ▪ up to a ceiling of 15% of the initial issue.	26 months	None
28th resolution – Setting the issue price under the terms approved by the Annual General Meeting, up to a ceiling of 10% of the Company's share capital, in the event of the issue of shares or negotiable securities carrying rights to the Company's share capital without pre-emption rights.	26 months	None
29th resolution – Capital increase in consideration for contributions in kind made to the Company in the form of equity or other negotiable securities carrying rights to the share capital, without pre-emption rights for shareholders: ▪ up to a ceiling of 10% of the share capital.	26 months	None
30th resolution – Capital increase through the capitalisation of premiums, reserves, earnings or similar: ▪ maximum nominal amount of capital increases: €30,000,000.	26 months	None

Type of authorisations/Maximum total nominal amount/Other information	Period of validity	Use of authorisations during 2022
31st resolution – Award of existing or new shares to corporate officers and/or employees free of consideration, without pre-emption rights for shareholders: ▪ up to a ceiling of 1% of the share capital, with a sub-ceiling of 0.2% of the share capital for executive corporate officers; ▪ service condition for all grantees; ▪ performance conditions assessed over a period of three years for executive corporate officers; ▪ three-year vesting period.	26 months	27,676 shares including 25,861 shares (0.04% of the share capital) awarded to an executive corporate officer and 1,815 shares awarded to a key manager subject to performance conditions – Board of Directors' meeting on 28 July 2022
32nd resolution – Capital increase for members of a corporate savings plan, without pre-emption rights: ▪ maximum nominal amount: €400,000.	26 months	None
33rd resolution – Issue of ordinary shares and/or negotiable securities carrying rights to the Company's share capital and/or negotiable securities conferring entitlement to the award of debt securities without pre-emption rights for shareholders: ▪ up to a ceiling of 0.15% of the share capital.	18 months	None

The full text of the resolutions approved at the aforementioned meetings can be found on the website of the French Bulletin of Mandatory Legal Announcements (*Bulletin des annonces légales obligatoires* – BALO) and on the Company's website (www.orpea-group.com/en/, Shareholders & Investors/Shareholder meeting section).

Renewal of financial authorisations

It is essential for the Board of Directors to have financial authorisations in place enabling it to raise the capital it needs in a rapid and flexible manner to further the Group's development through various types of issues in accordance with the regulations in force. At the 2023 Annual General Meeting, shareholders will therefore be asked to renew certain financial delegations by the Board of Directors, which will approve the draft resolutions and call the Meeting.

4.1.3 OPERATING PROCEDURES OF AND MAIN WORK UNDERTAKEN BY THE BOARD COMMITTEES

The Board of Directors has established three Committees, namely the Audit and Risk Committee, the Appointments and Remuneration Committee, and the Ethics, Quality and CSR Committee[1], to which it has entrusted specific duties with a view to preparing and enhancing its work.

These Board Committees act strictly within the remit assigned to them by the Board of Directors and pursuant to law. Their scope of work is specified in the Internal Rules. They prepare the Board's work and make proposals and recommendations, but have no decision-making powers.

The Annual General Meeting held on 28 July 2022 approved major changes in the Board of Directors. At its first meeting, held immediately after the Annual General Meeting, the new Board of Directors decided to redefine the duties assigned to its committees in order to reaffirm its commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges. In connection with these changes, the membership of the Board Committees was also revised in order to include the new directors, in accordance with the recommendations of the AFEP-MEDEF Code, and in particular those related to the proportion of independent directors acting as members and Chairs of the committees.

The members of the Board Committees, their duties and their work in 2022 are presented below.

(1) *During its first meeting, held following the Annual General Meeting of 28 July 2022, the new Board of Directors decided to change the name of the Audit Committee to the Audit and Risk Committee and that of the CSR and Innovation Committee to the Ethics, Quality and CSR Committee.*

4.1.3.1 AUDIT AND RISK COMMITTEE

The following tables present the key indicators applicable to the Audit and Risk Committee and the directors' individual attendance rates at its meetings.

2022 key indicators	
Number of meetings of the Audit and Risk Committee	13
Attendance rate at meetings of the Audit and Risk Committee	93.33%
Number of members of the Audit and Risk Committee[1]	6
Proportion of independent directors[2]	100.00%
Proportion of women on the Audit and Risk Committee[3]	33.33%
Average length of service of members of the Audit and Risk Committee[4]	0.17
Average age of members of the Audit and Risk Committee[5]	57.33

(1) Membership of the Audit and Risk Committee at 31 December 2022. Laure Duhot was appointed as a member of the Audit and Risk Committee on 14 March 2023. Since then, the Committee has had seven members.

(2) Following the appointment of Laure Duhot as a member of the Audit and Risk Committee on 14 March 2023, the independence rate of the Committee remains unchanged at 100.00%.

(3) Following the appointment of Laure Duhot as a member of the Audit and Risk Committee on 14 March 2023, the proportion of women on the Committee is now 42.86%.

(4) Following the appointment of Laure Duhot as a member of the Audit and Risk Committee on 14 March 2023, the average length of service of the members of the Committee is now 0.14 years.

(5) Following the appointment of Laure Duhot as a member of the Audit and Risk Committee on 14 March 2023, the average age of the members of the Committee is now 57.86 years.

Directors' individual attendance rates in 2022	
Olivier Lecomte	100.00%
Corine de Bilbao	83.33%
Isabelle Calvez[1]	80.00%
John Glen[1]	100.00%
David Hale[1]	83.33%
Peugeot Invest Assets, represented by Bertrand Finet[1]	100.00%
Jean-Patrick Fortlacroix[2]	100.00%
Joy Verlé[3]	100.00%

(1) Isabelle Calvez, John Glen and David Hale were appointed as directors by the Annual General Meeting held on 28 July 2022 and were appointed as members of the Audit and Risk Committee on the same date. Peugeot Invest Assets, represented by Bertrand Finet, was also appointed as a member of this Committee on the same date.

(2) Jean-Patrick Fortlacroix's term of office as a director expired at the end of the Annual General Meeting held on 28 July 2022. Consequently, his term of office as Chair of the Audit and Risk Committee expired on the same date.

(3) Joy Verlé resigned as a director on 30 August 2022. Consequently, her term of office as a member of the Audit and Risk Committee ended on the same date.

The operating procedures, membership and duties of the Audit and Risk Committee are governed by its Internal Rules, which were updated most recently on 27 September 2022.

Members of the Audit and Risk Committee

On 28 July 2022, Olivier Lecomte was appointed Chair of the Audit and Risk Committee and Corine de Bilbao, Isabelle Calvez, John Glen, David Hale and Peugeot Invest Assets, represented by Bertrand Finet, were appointed as members of the Committee.

Jean-Patrick Fortlacroix's term of office as a director expired at the end of the Annual General Meeting held on 28 July 2022. Consequently, his term of office as Chair of this Committee expired on the same date. Joy Verlé resigned as a director on 30 August 2022. Consequently, her term as a member of the Audit and Risk Committee ended on the same date.

At 31 December 2022, the Audit and Risk Committee comprised the following six members: Olivier Lecomte (Chair of the Committee), Corine de Bilbao, Isabelle Calvez, John Glen, David Hale and Peugeot Invest Assets (represented by Bertrand Finet).

On 14 March 2023, the Board of Directors decided to appoint Laure Duhot as a member of the Audit and Risk Committee.

At the date of this report, the Audit and Risk Committee comprised the following seven members: Olivier Lecomte (Chair of the Committee), Corine de Bilbao, Isabelle Calvez, Laure Duhot, John Glen, David Hale and Peugeot Invest Assets (represented by Bertrand Finet).

Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022, may participate in Audit and Risk Committee meetings in an advisory capacity depending on the subjects being discussed.

All members of the Audit and Risk Committee are independent directors selected on the basis of their specific financial, accounting and legal expertise, on account of their training or professional experience, as shown in the table presenting the main information about directors at the beginning of section 4.1.1 above and in their biographical details presented in Appendix 2 to this report.

The membership structure of the Audit and Risk Committee complies with the AFEP-MEDEF Code recommendations that (i) at least two-thirds of the Audit and Risk Committee's members should be independent directors, and (ii) no executive officers should serve on the Audit and Risk Committee.

The term of office of Audit and Risk Committee members is the same as their term of office as a director.

Operating procedures of the Audit and Risk Committee

Meetings of the Audit and Risk Committee are convened by its Chair whenever he/she or the Board deems it appropriate, and at least three times a year.

The provisional schedule of Audit and Risk Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Audit and Risk Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is published on the Board of Directors' digital platform in the week preceding the meeting, together, wherever possible, with any documents facilitating its discussions.

The Audit and Risk Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as secretary of the Audit and Risk Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Audit and Risk Committee.

To carry out its duties effectively, the Audit and Risk Committee may, should it deem it necessary, ask the Statutory Auditors, the Chief Executive Officer and/or the Company's executive managers responsible for the preparation of the financial statements, internal control, internal audit, risk management and compliance to appear before it, alone or together with representatives of the Company.

To perform its duties, the Audit and Risk Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the Committee meeting at that Board meeting.

Duties and activities of the Audit and Risk Committee

On 28 July 2022, the role of the Audit Committee, renamed the Audit and Risk Committee, was strengthened and clarified, particularly with regard to risk-related responsibilities.

The Audit and Risk Committee met 13 times in 2022 (versus four times during the previous financial year). The Committee members' attendance rate was 89.33% (versus 100% in 2021). Directors' individual attendance rates at the various Audit and Risk Committee meetings are stated at the beginning of this section.

The Audit and Risk Committee deals with issues arising from the preparation and auditing of financial and accounting information. Its role is to make the requisite preparations for decisions by the Board of Directors on financial and accounting matters. It also oversees issues relating to the effectiveness of internal control, internal audit and significant risk management systems, where appropriate in conjunction with the specialised Committee responsible for non-financial issues.

Since 14 March 2023, the Audit and Risk Committee has also been responsible for monitoring the development and implementation of the Group's real estate strategy.

The Audit and Risk Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions and brings any points to its attention that require it to make a decision.

The table below provides a summary of the duties of the Audit and Risk Committee and the topics covered during its meetings held in 2022.

Duties of the Audit and Risk Committee	Activities of the Audit and Risk Committee in 2022
Monitoring of the process through which financial information is prepared	▪ Review of 2021 real estate valuations ▪ Review of selected key financial indicators relating to ORPEA's financial performance in 2021 to be communicated to the market ▪ Review of the individual and consolidated financial statements for the year ended 31 December 2021 and the condensed consolidated interim financial statements for the six months ended 30 June 2022 ▪ Preparation for the 2022 accounts-closing process: valuation of real estate and goodwill
Review of risks (including social and environmental risks), levels of risk and risk prevention procedures, and material off-balance sheet commitments	▪ Monitoring of progress on projects to achieve compliance with French law No. 2016-1691 of 9 December 2016 on transparency, combating corruption and the modernisation of business practices ("Sapin II law") and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR") ▪ Review of the internal control environment and risk mapping, overview of the current risk situation, and risk outlook
Verification of the effectiveness of internal control, internal audit and risk management systems, and of the statutory audit of the individual and consolidated financial statements by the Statutory Auditors and, where necessary, the acknowledgement of any observations made by the H3C (High Council for Statutory Audit)	▪ Review of the work performed by the Statutory Auditors concerning the individual and consolidated financial statements for the year ended 31 December 2021 and the consolidated interim financial statements for the six months ended 30 June 2022, and the effectiveness of ORPEA's internal control ▪ Discussion of internal audit, compliance and risk, including expectations and objectives ▪ Review of the section of the management report covering risk management ▪ Receiving information regarding the results of the Statutory Auditors' work relating to the review of the real estate valuations, internal control and information systems ▪ Follow-up since Mazars became Statutory Auditor
Implementation of rules on the rotation of audit firms and main signing partners in accordance with the law, in particular by supervising the selection process for the Company's Statutory Auditors and by submitting the results of said process to the Board of Directors	▪ Review of applications, support of candidates and providing recommendations to the Board of Directors
Review of regulated related-party agreements and procedure for assessing agreements entered into in the ordinary course of business and on arm's length terms	▪ Review of related-party agreements entered into in 2021 and those entered into in prior years which remained in effect during 2021 ▪ Review of agreements in force at 31 December 2021 that were entered into in the ordinary course of business and on arm's length terms
Obtaining prior authorisation by the Statutory Auditors of ORPEA for the provision to the Group of non-audit services that are not included on the list of prohibited non-audit services (Article 5 of EU Regulation 537/2014 and Article 10 of the Code of Conduct) (the "Permitted Non-Audit Services")	▪ Review of an authorisation for services other than certification of financial statements
Other	▪ Monitoring of the conciliation procedure ▪ Amendment of the Audit Committee's Internal Rules and the corresponding chapter in the Board of Directors' Internal Rules ▪ Monitoring and review of the new organisational structure of the Group Procurement and Finance departments ▪ Monitoring of IT and cybersecurity issues

In order to effectively carry out its duties, during the year the Audit and Risk Committee was given presentations by, amongst others, the Group Information Systems Director, the Group Procurement Director, the Group Head of Internal Audit, the Group Head of Risk Management and the Group Chief Compliance Officer.

Cushman & Wakefield, Jones Lang Lassale, Bredin Prat and White & Case also made occasional presentations at the Committee's meetings.

4.1.3.2 APPOINTMENTS AND REMUNERATION COMMITTEE

The following tables present the key indicators applicable to the Appointments and Remuneration Committee and the directors' individual attendance rates at its meetings.

2022 key indicators

Number of meetings of the Appointments and Remuneration Committee	9
Attendance rate at meetings of the Appointments and Remuneration Committee	100.00%
Number of members of the Appointments and Remuneration Committee[1]	5
Proportion of independent directors[1][2]	100.00%
Proportion of women on the Appointments and Remuneration Committee[1][2]	75.00%
Average length of service of members of the Appointments and Remuneration Committee[1][3]	2.20
Average age of members of the Appointments and Remuneration Committee[1][3]	57.80

(1) Membership of the Appointments and Remuneration Committee at 31 December 2022.
(2) The director representing employees was not included in the calculations.
(3) The director representing employees was included in the calculations.

Directors' individual attendance rates in 2022

Peugeot Invest Assets, represented by Bertrand Finet[1]	100.00%
Corine de Bilbao	100.00%
Laure Duhot[2]	100.00%
Pascale Richetta	100.00%
Laurent Serris, director representing employees	100.00%
Bernadette Danet-Chevallier[3]	100.00%
Joy Verlé[4]	100.00%
Sophie Kalaidjian, director representing employees[3]	100.00%

(1) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.
(2) Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022, and was appointed as a member of the Appointments and Remuneration Committee on the same date.
(3) On 28 July 2022, Bernadette Danet-Chevallier and Sophie Kalaidjian resigned as members of the Appointments and Remuneration Committee.
(4) Joy Verlé resigned as a director on 30 August 2022. Consequently, her term as a member of the Appointments and Remuneration Committee ended on the same date.

Members of the Appointments and Remuneration Committee

On 28 July 2022, Bernadette Danet-Chevallier and Sophie Kalaidjian resigned as members of the Appointments and Remuneration Committee and Pascale Richetta and Laurent Serris were appointed as members of this Committee. As Joy Verlé resigned as a director on 30 August 2022, her term of office as a member of the Appointments and Remuneration Committee ended on the same date. On 10 September 2022, Laure Duhot was appointed as a member of the Appointments and Remuneration Committee.

At 31 December 2022, the Appointments and Remuneration Committee comprised the following five members: Peugeot Invest Assets (represented by Bertrand Finet, Chair of the Committee), Corine de Bilbao, Laure Duhot, Pascale Richetta and Laurent Serris, director representing employees.

Its membership was unchanged at the date of this report.

Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022, may participate in meetings of the Appointments and Remuneration Committee in an advisory capacity depending on the subjects dealt with, with the exception of subjects that concern him personally.

All of the members of the Appointments and Remuneration Committee are independent, except for the director representing employees, it being specified that, in accordance with recommendation 10.3 of the AFEP-MEDEF Code, said director was not included in the calculation of the proportion of independent directors sitting on the Appointments and Remuneration Committee.

The membership of the Appointments and Remuneration Committee complies with the AFEP-MEDEF Code recommendations that no executive officers should serve on it, that a majority of its members should be independent directors, and that a director representing employees should be a member.

The term of office of Appointments and Remuneration Committee members is the same as their term of office as a director.

Operating procedures of the Appointments and Remuneration Committee

Meetings of the Appointments and Remuneration Committee are convened by its Chair whenever they or the Board of Directors deems it appropriate.

The provisional schedule of Appointments and Remuneration Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

Based on this schedule, the agenda for meetings is drawn up by the Chair of the Appointments and Remuneration Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is published on the Board of Directors' digital platform in the week preceding the meeting, together, wherever possible, with any documents facilitating its discussions.

The Appointments and Remuneration Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as secretary of the Appointments and Remuneration Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Appointments and Remuneration Committee.

To carry out its duties effectively, the Appointments and Remuneration Committee involves the Chief Executive Officer in its preparation work related to the appointment of executive officers and the remuneration policy applicable to them. Moreover, the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer are defined together with the Ethics, Quality and CSR Committee.

To perform its duties, the Appointments and Remuneration Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the Committee meeting at that Board meeting.

Duties and activities of the Appointments and Remuneration Committee

On 28 July 2022, the Appointments and Remuneration Committee was tasked with more duties relating to talent pool supervision, to ensure a succession plan for the Executive Committee and other key positions, and also to HR policy.

The Appointments and Remuneration Committee met nine times in 2022 (versus four times during the previous financial year). The attendance rate stood at 100% (as in 2021). Directors' individual attendance rates at the various Appointments and Remuneration Committee meetings are stated at the beginning of this section.

The Appointments and Remuneration Committee oversees governance and remuneration issues, supervises the talent pool to ensure a succession plan for the Executive Committee and other key positions, and monitors the HR policy.

The Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions and brings any points to its attention that require it to make a decision.

The table below provides a summary of the duties of the Appointments and Remuneration Committee and the topics covered during its meetings held in 2022.

Duties of the Appointments and Remuneration Committee	Activities of the Appointments and Remuneration Committee in 2022
Assistance to the Board of Directors on the Company's governance structure and the status of executive corporate officers Opinion on the proposals by the Chairman of the Board of Directors concerning the appointment of the Chief Executive Officer	■ Discussions on combining or separating the roles of Chairman of the Board of Directors and Chief Executive Officer ■ Recommendations on the appointment of Philippe Charrier as Chairman and Chief Executive Officer ■ Appointment of recruitment firm Russel Reynolds to search for a new Chief Executive Officer and follow-up of the recruitment process ■ Recommendations on the appointment of a new Chief Executive Officer and on their remuneration ■ Recommendations on the appointment of a new Chairman of the Board of Directors
Organisation of the periodic assessment of the structure, size and membership of the Board of Directors and submission of recommendations relating to any amendments/Proposals to the Board for the selection of directors	■ Reflection on the membership of the Board of Directors in line with the Group's development when discussing the terms of office due to expire at the close of the 2022 and 2023 Annual General Meetings ■ Review of the results of the formal assessment of the Board of Directors and the Board Committees carried out by Spencer Stuart ■ Recommendations to the Board to propose to the Annual General Meeting of 28 July 2022 the appointments of Isabelle Calvez, Guillaume Pepy, Laurent Guillot, John Glen and David Hale as directors ■ Recommendations on the end of the term of office of Jean-Claude Marian as Honorary Chairman of the Board of Directors ■ Recommendations on the candidacy of Guillaume Pepy as Chairman of the Board of Directors ■ Recommendations on the appointment by the Board of Laure Duhot and Mireille Faugère as directors to replace Joy Verlé and Laure Baume respectively ■ Preparation of the 2023 discussion regarding the membership, organisation and operating procedures of the Board of Directors and Board Committees
Proposals to the Board of Directors concerning the establishment and membership of Board Committees	■ Proposal to extend the duties of the Board Committees and to reshape their membership, in particular with a view to enabling the new directors to become members ■ Proposal to appoint (i) Laure Duhot as a member of the Appointments and Remuneration Committee and of the Audit and Risks Committee, and (ii) Mireille Faugère as Chair of the Ethics, Quality and CSR Committee
Discussions regarding the independence of directors for the purpose of the Board of Directors' annual review thereof prior to publication of the annual report and when director candidates are selected	■ Discussions regarding the independence of directors in office and drafting of recommendations for the Board of Directors
Succession planning for executive officers, particularly applicable in the event of an unforeseen departure, and checking that the plan in place is appropriate and up to date	■ Talent review and discussions about the 2021 succession plan
Monitoring of the correct application of the Corporate Governance Code to which the Company refers	■ Preparation of the Board of Directors' corporate governance report
Drafting of proposals relating to the remuneration of corporate officers	■ Recommendations on the 2022 remuneration policies for directors and for Yves Le Masne (Chief Executive Officer until 30 January 2022), the Chairman and Chief Executive Officer and the Chairman of the Board of Directors (from 30 January to 30 June 2022) and the (new) Chief Executive Officer ■ Recommendations on the remuneration of Olivier Lecomte as Chair of the Ad Hoc Committee formed to oversee the independent review carried out by Grant Thornton and Alvarez & Marsal ■ Recommendations on the amount of the bonus for 2021 to Yves Le Masne, based on the targets set for him for that financial year, by applying the calculation method approved previously by the Board of Directors ■ Report on the Mercer study that supported the Committee's decision regarding the 2022 remuneration policy for corporate officers ■ Review of the achievement of the performance conditions applicable to the 27 June 2019 free share plan ■ Recommendations on the exceptional remuneration of Philippe Charrier as Chairman and Chief Executive Officer
Preparation of Board decisions regarding updates to its Internal Rules	■ Update of the Board of Directors' Internal Rules
Other	■ Recommendation on modifying the delegation of authority to the Chief Executive Officer to award shares free of consideration to the Group's key executives ■ Regular updates on the membership of the Executive Committee

The Appointments and Remuneration Committee is also responsible for ensuring that the succession plan for corporate officers and key executives (i.e., persons joining the Executive Committee and other key functions of the Company) is appropriate and up to date, in accordance with Article 4.2.1 of the Internal Rules. This plan – the preparation of which is coordinated by the Group Human Resources Department – as well as the talent review, were presented in January 2021 to the Appointments and Remuneration Committee, which identified possible areas for improvement and provided its comments.

In order to effectively carry out its duties, the Appointments and Remuneration Committee asked the Human Resources Development Director to attend one of its meetings during the year.

Spencer Stuart also spoke at an Appointments and Remuneration Committee meeting.

4.1.3.3 ETHICS, QUALITY AND CSR COMMITTEE

The following tables present the key indicators applicable to the Ethics, Quality and CSR Committee and the individual attendance rates for directors at its meetings.

2022 key indicators	
Number of meetings of the Ethics, Quality and CSR Committee	5
Attendance rate at meetings of the Ethics, Quality and CSR Committee	100.00%
Number of members of the Ethics, Quality and CSR Committee[1]	4
Proportion of independent directors[1][2]	100.00%
Proportion of women on the Ethics, Quality and CSR Committee[1][2]	66.67%
Average length of service of members of the Ethics, Quality and CSR Committee[1][3]	< 1 year
Average age of members of the Ethics, Quality and CSR Committee[1][3]	54.50

(1) Membership of the Ethics, Quality and CSR Committee at 31 December 2022.
(2) The director representing employees was not included in the calculations.
(3) The director representing employees was included in the calculations.

Directors' individual attendance rates in 2022	
Mireille Faugère[1]	100.00%
David Hale[2]	100.00%
Pascale Richetta	100.00%
Sophie Kalaidjian[3]	100.00%
Corine de Bilbao[4]	100.00%
Moritz Krautkrämer[5]	100.00%
Peugeot Invest Assets, represented by Bertrand Finet[6]	100.00%

(1) Mireille Faugère was appointed as a director with effect from 1 October 2022 by the Board of Directors on 28 September 2022 to replace Laure Baume, who resigned on 28 September 2022, and was appointed Chair of the Ethics, Quality and CSR Committee on the same date.
(2) David Hale was appointed as a director by the Annual General Meeting of 28 July 2022 and as a member of the Ethics, Quality and CSR Committee on the same date.
(3) Sophie Kalaidjian was appointed as a member of the Ethics, Quality and CSR Committee on 28 July 2022.
(4) On 1 October 2022, Corine de Bilbao resigned as Chair and a member of the Ethics, Quality and CSR Committee.
(5) On 17 June 2022, Moritz Krautkrämer resigned as a director. Consequently, his term of office as a member of the Ethics, Quality and CSR Committee ended on the same date.
(6) Peugeot Invest Asset, represented by Bertrand Finet, resigned as a member of the Ethics, Quality and CSR Committee on 28 July 2022.

Members of the Ethics, Quality and CSR Committee

As Moritz Krautkrämer resigned as a director on 17 June 2022, his term of office as a member of the Ethics, Quality and CSR Committee ended on the same date.

Peugeot Invest Asset, represented by Bertrand Finet, resigned as a member of the Ethics, Quality and CSR Committee on 28 July 2022 and David Hale and Sophie Kalaidjian were appointed as members of the Committee.

Mireille Faugère was appointed Chair of the Ethics, Quality and CSR Committee as of 1 October 2022 to replace Corine de Bilbao.

At 31 December 2022, the Ethics, Quality and CSR Committee comprised the following four members: Mireille Faugère (Chair of the Committee), David Hale, Pascale Richetta and Sophie Kalaidjian, director representing employees.

Its membership was unchanged at the date of this report.

Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022, may participate in meetings of the Ethics, Quality and CSR Committee in an advisory capacity depending on the subjects discussed.

All of the members of the Ethics, Quality and CSR Committee are independent apart from the director representing employees.

The term of office of Ethics, Quality and CSR Committee members is the same as their term of office as a director.

Operating procedures of the Ethics, Quality and CSR Committee

Meetings of the Ethics, Quality and CSR Committee are convened by its Chair whenever he/she or the Board of Directors deems it appropriate.

The provisional schedule of the Ethics, Quality and CSR Committee meetings for the coming year is drawn up in consultation with the directors at the end of the previous year.

The agenda for meetings is drawn up by the Chair of the Ethics, Quality and CSR Committee, in conjunction with the Board of Directors when the meeting is convened at the initiative of the Board. It is published on the Board of Directors' digital platform in the week preceding the meeting, together, wherever possible, with any documents facilitating its discussions.

The Ethics, Quality and CSR Committee can validly deliberate only if at least half of its members attend the meeting.

The Secretary of the Board of Directors acts as secretary of the Ethics, Quality and CSR Committee.

Minutes are recorded following each meeting and are submitted for review by the members of the Ethics, Quality and CSR Committee.

As part of its duties, the Ethics, Quality and CSR Committee may request external technical reviews.

In addition, the documents presented to the Committee are made available to all directors on the digital platform at the following Board meeting and the Chair of the Committee gives a verbal report on the meeting at that Board meeting.

Duties of the Ethics, Quality and CSR Committee

On 28 July 2022, the CSR and Innovation Committee became the Ethics, Quality and CSR Committee, the aim being to support the Board of Directors' work by ensuring that Ethics, Quality and CSR are at the heart of the Group's mission and activities.

The Ethics, Quality and CSR Committee met five times in 2022 (versus four times during the previous financial year). The directors' attendance rate stood at 100%. Directors' individual attendance rates at the various Ethics, Quality and CSR Committee meetings are stated at the beginning of this section.

The main duties of the Ethics, Quality and CSR Committee are to examine the Group's strategy and commitments in terms of corporate social responsibility and innovation, as well as to monitor the measures implemented in those areas and assess their principal results.

The Ethics, Quality and CSR Committee reports on its work to the Board of Directors, states any pertinent opinions and suggestions, and brings any matters to its attention requiring it to make a decision.

The table below provides a summary of the duties of the Ethics, Quality and CSR Committee and the topics covered during its meetings held in 2022.

Duties of the Ethics, Quality and CSR Committee	Activities of the Ethics, Quality and CSR Committee in 2022
Review of the Group's strategy and commitments in terms of corporate social responsibility and innovation, and monitoring of the measures implemented by the Group in respect of corporate social responsibility and innovation, and assessment of the main results	▪ Review of the 2021 Non-Financial Statement ▪ Monitoring of the Group's CSR positioning, implementation of the 2023 CSR roadmap and detailed review of its key indicators ▪ Discussions concerning the International Scientific and Ethics Council and its work, and review of proposed measures ▪ Regular updates on the reporting of serious adverse events, and the accident frequency and severity rate ▪ Discussions on the letter from Mirova
Review of the main environmental and societal risks in coordination with the Audit and Risk Committee, and the impact of societal and environmental issues in terms of investment, economic performance, and reputation	▪ 2021 annual quality audit and 2022 semi-annual audit
Contribution to defining the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer, in coordination with the Appointments and Remuneration Committee	▪ Opinion on the level of achievement of the qualitative criterion "Definition of an environmental strategy" underlying the calculation of Yves Le Masne's 2021 bonus ▪ Definition of the CSR performance conditions applicable to Laurent Guillot's 2022 annual bonus
Opinion given on the way in which the Company implements a non-discrimination and diversity policy, notably with regard to the balanced representation of men and women within management bodies	▪ Monitoring the implementation of diversity objectives within management bodies
Other	▪ Monitoring the "Values and Purpose" project

In order to effectively carry out its duties, the following people were invited to attend certain Ethics, Quality and CSR Committee meetings during the year: the Executive Vice President Well-being, in charge of Quality, Medical and CSR, the Group CSR Director, the Group Human Resources Director, the International Medical Director and the Group Executive Vice President Communications.

Nuova Vista also spoke at a meeting of this Committee.

In June 2023, the members of the Ethics, Quality and CSR Committee will attend a training session run by the Institut Français des Administrateurs (IFA) on environmental, social and governance (ESG) issues. The training will also be open to other members of the Board of Directors.

4.2 Executive Management

4.2.1 EXECUTIVE MANAGEMENT STRUCTURE

On 30 January 2022, following the decision to terminate the duties of Yves Le Masne as Chief Executive Officer, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and appoint Philippe Charrier as Chairman and Chief Executive Officer of the Company on a temporary basis. His duties included ensuring, under the supervision of the Board of Directors, that best practices are applied throughout the company, and shedding light on the acts described in the book *Les fossoyeurs* published on 26 January 2022, drawing in particular on the independent review commissioned by the Board of Directors from Grant Thornton and Alvarez & Marsal.

On 1 July 2022, the Board of Directors decided to revert to a governance structure based on the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer when Laurent Guillot took up his position as Chief Executive Officer.

4.2.2 RESTRICTIONS ON THE POWERS OF EXECUTIVE MANAGEMENT

The Chief Executive Officer leads the Company and is entrusted with the broadest of powers to act on its behalf in all circumstances. The Chief Executive Officer exercises these powers within the limits of the corporate purpose and without prejudice to those powers that the law expressly allocates to General Meetings of shareholders and to the Board of Directors.

The Chief Executive Officer must seek the prior approval of the Board of Directors for the following decisions:

- any investment/acquisition of any non-property asset in a country where the Group already has a presence and relating to an existing Group activity (already developed by a Business Unit of the Group), for a unit amount per operation strictly exceeding €25 million;
- any divestment/sale of any non-property asset for a unit amount exceeding €5 million;
- any investment/purchase of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding €50 million;
- any divestment/sale of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding €50 million;
- any investment/acquisition by the Group in a country in which it was previously not established or relating to a new activity (where no Group Business Units are yet active);
- any borrowing or financing for a unit amount exceeding €150 million or variation to any existing loan or financing for an amount exceeding €150 million, subject to the proviso that the financing operations for any amount shall not result in dilution unless they have been expressly authorised by the Board of Directors (the Chief Executive Officer being required to inform the Board of Directors at its next meeting of any borrowing or financing exceeding €75 million);
- the creation of any surety, endorsement or guarantee for a unit amount exceeding €150 million (the Chief Executive Officer being required to notify the Board of Directors at its next meeting where the amount exceeds €75 million);
- any decision concerning the strategic direction of a Group company or any material change in this positioning or the business activities of a company;
- the approval and amendment of the annual budget or business plan established by ORPEA or the Group;
- any share capital transaction (including, but not restricted to mergers, demergers, partial asset contributions, increases or reductions in capital, issuance of any negotiable securities carrying rights to the Company's share capital, or the creation of new classes of shares);
- the policy for dividend pay-outs or any other form of distribution by the Company to its shareholders;
- the remuneration of the Company's corporate officers;
- any plan or award of stock options, free shares, incentives or profit-sharing.

4.3 Remuneration and benefits awarded to corporate officers

2022 REMUNERATION AND 2023 REMUNERATION POLICY FOR DIRECTORS

		2022 (retrospective "say on pay" vote)[1]	2023 (prospective "say on pay" vote)[1]
Annual aggregate amount of directors' remuneration		**€650,000[2]**	**€650,000[2]**
Directors appointed by the Annual General Meeting	Fixed remuneration	€15,000	€15,000
	Variable remuneration	€25,000 €2,500 deducted in the event of an attendance rate of less than 85%	€25,000 €2,500 deducted in the event of an attendance rate of less than 85%
	Chairs of the Board Committees (per meeting)	€6,000	€6,000
	Members of the Board Committees (per meeting)	€3,000	€3,000
Directors representing employees	Attendance at meetings of the Board of Directors and Board Committees	€1,500	€1,500
Amounts awarded		**€650,000**	**This data will be reported in 2024**
Other remuneration		Olivier Lecomte received exceptional gross remuneration of €40,500 for the period from 15 February to 1 July 2022 in his capacity as Chair of the Ad Hoc Committee set up to oversee the independent review of the acts described in the book *Les fossoyeurs.*	None

(1) The 2022 remuneration components and 2023 remuneration policy for directors are subject to the approval of the 2023 Annual General Meeting.

(2) If the application of the allocation rules set out in this table would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded. This rule was applied in 2022.

2022 REMUNERATION OF YVES LE MASNE

	2022 (retrospective "say on pay" vote)[1]
Fixed remuneration	€60,613 calculated on a pro rata basis (corresponding to €760,000 per year)
Annual bonus	None
Exceptional remuneration	None
Directors' remuneration	€1,450.43
Long-term remuneration	None
Sign-on or severance benefit	None
Benefits in kind	€33,060.36 (use of a company car, unemployment insurance and membership of group personal protection and healthcare cost reimbursement plans)

(1) On 30 January 2022, the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer. On 10 February 2022, Yves Le Masne resigned as a director. Yves Le Masne's 2022 remuneration components will be submitted for approval at the 2023 Annual General Meeting.

2022 REMUNERATION OF PHILIPPE CHARRIER

	2022 (retrospective "say on pay" vote)[1]
Fixed remuneration	€360,952.36[2]
Annual bonus	None
Exceptional remuneration	Award of 13,755 shares
Directors' remuneration	€16,667.43
Long-term remuneration	None
Sign-on or severance benefit	None
Benefits in kind	None

(1) Philippe Charrier's 2022 remuneration components were approved by the Annual General Meeting held on 28 July 2022.

(2) Philippe Charrier received gross fixed remuneration for 2022 of €360,952.36, of which €41,269.84 on a pro rata basis for his duties as Chairman of the Board of Directors (corresponding to €260,000 per year) and €319,682.52 on a pro rata basis for his duties as Chairman and Chief Executive Officer (corresponding to €760,000 per year).

2022 REMUNERATION AND 2023 REMUNERATION POLICY FOR GUILLAUME PEPY

	2022 (retrospective "say on pay" vote)[1]	2023 (prospective "say on pay" vote)[1]
Fixed remuneration	€110,396.94 calculated on a pro rata basis (corresponding to €260,000 per year)	€260,000
Annual bonus	None	None
Exceptional remuneration	None	None
Directors' remuneration	€12,520.51	Application of the 2023 remuneration policy for directors
Long-term remuneration	None	None
Sign-on or severance benefit	None	None
Benefits in kind	None	Membership of group personal protection and healthcare cost reimbursement plans and payment of part of the monthly rent for his office, based on the time spent on his role as Chairman of ORPEA's Board of Directors

(1) Guillaume Pepy's 2022 remuneration components and 2023 remuneration policy are subject to the approval of the 2023 Annual General Meeting.

2022 REMUNERATION AND 2023 REMUNERATION POLICY FOR LAURENT GUILLOT

	2022 (retrospective "say on pay" vote)[1]	2023 (prospective "say on pay" vote)[1]
Fixed remuneration	€380,000 calculated on a pro rata basis (corresponding to €760,000 per year)	€760,000
Annual bonus	€338,200	100% of annual fixed remuneration, which may be increased to up to 150% of said remuneration in the event of outperformance on all the quantified indicators
Exceptional remuneration	€270,000[2]	None
Directors' remuneration	None	None
Long-term remuneration	Award of 25,861 free shares	160% of annual fixed remuneration, with the number of shares calculated based on the share price on the award date
Sign-on or severance benefit	No payment	Severance benefit capped at 24 months' gross annual fixed remuneration and bonus (one year's total gross remuneration if the departure date is before 30 June 2023, and 18 months' total gross remuneration if the departure date is before 31 December 2023), subject to performance conditions
Benefits in kind	Use of a company car and membership of group personal protection and healthcare cost reimbursement plans	Use of a company car and membership of group personal protection and healthcare cost reimbursement plans

(1) Laurent Guillot's 2022 remuneration components and 2023 remuneration policy are subject to the approval of the 2023 Annual General Meeting.

(2) Based on a proposal submitted by the Appointments and Remuneration Committee and subject to the approval of the amendment of the Chief Executive Officer's 2022 remuneration policy (prospective "say on pay" amendment), the Board of Directors decided to award exceptional remuneration of €270,000 to Laurent Guillot in his capacity as Chief Executive Officer, to recognise his exceptional commitment to securing a future for the ORPEA Group, in an exceptionally deteriorated financial situation and during the restructuring of the Group's debt on an unprecedented scale. This exceptional remuneration may only be paid after the approval of Laurent Guillot's remuneration components for 2022 by the 2023 Annual General Meeting.

DETAILS OF LAURENT GUILLOT'S 2023 ANNUAL BONUS

60% Non-financial objectives

Objectives based on Priority 1 of the Refoundation Plan ("With our people")*

- Make progress on the occupational health and safety policy
- Deploy new training and experience-sharing initiatives
- Ensure a calm, constructive and transparent labour relations climate and develop the Group's attractiveness as an employer

Objectives based on Priority 2 of the Refoundation Plan ("With our patients, our residents and their families")*

- Introduce medical and healthcare guidelines that set the standard in each country
- Set up medical and caregiver committees and follow up on action plans
- Systematically implement facility and cross-facility action plans following serious adverse events

Objectives based on Priority 3 of the Refoundation Plan ("Positive social impact")*

- Successfully complete the action plans for the adoption of the mission-led company model
- Deploy the zero tolerance ethics policy
- Calculate and publish upstream Scope 3 data**

** CSR objectives (objectives based on Priorities 1, 2 and 3 of the Refoundation Plan).*
*** Scope 3 refers to indirect emissions in an organisation's supply chain, i.e., those indirectly linked to its activity (purchases of goods, services, etc.).*

40% Financial objectives

- Level of revenue
- Level of EBITDAR
- Real estate disposals

DETAILS OF LAURENT GUILLOT'S LONG-TERM REMUNERATION

SERVICE CONDITIONS

60% NON-FINANCIAL PERFORMANCE CONDITIONS

- Successful transformation into a mission-led company
- Decrease in the frequency of work-related accidents with lost time
- Gender parity in the Group's Executive Committees
- Percentage of facilities that have analysed their risk of exposure to the consequences of climate change, and reduction of Scope 1 & 2* greenhouse gas emissions

40% FINANCIAL PERFORMANCE CONDITIONS

- EBITDAR growth
- Revenue growth

** Scope 1 refers to greenhouse gas emissions produced by the company directly, while Scope 2 refers to indirect energy-related emissions which are not produced directly on the company's sites.*

4.3.1 AMENDMENT OF THE 2022 REMUNERATION POLICY FOR THE CHIEF EXECUTIVE OFFICER (PROSPECTIVE "SAY ON PAY" AMENDMENT)

Based on a proposal submitted by the Appointments and Remuneration Committee and having read a report on market practices conducted by an internationally renowned, independent external firm (the "**Report**"), the Board of Directors has decided that, at the 2023 Annual General Meeting, it will ask the shareholders to amend the 2022 remuneration policy for the Chief Executive Officer, applicable to Laurent Guillot, in order to provide for the award of exceptional remuneration justified by very specific circumstances. The exceptional remuneration provided for would be subject to the following conditions:

- it would be paid in cash, and may not amount to more than €270,000;
- its award must be justified by very specific circumstances, with the components of the exceptional remuneration and the reasons for its award publicly disclosed when it is set, even in the event of staggered or deferred payment.

Introducing this adjustment would make it possible to recognise the Chief Executive Officer's exceptional commitment to securing a future for the ORPEA Group, in an exceptionally deteriorated financial situation and during the restructuring of its debt on an unprecedented scale.

The award of this exceptional remuneration for 2022 is subject to the approval by the 2023 Annual General Meeting of the resolution to amend the Chief Executive Officer's 2022 remuneration policy. In accordance with Article L. 22-10-34 of the French Commercial Code, payment of the exceptional remuneration would be subject to the approval of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2022 to the Chief Executive Officer, Laurent Guillot.

If the above amendment is approved, the Chief Executive Officer's remuneration package would comprise the following components:

- annual fixed remuneration accounting for 23.19%;
- an annual bonus accounting for 23.19% (based on a 100% achievement rate for the applicable objectives);
- a long-term incentive plan linked to the Company's share capital accounting for 37.14% (based on a 100% achievement rate for the applicable objectives);
- exceptional remuneration accounting for 16.48%.

4.3.2 2022 REMUNERATION AND BENEFITS AWARDED TO CORPORATE OFFICERS (RETROSPECTIVE "SAY ON PAY" VOTE)

The remuneration and benefits awarded to corporate officers for 2022 were allocated in accordance with the remuneration policy applicable to them, as approved by the Annual General Meeting of 28 July 2022 pursuant to Article L. 22-10-8 of the French Commercial Code.

Remuneration attributable to the members of the Board of Directors for the year ended 31 December 2022 is paid out of the aggregate amount of directors' remuneration approved by the Annual General Meeting of 28 July 2022 based on the individual allocation methods approved by the same Meeting. The amount of each director's remuneration reflects their attendance record at meetings of the Board of Directors and Board Committees, and comprises an attendance-based variable component with a higher weighting than the fixed component. Exceptional remuneration was paid to Olivier Lecomte, a director, in accordance with the possibility given to the Board of Directors to pay exceptional remuneration to directors in the event that they were tasked with specific assignments related to the crisis following the publication of the book *Les fossoyeurs*.

In view of the departure date of Yves Le Masne – Chief Executive Officer until 30 January 2022 – his remuneration package consists solely of fixed remuneration and the remuneration he may receive in his capacity as a director, and does not include a short-term bonus or the award of any performance shares. As stated in the financial terms of his departure set out on the Company's website, Yves Le Masne did not receive any severance payment in respect of the termination of his duties.

The remuneration package of the Chairman of the Board of Directors consists solely of fixed remuneration and the remuneration he may receive in his capacity as a director.

Effective 1 July 2022, the remuneration package of the Chief Executive Officer consists of fixed remuneration, a bonus, a long-term incentive plan linked to the Company's share capital (in the form of free share awards subject to performance conditions) and, subject to approval by the 2023 Annual General Meeting of the amendment to the Chief Executive Officer's 2022 remuneration policy (prospective "say on pay" amendment), exceptional remuneration. Payment of the bonus and the exceptional remuneration for 2022 to the Chief Executive Officer is subject to the approval of the 2023 Annual General Meeting (retrospective "say on pay" vote).

The remuneration of Philippe Charrier, Chairman and Chief Executive Officer from 30 January to 30 June 2022, comprises fixed remuneration and exceptional remuneration allocated in line with the possibility given to the Board of Directors right to award such remuneration in the specific conditions provided for in the remuneration policy. The payment of this exceptional remuneration was subject to the approval of the Annual General Meeting of 28 July 2022. The remuneration of Philippe Charrier in his capacity as Chairman of the Board of Directors from 1 to 30 January and then from 1 to 28 July 2022 is in line with the 2022 remuneration policy for the Chairman of the Board of Directors. Taking into account his departure from the Group and in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code, the Annual General Meeting of 28 July 2022 approved the fixed remuneration, bonus and exceptional remuneration making up the total remuneration and benefits in kind paid during or awarded for the period from 1 January to 28 July 2022 to Philippe Charrier in his capacity as Chairman of the Board of Directors from 1 January to 30 January 2022 and then from 1 July to 28 July 2022, and Chairman and Chief Executive Officer from 30 January to 30 June 2022. These components are described in the Board of Directors' report to the Annual General Meeting of 28 July 2022 on pages 33 *et seq.* of the 2022 Notice of Meeting Brochure and in section 4.3.2.3 below.

4.3.2.1 DIRECTORS' REMUNERATION AND BENEFITS IN KIND

Directors' remuneration

The Annual General Meeting of 28 July 2022 approved the aggregate amount of directors' remuneration set at €650,000 per annum.

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors decided to renew the methods for allocating individual directors' remuneration out of this aggregate amount (unchanged for the second year running, with the exception of the amount deducted in the event of absence from Board meetings of directors not representing employees). These methods are as follows:

- for attendance at Board meetings (for directors who do not represent employees), they will receive a lump-sum amount not exceeding €40,000, which consists of a fixed sum of €15,000 and a variable portion of €25,000 from which €2,500 will be deducted if the director's attendance rate is below 85% (previously €2,500 was deducted per meeting missed, starting from the second meeting missed). This amendment is aimed at taking into account the higher number of Board meetings and the greater involvement of directors as a result of the crisis following the publication of *Les fossoyeurs*;
- for attendance at meetings of the Board Committees (for directors who do not represent employees), they will receive a fixed sum of €3,000 per meeting, or double this amount for the Committee chairs;
- directors representing employees will receive a sum of €1,500 per meeting of the Board of Directors and, where applicable, the Board Committees.

The Board of Directors also decided that if the application of the aforementioned rules would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded. This rule was applied in 2022.

In addition, the Board of Directors decided that if the shareholders at the Annual General Meeting of 28 July 2022 appointed the new Chief Executive Officer, Laurent Guillot, as a director, he would not be eligible for any directors' remuneration.

Pursuant to these rules, a total gross amount of €650,000 was paid in respect of the aggregate annual remuneration allocated to directors for their attendance at meetings of the Board of Directors and Board Committees in 2022 (€633,500 for the previous year).

The amount of remuneration received by each of the directors for 2021 and 2022 is presented in Table 3 based on the AMF Template, set out in section 4.3.3.3 below.

Other remuneration

In 2022, the Board of Directors set up an Ad Hoc Committee to oversee the independent review carried out by Grant Thornton and Alvarez & Marsal into the acts described in *Les fossoyeurs*. The Committee was chaired by Olivier Lecomte and the Board decided to pay him €9,000 per month for the duration of his duties in this capacity. As the award of this exceptional remuneration represents an agreement between the Company and a director, pursuant to Article L. 225-46 of the French Commercial Code and in accordance with the procedure applicable to regulated related-party agreements, it was authorised by the Board prior to being entered into. Olivier Lecomte did not take part in the Board's discussions or vote related to the agreement and it was subsequently approved by the Annual General Meeting of 28 July 2022.

Olivier Lecomte therefore received exceptional gross remuneration of €40,500 for 2022.

4.3.2.2 2022 REMUNERATION OF YVES LE MASNE, CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022

Annual fixed remuneration

The annual fixed remuneration of Yves Le Masne, Chief Executive Officer until 30 January 2022, was set at €760,000 for 2022 (unchanged for the fifth consecutive year) and was paid to him on a pro rata basis.

In accordance with the remuneration policy approved by the Annual General Meeting of 28 July 2022 pursuant to Article L. 22-10-8 of the French Commercial Code and summarised above, Yves Le Masne received gross fixed remuneration of €60,613 for his duties as Chief Executive Officer until 30 January 2022.

Directors' remuneration

In accordance with the methods for allocating the aggregate annual remuneration granted to directors outlined above, Yves Le Masne received €1,450.43 in respect of his duties as a director until 10 February 2022, the date when he resigned as a director.

Annual bonus and other remuneration and benefits

Yves Le Masne was eligible for the following benefits until 30 January 2022:

- the use of a company car, representing a benefit in kind worth €295.54;
- membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he was included for the purposes of those plans.

In addition, in his capacity as Chief Executive Officer until 30 January 2022, Yves Le Masne was covered by an unemployment insurance policy, with the corresponding premiums amounting to €32,764.82 paid by the Company until 30 January 2022.

Yves Le Masne, Chief Executive Officer until 30 January 2022, did not receive any annual bonus payment or exceptional remuneration for 2022. He did not receive any other remuneration (notably stock options or performance shares) or any benefits in kind.

Severance benefit

The severance benefit system applicable to Yves Le Masne since 2011 was not renewed in light of the crisis following the publication of *Les fossoyeurs*. Yves Le Masne did not receive any severance payment on the termination of his duties.

Remuneration paid during or awarded for 2022 to Yves Le Masne, Chief Executive Officer until 30 January 2022, subject to shareholders' retrospective "say on pay" vote at the 2023 Annual General Meeting

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company will seek shareholder approval at the 2023 Annual General Meeting of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2022 to Yves Le Masne, Chief Executive Officer until 30 January 2022 (it being specified that his remuneration package for 2022 does not include any bonus or exceptional remuneration, or any other remuneration – notably stock options or performance shares).

The remuneration for 2022 received by Yves Le Masne, Chief Executive Officer until 30 January 2022, is consistent with his remuneration policy approved at the Annual General Meeting on 28 July 2022.

Components of remuneration	Amounts or accounting value	Comments
Annual fixed remuneration	€60,613	The annual fixed remuneration of Yves Le Masne, Chief Executive Officer until 30 January 2022, was set at €760,000 for 2022 (unchanged for the fifth consecutive year) and was paid to him on a pro rata basis. Accordingly, Yves Le Masne received gross fixed remuneration of €60,613 for 2022.
Annual bonus	N/A	Yves Le Masne did not receive any annual bonus payment.
Exceptional remuneration	N/A	Yves Le Masne did not receive any exceptional remuneration.
Directors' remuneration	€1,450.43	In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors, Yves Le Masne (a director until 10 February 2022) received €1,450.43 for his participation in Board meetings in 2022.
Long-term remuneration	N/A	Yves Le Masne did not receive any long-term remuneration.
Sign-on or severance benefit	N/A	Yves Le Masne was not eligible for any such benefits.
Benefits in kind	€33,060.36	▪ Unemployment insurance, with the corresponding premium paid for by the Company amounting to €32,764.82 for 2022. ▪ The use of a company car until 30 January 2022, representing a benefit in kind worth €295.54. ▪ Membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he was included for the purposes of those plans until 30 January 2022.

4.3.2.3 REMUNERATION FOR 2022 OF PHILIPPE CHARRIER, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022, AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022

Annual fixed remuneration

In order to reflect his experience and the duties entrusted to him, the gross annual fixed remuneration of Philippe Charrier in his capacity as Chairman of the Board of Directors was kept at €260,000 for 2022 (unchanged for the fifth consecutive year).

Philippe Charrier's gross annual fixed remuneration in his capacity as Chairman and Chief Executive Officer was set at €760,000. This amount was unchanged compared with the amount received for 2021 by Yves Le Masne, Chief Executive Officer of the Company until 30 January 2022.

Philippe Charrier therefore received total gross fixed remuneration for 2022 of €360,952.36, of which €41,269.84 for his duties as Chairman of the Board of Directors and €319,682.52 for his duties as Chairman and Chief Executive Officer.

Directors' remuneration

In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors outlined above, Philippe Charrier received €16,667.43 in respect of his duties as a director until 28 July 2022.

Exceptional remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors decided to pay exceptional remuneration to Philippe Charrier for his duties as Chairman and Chief Executive Officer, by awarding him ORPEA shares representing 100% of his annual fixed remuneration for this role, calculated on a pro rata basis. This remuneration was offered to reward Philippe Charrier's exceptional commitment, which enabled the Group to meet major financing challenges and announce the signature and approval of a conciliation protocol with its main banking partners, thereby organising the first stage in the overhaul of the Group's financing strategy and enabling it to secure new credit facilities. In parallel to the in-depth audits under way since February 2022, the identification and implementation of the first corrective measures, and the organisation of Conferences for the Elderly, Philippe Charrier led the process to recruit the new Chief Executive Officer in an unprecedented and particularly uncertain situation.

Following the approval by the Annual General Meeting of 28 July 2022 of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ending 31 December 2022 to Philippe Charrier, Chairman of the Board of Directors until 30 January 2022 and then from 1 to 28 July 2022, and Chairman and Chief Executive Officer from 30 January to 30 June 2022 (retrospective "say on pay" vote), the Board of Directors paid him exceptional remuneration in the form of 13,755 existing ORPEA shares (valued at €319,666.20 at 30 June 2022, based on a stock market price of €23.24 per share), representing 100% of his annual fixed remuneration in his capacity as Chairman and Chief Executive Officer, calculated on a pro rata basis.

It should be noted that Philippe Charrier resigned as Chairman of the Board of Directors and as a director at the close of the 2022 Annual General Meeting.

Annual bonus and other remuneration

Philippe Charrier did not receive any annual bonus payment. He did not receive any other remuneration (notably stock options or performance shares) or any benefits in kind.

The remuneration received for 2022 by Philippe Charrier, Chairman of the Board of Directors until 30 January 2022 and then from 1 to 28 July 2022, and Chairman and Chief Executive Officer from 30 January 2022 to 30 June 2022, is consistent with his remuneration policy approved at the Annual General Meeting on 28 July 2022.

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company sought and received shareholder approval at the Annual General Meeting held on 28 July 2022 of the fixed, bonus and exceptional remuneration components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2022 to Philippe Charrier, Chairman of the Board of Directors until 30 January 2022 and then from 1 to 28 July 2022 and Chairman and Chief Executive Officer from 30 January to 30 June 2022 (his remuneration package did not include an annual bonus or any other remuneration – notably stock options or performance shares – or any benefits in kind).

4.3.2.4 REMUNERATION FOR 2022 OF GUILLAUME PEPY, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE 28 JULY 2022

Annual fixed remuneration

The gross annual fixed remuneration of the Chairman of the Board of Directors was set at €260,000 for 2022 (unchanged for the fifth consecutive year).

As Guillaume Pepy was appointed Chairman of the Board of Directors on 28 July 2022, he received gross fixed remuneration of €110,396.94 for his duties as Chairman of the Board of Directors as from that date.

Directors' remuneration

In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors outlined above, in view of his appointment as a director on 28 July 2022, Guillaume Pepy received €12,520.51 in respect of his duties as a director for 2022.

Annual bonus and other remuneration

Guillaume Pepy did not receive any annual bonus payment or any exceptional remuneration. He did not receive any other remuneration (notably stock options or performance shares) or any benefits in kind.

Remuneration during or awarded for 2022 to Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022, subject to shareholders' retrospective "say on pay" vote at the 2023 Annual General Meeting

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company will seek shareholder approval at the 2023 Annual General Meeting of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2022 to Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022 (he does not receive an annual bonus, exceptional remuneration or any other remuneration – notably stock options or performance shares – or any benefits in kind).

The remuneration received by Guillaume Pepy, Chairman of the Board of Directors since 28 July 2022 in respect of 2022, is consistent with his remuneration policy approved at the Annual General Meeting on 28 July 2022.

Components of remuneration	Amounts or accounting value	Comments
Annual fixed remuneration	€110,396.94	The gross annual fixed remuneration of the Chairman of the Board of Directors was set at €260,000 for 2022 (unchanged for the fifth consecutive year). As he was appointed Chairman of the Board of Directors on 28 July 2022, Guillaume Pepy received gross fixed remuneration of €110,396.94 for 2022.
Annual bonus	N/A	Guillaume Pepy did not receive any annual bonus payment.
Exceptional remuneration	N/A	Guillaume Pepy did not receive any exceptional remuneration.
Directors' remuneration	€12,520.51	In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors, in view of his appointment as a director on 28 July 2022, Guillaume Pepy received €12,520.51 for his participation in Board meetings in 2022.
Long-term remuneration	N/A	Guillaume Pepy was not eligible for any long-term remuneration.
Sign-on or severance benefit	N/A	Guillaume Pepy was not eligible for any such benefits.
Benefits in kind	N/A	Guillaume Pepy did not receive any benefits in kind.

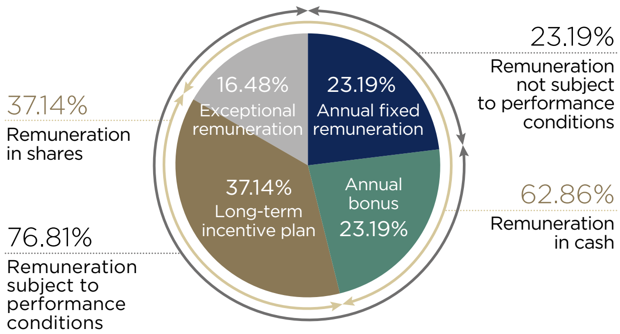
4.3.2.5 REMUNERATION FOR 2022 OF LAURENT GUILLOT, CHIEF EXECUTIVE OFFICER SINCE 1 JULY 2022

The remuneration policy for the Chief Executive Officer was determined when Laurent Guillot was appointed Chief Executive Officer effective from 1 July 2022. The components of the Chief Executive Officer's remuneration were determined with the assistance of a remuneration expert, taking into account the Group's best interests, the recommendations of the AFEP-MEDEF Code and market practices.

Pursuant to the above-mentioned remuneration policy and subject to approval by the 2023 Annual General Meeting of the amendment to the remuneration policy for the Chief Executive Officer in respect of 2022 (prospective "say on pay" amendment), the Chief Executive Officer's remuneration breaks down as follows:

- annual fixed remuneration accounting for 23.19%;
- an annual bonus accounting for 23.19% (based on a 100% achievement rate for the applicable objectives);
- a long-term incentive plan linked to the Company's share capital accounting for 37.14% (based on a 100% achievement rate for the applicable objectives);
- exceptional remuneration accounting for 16.48%.

Illustration of the balance between the various components of the Chief Executive Officer's annual remuneration



The annual bonus and any exceptional remuneration awarded for the year ending 31 December 2022 to the Chief Executive Officer may only be paid after their approval by shareholders at the 2023 Annual General Meeting, as provided for in Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code.

Annual fixed remuneration

In view of Laurent Guillot's skills and experience, as well as his previous remuneration level and the practices of comparable companies (particularly companies in the SBF 120 index), his gross annual fixed remuneration for 2022 has been set at €760,000, payable in 12 monthly instalments.

As he took up his position as Chief Executive Officer on 1 July 2022, Laurent Guillot received €380,000 in annual fixed remuneration for the period from that date until 31 December 2022. It should be noted that an amount of €94.02 was paid in error to Laurent Guillot in 2022 and was refunded to the Company in April 2023.

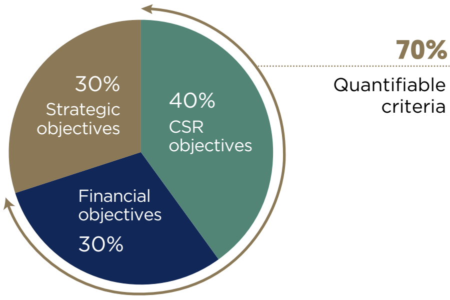
Annual bonus

As he took up his position as Chief Executive Officer on 1 July 2022, Laurent Guillot's annual bonus for 2022 in his capacity as Chief Executive Officer could represent 100% of his fixed annual remuneration on a pro rata basis if the achievement level of the applicable objectives were 100% or higher, with no guaranteed floor or additional remuneration in the event of outperformance.

The annual bonus comprises the following components:

- a component linked to the achievement of quantifiable CSR objectives, representing a target proportion of 40% of the total annual bonus;
- a component linked to the achievement of qualitative strategic objectives, representing a target proportion of 30% of the total annual bonus; and
- a component linked to the achievement of quantifiable financial objectives, representing a target proportion of 30% of the total annual bonus.

Objectives used to determine the Chief Executive Officer's annual bonus



The performance conditions underlying the Chief Executive Officer's 2022 annual bonus are therefore based on quantifiable and qualitative criteria, with the quantifiable criteria carrying a greater weighting as recommended in the AFEP-MEDEF Code.

The fact that the CSR and strategic objectives have a greater weighting than the financial objectives is due to the Company's particular situation following the publication, in January 2022, of *Les fossoyeurs*, the challenges it is going to have to face in the coming years in view of the business sector it operates in, and the expectations of its stakeholders, particularly some of its shareholders.

In view of the crisis faced by the Group and its stakeholders since late January 2022, the Board of Directors reserved the right to amend these objectives or assess their achievement level taking into consideration the impact of the crisis and the Group's Refoundation Plan.

In view of the fact that Laurent Guillot took up his position as Chief Executive Officer on 1 July 2022 and based on the achievement level of the performance criteria, his annual bonus for 2022 amounts to €338,200. This annual bonus may only be paid after approval by the 2023 Annual General Meeting.

The tables below set out the methods used to calculate the Chief Executive Officer's annual bonus for the year ended 31 December 2022, together with the underlying objectives and their achievement levels.

	Target bonus		2022 actual bonus		
	Target *(%)*	**Target** *(in €)*	**Achievement in 2022**	**Amount** *(in €)*	**Factors taken into account for assessing achievement**
QUANTIFIABLE CSR OBJECTIVES (40% OF THE TOTAL BONUS)					
Improving the quality of care and well-being of residents and patients *For each of the CSR objectives below, 10% of the annual bonus is payable if the objective is achieved and 5% is payable if the performance level represents between -5% and the objective.*					
▪ Systematic early reporting or direct reporting of serious adverse events *By the fourth quarter of 2022, at least 95% of serious adverse events to be reported to the authorities in accordance with the applicable regulations and internal procedures and followed up by an action plan (precautionary measures and lessons learned) within two weeks.*	10%	€38,000.00	Achieved	€38,000.00	The joint IGAS-IGF report indicated that the average period for reporting serious adverse events was 14 days, versus the regulatory time limit of two days. The number of serious adverse events reported tripled between 2021 and 2022 and the time taken to report them to the supervisory authorities fell from an average of more than 14 days in 2021 to a median of two days in 2022 (64% of serious adverse events are reported within 48 hours, 72% within 72 hours, 89% within seven days and 97% within 14 days). Corresponding action plans (precautionary measures and lessons learned) are being implemented. In view of the crisis faced by the Group and its stakeholders since late January 2022, the Board of Directors exercised its discretionary power to factor in the impact of the crisis and the Refoundation Plan when assessing the achievement levels of the objectives. Consequently, it considered that this objective had been achieved.
▪ Handling of calls received on the helpline *By the fourth quarter of 2022, 95% of calls to the helpline for families to receive an acknowledgement of receipt within 24 hours with a related action plan*	10%	€38,000.00	Achieved	€38,000.00	The Group's listening and complaints management systems were strengthened in 2022, with the deployment of a listening platform in France for residents, patients and their loved ones. Within its first eight months, the platform received and responded to 206 requests (100% of calls received). The Board of Directors considered that this objective had been achieved.
▪ Creation of the role of an external mediator in each of the Group's main countries of operation (France, Spain, Belgium, Germany, Italy and Austria), who will be required to submit an annual report to the Ethics, Quality and CSR Committee	10%	€38,000.00	Achieved	€38,000.00	An external mediation system has been deployed in Germany, Austria, Belgium, Spain, France and Italy. The following should be noted: ▪ in Spain, external mediation is the responsibility of the public authorities, which means that no annual report is produced; ▪ in Germany, an external mediation system has been implemented, but as the mediator resigned in the first quarter of 2023, no report was submitted. In view of the crisis faced by the Group and its stakeholders since late January 2022, the Board of Directors exercised its discretionary power to factor in the impact of the crisis and the Refoundation Plan when assessing the achievement levels of the objectives. Consequently, it considered that this objective had been achieved.
▪ Implementation of an action plan for nursing homes with a satisfaction rate of less than 7/10 over two years, to be presented to and approved by the Ethics, Quality and CSR Committee	10%	€38,000.00	Achieved	€38,000.00	Each of the facilities concerned has drawn up an action plan, which has been presented to and approved by the Ethics, Quality and CSR Committee. The Board of Directors considered that this objective had been achieved.
Total quantifiable CSR objectives	**40.00%**	**€152,000.00**		**€152,000.00**	

	Target bonus		2022 actual bonus		
	Target *(%)*	**Target** *(in €)*	**Achievement in 2022**	**Amount** *(in €)*	**Factors taken into account for assessing achievement**
QUALITATIVE STRATEGIC OBJECTIVES (30% OF THE TOTAL BONUS)					
Putting in place a strategic improvement and transformation plan, to be presented to and approved by the Board of Directors. Achievement to be measured based on: ■ Creating a management team and drawing up a strategic and financial plan (presented to the market): no later than 31 October 2022. ■ Drawing up a detailed operational plan (presented to the Board of Directors): no later than 31 December 2022.					*It should be noted that:* ■ *the new management team was created before 31 October 2022;* ■ *the strategic and financial plan – which includes the operational plan – was approved by the Board of Directors and then presented to the market on 15 November 2022.*
Component 1: a component related to the New ORPEA strategic plan (including setting the timetable and each different stage until the Company is transformed into a mission-led company (*société à mission*))	10.00%	€38,000	Achieved	€38,000	The Refoundation Plan sets out the Company's positioning in its various business sectors, its organic development and external growth plans, and its real estate and structuring policy, as well as defining the timetable and key stages until the Company is transformed into a mission-led company (*société à mission*). The Board of Directors considered that this objective had been achieved.
Component 2: a financial plan including the Group's long-term refinancing policy and taking into account the plan agreed with its Banks.	10.00%	€38,000	Achieved	€38,000	The Refoundation Plan includes a real estate component (real estate disposals and creation of a real estate company), consideration of the disposal of operating assets, the Group's long-term financing structure and the new ORPEA business plan. The Board of Directors considered that this objective had been achieved.
Component 3: an operational plan focused on (i) improving the care of residents in the Group's three business lines and (ii) reorganising the Company and overhauling its processes	10.00%	€38,000	90% achieved	€34,200	The issues covered by the Refoundation Plan include: (i) improving the care of residents in the Group's three business lines: implementing an HR plan, based in particular on the audits carried out and the recommendations arising from the Conferences for the Elderly and identifying the actions and resources to be implemented to correct any problems identified; decentralising facilities and giving them greater autonomy in decision making; remuneration policies, in particular for facility and cluster directors, that take into account resident care; management, recruitment, training and retention of employees; and (ii) reorganising the Company and overhauling its processes: organisation and streamlining of the Company: defining a Group purchasing policy (including, in France, compliance with decree 2022-734 of 28 April 2022) and a Group IT policy; proposing a reporting system made up of financial and qualitative KPIs, enabling the Board to have a regular base of reliable indicators of the Company's performance in all of its business lines. One of the aims of the reorganisation and streamlining of the Company was to overhaul the Group's internal control system. The findings of the external and internal investigations informed discussions as the Refoundation Plan was being developed and also led to initial actions to strengthen the internal control system. This work will continue in 2023 with the arrival of a new Internal Audit and Control, Risk and Compliance Director. As the overhaul of the internal control system has not yet been finalised, the Board of Directors considered that the achievement level for this objective was 90%.
Total qualitative strategic objectives	**30.00%**	**€114,000**		**€110,200**	
QUANTIFIABLE FINANCIAL OBJECTIVES (30% OF THE TOTAL BONUS)					
Organic revenue growth in the second half of 2022 ≥ 4 %	10.00%	€38,000	Achieved	€38,000	Organic revenue growth was 4% in the third quarter of 2022 and 5.7% in the fourth quarter. Consequently, overall organic revenue growth for the second half of 2022 was greater than or equal to 4%. The Board of Directors considered that this objective had been achieved.
Level of EBITDAR (excluding non-recurring items) ■ 2022 EBITDAR ≥ 2021 EBITDAR ■ EBITDAR margin ≥ 21%	10.00%	€38,000	Not achieved	€0	EBITDAR for 2022 amounted to €780 million, which was lower than the 2021 EBITDAR figure of €1,070 million. The EBITDAR margin for 2022 was 16.7%. The Board of Directors considered that this objective had not been achieved.
Real estate disposals by 31 December 2022 in accordance with the financing plan agreed with the Banks (€100 million)	10.00%	€38,000	Achieved	€38,000	30 real estate assets were sold in the Netherlands for a total of €118.5 million by 31 December 2022. The Board of Directors considered that this objective had been achieved.
Total quantifiable financial objectives	**30.00%**	**€114,000**		**€76,000**	
TOTAL BONUS	**100.00%**	**€380,000**		**€338,200**	
Overall achievement rate				*89.00%*	

Exceptional remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee and subject to the approval of the amendment of the Chief Executive Officer's 2022 remuneration policy (prospective "say on pay" amendment), the Board of Directors decided to award exceptional remuneration of €270,000 to Laurent Guillot in his capacity as Chief Executive Officer, to recognise his exceptional commitment to securing a future for the ORPEA Group, in an exceptionally deteriorated financial situation and during the restructuring of the Group's debt on an unprecedented scale. This exceptional remuneration may only be paid after approval by the 2023 Annual General Meeting.

Long-term remuneration

The Board of Directors granted Laurent Guillot a long-term incentive plan, within the meaning of recommendation 26.3.3 of the AFEP-MEDEF Code, covering a period of three years, in the form of a free share plan, subject to performance and service conditions, with the value of the shares awarded capped at 160% of his 2022 gross annual fixed remuneration (calculated on a pro rata basis), it being specified that the corresponding number of shares was determined based on the rolling three-month average share price as of 27 July 2022, rounded down to the nearest whole number.

The principal terms and conditions governing the free share plan are as follows:

- Number of shares awarded: 25,861 (i.e., 0.04% of the Company's share capital)[1].
- Vesting period: from 28 July 2022 to 28 July 2025.
- Vesting date of the shares: 28 July 2025.
- Service condition as provided for in the 2022 remuneration policy.
- Performance conditions, it being specified that these conditions have been precisely defined but are not publicly disclosed for confidentiality reasons (they will be publicly disclosed when their achievement level is assessed by the Board of Directors):
  - first performance condition (CSR – 40% of the vested shares):
    - six objectives: (i) decrease in the frequency rate of work-related accidents with lost time, (ii) percentage of facilities certified by an external body, (iii) percentage of facilities/countries that have set up a system of enhanced dialogue with residents'/patients' families, (iv) decrease in staff turnover, (v) percentage of significant and regular suppliers that have signed the Responsible Procurement Charter, and (vi) percentage of new construction projects with HQE (or equivalent) certification,
    - if three of these objectives are achieved, 10% of the awarded shares will vest,
    - if all of the objectives are achieved, 40% of the awarded shares will vest,
    - if between three and six of the objectives are achieved, the number of awarded shares that will vest will be calculated proportionately on a straight-line basis;
  - second performance condition (internal – 20% of the vested shares):
    - growth in earnings per share (excluding non-recurring items),
    - it being specified that this objective has been precisely defined but is not publicly disclosed for confidentiality reasons (it will be publicly disclosed when its achievement level is assessed);
  - third performance condition (stock market – 40% of the vested shares):
    - the performance of ORPEA's share price with dividends included (TSR, total shareholder return) compared with the performance of the SBF 120 index including dividends paid in 2022, 2023 and 2024,
    - 100% of the awarded shares will vest if ORPEA's TSR exceeds the average performance of the SBF 120 by at least 80 percentage points,
    - none of the awarded shares will vest if ORPEA's TSR is 20 points lower than the performance of the SBF 120 index,
    - between 20 points lower and 80 points higher, 25% or 60% of the awarded shares will vest respectively if ORPEA's TSR performance is 20 points lower or 50 points higher than the performance of the SBF 120 index,
    - between the applicable boundaries, the number of awarded shares that vest will be calculated proportionately on a straight-line basis. Reference periods: average of ORPEA's share price performance over the period from 1 February 2025 to 27 July 2025, plus the dividend paid in 2022, 2023 and 2024, compared with the same average over the period from 1 February to 27 July 2022. These reference periods will also be used to calculate the average performance of the SBF 120, including dividends paid (TSR), over the years 2022, 2023 and 2024.
- Requirement to hold, for the duration of his term of office, a number of shares corresponding to 30% of his annual fixed remuneration for the year in which the shares vest, calculated based on the listed price of the shares at the vesting date and rounded up to the nearest whole number of shares.
- Signature of a letter by the beneficiary undertaking not to hedge the risks relating to performance shares until the end of the lock-up period for the shares, as stipulated by the Board of Directors, in addition to the commitment stated in the plan rules.

The periods during which the shares may not be sold are specified in the plan rules.

Severance benefit

As from 31 December 2023, in the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure.

No severance benefit will be due to the Chief Executive Officer if:

- he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group;
- he is eligible for retirement;
- his term of office is ended because he has reached the age limit for serving as Chief Executive Officer.

The payment of the above amount would be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid would therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows:

- the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target;
- if the average annual bonus received for the previous two years is between 70% (inclusive) and 85% of his annual bonus target, the severance benefit will be reduced proportionately, and no severance benefit will be paid if this average is below 70% of the target.

(1) *Value of the award on 26 May 2023: €57,928.64 (based on a stock market price of €2.24 per share – closing price on 25 May 2023).*
Value measured in accordance with IFRS at 28 July 2022: €415,224.22.
Value of the award on 28 July 2022: €607,992.11 (based on a stock market price of €23.51 per share – rolling three-month average as of 27 July 2022).

In the event of the Chief Executive Officer's forced departure, irrespective of how his duties are terminated, the following terms and conditions will apply:

- If the departure takes place in 2022, the amount of his severance benefit will equal six months' total gross remuneration (fixed remuneration and target annual bonus), subject to performance conditions related to:
  - **(i)** ORPEA's results; and
  - **(ii)** Laurent Guillot's managerial performance, which would be assessed solely based on the task entrusted to him to present to the Board of Directors a plan for improving and transforming the Group, and his departure would be classified as a forced departure if he is required to leave the Group due to a disagreement between himself and the Board about one or more key components of this plan.
- If the departure takes place in 2023, the maximum amount of the Chief Executive Officer's severance benefit will equal one year's total gross remuneration (fixed remuneration and annual bonus) if the departure date is before 30 June 2023, and eighteen months' total gross remuneration (fixed remuneration and annual bonus) if the departure date is between 1 July and 31 December 2023. The amount of the severance benefit would be calculated based on the achievement level of the performance criteria applicable to the Chief Executive Officer's annual bonus for 2022, as follows:
  - achievement level less than 70%: no severance benefit will be paid;
  - achievement level between 70% and 85%: severance benefit representing between 70% and 85% of the maximum amount, calculated on a straight-line basis by reference to the achievement level;
  - achievement level of 85% or above: maximum amount of the severance benefit due.

No severance benefit was paid in the year ended 31 December 2022 to the Chief Executive Officer, Laurent Guillot.

Other benefits

The Chief Executive Officer is eligible for the following benefits in kind:

(i) use of a company car, representing a benefit in kind worth €235.05; and

(ii) membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he will be included for the purposes of those plans.

It should be noted that a benefit in kind of €94.02 was recorded in error in 2022, instead of a benefit in kind of €235.05. The additional €141.03 representing the difference was recorded in April 2023.

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract.

Directors' remuneration

In accordance with the methods applicable for allocating the aggregate annual remuneration granted to directors outlined above, Laurent Guillot did not receive any remuneration in respect of his duties as a director in 2022.

Other components of remuneration

The Chief Executive Officer, Laurent Guillot, does not receive any remuneration other than that described above. In particular, he did not receive any sign-on bonus when he took up his position[1].

Remuneration paid during or awarded for 2022 to the Chief Executive Officer since 1 July 2022, Laurent Guillot, subject to shareholders' retrospective "say on pay" vote at the 2023 Annual General Meeting

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Company will seek shareholder approval at the 2023 Annual General Meeting of the fixed, bonus and exceptional components of the total remuneration and benefits paid during or awarded for the year ended 31 December 2022 to Laurent Guillot, Chief Executive Officer since 1 July 2022 (no exceptional remuneration).

Pursuant to Article L. 22-10-34 of the French Commercial Code, annual bonus payments to the Chief Executive Officer, Laurent Guillot, are subject to the approval of his remuneration package by the 2023 Annual General Meeting.

The remuneration received by the Chief Executive Officer, Laurent Guillot, for 2022 is consistent with his remuneration policy approved at the Annual General Meeting on 28 July 2022.

(1) ***Information about the remuneration received by Laurent Guillot for duties carried out between 2 May and 30 June 2022***

Prior to his appointment as Chief Executive Officer, Laurent Guillot acted as an adviser to the former Chairman and Chief Executive Officer from 2 May to 30 June 2022, until he took up his position. His annual remuneration for this advisory role was set at €750,000 excluding tax (paid on a pro rata basis). Consequently, he invoiced the Company €60,484 excluding tax (€72,580.80 including tax) for the period concerned.

Components of remuneration*	Amounts or accounting value	Comments
Annual fixed remuneration	€380,000	The gross annual fixed remuneration of the Chief Executive Officer for 2022 was set at €760,000. In view of the fact that he took up his position as Chief Executive Officer on 1 July 2022, Laurent Guillot received gross fixed remuneration of €380,000 for 2022. It should be noted that an amount of €94.02 was paid in error to Laurent Guillot in 2022 and was refunded to the Company in April 2023.
Annual bonus[1]	€338,200	Based on a proposal submitted by the Appointments and Remuneration Committee and on the achievement level of the objectives underlying the payment of Laurent Guillot's gross annual bonus for 2022, the Board of Directors set his bonus at €338,200 (representing 89% of the target bonus). The achievement levels for the applicable objectives were as follows: ■ CSR objectives: the objectives relating to the systematic early reporting or direct reporting of serious adverse events, the handling of calls received on the helpline, the creation of the role of an external mediator in each of the Group's main countries of operation and the introduction of an action plan for nursing homes with a satisfaction rate of less than 7/10 over the last two years were considered to have been fully achieved. The Board of Directors exercised its discretionary power to take into consideration the impact of the crisis that the Group and its stakeholders have been facing since the end of January 2022 and the Refoundation Plan when assessing the achievement levels of the objectives relating to (i) the systematic early reporting or direct reporting of serious adverse events, and (ii) the creation of the role of an external mediator in each of the Group's main countries of operation. ■ Strategic objectives: the objectives relating to putting in place the New ORPEA strategic plan and a financial plan including, in particular, the long-term refinancing policy were considered to have been fully achieved; The objective relating to putting in place an operational plan focused on improving the care of residents in the the Group's three business lines, reorganising the Company and overhauling its processes was considered to have been 90% achieved given that the overhaul of the internal control system has not yet been finalised; ■ Financial objectives: the objectives relating to revenue growth and real estate disposals to be carried out by 31 December 2022 were considered to have been fully achieved. The quantifiable objective regarding EBITDAR growth was not achieved, however. For further details, see the "Annual bonus" section above.
Exceptional remuneration[1]	€270,000	Based on a proposal submitted by the Appointments and Remuneration Committee and subject to the approval of the amendment of the Chief Executive Officer's 2022 remuneration policy (prospective "say on pay" amendment), the Board of Directors decided to award exceptional remuneration of €270,000 to Laurent Guillot in his capacity as Chief Executive Officer, to recognise his exceptional commitment to securing a future for the ORPEA Group, in an exceptionally deteriorated financial situation and during the restructuring of the Group's debt on an unprecedented scale.
Directors' remuneration	N/A	Laurent Guillot did not receive any directors' remuneration.
Long-term remuneration	Award of 25,861 free shares[2] (0.04% of the Company's share capital)	Service condition Performance conditions: ■ **First performance condition** (CSR – 40% of the vested shares): six objectives (i) decrease in the frequency rate of workplace accidents with lost time, (ii) percentage of facilities certified by an external body, (iii) percentage of facilities/countries that have set up a system of enhanced dialogue with residents'/patients' families, (iv) decrease in staff turnover, (v) percentage of significant and regular suppliers that have signed the Responsible Procurement Charter, and (vi) percentage of new construction projects with HQE (or equivalent) certification: – if three of these objectives are achieved, 10% of the awarded shares will vest; – if all of the objectives are achieved, 40% of the awarded shares will vest; – if between three and six of the objectives are achieved, the number of awarded shares that will vest will be calculated proportionately on a straight-line basis. ■ **Second performance condition** (internal – 20% of the vested shares): growth in earnings per share (excluding non-recurring items): – this objective has been precisely defined but is not publicly disclosed for confidentiality reasons (it will be publicly disclosed when its achievement level is assessed). ■ **Third performance condition** (stock market – 40% of the vested shares): the performance of ORPEA's share price with dividends included (TSR, total shareholder return) compared with the performance of the SBF 120 index including dividends paid in 2022, 2023 and 2024: – 100% of the awarded shares will vest if ORPEA's TSR exceeds the average performance of the SBF 120 by at least 80 percentage points; – none of the awarded shares will vest if ORPEA's TSR is 20 points lower than the performance of the SBF 120 index; – between 20 points lower and 80 points higher, 25% or 60% of the awarded shares will vest respectively if ORPEA's TSR performance is 20 points lower or 50 points higher than the performance of the SBF 120 index; – between the applicable boundaries, the number of awarded shares that vest will be calculated proportionately on a straight-line basis. Reference periods: average of ORPEA's share price performance over the period from 1 February 2025 to 27 July 2025, plus the dividend paid in 2022, 2023 and 2024, compared with the same average over the period from 1 February to 27 July 2022. These reference periods will also be used to calculate the average performance of the SBF 120, including dividends paid (TSR), over the years 2022, 2023 and 2024. Vesting period: three years No lock-up period Requirement to hold, for the duration of his term of office, a number of shares corresponding to 30% of his annual fixed remuneration for the year in which the shares vest Ban on hedging the risks relating to performance shares

<table>
<tr><th>Components of remuneration*</th><th>Amounts or accounting value</th><th>Comments</th></tr>
<tr><td>Sign-on or severance benefit</td><td>No payment</td><td>As from 31 December 2023, in the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure.
No severance benefit will be due to the Chief Executive Officer if:
■ he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group;
■ he is eligible for retirement;
■ his term of office is ended because he has reached the age limit for serving as Chief Executive Officer.
The payment of the above amount would be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid would therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows:
■ the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target;
■ if the average annual bonus for the previous two years is between 70% and 85% of his annual bonus target, the severance benefit will be reduced proportionately, and no severance benefit will be paid if this average is below 70% of the target.
As an exception to the above, in the event of the Chief Executive Officer's forced departure prior to 31 December 2023, irrespective of how his duties are terminated, the following terms and conditions will apply:
■ If the departure takes place in 2022, the amount of his severance benefit will equal six months' total gross remuneration (fixed remuneration and target annual bonus), subject to performance conditions related to:
(i) ORPEA's results; and
(ii) Laurent Guillot's managerial performance, which would be assessed solely based on the task entrusted to him to present to the Board of Directors a plan for improving and transforming the Group, and his departure would be classified as a forced departure if he is required to leave the Group due to a disagreement between himself and the Board about one or more key components of this plan.
■ If the departure takes place in 2023, the maximum amount of the Chief Executive Officer's severance benefit will equal one year's total gross remuneration (fixed remuneration and annual bonus) if the departure date is before 30 June 2023, and eighteen months' total gross remuneration (fixed remuneration and annual bonus) if the departure date is between 1 July and 31 December 2023. The amount of the severance benefit would be calculated based on the achievement level of the performance criteria applicable to the Chief Executive Officer's annual bonus for 2022, as follows:
– achievement level less than 70%: no severance benefit will be paid;
– achievement level between 70% and 85%: severance benefit representing between 70% and 85% of the maximum amount, calculated on a straight-line basis by reference to the achievement level;
– achievement level of 85% or above: maximum amount of the severance benefit due.
No severance benefit was paid in the year ended 31 December 2022 to the Chief Executive Officer, Laurent Guillot.</td></tr>
<tr><td>Benefits in kind</td><td>€235.05</td><td>The use of a company car, representing a benefit in kind worth €235.05 for 2022.
It should be noted that a benefit in kind of €94.02 was recorded in error in 2022, instead of a benefit in kind of €235.05. The additional €141.03 representing the difference was recorded in April 2023.
Membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he was included for the purposes of those plans.</td></tr>
</table>

(1) The payment of these remuneration components is subject to the approval of the 2023 Annual General Meeting.

(2) Value of the award on 26 May 2023: €57,928.64 (based on a stock market price of €2.24 per share – closing price on 25 May 2023).
Value measured in accordance with IFRS at 28 July 2022: €415,224.22.
Value of the award on 28 July 2022: €607,992.11 (based on a stock market price of €23.51 per share – rolling three-month average as of 27 July 2022).

* *Prior to his appointment as Chief Executive Officer, Laurent Guillot acted as an adviser to the former Chairman and Chief Executive Officer from 2 May to 30 June 2022, until he took up his position. His annual remuneration for this advisory role was set at €750,000 excluding tax (paid on a pro rata basis). Consequently, he invoiced the Company €60,484 excluding tax (€72,580.80 including tax) for the period concerned.*

4.3.2.6 ANNUAL CHANGE IN THE REMUNERATION OF EXECUTIVE OFFICERS COMPARED WITH THE AVERAGE AND MEDIAN REMUNERATION OF EMPLOYEES AND THE COMPANY'S PERFORMANCE

In accordance with Article L. 22-10-9 of the French Commercial Code, the tables below present the annual change in the remuneration of executive officers compared with the average and median remuneration of employees and with the performance of the ORPEA Group.

In accordance with the AFEP-MEDEF guidelines published on 28 January 2020 and updated in February 2021, the total gross remuneration used to calculate the ratios includes the total gross remuneration paid and performance shares awarded during the year (with the value of performance shares corresponding to their IFRS measurement at the award date).

For 2018 to 2021, the population included in the calculation of the ratios comprises employees on permanent contracts of ORPEA and its French subsidiaries (excluding the Homecare business) that fall within the scope of consolidation, who were continuously present over a period of 24 months.

The calculation method was changed in 2022, and the population included in the calculation of the ratios for that year comprises employees on permanent contracts of ORPEA and its French subsidiaries present at 31 December 2022 with seniority of at least 12 months.

This population represents a major scope within the meaning of the recommendations of the AFEP-MEDEF Code.

- **Ratios between the annual remuneration of the Chairman of the Board of Directors, the Chairman and Chief Executive Officer (from 30 January to 30 June 2022) and the Chief Executive Officer and the average and median remuneration of employees**

Ratios	2018	2019	2020	2021	2022
CHAIRMAN OF THE BOARD OF DIRECTORS[1]					
Ratio based on the average remuneration of employees	10	8	8	8	5
Ratio based on the median remuneration of employees	15	12	12	12	7
CHAIRMAN AND CHIEF EXECUTIVE OFFICER[2]					
Ratio based on the average remuneration of employees	N/A	N/A	N/A	N/A	17
Ratio based on the median remuneration of employees	N/A	N/A	N/A	N/A	25
CHIEF EXECUTIVE OFFICER[3]					
Ratio based on the average remuneration of employees	73	72	63	55	24
Ratio based on the median remuneration of employees	106	107	97	81	34

(1) The changes in the ratio between the annual remuneration of the Chairman of the Board of Directors and the median and average remuneration of employees are due to changes in governance that took place in 2022.

On 30 January 2022, following the decision to terminate the duties of Yves Le Masne as Chief Executive Officer, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and appoint Philippe Charrier as Chairman and Chief Executive Officer of the Company on a temporary basis. On 1 July 2022, the Board of Directors decided to revert to a governance structure based on the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer when Laurent Guillot took up his position as Chief Executive Officer.

Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chairman of the Board of Directors.

(2) A ratio for the role of Chairman and Chief Executive Officer was created in response to the temporary change in governance mentioned in note 1 above. Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the separate roles of Chairman of the Board of Directors and Chief Executive Officer. Instead, a combined amount of remuneration was paid for the role of Chairman and Chief Executive Officer from 30 January to 30 June 2022.

(3) Changes in the ratio between the annual remuneration of the Chief Executive Officer and the median and average remuneration of employees are due to the following:

– the changes in governance mentioned in note 1 above. From 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chief Executive Officer, instead a combined amount of remuneration was paid for the role of Chairman and Chief Executive Officer from 30 January to 30 June 2022; and

– the fact that no annual bonus was paid for 2021 to the former Chief Executive Officer, Yves Le Masne, following the rejection by the Annual General Meeting of 28 July 2022 of the resolution relating to his 2021 remuneration package, as recommended by the Board of Directors.

■ Change in the annual remuneration of the Chairman of the Board of Directors, the Chairman and Chief Executive Officer (from 30 January to 30 June 2022) and the Chief Executive Officer and the average and median remuneration of employees compared with the performance of the ORPEA Group

	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
Change in Group revenue	9%	9%	5%	9%	9%
Change in Group EBITDA	10%	8%	-2%	12%	-27%
Change in the remuneration of the Chairman of the Board of Directors	170%[1]	-20%	9%[2]	5%[2]	-36%[3]
Change in the remuneration of the Chairman and Chief Executive Officer[4]	N/A	N/A	N/A	N/A	N/A
Change in the remuneration of the Chief Executive Officer[5]	17%	3%	-7%	-9%	-56%
Change in the average remuneration of employees	1%	4%	7%	5%	3%
Change in the median remuneration of employees	1%	2%	3%	10%	3%

(1) On 28 March 2017, following the resignation of Jean-Claude Marian as a director and Chairman of the Board of Directors, the Board of Directors appointed Philippe Charrier as a director and as Chairman of the Board of Directors. In 2018, the second year of Philippe Charrier's term of office, after reviewing a benchmark remuneration study for similar positions by a renowned international independent external firm and to reflect his experience and the nature of the duties entrusted to him, his annual remuneration was increased.

(2) On 4 May 2020, the Board of Directors decided, on an exceptional basis, to reduce by 25% (i) the gross fixed remuneration due to the Chairman of the Board of Directors for the second quarter of 2020, and (ii) the remuneration due to each director for their participation in meetings of the Board and, where applicable, of its Committees held during second-quarter 2020. The amounts corresponding to these reductions were paid to the ORPEA Foundation. In view of the improvement in the Covid-19 situation, such reductions were not applied for 2021. These movements explain the changes in the remuneration of the Chairman of the Board of Directors between 2019 and 2020 and 2020 and 2021, despite the fact that the remuneration policy for the Chairman of the Board of Directors has remained unchanged since 1 January 2018.

(3) The change in the annual remuneration of the Chairman of the Board of Directors between 2021 and 2022 was due to the changes in governance that took place in 2022. On 30 January 2022, following the decision to terminate Yves Le Masne's duties as Chief Executive Officer, the Board of Directors decided to combine the roles of Chairman of the Board of Directors and Chief Executive Officer and to appoint Philippe Charrier as Chairman and Chief Executive Officer of the Company on a transitional basis. On 1 July 2022, the Board of Directors decided to revert to a governance structure based on the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer when Laurent Guillot took up his position as Chief Executive Officer. Accordingly, from 30 January to 30 June 2022 (i.e., for approximately five months), no remuneration was paid in respect of the role of Chairman of the Board of Directors.

(4) A ratio for the role of Chairman and Chief Executive Officer was created in response to the temporary change in governance mentioned in note 3 above. Because this position did not exist in 2021, it was not possible to calculate the change in the Chairman and Chief Executive Officer's remuneration between 2021 and 2022.

(5) The change in the Chief Executive Officer's annual remuneration between 2021 and 2022 is due to (i) the changes in governance mentioned in note 3 above, and (ii) the fact that the former Chief Executive Officer, Yves Le Masne, did not receive an annual bonus payment in respect of 2021 following the rejection by the Annual General Meeting of 28 July 2022 of the resolution relating to his 2021 remuneration package, as recommended by the Board of Directors.

4.3.3 SUMMARY TABLE OF THE REMUNERATION AND BENEFITS IN KIND AWARDED TO CORPORATE OFFICERS FOR 2022

4.3.3.1 TABLE SUMMARISING THE REMUNERATION, OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE OFFICER (TABLE 1 – AMF TEMPLATE)

	2021	2022
YVES LE MASNE, CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022		
Remuneration awarded for the year (detailed in Table 2)	€1,367,213.15	€62,357.97
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	€760,160.98	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€2,127,374.13**	**€62,357.97**
PHILIPPE CHARRIER, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022		
Remuneration awarded for the year (detailed in Table 2)	€300,000.00	€697,285.99
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**€300,000.00**	**€697,285.99**
GUILLAUME PEPY, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022		
Remuneration awarded for the year (detailed in Table 2)	-	€122,917.45
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	-
Valuation of other long-term remuneration plans	-	-
TOTAL	**-**	**€122,917.45**
LAURENT GUILLOT, CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022		
Remuneration awarded for the year (detailed in Table 2)	-	€988,435.05
Valuation of multi-year bonus awarded during the year	-	-
Valuation of stock options awarded during the year (detailed in Table 4)	-	-
Valuation of shares awarded free of consideration (detailed in Table 6)	-	€415,224.22
Valuation of other long-term remuneration plans	-	-
TOTAL	**-**	**€1,403,659.27**

4.3.3.2 TABLE SUMMARISING THE REMUNERATION OF EACH EXECUTIVE OFFICER (TABLE 2 – AMF TEMPLATE)

	2021		2022	
	Amounts awarded	**Amounts paid**	**Amounts awarded**	**Amounts paid**
YVES LE MASNE, CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022				
Fixed remuneration	€760,000.00	€760,000.00	€60,613.00	€60,613.00
Annual bonus[1]	€563,666.67[3]	€464,360.00	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' remuneration[1]	€40,000.00	€37,513.66	€1,450.43	€40,000.00
Benefits in kind (company car)	€3,546.48	€3,546.48	€294.54	€294.54
TOTAL	**€1,367,213.15**	**€1,265,420.14**	**€62,357.97**	**€100,907.54**
PHILIPPE CHARRIER, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022				
Fixed remuneration	€260,000.00	€260,000.00	€360,952.36[4]	€360,952.36[4]
Annual bonus	-	-	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	€319,666.20[5]	€319,666.20[5]
Directors' remuneration[1]	€40,000.00	€37,513.66	€16,667.43	€40,000.00
Benefits in kind			-	-
TOTAL	**€300,000.00**	**€297,513.66**	**€697,285.99**	**€720,618.56**
GUILLAUME PEPY, CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022				
Fixed remuneration	-	-	€110,396.94	€110,396.94
Annual bonus	-	-	-	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' remuneration[1]	-	-	€12,520.51	-
Benefits in kind	-	-	-	-
TOTAL	**-**	**-**	**€122,917.45**	**€110,396.94**
LAURENT GUILLOT, CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022				
Fixed remuneration	-	-	€380,000.00	€380,000.00
Annual bonus[2]	-	-	€338,200.00	-
Multi-year bonus	-	-	-	-
Exceptional remuneration	-	-	€270,000.00[6]	-
Directors' remuneration	-	-	-	-
Benefits in kind (company car)	-	-	€235.05[7]	€94.02[7]
TOTAL	**-**	**-**	**€988,435.05**	**€380,094.02**

(1) The annual bonus and directors' remuneration are paid in the year after the year for which they are awarded.

(2) The annual bonus is paid in the year after the year for which it is awarded.

(3) In accordance with the Board of Directors' recommendation, the resolution relating to the components of Yves Le Masne's remuneration for 2021 was rejected by the Annual General Meeting of 28 July 2022. As a result, he did not receive any annual bonus payment for 2021.

(4) In his capacity as Chairman of the Board of Directors until 30 January 2022 and from 1 July to 28 July 2022, Philippe Charrier received fixed annual remuneration of €41,269.84 on a pro rata basis (corresponding to €260,000 per year). In his capacity as Chairman and Chief Executive Officer from 30 January to 30 June 2022, Philippe Charrier received fixed annual remuneration of €319,682.52 on a pro rata basis (corresponding to €760,000 per year).

(5) Following the approval by the 28 July 2022 Annual General Meeting of the 2022 remuneration policy applicable to the Chairman and Chief Executive Officer and the components of Philippe Charrier's 2022 remuneration, at its meeting on the same date, the Board of Directors decided, in recognition of his exceptional commitment, to pay exceptional remuneration to Philippe Charrier, who held the position of Chairman and Chief Executive Officer from 30 January to 30 June 2022, in the form of 13,755 existing ORPEA shares (valued at €319,666.20 at 30 June 2022, based on a stock market price of €23.24 per share), representing 100% of his annual fixed remuneration in his capacity as Chairman and Chief Executive Officer, calculated on a pro rata basis.

It should be noted that Philippe Charrier resigned as Chairman of the Board of Directors and a director at the close of the above-mentioned Annual General Meeting.

(6) The exceptional remuneration of Laurent Guillot may only be paid after approval by the 2023 Annual General Meeting of (i) the amendment to the 2022 remuneration policy for the Chief Executive Officer (prospective "say on pay" amendment), and (ii) the components of his remuneration awarded for or paid during 2022 (retrospective "say on pay" vote).

(7) A benefit in kind of €94.02 was recorded in error in 2022, instead of a benefit in kind of €235.05. The additional €141.03 representing the difference was recorded in April 2023.

4.3.3.3 TABLE ON DIRECTORS' REMUNERATION AND OTHER REMUNERATION RECEIVED BY CORPORATE OFFICERS (TABLE 3 – AMF TEMPLATE)

	Remuneration for 2021		Remuneration for 2022	
Name (position)	**Amounts awarded[2]**	**Amounts paid[1]**	**Amounts awarded[3][4]**	**Amounts paid[2]**
GUILLAUME PEPY (CHAIRMAN OF THE BOARD OF DIRECTORS FROM 28 JULY 2022)[5]				
Directors' remuneration	-	-	€12,520.51	-
Other remuneration	-	-	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.2.4 of this chapter)	Remuneration for his duties as Chairman of the Board of Directors (see section 4.3.2.4 of this chapter)
LAURENT GUILLOT (CHIEF EXECUTIVE OFFICER FROM 1 JULY 2022)[5]				
Directors' remuneration	-	-	-	-
Other remuneration	-	-	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.5 of this chapter)	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.5 of this chapter)
CORINE DE BILBAO (DIRECTOR)				
Directors' remuneration	€73,000.00	€20,455.47	€75,317.46	€73,000.00
Other remuneration	-	-	-	-
ISABELLE CALVEZ (DIRECTOR)[5]				
Directors' remuneration	-	-	€21,252.98	-
Other remuneration	-	-	-	-
BERNADETTE DANET-CHEVALLIER (DIRECTOR)				
Directors' remuneration	€52,000.00	€57,156.25	€44,390.00	€52,000.00
Other remuneration	-	-	-	-
LAURE DUHOT (DIRECTOR)[6]				
Directors' remuneration	-	-	€11,194.69	-
Other remuneration	-	-	-	-
MIREILLE FAUGÈRE (DIRECTOR)[7]				
Directors' remuneration	-	-	€11,703.09	-
Other remuneration	-	-	-	-
JOHN GLEN (DIRECTOR)[5]				
Directors' remuneration	-	-	€25,619.20	-
Other remuneration	-	-	-	-
DAVID HALE (DIRECTOR)[5]				
Directors' remuneration	-	-	€25,983.05	-
Other remuneration	-	-	-	-
OLIVIER LECOMTE (DIRECTOR)				
Directors' remuneration	€52,000.00	€1,844.26	€70,587.38	€52,000.00
Other remuneration	-	-	Exceptional remuneration for his duties as Chair of the Ad Hoc Committee (see section 4.3.2.1 of this chapter)	Exceptional remuneration for his duties as Chair of the Ad Hoc Committee (see section 4.3.2.1 of this chapter)

	Remuneration for 2021		Remuneration for 2022	
Name (position)	**Amounts awarded[2]**	**Amounts paid[1]**	**Amounts awarded[3][4]**	**Amounts paid[2]**
PEUGEOT INVEST ASSETS, REPRESENTED BY BERTRAND FINET (DIRECTOR)[8]				
Directors' remuneration	€76,000.00	€93,763.66	€88,052.30	€76,000.00
Other remuneration	-	-	-	-
PASCALE RICHETTA (DIRECTOR)				
Directors' remuneration	€52,000.00	€20,455.47	€44,390.00	€52,000.00
Other remuneration	-	-	-	-
SOPHIE KALAIDJIAN (DIRECTOR REPRESENTING EMPLOYEES)				
Directors' remuneration	€18,000.00	€25,875.00	€34,929.84	€18,000.00
Other remuneration	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)
LAURENT SERRIS (DIRECTOR REPRESENTING EMPLOYEES)				
Directors' remuneration	€10,500.00	-	€27,288.93	€10,500.00
Other remuneration	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)	Salary (employment contract) (not disclosed for confidentiality reasons)
PHILIPPE CHARRIER (DIRECTOR UNTIL 28 JULY 2022, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL 30 JANUARY 2022 AND THEN FROM 1 TO 28 JULY 2022 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM 30 JANUARY TO 30 JUNE 2022)[9]				
Directors' remuneration	€40,000.00	€37,513.66	€16,667.43	€40,000.00
Other remuneration	Remuneration for his duties as Chairman of the Board of Directors	Remuneration for his duties as Chairman of the Board of Directors	Remuneration for his duties as Chairman of the Board of Directors and as Chairman and Chief Executive Officer (see section 4.3.2.3 of this chapter)	Remuneration for his duties as Chairman of the Board of Directors and as Chairman and Chief Executive Officer (see section 4.3.2.3 of this chapter)
YVES LE MASNE (DIRECTOR UNTIL 10 FEBRUARY 2022 AND CHIEF EXECUTIVE OFFICER UNTIL 30 JANUARY 2022)[10]				
Directors' remuneration	€40,000.00	€37,513.66	€1,450.43	€40,000.00
Other remuneration	Remuneration for his duties as Chief Executive Officer	Remuneration for his duties as Chief Executive Officer	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.2 of this chapter)	Remuneration for his duties as Chief Executive Officer (see section 4.3.2.2 of this chapter)
MORITZ KRAUTKRÄMER (DIRECTOR)[11]				
Directors' remuneration	€52,000.00	€37,513.66	€19,947.09	€52,000.00
Other remuneration	-	-	-	-
JEAN-PATRICK FORTLACROIX (DIRECTOR)[9]				
Directors' remuneration	€64,000.00	€60,013.66	€47,231.04	€64,000.00
Other remuneration	-	-	-	-
JOY VERLÉ (DIRECTOR)[12]				
Directors' remuneration	€64,000.00	€71,263.66	€49,862.74	€64,000.00
Other remuneration	-	-	-	-

	Remuneration for 2021		Remuneration for 2022	
Name (position)	**Amounts awarded[2]**	**Amounts paid[1]**	**Amounts awarded[3][4]**	**Amounts paid[2]**
LAURE BAUME (DIRECTOR)[13]				
Directors' remuneration	€40,000.00	€44,263.66	€21,611.84	€40,000.00
Other remuneration	-	-	-	-
BRIGITTE LANTZ (DIRECTOR)[14]				
Directors' remuneration	-	€19,016.39	-	-
Other remuneration	-	-	-	-
XAVIER COIRBAY (DIRECTOR)[15]				
Directors' remuneration	-	€54,986.34	-	-
Other remuneration	-	-	-	-
TOTAL	**€633,500.00**	**€581,634.80**	**€650,000.00**	**€633,500.00**

(1) Directors' remuneration for 2020 was paid in 2021. The amounts stated include the effect of the exceptional 25% reduction in the remuneration due to each director for their participation in meetings of the Board of Directors and, where applicable, of the Board Committees held in the second quarter of 2020. This reduction did not, however, apply to the remuneration received by Brigitte Lantz. As a result of this reduction, €38,947.16 was paid to the ORPEA Foundation.

(2) Directors' remuneration for 2021 was paid in 2022.

(3) Directors' remuneration for 2022 was paid in 2023.

(4) At the 28 July 2022 Annual General Meeting, the Company's shareholders resolved that the annual aggregate amount of directors' remuneration should remain unchanged at €650,000. This aggregate amount was exceeded in 2022 due to the significant number of Board and Committee meetings held during the year. Consequently, in accordance with the 2022 remuneration policy for directors approved at the aforementioned Annual General Meeting, the amount received by each director for their participation in meetings of the Board of Directors and its Committees was reduced accordingly so that the aggregate amount was not exceeded.

(5) Directors since 28 July 2022.

(6) Director since 10 September 2022.

(7) Director since 1 October 2022.

(8) On 28 July 2022, Bertrand Finet replaced Thierry de Poncheville as permanent representative of Peugeot Invest Assets.

(9) Directors until 28 July 2022.

(10) Director until 10 February 2022.

(11) Director until 17 June 2022.

(12) Director until 30 August 2022.

(13) Director until 28 September 2022.

(14) Director until 23 June 2020.

(15) Director until 16 November 2020.

4.3.3.4 STOCK OPTIONS AWARDED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE COMPANY AND/OR ANY GROUP COMPANY (TABLE 4 – AMF TEMPLATE)

None.

4.3.3.5 STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER (TABLE 5 – AMF TEMPLATE)

None.

4.3.3.6 PERFORMANCE SHARES AWARDED FREE OF CONSIDERATION TO EACH CORPORATE OFFICER (TABLE 6 – AMF TEMPLATE)

	Number of shares awarded during the year	Valuation of the shares according to the method used for the consolidated financial statements[1]	Vesting date	Availability date	Performance conditions
PLAN NO. 17 – 28 JULY 2022					
Laurent Guillot, Chief Executive Officer from 1 July 2022	25,861	€415,224.22	28 July 2025	28 July 2025	**First performance condition** (CSR – 40% of the vested shares): six objectives based on the 2023 CSR roadmap (decrease in the frequency rate of workplace accidents with lost time, percentage of facilities/countries that have set up a system of enhanced dialogue with residents'/patients' families, decrease in staff turnover, percentage of significant and regular suppliers that have signed the Responsible Procurement Charter and percentage of new construction projects with HQE (or equivalent) certification) **Second performance condition** (internal – 20% of the vested shares): growth in earnings per share (excluding non-recurring items) **Third performance condition** (stock market – 40% of the vested shares): the performance of ORPEA's share price with dividends included (TSR, total shareholder return) compared with the performance of the SBF 120 index including dividends paid in 2022, 2023 and 2024

(1) *Value of the award on 26 May 2023: €57,928.64 (based on a stock market price of €2.24 per share – closing price on 25 May 2023).*
Value of the award on 28 July 2022: €607,992.11 (based on a stock market price of €23.51 per share – rolling three-month average as of 27 July 2022).

Following the approval by the 28 July 2022 Annual General Meeting of the 2022 remuneration policy applicable to the Chairman and Chief Executive Officer and the components of Philippe Charrier's 2022 remuneration, at its meeting on the same date, the Board of Directors decided, in recognition of his exceptional commitment to pay exceptional remuneration to Philippe Charrier, who held the position of Chairman and Chief Executive Officer from 30 January to 30 June 2022, in the form of 13,755 existing ORPEA shares (valued at €319,666.20 at 30 June 2022, based on a stock market price of €23.24 per share), representing 100% of his annual fixed remuneration in his capacity as Chairman and Chief Executive Officer, calculated on a pro rata basis.

It should be noted that Philippe Charrier resigned as Chairman of the Board of Directors and a director at the close of the above-mentioned Annual General Meeting.

4.3.3.7 SHARES AWARDED FREE OF CONSIDERATION WHICH BECAME AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE CORPORATE OFFICER (TABLE 7 – AMF TEMPLATE)

The performance shares awarded under Plan no. 9 became available in the year ended 31 December 2022.

As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 27 June 2019 under this plan was not met. Therefore, the 24,580 free shares awarded to Yves Le Masne on that date have lapsed and will never vest.

In accordance with the remuneration policy approved by the Annual General Meeting of 27 June 2019, Jean-Claude Brdenk was awarded 20,699 free shares subject to performance conditions. On 2 November 2020, given the seniority of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting on 24 June 2021 to lift the service condition required under this plan, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments, as well as a non-disparagement commitment, Jean-Claude Brdenk should have been awarded 13,799 free shares (instead of the 20,699 shares awarded initially – pro rata of two-thirds). However, as the stock market performance condition was not met, these 13,799 shares have lapsed and will never vest.

4.3.3.8 HISTORY OF STOCK OPTION GRANTS (TABLE 8 – AMF TEMPLATE)

None.

4.3.3.9 STOCK OPTIONS AWARDED TO AND EXERCISED BY THE TEN EMPLOYEES (NON-CORPORATE OFFICERS) RECEIVING THE HIGHEST NUMBER OF OPTIONS (TABLE 9 – AMF TEMPLATE)

None.

4.3.3.10 TABLE SUMMARISING THE HISTORY OF PERFORMANCE SHARE AWARDS (TABLE 10 – AMF TEMPLATE)

	Plan no. 1	Plan no. 3	Plan no. 6	Plan no. 9	Plan no. 12	Plan no. 15	Plan no. 17
Date of Annual General Meeting	06/11/2015	23/06/2016	28/06/2018	28/06/2018	23/06/2020	23/06/2020	28/07/2022
Date of Board of Directors' meeting	10/02/2016	04/05/2017	28/06/2018	27/06/2019	23/06/2020	24/06/2021	28/07/2022
Maximum total number of performance shares that may be awarded	82,250	29,514	44,701	45,279	28,374	13,271	27,676
o/w number of performance shares that may be awarded to Yves Le Masne, Chief Executive Officer (until 30 January 2022)	*13,000*	*15,625*	*24,266*	*24,580*	*15,403*	*13,271*	*N/A*
o/w number of performance shares that may be awarded to Jean-Claude Brdenk, Chief Operating Officer (until 31 December 2020)	*13,000*	*13,889*	*20,435*	*20,699*	*12,971*	*N/A*	*N/A*
o/w number of performance shares that may be awarded to Laurent Guillot, Chief Executive Officer (from 1 July 2022)	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*25,861*
Vesting date of the shares	10/04/2017	04/05/2019	28/06/2021	27/06/2022	23/06/2023	24/06/2024	28/07/2025
End date of lock-up period	10/04/2019	04/05/2021	28/06/2021	27/06/2022	23/06/2023	24/06/2024	28/07/2025
Performance conditions	Revenue and EBITDA[1]	Total shareholder return (increase in share price + dividend)[2]	Total shareholder return (increase in share price + dividend)[3]	Total shareholder return (increase in share price + dividend)[4]	Total shareholder return (increase in share price + dividend), growth in earnings per share and employee satisfaction surveys[5]	Total shareholder return (increase in share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[6]	Achievement of six CSR roadmap targets, growth in earnings per share, total shareholder return (increase in share price + dividend)[7]
Number of shares vested at the date of this report	82,250	29,514	N/A	N/A	N/A	N/A	N/A
Total number of shares cancelled or lapsed at the date of this report	N/A	N/A	44,701[8]	45,279[9]	24,050[10]	13,271[11]	N/A
Performance shares awarded but not yet vested at the date of this report	N/A	N/A	N/A	N/A	4,324	N/A	27,676

(1) The performance conditions of Plan no. 1 are set out in the 2017 Registration Document (page 249).

(2) The performance conditions of Plan no. 3 are set out in the 2016 Registration Document (page 77).

(3) The performance conditions of Plan no. 6 are set out in the 2017 Registration Document (page 156).

(4) The performance conditions of Plan no. 9 are set out in the 2018 Registration Document (page 182).

(5) The performance conditions of Plan no. 12 are set out in the 2020 Universal Registration Document (page 198).

(6) The performance conditions of Plan no. 15 are set out in the 2021 Universal Registration Document (page 209).

(7) The performance conditions of Plan no. 17 are set out in this Universal Registration Document (page 229).

(8) As the applicable stock market performance condition was not met, on 24 June 2021 the Board of Directors placed on record that no shares had vested for either Jean-Claude Brdenk (Chief Operating Officer until 31 December 2020) or Yves Le Masne (Chief Executive Officer until 30 January 2022) under this plan.

(9) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 27 June 2019 under this plan was not met. Therefore, the 24,580 performance shares awarded to Yves Le Masne on that date have lapsed and will never vest.

In accordance with the remuneration policy approved by the Annual General Meeting of 27 June 2019, Jean-Claude Brdenk was awarded 20,699 free shares subject to performance conditions. On 2 November 2020, given the seniority of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting of 24 June 2021 to lift the service condition required under this plan, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments, as well as a non-disparagement commitment, Jean-Claude Brdenk should have been awarded 13,799 free shares (instead of the 20,699 shares awarded initially – pro rata of two-thirds). However, as the stock market performance condition was not met, these 13,799 shares have lapsed and will never vest.

(10) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 under this plan was not met. Therefore, the 15,403 performance shares awarded to Yves Le Masne on that date have lapsed and will never vest.

In accordance with the remuneration policy approved by the Annual General Meeting of 23 June 2020, Jean-Claude Brdenk was awarded 12,971 free shares subject to performance conditions. On 2 November 2020, given the length of service of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting on 24 June 2021 to lift the service condition required under the free share plan of 23 June 2020, by applying a pro rata provision. Therefore, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete and non-solicitation commitments as well as a non-disparagement commitment, Jean-Claude Brdenk could be awarded 4,324 free shares (instead of the 12,971 shares cited in the previous paragraph – pro rata of one-third) subject to performance conditions. The 8,647 additional shares he was initially entitled to lapsed as a result of his departure.

(11) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 24 June 2021 cannot be met. Therefore, the 13,271 performance shares awarded to Yves Le Masne on that date have lapsed and will never vest.

4.3.3.11 SUMMARY TABLE OF EMPLOYMENT CONTRACTS OF EXECUTIVE CORPORATE OFFICERS, INDEMNITIES AND/OR BENEFITS DUE OR LIKELY TO BE DUE AS A RESULT OF THE TERMINATION OF OR CHANGE IN THEIR DUTIES AND OTHER (TABLE 11 – AMF TEMPLATE)

	Employment contract		Supplementary pension scheme		Payments or benefits due or likely to be due as a result of termination of or change in duties		Payments under a non-compete clause	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Guillaume Pepy Chairman of the Board of Directors from 28 July 2022 Date appointed: 28 July 2022 End date of term of office: 2026 AGM		x		x		x		x
Laurent Guillot Chief Executive Officer from 1 July 2022 Date appointed: 1 July 2022 End date of term of office: 2026 AGM		x		x	x			x
Philippe Charrier Chairman of the Board of Directors until 30 January 2022 and then from 1 to 28 July 2022 and Chairman and Chief Executive Officer from 30 January to 30 June 2022 Date appointed: 28 March 2017 End date of term of office: 28 July 2022		x		x		x		x
Yves Le Masne Former Chief Executive Officer Date appointed: 15 February 2011 End date of term of office: 30 January 2022		x		x		x		x

4.3.4 CORPORATE OFFICERS' REMUNERATION POLICIES FOR 2023 SUBJECT TO PROSPECTIVE SHAREHOLDERS' "SAY ON PAY" VOTE AT THE 2023 ANNUAL GENERAL MEETING

In this report prepared in accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors presents the remuneration policies of corporate officers for 2023.

Shareholders at the 2023 Annual General Meeting will be requested to approve said policies based on this report. For that purpose, three resolutions will be presented, respectively concerning the remuneration of:

- directors;
- the Chairman of the Board of Directors; and
- the Chief Executive Officer.

The Board of Directors is guided by the recommendations of the AFEP-MEDEF Code when determining the remuneration and benefits awarded to corporate officers.

In accordance with the recommendations of the AFEP-MEDEF Code and of the Appointments and Remuneration Committee, the Board of Directors ensures that the remuneration policies for corporate officers comply with the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality, and also reflect market practices.

4.3.4.1 SUMMARY OF THE 2023 REMUNERATION POLICIES FOR CORPORATE OFFICERS

The remuneration awarded to members of the Board of Directors takes into account their attendance record at meetings of the Board of Directors and the Board Committees and therefore includes an attendance-based variable component that has a higher weighting than the fixed component. The amount of directors' remuneration reflects the level of their responsibility and the time required to perform their duties.

The Chairman of the Board of Directors receives only a fixed remuneration. However, the remuneration package of the Chief Executive Officer consists of a fixed salary, a bonus and a long-term incentive plan linked to the Company's share capital (in the form of free shares).

The remuneration system for the Chief Executive Officer can be described as follows:

It is balanced.	It strikes a balance between: ■ the short and long term, which guarantees that his interests are aligned with those of shareholders; ■ the implementation of Quality and CSR policies and economic and financial performance.
It is capped.	Each component has its own cap: ■ the fixed component is reviewed at relatively long intervals; ■ the short-term bonus component is capped as a percentage of the fixed component and each indicator within this component corresponds to a capped bonus. For 2023, the remuneration policy provides for an additional amount in the event of outperformance, which is also capped; ■ the long-term variable component is capped in terms of number of shares calculated based on the share price at the award date.
The majority of the remuneration is subject to stringent performance conditions.	Future performances are assessed through a comparison with past performances and are therefore based on reality.
It is in the Company's best interests.	Its amount is reasonable given the size and complexity of the Group. The performance criteria selected by the Board of Directors ensure that it is in the Chief Executive Officer's interest to take into account not only short-term objectives but also objectives set for the medium and long term.
It contributes to the Company's longevity and is in line with its strategy.	The Group's core business is to care for people with physical or mental health conditions that impair their capacity to live independently. It provides accommodation through its nursing homes, assisted-living facilities, medical care and rehabilitation hospitals, and mental health hospitals, as well as homecare. The ongoing success of the Group's business will only be possible if all of the stakeholders involved are respected and the Group's geographical exposure is diversified. The remuneration system reflects these requirements.
It factors in the remuneration and employment conditions of the Company's employees.	Like the Chief Executive Officer's remuneration, the remuneration structure of the Company's main executives comprises an annual fixed component, an annual bonus, and a long-term incentive plan linked to the Company's share capital.

In accordance with the recommendations of the AFEP-MEDEF Code, the fixed remuneration of executive corporate officers is reviewed at relatively long intervals of time and in keeping with market practices for similar positions.

4.3.4.2 POLICY FOR HOLDING ORPEA SHARES

The Board of Directors' Internal Rules state that each director must own at least one Company share. Shares held by the directors, or by any persons linked to them, must be recorded in registered form: either as pure registered shares with the Company's agent, or as managed registered shares with an intermediary.

In addition, in accordance with Article L. 225-197-1 of the French Commercial Code, the Board of Directors decided that the Chief Executive Officer, Laurent Guillot, will be required to hold, for the duration of his term of office, a number of shares that vest under the 2023 free share plan. This holding requirement corresponds to shares representing 30% of his annual fixed remuneration for the year in which the shares vest (i.e., in 2026), calculated on the basis of the listed price of the shares at the vesting date and rounded up to the nearest whole number of shares[1].

4.3.4.3 2023 REMUNERATION POLICY FOR THE DIRECTORS

Directors' remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors has decided to recommend to shareholders at the 2023 Annual General Meeting that (i) the aggregate amount of directors' remuneration should be kept at €650,000 (unchanged for the third consecutive year), and (ii) the method for allocating individual directors' remuneration out of this total should remain unchanged (for the second consecutive year), namely:

- for attendance at Board meetings (for directors who do not represent employees), they will receive a lump-sum amount not exceeding €40,000, which consists of a fixed sum of €15,000 and a variable portion of €25,000 from which a lump-sum of €2,500 will be deducted if the director's attendance rate is below 85%;
- for attendance at meetings of the Board Committees (for directors who do not represent employees), they will receive a fixed sum of €3,000 per meeting, or double this amount for the Committee chairs;
- directors representing employees will receive a sum of €1,500 per meeting of the Board of Directors and, where applicable, the Board Committees.

The Board of Directors has also decided that if the application of the aforementioned rules would lead to the annual aggregate amount of €650,000 being exceeded, the amount received by each director for their participation in meetings of the Board of Directors and any Board Committees would be reduced accordingly so that the aggregate amount is not exceeded.

Lastly, the Board of Directors has decided that the Chief Executive Officer will not receive any remuneration for serving as a director.

Other remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors does not plan to reserve the right to award any other remuneration to directors.

(1) For example, if the Chief Executive Officer receives annual fixed remuneration of €760,000 in 2026, and the ORPEA share price on 28 July 2026 is €25, for the duration of his term of office, he will be required to hold a number of shares with a value of €228,000, i.e., 9,120 shares.

4.3.4.4 2023 REMUNERATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS

Fixed remuneration

Based on a proposal submitted by the Appointments and Remuneration Committee, and in order to reflect Guillaume Pepy's experience and the duties entrusted to him (as presented in section 4.1.2.1 above), the Board of Directors has decided to keep the gross annual fixed remuneration of the Chairman of the Board of Directors at €260,000 for 2023, for the sixth consecutive year, paid in 12 monthly instalments.

Directors' remuneration

The Chairman of the Board of Directors receives directors' remuneration, which is calculated as set out above (see the section entitled "2023 remuneration policy for the directors").

Other benefits

The Chairman of the Board of Directors is covered by the group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he is included for the purposes of those plans.

In addition, part of the monthly rent for his office is paid by the Company, based on the time spent on his role as Chairman of ORPEA's Board of Directors.

Annual bonus and other remuneration

The Chairman of the Board of Directors does not receive any annual or exceptional bonus payments. He does not receive any other remuneration (notably stock options or performance shares) or any benefits in kind other than those mentioned above.

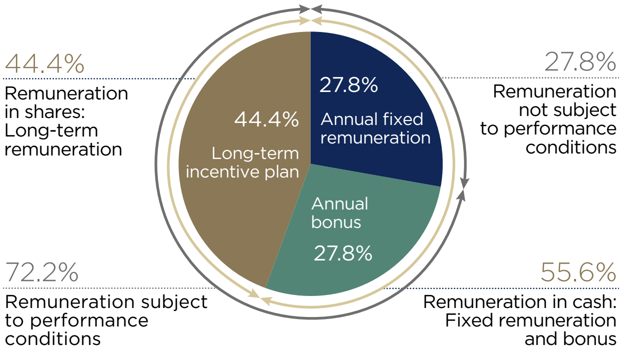
4.3.4.5 2023 REMUNERATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

Principles

Based on a proposal submitted by the Appointments and Remuneration Committee, the Board of Directors decided to keep, for the second consecutive year, the structure of the remuneration of the Chief Executive Officer – Laurent Guillot – for the year ending 31 December 2023 as follows:

- annual fixed remuneration component accounting for 27.8%;
- an annual bonus accounting for 27.8% (based on a 100% achievement rate for the applicable objectives); and
- a long-term incentive plan linked to the Company's share capital accounting for 44.4% (based on a 100% achievement rate for the applicable objectives).

■ Balance between the various components of the Chief Executive Officer's annual remuneration



The Chief Executive Officer is also eligible for a severance benefit and receives other benefits in kind. However, he does not receive any director's remuneration.

The main changes in his 2023 remuneration policy compared with the 2022 policy are the introduction of (i) an outperformance component in his annual bonus, in line with the financial conditions of his appointment as Chief Executive Officer and set out in the press release of 10 May 2022 relating to the components of his remuneration, and (ii) a clawback clause.

Annual fixed remuneration

The Chief Executive Officer's gross annual fixed remuneration has been set at €760,000 for 2023 (unchanged for the second consecutive year), paid in 12 monthly instalments.

Annual bonus

As set out in the press release of 10 May 2022, the Chief Executive Officer will be eligible for a target annual bonus for 2023 set at 100% of his annual fixed remuneration with no guaranteed floor, which may be increased to up to 150% of said remuneration in the event of outperformance on all the quantified indicators.

The annual bonus comprises the following components:

- a component linked to the achievement of non-financial objectives, representing a target proportion of 60% of the total annual bonus; and
- a component linked to the achievement of financial objectives, representing a target proportion of 40% of the total annual bonus.

The performance conditions underlying the Chief Executive Officer's 2023 annual bonus are based on quantifiable and qualitative performance criteria, with the quantifiable criteria carrying a greater weighting as recommended in the AFEP-MEDEF Code.

The non-financial objectives have a greater weighting than the financial objectives, reflecting the Group's dedicated pursuit of the ambitious objectives set out in its Refoundation Plan, underpinning the care and quality of support provided to patients and residents and all the professionals working in the Group.

The table below sets out the performance objectives underlying the Chief Executive Officer's 2023 annual bonus, it being specified that they have been precisely defined and will be publicly disclosed when their achievement level is assessed[1].

	Weighting of the criterion *(%)*
FINANCIAL OBJECTIVES (60% OF THE TOTAL BONUS)	
Objectives based on Priority 1 of the Refoundation Plan ("With our people")[1]	
Make progress on the occupational health and safety policy	5%
Deploy new training and experience-sharing initiatives	5%
Ensure a calm, constructive and transparent labour relations climate and develop the Group's attractiveness as an employer	10%
Objectives based on Priority 2 of the Refoundation Plan ("With our patients, our residents and their families")[1]	
Introduce medical and healthcare guidelines that set the standard in each country	5%
Set up medical and care giver committees and follow up on action plans	5%
Systematically implement facility and cross-facility action plans following serious adverse events	10%
Objectives based on Priority 3 of the Refoundation Plan ("Positive social impact")[1]	
Successfully complete the action plans for the adoption of the mission-led company (*société à mission*) model	10%
Deploy the ethics policy	5%
Calculate and publish upstream Scope 3 data[2]	5%
Total non-financial objectives	**60%**
FINANCIAL OBJECTIVES (40% OF THE TOTAL BONUS)	
Level of revenue	10%
Level of EBITDAR	20%
Real estate disposals	10%
Total financial objectives	**40%**
TOTAL BONUS	**100%**

(1) CSR objectives (objectives based on priorities 1, 2 and 3 of the Refoundation Plan).
(2) Scope 3 refers to indirect greenhouse gas emissions in an organisation's supply chain, i.e., those indirectly linked to its activity (purchases of goods, services, etc.).

The amount of the Chief Executive Officer's annual bonus for 2023 will be set by the Board of Directors, based on the effective achievement of the above performance conditions.

In accordance with Article L. 22-10-34 of the French Commercial Code, payment of this bonus will be subject to approval by the 2024 Annual General Meeting.

The annual bonus is subject to a clawback provision. Accordingly any annual bonus paid by the Company may be claimed back or reduced by the Company, on the recommendation of the Appointments and Remuneration Committee, (i) if, during one of the three financial years following the year in which the bonus was received, the Board of Directors finds that it was granted on the basis of inaccurate and manifestly or intentionally false information provided by or with the complicity of the Chief Executive Officer, or (ii) if a court, by way of a final unappealable decision, has held that the Chief Executive Officer has been seriously and intentionally negligent in the performance of his duties.

Long-term remuneration

As part of the long-term incentive plan set up for the Group's management and covering a period of three years, the Chief Executive Officer will be granted free shares subject to certain performance and service conditions, with the value of the shares awarded capped at 160% of his gross annual fixed remuneration, it being specified that the corresponding number of shares will be determined based on the share price on the date they are granted, rounded down to the nearest whole number. The plan meets the conditions set out in recommendation 26.3.3 of the AFEP-MEDEF Code.

The features of this performance share plan are as follows:

- Date of grant: the end of the financial restructuring process; the grant could therefore, if appropriate, take place at the beginning of the 2024 financial year;
- Vesting period of the shares: subject to approval by the 2023 Annual General Meeting of an authorisation for the Board of Directors to grant free shares of the Company to employees and/or corporate officers of the Company and its subsidiaries ("**Approval of the Authorisation**"), from the award date until 30 June 2026;
- Vesting date of the shares: 30 June 2026, subject to Approval of the Authorisation;
- Service condition, which may be waived at the Board of Directors' discretion provided that there are substantive grounds for such a decision and that provision is made, where applicable, to reduce the maximum number of shares that may vest on a pro rata basis;

(1) To date, they have not been publicly disclosed for confidentiality reasons.

- Performance conditions, assessed over three years, it being specified that these conditions have been precisely defined but are not publicly disclosed for confidentiality reasons (they will be publicly disclosed when their achievement level is assessed):
  - non-financial performance conditions (60% of the vested shares):
    - decrease in the frequency rate of work-related accidents with lost time,
    - gender parity in the Group's Executive Committees,
    - successful transformation into a mission-led company (*société à mission*),
    - percentage of facilities that have analysed their risk of exposure to the consequences of climate change, and reduction of Scope 1 & 2 greenhouse gas emissions[1];
  - financial performance conditions (40% of the vested shares):
    - revenue growth,
    - EBITDAR growth.
- Requirement to hold, for the duration of his term of office, a number of shares corresponding to 30% of his annual fixed remuneration for the year in which the shares vest, calculated based on the listed price of the shares at the vesting date and rounded up to the nearest whole number of shares[2].
- Signature of a letter by the beneficiary undertaking not to hedge the risks relating to performance shares until the end of the lock-up period for the shares, as stipulated by the Board of Directors, in addition to the commitment stated in the plan rules.

The periods during which the shares may not be sold will be specified in the plan rules.

Severance benefit

As from 31 December 2023, in the event of a forced departure, irrespective of how his duties as Chief Executive Officer are terminated, Laurent Guillot will be entitled to a severance benefit capped at twice the gross annual remuneration (fixed remuneration and annual bonus) effectively paid to him during the twelve months preceding the date on which his duties as Chief Executive Officer are terminated. Any termination for serious misconduct or gross negligence will not constitute a forced departure.

No severance benefit will be due to the Chief Executive Officer if:

- he leaves ORPEA on his own initiative (i.e., not a forced departure) or if he changes roles within the Group;
- he is eligible for retirement;
- his term of office is ended because he has reached the age limit for serving as Chief Executive Officer.

The payment of the above amount would be subject to conditions based on Laurent Guillot's performance, assessed in terms of the Company's performance and placed on record by the Board of Directors. Laurent Guillot's entitlement to his severance benefit and the amount actually paid would therefore depend on the achievement level of the performance criteria set for the Chief Executive Officer's annual bonus, as follows:

- the Chief Executive Officer will be entitled to the maximum severance benefit if the average annual bonus he received in the two years preceding his year of departure was equal to or greater than 85% of the annual bonus target;
- if the average annual bonus received for the previous two years is between 70% and 85% of his annual bonus target, the severance benefit will be reduced proportionately, and no severance benefit will be paid if this average is below 70% of the target.

As an exception, if the forced departure takes place in 2023, irrespective of how his duties are terminated, the maximum amount of the Chief Executive Officer's severance benefit will equal one year's total gross remuneration (fixed remuneration and annual bonus) if the departure date is before 30 June 2023, and eighteen months' total gross remuneration (fixed remuneration and annual bonus) if the departure date is before 31 December 2023. The amount of the severance benefit would be calculated based on the achievement level of the performance criteria applicable to the Chief Executive Officer's annual bonus for 2022, as follows:

- achievement level less than 70%: no severance benefit will be paid,
- achievement level between 70% and 85%: severance benefit representing between 70% and 85% of the maximum amount, calculated on a straight-line basis by reference to the achievement level,
- achievement level of 85% or above: maximum amount of the severance benefit due.

Directors' remuneration

Laurent Guillot will not receive any remuneration for serving as a director.

Other benefits

The Chief Executive Officer is eligible for the following benefits in kind: (i) the use of a company car, and (ii) membership of group personal protection and healthcare cost reimbursement plans in force within the Company, subject to the same conditions as those applicable to the employee category in which he is included for the purposes of those plans.

In accordance with the recommendations of the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract.

He will not receive any other remuneration, notably exceptional remuneration, apart from that described above.

4.4 Specific terms and conditions for shareholders to participate at General Meetings

Pursuant to Article L. 22-10-10-5 of the French Commercial Code, the specific terms and conditions for shareholders to participate in General Meetings are set out in Articles 24 to 28 of the Company's Articles of Association.

(1) *Scope 1 refers to greenhouse gas emissions produced by the organisation directly, while Scope 2 refers to indirect energy-related emissions which are not produced directly on the organisation's sites.*

(2) *For example, if the Chief Executive Officer receives annual fixed remuneration of €760,000 in 2026, and the ORPEA share price on 28 July 2026 is €25, for the duration of his term of office, he will be required to hold a number of shares with a value of €228,000, i.e., 9,120 shares.*

4.5 Agreements entered into between a corporate officer and a subsidiary

Pursuant to Articles L. 225-37-4 and L. 225-38 of the French Commercial Code, and Article 22 of the Company's Articles of Association, the agreements entered into, directly or through a third party, between one of the corporate officers or one of the shareholders holding more than 5% of the Company's voting rights, and a company in which the Company owns, directly or indirectly, more than half of the share capital, other than arm's length agreements concerning the ordinary course of business, are included in section 4.8 of this report and in the table below.

Agreement	Status	Date of authorisation by the Board of Directors	Purpose	Impact during 2022
Unemployment insurance for Yves Le Masne	Ended since 30 January 2022	29 June 2006	Unemployment insurance for the former Chief Executive Officer, with the corresponding premiums paid by ORPEA	€32,764.82
Investment Agreement with CPPIB	In progress	11 December 2013	Setting forth the principal arrangements of CPPIB's investment	None
Supplementary clause to the Investment Agreement with CPPIB	In progress	11 December 2014	Right to obtain the Company's assistance in connection with any major disposals of shares	None
Agreement on investment arrangements with Peugeot Invest Assets	In progress	11 December 2014	Right to participate in any future capital increase Right to obtain the Company's assistance in connection with any major disposals of shares	None
Exceptional remuneration awarded to Olivier Lecomte	Ended since 30 June 2022	15 February 2022	Exceptional remuneration of €9,000 per month paid to Olivier Lecomte throughout the duration of his assignment as Chair of the Ad Hoc Committee formed to oversee the independent review carried out by Grant Thornton and Alvarez & Marsal	€40,500.00

4.6 Factors liable to have an impact in the event of a public offer

Pursuant to Article L. 22-10-11 of the French Commercial Code, ORPEA makes the following disclosures concerning factors that could impact a public offer:

- the ownership structure is presented in Chapter 7 of this Universal Registration Document;
- direct and indirect shareholdings of which the Company is aware are presented in Chapter 6 of this Universal Registration Document;
- the Articles of Association do not stipulate any restrictions with regard to the exercise of voting rights, apart from the disqualification of voting rights where the statutory requirements on notifiable interests are not met;
- there are no restrictions in the Articles of Association on transfers of shares, to the Company's knowledge;
- there are no agreements between the shareholders, to the Company's knowledge;
- there are no securities conferring special control rights, apart from shares with double voting rights;
- the applicable rules for appointing and removing directors are those set out by law;
- the Chief Executive Officer, Laurent Guillot, is eligible for compensation in the event that his duties as an executive corporate officer are terminated;
- certain loans include an early repayment clause at the lender's option in the event of a change of control of the Company. In total, the amount of debt covered by these clauses at 31 December 2022 and shown in the consolidated financial statements as at that date was €7,886 million. As at the date of this Universal Registration Document, agreements in principle or written responses related to these change of control clauses had been obtained from the lenders concerned;
- the Board of Directors may implement the Company's share buyback programme during a takeover bid for its shares.

4.7 Appendices

4.7.1 APPENDIX 1: INTERNAL RULES OF THE BOARD OF DIRECTORS

Adopted by the Board of Directors on 27 November 2013 and last amended by the Board of Directors on 14 March 2023.

PREAMBLE

The purpose of these Internal Rules (hereafter the "Rules") is to supplement the statutory and regulatory rules and the rules contained in the Memorandum and Articles of Association with a view to stating the modus operandi of the Board and potentially of its Board Committees, in the interests of ORPEA (the "**Company**") and its Shareholders.

The Company's Board of Directors adheres to the principles for the governance of businesses as presented by the AFEP-MEDEF Code.

These Rules are applicable to all current or future directors. Acceptance of the office of director gives rise to an obligation to comply with these Rules.

1. – RIGHTS AND OBLIGATIONS OF THE DIRECTORS

1.1. – Each member of the Board must be familiar with:

- the Company's Memorandum and Articles of Association, the recommendations in the AFEP-MEDEF Code, and these Rules;
- the statutory and regulatory provisions governing French public limited companies (*sociétés anonymes*) with a Board of Directors, in particular: the rules limiting multiple directorships and those relating to agreements and transactions entered into between directors and the Company;
- and the rules on holding and using inside information, set out in more detail below.

1.2. – The directors are required to act, in all circumstances, in the interests of the Company and of all its Shareholders.

The directors have an obligation to inform the Board of any situation of conflict of interest or potential conflict of interest, in which they could be involved directly or indirectly. They shall abstain from attending the debates and from participating in the voting on the corresponding deliberations.

1.3. – Each director shall devote the necessary time and attention to his/her duties.

He/she shall limit his/her number of directorships to ensure that he/she is available.

He/she shall inform the Secretary of the Board of Directors of any new directorship.

Each member of the Board agrees to be assiduous in:

- attending, even by video-conferencing or telecommunication methods where applicable, all Board meetings, except in the event of a major impediment;
- attending all General Meetings of Shareholders so far as possible;
- attending meetings of the Board Committees of which he/she is a member.

1.4. – The directors agree not to express their views individually except in the course of the Board's internal deliberations on issues raised at Board meetings.

Outside the Company, only one collegiate view can be expressed, notably in the form of press releases intended to inform the markets.

In relation to non-public information acquired in the course of his/her duties, each director must consider him/herself to be bound by a strict duty of confidentiality which exceeds the simple obligation of discretion prescribed by Article L. 225-37 paragraph 5 of the French Commercial Code.

Generally, all files from meetings of the Board of Directors, together with the information collected during or outside the meetings of the Board, are confidential without exception, irrespective of whether the information collected was presented as confidential by the Chairman.

Each director shall take all necessary measures to preserve such confidentiality.

1.5. – Each director must own at least one Company share.

Shares held by each director, his/her spouse, his/her dependent child who is a minor or by any other intermediary person, must be recorded in registered form: either as pure registered shares with the Company's agent, or as managed registered shares with an intermediary whose details shall be disclosed to the Secretary of the Board of Directors.

1.6. – Stock market ethics

Principles

Inside information shall only be used by the directors in the course of performing their duties. Such information shall not in any circumstances be disclosed to any third party outside the scope of exercise of the office of director or for purposes or an activity other than those for which it is held.

All directors have a duty to refrain from carrying out, arranging to have carried out or allowing another party to carry out operations on Company securities on the basis of this information for as long as this information is not made public.

It is the personal responsibility of each of the directors to assess the inside nature of any information he/she holds and, consequently, to decide whether he/she is authorised to make any use or transmission of the information or is prohibited from doing so, and to carry out any operations on Company securities or have such operations carried out.

Additionally, the directors shall refrain from carrying out speculative operations on Company securities and are therefore prohibited from carrying out any short selling or deferred operations on any financial instruments relating to securities issued by the Company.

Closed periods

During the period preceding publication of any inside information of which they are aware, the members of the Board of Directors, in their capacity as holders of insider information, shall refrain from carrying out any operations on the Company's securities.

Additionally, they are prohibited from carrying out any operations on the securities during the following periods:

- a minimum of thirty calendar days prior to the date of the press release on the annual and interim results, and on the date of said press release;
- a minimum of fifteen calendar days prior to the date of the quarterly press release, and on the date of said press release.

The same rule shall apply, if applicable, to the disclosure of forecast annual and half-year results.

Insider dealing

Each director confirms that he/she has been informed of the provisions in force on holding inside information and on insider dealing, laid down in particular in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (provisions relating to inside information and to transactions and insider lists).

It should be noted in particular that, in accordance with the applicable regulations, the directors and the persons closely connected to them are required to declare to the French Financial Markets Authority (*Autorité des Marchés Financiers* – hereinafter referred to as the "AMF") all purchases, sales, subscriptions or exchanges of Company shares, together with the transactions carried out on connected instruments, where the cumulative value of these operations exceeds €20,000 for the calendar year under way.

The directors and the persons closely connected with them shall send their declaration to the AMF, electronically via an extranet known as ONDE accessible on the AMF website, or to the following address: onde.amf-france.org., within a period of three working days after the date of the transaction.

When the AMF is notified, the parties making the declaration shall send the Secretary of the Company's Board of Directors a copy of the notification.

Declarations are then posted online by the AMF on its website and are included in an annual summary statement in the Company's Universal Registration Document.

2. DUTIES AND POWERS OF THE BOARD OF DIRECTORS

***2.1.* –** The Board is a collegiate authority which collectively represents all Shareholders and has an obligation to act in the Company's best interests in all circumstances.

The Board of Directors shall determine the Company's business strategy and oversee its implementation, in accordance with the Company's corporate interest and taking into account the social and environmental challenges of its business.

It may decide to set up Committees responsible for considering any issues referred to them for comment and examination by the Board itself or its Chairman.

The directors of the Company:

- shall share their skills and professional experience;
- have a duty of care and shall exercise their complete freedom of judgement.

This freedom of judgement allows them to take part, entirely independently, in the decisions or work of the Board and, where applicable, of its Committees.

The terms of office are spread over time in order to avoid the renewal of too many directorships at the same time and to aid a harmonious renewal of directorships.

In addition, the Board ensures that Executive Management implements a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in management bodies.

***2.2.* –** The Board of Directors shall choose how to exercise the Company's Executive Management structure, in accordance with the law and the Articles of Association.

***2.3.* –** The Board of Directors shall elect, from amongst its members, a Chairman who is a natural person.

The Chairman of the Board of Directors shall organise and manage its work, and report thereon to the General Meeting. He/she shall ensure that the Company's governing bodies operate smoothly and shall check, in particular, that the directors are able to fulfil their duties.

He/she may request disclosure of any document or information which may assist the Board of Directors in the course of preparing for its meetings.

The Chairman of the Board of Directors shall use his/her best endeavours to promote the Company's values and image in all circumstances. He/she shall make representations in his/her official capacity.

He/she shall have the material resources required to carry out his/her duties.

The Board shall also choose the person required to perform the office of Secretary, who may be chosen from outside the Board members. The Secretary shall draw up the minutes of meetings of the Board and ensure that they are distributed. He/she is authorised to certify copies or extracts of such minutes as true copies.

Due to the current composition of the Company's share capital, the proportion of independent directors which the Board must include is at least fifty percent. The definition of independent member adopted for the Board is the definition given by the AFEP-MEDEF Code: a member is independent where he/she entertains no relations of any nature whatsoever with the Company, its group or its management which could compromise the exercise of his/her freedom of judgement.

With this in mind, the criteria which may lead the Board to classify a member as independent are as follows:

- not being an employee or executive corporate officer of the Company, or an employee, executive corporate officer or director of a company consolidated by the Company or of its parent company or a company consolidated by said parent company, currently or during the last five years;
- not being an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently or during the last five years) holds a directorship;
- not being a customer, supplier, commercial banker, investment banker or consultant:
  - that is significant to the Company or its Group;
  - or for which the Company or its Group represents a significant share of its activity;
- not being related by close family ties to a corporate officer;
- not having been the Statutory Auditor of the Company during the last five years;
- not having been a director of the Company for more than twelve (12) years;
- not receiving variable remuneration or any remuneration linked to the performance of the Company or the Group.

The Board will systematically consider whether representatives of Shareholders holding more than 10% of the share capital or voting rights should be considered as independent.

2.4. – The Chief Executive Officer is conferred with the full extent of authority to act on the Company's behalf in all circumstances. He/she shall exercise these powers within the scope of the Company's purpose and subject to the powers expressly attributed by law to Meetings of Shareholders and to the Board of Directors. He/she shall represent the Company vis-à-vis third parties.

Nevertheless, for all of the following operations, the Chief Executive Officer must obtain the prior authorisation of the Board of Directors, for:

- any investment/purchase of any non-property asset in a country where the Group already has a presence and relating to an existing Group activity (already developed by a Business Unit of the Group), for a unit amount per operation strictly exceeding twenty-five million euros (€25m);
- any divestment/sale of any non-property asset for a unit amount exceeding five million euros (€5m);
- any investment/purchase of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding fifty million euros (€50m);
- any divestment/sale of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding fifty million euros (€50m);
- any investment/acquisition by the Group in a country in which it was previously not established or relating to a new activity (where no Group Business Units are yet active);
- any borrowing or financing for a unit amount exceeding one hundred and fifty million euros (€150m), or variation to any existing borrowing or financing for an amount exceeding one hundred and fifty million euros (€150m), subject to the proviso that the financing operations for any amount shall not result in dilution unless they have been expressly authorised by the Board of Directors (the Chief Executive Officer being required to inform the Board of Directors at its next meeting of any borrowing or financing exceeding seventy-five million euros (€75m));
- the creation of any surety, endorsement or guarantee for a unit amount exceeding one hundred and fifty million euros (€150m) (the Chief Executive Officer being required to notify the Board of Directors at its next meeting where the amount exceeds seventy-five million euros (€75m));
- any decision concerning the strategic direction, in particular with regard to CSR, of a Group company or any material change in this positioning or the business activities of a company;
- the approval and amendment of the annual budget or business plan established by ORPEA or the Group;
- any share capital transaction (including, but not restricted to mergers, demergers, partial asset contributions, increases or reductions in capital, issuance of any negotiable securities carrying rights to the Company's share capital, or the creation of new classes of shares);
- the policy for dividend pay-outs or any other form of distribution by the Company to its Shareholders;
- the remuneration of the Company's corporate officers;
- any plan or award of stock options, free shares, incentives or profit-sharing.

3. – OPERATING PROCEDURES OF THE BOARD OF DIRECTORS

3.1. – The Board of Directors shall meet as often as is required in the Company's interests, when a meeting is called by its Chairman.

Notices calling meetings may take any form (letter, fax, electronic mail) and may even be verbal. They may be sent by the Secretary of the Board. Except in specific circumstances, they shall be despatched in writing at least eight (8) days prior to each meeting, enclosing the agenda and the minutes of the last Board Meeting. The notice shall state the place of the meeting which may be the registered office or any other location.

Where circumstances so require, the Chairman may ask the Board for its position by calling a meeting exceptionally within twenty-four (24) hours.

The dates of Board Meetings for the following year shall be set no later than 31 December of the previous year, except in the case of extraordinary meetings.

The documents required to inform directors regarding the agenda and all issues referred to the Board for consideration shall be attached to the notice calling the meeting or shall be sent to them within a reasonable period, of about five (5) days, prior to the meeting.

3.2. – In relation to the decisions to be taken, each director must ensure that he/she has the information he/she considers essential to the smooth progress of the work of the Board and of the Committees. If such information is not made available to him/her, or if he/she believes that it has not been made available, he/she shall request it. His/her requests shall be sent to the Chairman of the Board of Directors, who shall ensure that the directors are able to fulfil their duties.

The Chief Executive Officer shall, at each meeting, give an update on the significant transactions completed since the previous meeting and on the principal projects under way and which are likely to be completed prior to the next meeting. The Board shall carry out a review each year relating to the essential points in the management report, and regarding the deliberations put before the General Meeting of Shareholders. Moreover, the Board of Directors shall be informed at least once a half-year, by Executive Management, of the financial situation, the cash flow situation and the Company's liabilities.

Between meetings, the directors shall receive all relevant information concerning the Company if required due to the importance or urgency of such information.

The Board of Directors may entrust to one or more of its members, or to third parties, exceptional tasks or mandates relating in particular to the examination of one or more specific issues.

3.3. – In order for the Board of Directors to validly deliberate, the number of members present must be equal to at least half of the total members.

Directors may be represented by another director holding a written form of proxy.

The Chairman of the Board may invite any person external to the Board of Directors to participate in all or part of its meetings, without taking part in the deliberations.

Decisions are taken by a majority of the members present or represented. In the event of a tied vote, the Chairman will have a casting vote.

3.4. – In accordance with the statutory and regulatory provisions and with the Articles of Association, directors who take part in Board meetings via video-conferencing or telecommunication methods shall be deemed to be present for the purpose of calculating quorum and majority.

Nevertheless, these methods of participation are not permitted when the Board is required to deliberate on the following matters:

- drawing up the Company's financial statements and consolidated financial statements;
- drawing up the management report including the report on management of the Group.

The technical features of the video-conferencing methods must allow for the discussions to be broadcast continuously.

3.5. – The deliberations of the Board must be clear. The meeting minutes must contain a summary of the discussions and indicate the decisions taken. The minutes are particularly important because, where required, they constitute a record of the steps taken by the Board in carrying out its duties. Without being needlessly detailed, they must succinctly set out the issues raised or the reservations expressed.

The minutes of Board Meetings shall be drawn up after each meeting and sent to all members of the Board, who are invited to submit their comments. Any comments shall be discussed at the next Board meeting. The final wording of the minutes of the previous meeting shall then be submitted to the next Board meeting for approval.

3.6. – In accordance with Article 17 of the Articles of Association, the Board of Directors may, on the initiative of the Chairman of the Board of Directors, take certain decisions by written consultation under the conditions provided for by law. In such cases, the Chairman shall communicate to the directors, by any means, the items on the agenda and the text of the proposed draft deliberations, indicating the appropriate deadline for responding, depending on the purpose of the consultation, as well as any other document or information necessary for them to make a decision.

Each director may ask any question necessary for his/her consideration or address any comment to the Chairman of the Board of Directors. Exchanges may take place between the directors by electronic mail within the time limit for responding to the written consultation. The directors shall communicate their vote to the Chairman of the Board of Directors, with a copy to the Secretary of the Board.

The Board of Directors can validly deliberate by written consultation only when at least half of the members of the Board of Directors have expressed their vote. Decisions are taken by a majority of the voting members. In the event of a tied vote, the Chairman will have a casting vote.

The Secretary of the Board shall inform the members of the Board of the result of the vote. Decisions taken by written consultation shall be recorded in minutes drawn up by the Secretary of the Board. They shall be kept under the same conditions as the other decisions of the Board of Directors.

4. – BOARD COMMITTEES

When the Board of Directors sets up Board Committees, it shall determine their membership and powers.

Such Committees shall act within the scope of the delegation granted to them by the Board and shall therefore have no decision-making powers.

The members of the Committees shall be chosen from amongst the members of the Board. They shall be appointed by the Board upon the proposal of the Appointments and Remuneration Committee. Their term of office shall coincide with their term of office as director, the Board being entitled at any time to change the membership of the Committees and consequently terminate the term of office of a Committee member.

The Board may assign to the Chair of the Committee, or to one or more of its members, any exceptional task or mandate to carry out specific research or prospective work.

Such person shall report on such work to the Committee in question, which shall deliberate and report thereon to the Board of Directors.

The Board Committees may, in carrying out their duties, make contact with the key executives of the Company, after having notified the Chairman of the Board of Directors and on condition that they report thereon to the Board.

The Committees shall not in any circumstances replace the powers of Executive Management or of the Board of Directors.

4.1. – Audit and Risk Committee

4.1.1. – Duties

The Audit and Risk Committee deals with issues arising from the preparation and auditing of financial and accounting information. Its role is to make the requisite preparations for decisions by the Board of Directors on financial and accounting matters.

It also monitors issues relating to the efficiency of internal audit systems and management of material risks, where applicable with the specialised committee in charge of non-financial topics to ensure all financial and non-financial aspects are taken into account.

The Audit and Risk Committee shall be involved in the preparation of all reports (including the annual management report) for the sections within its expertise and remit.

Without prejudice to the powers of the Board of Directors and of Executive Management, this Committee has the three main duties:

a) Monitoring of the process of preparing financial information

The Audit and Risk Committee monitors the financial reporting process and, where appropriate, makes recommendations to ensure its integrity.

In particular, the Committee is responsible for:

- analysing the financial statements and related documents distributed by the Company, particularly at financial reporting dates, and, where necessary, examining certain elements in greater detail before they are presented to the Board of Directors (in particular cash flow, hedging policies, litigation, insurance, scope of consolidation, related-party transactions, etc.);
- reviewing forecast information and taking note of its uses and recipients in order to evaluate the reliability, quality and traceability of the forecasts and the underlying documentation as well as the coherence between the forecast information and the published outlook;
- ensuring the existence of a rigorous process for preparing the Group's financial and non-financial information, as well as the relevance and consistency of the indicators and accounting methods used in preparing said financial information, in particular for dealing with significant transactions, and the main assumptions used;
- taking note of any changes which they believe should be made to the financial statements due to be signed off or any other accounting documents, making all relevant observations on the valuation methods used in drawing them up;
- taking note of and analysing any irregularities and inaccuracies that the statutory auditors of the Company (the "Statutory Auditors") may have identified, as well as the conclusions to be drawn from the aforementioned observations and corrections in relation to the results for the period, compared with those for the previous period. In this respect, the Committee may be provided with the representation letters submitted to the Statutory Auditors for the Company and its subsidiaries;
- analysing the ORPEA Group (hereinafter referred to as the "Group") financial policy and its debt (including subsidiaries) and liquidity position, and, in particular, examining the adequacy of the financing resources available for the execution of the strategic plan;
- reviewing the scope of verification of the non-financial indicators to be certified, the coverage rate and the methodology of the audits carried out by the auditor and being informed about the appointment process of the accredited independent third party organisation (ITO).

The Chairman of the Board of Directors or the Chief Executive Officer may refer to the Audit and Risk Committee any financial or accounting matter, particularly in determining the strategy and associated performance indicators, in the event of operations affecting the Group's scope or activity and operations which require prior authorisation of the Board of Directors.

The Committee is also regularly informed by Executive Management of feedback on the Group's perception by investors and analysts, and on the financial ratings and notes concerning it. It is consulted on any significant accounting or financial information communicated to the markets.

b) Monitoring the efficiency of internal control, internal audit and risk management systems

The Committee monitors the efficiency of the internal control and risk management systems as well as internal audit, in particular with regard to the procedures relating to the preparation and processing of accounting, financial and non-financial information, without prejudice to its independence.

In particular, the Committee is responsible for:

- ensuring the existence and operation of control organisations and procedures appropriate to the Group (in particular, a system for the prevention and detection of corruption and influence peddling) enabling the identification and management of the risks incurred, including those of a social and environmental nature, and the implementation of corrective actions in the event that weaknesses or anomalies are identified. In particular, it shall ensure the quality of the operating procedures, resources and working methods of the internal teams in charge of finance, internal control and internal audit;
- examining, in particular on the basis of risk maps drawn up by the Company, exposure to risks, such as financial risks (including material off-balance sheet commitments and tax risks), operational risks and compliance risks, and the measures taken as a result, and ensuring the existence and proper functioning of an internal whistleblowing system;
- taking note of the general programme of work implemented by the Statutory Auditors and the various tests they have carried out;
- taking note of external audit conclusions and of any internal control environment weaknesses identified by the Statutory Auditors;
- taking note, at least once per year, of the measures taken to ensure the integrity of the Group's information systems, particularly with regard to the good practices recommended by the French National Agency for Information Systems Security;
- taking note of major disputes at least once a year;
- annually examining the results of audits carried out within the scope of the procedure implemented to assess agreements relating to recurring operations entered into in the ordinary course of business and ensuring the relevance of the criteria used to qualify these agreements.

The Committee may be consulted on any issue relating to control procedures for unusual risks. In particular, it may assist the Board of Directors in the review of a related-party agreement.

At is convenience, it may interview the head of internal audit. It is informed, without delay, of any change of the position's owner or any significant change in the scope of responsibility.

c) Monitoring the statutory audit of the annual financial statements and, where applicable, the consolidated financial statements by the Statutory Auditors, as well as the independence of the Statutory Auditors

In particular, the Committee is responsible for:

- making a recommendation to the Board of Directors concerning the Statutory Auditors proposed for appointment or renewal to the General Meeting and monitoring the selection procedure organised by Executive Management, ensuring in particular that the applicable regulations are complied with (rules on the rotation of firms and signatories, tender process, etc.);
- monitoring the Statutory Auditors' performance of their assignments, conducting an annual review of the external audit performance and examining, in particular, the report drawn up by the Statutory Auditors for the Committee, taking into account, where appropriate, the findings and conclusions of the French High Council for Statutory Audits (*Haut Conseil du Commissariat aux Comptes*) following audits of the firms concerned in application of the legal provisions;
- ensuring that the Statutory Auditors comply with the conditions of their independence as defined by the regulations, in particular, by examining that the fees paid by the Company and its Group to the Statutory Auditors' firm and network in view of their revenue, their independence is not likely to be compromised, and analysing, in particular, the risks weighing on their independence and the safeguards put in place to mitigate these risks, these provisions also apply, where applicable, to the Statutory Auditors of the Company's main subsidiaries if different;
- approving, in compliance with the applicable regulations, the provision by the Statutory Auditors of non-audit services, according to the procedure set out in Appendix 1 of the Audit and Risk Committee's rules of procedure, which is annually reviewed by the Committee.

d) Monitoring the Group's real estate strategy

The Audit and Risk Committee monitors the development and implementation of the Group's real estate strategy.

In particular, the Committee is responsible for:

- monitoring the implementation of a centralized property database within the Group;
- examining the Group's real estate strategy with regard to the challenges specific to its activity and objectives, and formulating proposals to the Board of Directors in this respect;
- monitoring the performance indicators (in particular IRR, development margins) to enable the Board of Directors to assess the implementation of the real estate strategy;
- giving its opinion on the construction projects, acquisitions and disposals of real estate assets contemplated by Executive Management and requiring the prior authorisation of the Board of Directors, as well as on partnerships dedicated to the construction or purchase of real estate assets.

This monitoring enables the Committee to issue recommendations, if necessary, in relation to the improvement of existing processes, and potentially, to the implementation of new processes.

The Audit and Risk Committee shall be involved in the preparation of all reports (including the annual management report) for the sections within its expertise and remit.

4.1.2. – Organisation of work

The Audit and Risk Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

It shall be chaired by an independent director and there must be a proportion of two-thirds independent directors.

The members must have specific expertise in finance, accounting or statutory audit.

The members of the Audit and Risk Committee shall be bound by an obligation of confidentiality with regard to information relating to the services provided by the Statutory Auditors, under the conditions laid down by the regulations.

The Audit and Risk Committee can validly deliberate only if at least half of its members attend the meeting.

The Chair of the Audit and Risk Committee shall plan its work each year on the basis of his/her assessment of the materiality of various types of risk incurred, in agreement with Executive Management and the Board.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board of Directors and at least three (3) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, together with the Company's accounting and financial management, where appropriate, and in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting with the information relevant to their discussions.

The Secretary of the Board shall act as Secretary of the Committee.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

In order to fulfil its duties, the Committee may contact, in the exercise of its powers, the Company executives who are responsible, in particular, for drawing up financial statements, internal control and compliance, in the absence of Executive Management, after informing the Chairman of the Board of Directors and subject to reporting back to the Board.

The Committee may also, in agreement with Executive Management, seek information from any persons likely to be able to provide clarification in relation to the performance of its duties, notably executives responsible for economic or financial matters and those dealing with the processing of information, and request external technical studies.

In order to carry out its missions, it establishes a direct relationship with the Statutory Auditors and interviews them regularly, including in the absence of Executive Management.

The Committee may meet without the presence of Executive Management and/or the persons involved in the preparation of the financial statements.

The Committee shall inform the Board promptly of any difficulty encountered.

4.1.3. – Activity report

The Audit and Risk Committee shall report regularly to the Board of Directors on the exercise of its duties and obtain its comments.

The Committee shall provide in its reports the opinions that it considers relevant, and shall formulate any recommendations and proposals with a view to improving the efficiency of the various procedures and of the overall arrangements or adapting them to a new situation. In the event that any of the recommendations are not adopted unanimously, the reports will mention the points of view expressed in a non-nominal way.

It shall formulate any recommendations and proposals with a view to improving the efficiency of the various procedures and of the overall arrangements or adapting them to a new situation.

If, in the course of its work, the Committee identifies a significant risk which it does not consider to be managed adequately, it shall notify the Chairman of the Board of Directors.

4.2. – Appointments and Remuneration Committee

4.2.1. – Duties

The main duties of the Appointments and Remuneration Committee, within the scope of the work of the Board of Directors, are:

- to make proposals to the Board on governance issues, in particular:
  - to inform the Board's decision on the procedures for exercising Executive Management and on the status of the corporate officers;
  - to issue an opinion on proposals relating to the appointment of the Chief Executive Officer and, where applicable, of one or more Deputy Chief Executive Officers;
  - to examine, as necessary, and in particular at the end of his/her term of office, the reappointment of the Chairman and Chief Executive Officer, or of the Chairman and the Chief Executive Officer;
  - to regularly evaluate the structure, size and membership of the Board of Directors and to submit recommendations to the Board in relation to any changes;
  - to examine and recommend to the Board of Directors persons for appointment as directors, taking into account in particular the desired balance of the membership of the Board and its Committees in view of the composition and development of the Company's shareholding structure, the skills and expertise required to perform the Board's duties, and the balance between men and women on the Board;
  - to discuss directors' status as independent directors upon their appointment and to review on an annual basis the individual situation of each director with regard to the AFEP-MEDEF Code and these Internal Rules;
  - to make proposals to the Board on the creation and membership of the Committees;
  - to receive conflict of interest declarations (and, if applicable, any updates to these declarations) prepared and submitted by each director upon their appointment and at the beginning of each year;
- to draw up a succession plan for the executive officers applicable in particular in the event of an unforeseeable vacancy;
- to organise the annual assessment of the Board, if necessary with the help of an external firm, under the authority of the Chairman of the Board and reporting to the Board on the results of this assessment and any corrective measures required;
- to ensure the proper functioning of the governance bodies and in particular the transmission of information requested by the independent directors;
- to draw up proposals and recommendations on remuneration, in particular with regard to:
  - the remuneration policy and the components of remuneration and other benefits for the Chairman of the Board,
  - the remuneration policy and the components of remuneration and other benefits for the Chief Executive Officer, and, where applicable, the Deputy Chief Executive Officer(s),
  - the amount of the total remuneration allocated to the directors to be submitted to the General Meeting and the method of distribution, taking into account their attendance;
  - the award of stock options and/or free performance shares to the Group's managers and employees;
  - the general policy of involving the Group's employees in the share capital, particularly with regard to the implementation of employee shareholding plans, profit-sharing measures and any other collective incentive plans for employees;
- to be regularly informed:
  - during the recruitment processes of persons called to join the Executive Committee and other key functions,
  - of the remuneration policy (including performance criteria, which must include at least one applicable CSR criterion).

The Appointments and Remuneration Committee shall be involved in the preparation of all reports (including the Universal Registration Document) for the sections falling within its expertise and remit.

4.2.2. – Organisation of work

The Appointments and Remuneration Committee shall be composed of at least (3) three members, who shall be non-executive directors of the Company.

It shall be chaired by an independent director and primarily composed of independent directors.

One of the directors representing the employees shall be a member of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee can validly deliberate only if at least half of its members attend the meeting.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board, and at least three (3) times a year, prior to approval of the agenda for the Annual General Meeting, to consider the draft resolutions that will be submitted to the Meeting and which fall within its expertise.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed, except in relation to issues in which he/she is personally involved.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee may also, in agreement with Executive Management, request external technical studies.

4.2.3. – Activity report

The Committee shall regularly report to the Board on its work and make proposals to it.

4.3. – Ethics, Quality and CSR Committee

4.3.1. – Duties

As CSR, quality and ethics are at the heart of ORPEA's strategy, the main duties of the Ethics, Quality and CSR committee, within the scope of the work of the Board of Directors, are as follows:

a) Ethics

The Committee is responsible for monitoring ethics-related issues. In particular, its duties include:

- discussing any issue relating to ethics or to possible conflicts of interest that may be referred to it or which it may become aware of;
- regularly monitoring the updating of the ORPEA Group's Code of Conduct – Ethics and Corporate Social Responsibility, and ensuring its distribution and enforcement, particularly with regard to the main values defined therein ("Professionalism, Compassion, Loyalty and Humility");
- keeping itself regularly informed and examining practices relating to the management of employees (respect for the principles of equal opportunity and diversity, recognition of merit, sanctions, etc.);
- ensuring that commercial partnerships and alliances are in line with the values provided within the Group's Responsible Procurement Charter or Ethical & CSR Code of Conduct, as appropriate;
- ensuring that the Group complies with the rules and conventions relating to the respect of human rights and fundamental freedoms in the exercise of its activities.

At least once a year, the Committee shall interview the Head of Ethics and/or any person responsible for the Group's compliance with the rules falling within its remit, in the absence of Executive Management. It shall consult and inform the Audit and Risk Committee as necessary on its work on risk prevention within its remit, or involve the Audit and Risk Committee in such work.

b) Quality

The Committee is responsible for monitoring quality-related issues. In particular, its duties include:

- assisting the Board of Directors in monitoring the functioning of the Group's quality and operational risk management procedures, and its training, planning and monitoring tools (including annual satisfaction surveys);
- ensuring that the Quality department provides support to facilities in the implementation of their quality procedures, as well as monitoring and follow-up of the actions implemented;
- ensuring that facilities monitor quality indicators and transmit them to the Quality and Operations departments at the planned intervals, in order to facilitate monitoring of continuous improvement in the quality approach and to identify and prevent any potential risks;
- examining the annual and half-yearly quality reports.

c) CSR

The Committee is responsible for:

- examining the Group's strategy and commitments in terms of social, environmental and societal responsibility with regard to the challenges specific to its activity and objectives, and making proposals to the Board in this respect;
- examining the impact of social, environmental and societal issues on the Group's investments, economic performance and image;
- monitoring the actions implemented by the Group in terms of social, environmental and societal responsibility and to evaluating the main results. In this respect, it monitors in particular issues related to the safety, quality of life and care of the people living in its facilities, the health, safety and well-being of employees, the Group's environmental footprint, societal challenges, the implementation of innovative solutions and the actions of the ORPEA Foundation;
- reviewing and assessing the reporting and control procedures for non-financial indicators to enable the Company to provide reliable non-financial information;
- helping to define the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer, in coordination with the Appointments and Remuneration Committee;
- giving its opinion on the manner in which the Company implements a policy of non-discrimination and diversity, in particular with regard to the balanced representation of women and men in the management bodies;
- monitoring the preparation of the non-financial statement and, in general, any information required by the CSR legislation in force;
- conducting an annual review of a summary of the non-financial ratings carried out on the Group.

Each year, the Ethics, Quality and CSR Committee shall receive a presentation of the Group's environmental, societal and ethics risk mapping. It shall study the risks identified therein and be kept informed of their development and the features of the related management systems.

The Ethics, Quality and CSR Committee shall coordinate its work with the Audit and Risk Committee on all matters within its remit, in particular internal control, compliance, risk management and analysis, non-financial information and the main disputes.

The Ethics, Quality and CSR Committee may also be consulted, jointly with the Audit and Risk Committee, on management procedures in the event of unusual risks, when the Board or Executive Management deems it useful.

The Ethics, Quality and CSR Committee shall be involved in the preparation of all reports (including the annual management report) for the sections falling within its expertise and remit.

4.3.2. – Organisation of work

The Ethics, Quality and CSR Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

The Committee can validly deliberate only if at least half of its members attend the meeting.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by the latter or the Board, and at least three (3) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board of directors has called the meeting. It shall be sent to the members of the Committee prior to their meeting with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee shall receive regular reports from management on the Group's ethics, quality and CSR strategy and its implementation. It may, if necessary, request external technical studies.

4.3.3. – Activity report

The Committee shall regularly report to the Board on its work and make proposals to it.

5. – DIRECTORS' REMUNERATION

The directors receive remuneration, the total amount of which is voted by the Ordinary General Meeting and the distribution of which is decided by the Board, in accordance with the approved directors' remuneration policy, upon the proposal of the Appointments and Remuneration Committee. This distribution shall take into consideration the duties exercised by the directors on the Board and on the Committees, and their actual attendance.

The Board of Directors may award exceptional remuneration for special duties or mandates assigned to directors.

6. – ANNUAL ASSESSMENT OF THE BOARD'S OPERATING PROCEDURES

The Board shall periodically carry out an assessment of its membership, organisation and operation and that of its Committees. An update shall be provided to the Board on this matter once a year, and a formal assessment shall be carried out, under the authority of the Chairman of the Board of Directors, every three (3) years. The Board shall, where applicable, implement any steps to improve its operating procedures.

The Board shall inform the Shareholders in this regard in the Universal Registration Document.

4.7.2 APPENDIX 2: ADDITIONAL INFORMATION ABOUT CORPORATE OFFICERS

Number of shares held:
1 share

International experience:
Germany, Italy, Morocco, United Kingdom, United States

Sector-specific skills:
Business to Consumer, Digital, Logistics, Public Utility Services, Transport

Operational skills:
Public Relations, Business Development, Executive Management, Governance, Management, Strategy

GUILLAUME PEPY

Independent director
Chairman of the Board of Directors

Date of birth: 26 May 1958 – Nationality: French

Recognised for his extensive leadership experience, Guillaume Pepy is currently President (an unpaid position) of Initiative France, the leading network of associations for financing and supporting new entrepreneurs. He is also a Senior Advisor to Salesforce, a director of Chemours Inc in the United States, and was recently appointed Chairman of the ORPEA Board of Directors and Chairman of the Supervisory Board of EM Lyon.

Guillaume Pepy is a member of the Board of Trustees of the Shoah Memorial and of the governing board of Malandain Ballet Biarritz.

A graduate of the Institut d'Études Politiques de Paris and the École Nationale d'Administration, Guillaume Pepy began his career at the French *Conseil d'État* before working with the Ministries of Finance and of Labour, Employment and Social Affairs. In 1996, he was named Deputy Chief Executive Officer of the Sofres group.

In 1997, he was appointed Director of Main Lines at the Société Nationale des Chemins de Fer Français (SNCF), where he subsequently served as Chairman and Chief Executive Officer from 2008 to 2019.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies
- Director: ORPEA

Offices and positions held in non-Group companies
- President: Initiative France
- Member of the Board of Directors: Chemours (listed company)
- Chairman of the Supervisory Board: EM Lyon

Guillaume Pepy complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years
- Director: BlaBlacar, Suez Group, Keolis, Lagardère SCA
- Chairman: LYDEC
- Chairman and Chief Executive Officer: Société Nationale des Chemins de Fer (SNCF)

Number of shares held:
1 share

International experience:
Africa, Asia, Europe, Latin America, United States

Sector-specific skills:
Government, Industry (construction, automotive, aerospace, medical components)

Operational skills:
Purchasing, Executive Management, Finance, Governance, Information Systems, Management

LAURENT GUILLOT

Director
Chief Executive Officer

Date of birth: 5 September 1969 – Nationality: French

Laurent Guillot is a graduate of the École Polytechnique and the École des Ponts Paris Tech engineering school, and holds a post-graduate degree in macroeconomics from the University of Paris I.

After starting his career in government, notably serving as technical advisor to the Minister of Infrastructure, Transport and Housing, Laurent Guillot joined Compagnie Saint-Gobain in 2002. There he managed various businesses in France and internationally until 2009, when he became Group Chief Financial Officer and later Chief Operating Officer. From 2016, he served as head of the High Performance Materials business. Laurent Guillot is an independent director and Chair of the Audit and Risk Committee of the Safran group. After serving as advisor to the Chairman and Chief Executive Officer, he took up his position as ORPEA's Chief Executive Officer on 1 July 2022.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director and Chief Executive Officer: ORPEA
- Chairman of the Supervisory Board: SeneCura Kliniken- und Heimebetriebsgesellschaft m.b.H.
- Chairman of the Board of Directors: Orpea Belgium, Orpea Italia SPA, Porto Salus Azeitão-Residências Assistidas SA, Hospital Nossa Senhora da Arrábida SA, Orpea Ibérica SAL, Residencial Senior 2000 SLU, Artevida Centros Residenciales SAL, Centros Residenciales Estremera SAL, Explotación de Residencia de Real Sitio de San Fernando SLU, Centro de Mayores Care Extremadura Dos 2002 SLU, Sanyres Sur SLU, Residencia Ciutat Diagonal Esplugues SLU, Residencia Reyes de Aragon SLU, Ecoplar SAL, Gesecoplar SAL, Ecoplar Serranillos SAL, Ecoplar Cantabria SLU, Ecoplar Granada SAL, Instituto de Investigaciones Neuropsiquiátricas Dr. López Ibor SA, Atirual Inmobiliaria SLU, Union Sanyres SLU, Orpea Latam, SA, Accomodore Assistencial SLU, Acacias Logroño SLU, CENTRO LESCER SLU, Med-Immo La Colline SA
- Director: ORPEA Residences Ireland Ltd, Florence Nightingale Hospital Ltd, ORPEA UK Ltd
- Manager: OREG 5 SARL, OREG 4 SARL, OREG 3 SARL, OREG 2 SARL, OREG 1 SARL, ORESC 6 SARL, ORESC 5 SARL, ORESC 4 SARL, ORESC 3 SARL, ORESC 2 SARL, ORESC 1 SARL, ORPEA Real Estate Germany Holding SARL, ORESC 9 SARL, ORESC 10 SARL, ORESC 11 SARL, ORESC 13 SARL, ORESC 14 SARL, ORESC 15 SARL, ORESC 16 SARL, ORESC 17 SARL, ORESC 18 SARL, ORESC 19 SARL, ORESC 20 SARL, ORESC 21 SARL, ORESC 22 SARL, ORESC 23 SARL, ORESC 24 SARL, Gengenbach Properties SARL, Schomberg (Care Home) Properties SARL, Schomberg (Clinic) Properties SARL, ORE-A SARL, ORE-B SARL, ORE-D SARL, ORE-F SARL, ORE-I SARL, ORE-J SARL, ORE-O SARL, ORE-P SARL, ORE-R SARL, ORE-T SARL, ORE-U SARL, ORE-W SARL, Orpea RE Lease SARL, ORE-X SARL, ORE-Y SARL, ORESC 26 SARL, ORESC 27 SARL, ORPEA Real Estate Luxembourg SARL, ORPEA GP Lux SARL, OME Holding SARL, SIS Brasil Exploit SARL, BRIGE SARL, AGMR – SAÚDE Lda, Flavicórdia, Saúde e Serviços Lda, RESISÉNIOR – RESIDÊNCIAS E SERVIÇOS PARA A 3ª IDADE Lda, Doce Viver Lda, Porto Salus Azeitão-Residências Assistidas SA, Pensar Futuro Lda, Simple Sénior Club – Apoio Social Lda, Cometa 2018, Investimentos Imobiliários Lda, CLINEA Suisse SARL, Clinique Privée La Métairie SARL, Clinique Bois-Bougy SARL, Clinique du Grand-Salève SARL
- Sole director: Casa de Avioso SA, Immorpea – Investimentos Imobiliários SA, Citorpea SA, ORPEA Portugal IMMO SA, USCS – Unidade de Saúde da Costa do Sol SA, Niorpea, SGPS SA, C.R.G. – Centro de Reabilitação da Giesta SA
- Member of the Board of Directors: C.O.P. – COMPRASORG SA, OREN 8 BV, OREN 11 BV, OREN 16 BV, OREN 17 BV, OREN 20 BV, OREN 29 BV, OREN 30 BV, 31 BV, OREN 32 BV, OREN 33 BV, OREN 34 BV, OREN 35 BV, OREN 36 BV, OREN 37 BV, OREN 38 BV, OREN 39 BV, OREN 41 BV, OREN 42 BV, OREN 43 BV, OREN 44 BV, OREN 45 BV, OREN 46 BV, OREN 47 BV, OREN 48 BV, OREN 49 BV, OREN 50 BV, OREN 51 BV, OREN 52 BV, OREN 53 BV, OREN 54 BV, OREN 55 BV, OREN 56 BV, OREN 57 BV, OREN 58 BV, OREN 59 BV, OREN 60 BV, OREN 100 BV, OREN 101 BV, OREN 102 BV, OREN 103 BV, OREN 104 BV, OREN 105 BV, OREN 106 BV, OREN 107 BV, OREN 108 BV, OREN 109 BV, OREN 110 BV, OREN 111 BV, OREN 112 BV, OREN 117 BV, OREN 120 BV, OREN 122 BV, OREN 123 BV, OREN 124 BV (formerly Thuismakers Boskoop BV), OREN 125 (formerly Thuismakers Zeist BV), OREN 200 BV, OREN 201 BV, OREN 202 BV, Huize ter Gouwe Vastgoed BV, Huize Doornrijck Vastgoed BV, DLH BV, OREN Holding BV
- Manager (category A): ORESC 25 SA, Central & Eastern Europe Care Services Holding SA, German Care Services Enterprise SARL, Orpea Real Estate Holding Netherlands BV, ORPEA Holding Netherlands BV
- Co-Manager: Portexploit Lda

Offices and positions held in non-Group companies

- Director and Chair of the Audit and Risk Committee: Safran (listed company)

Laurent Guillot complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Non-executive director, Chairman of the Risk Management Committee, member of the Remuneration and Nomination Committee, and member of the Corporate Social Responsibility Committee: Grindwell Norton Ltd (listed company)
- Alternate director: Saint-Gobain Archives
- Director of EuroKera
- Chairman of the Board of Directors: Saint-Gobain Tm K.K.

- President and director: Saint-Gobain Ceramics & Plastics, Inc.
- Chairman: Saint-Gobain Technology Services France; Saint-Gobain International Digital IT Services; Saint-Gobain Cristaux & Détecteurs; Saint-Gobain Performance Plastics Europe; Saint-Gobain Centre De Recherche et d'Études Européen; Saint-Gobain Quartz S.A.S; Saint-Gobain Coating Solutions; Savoie Réfractaires; Saint-Gobain Matériaux Céramiques; Saint-Gobain Consulting Information and Organization; Saint-Gobain
  Performance Plastics France; Valoref; Société européenne des produits réfractaires – S.E.P.R.
- Director: Saint-Gobain DSI Groupe; Saint-Gobain Corporation; Saint-Gobain Performance Plastics Corporation; Saint-Gobain Abrasives, Inc; Saint-Gobain Solar Gard Australia Pty, Ltd; Saint-Gobain High Performance Solutions UK Limited (formerly Saint-Gobain High Performance Materials UK Limited); Saint-Gobain K.K.; Saint-Gobain Advanced Ceramics Co Ltd; Carborundum Ventures, Inc; Phoenix Coating Resources, Inc; Saint-Gobain Hycomp LLC; Fluocabron Components, Inc; Farecla Products Ltd; Saint-Gobain Performance Plastics Rencol Limited
- President, Chief Executive Officer and director: Zenpure Corporation; Zenpure Americas, Inc.
- Chief Executive Officer and director: Saint-Gobain Solar Gard, LLC
- Chairman of the Board of Directors: Sepr Italia S.P.A.
- President and Chief Executive Officer: Phoenix Coating Resources, Inc; Z-tech, LLC
- Member of the Board of Directors: OREN 1 BV, OREN 2 BV, OREN 3 BV, OREN 4 BV, OREN 5 BV, OREN 6 BV, OREN 7 BV, OREN 9 BV, OREN 10 BV, OREN 12 BV, OREN 13 BV, OREN 14 BV, OREN 15 BV, OREN 18 BV, OREN 19 BV, OREN 21 BV, OREN 22 BV, OREN 23 BV, OREN 24 BV, OREN 25 BV, OREN 26 BV, OREN 27 BV, OREN 28 BV, OREN 40 BV, Orpea Netherlands BV, OREN Holding BV, Allerzorg Beheer BV, September Holding BV

Number of shares held:
40 shares

International experience:
Africa, Asia, Europe, North America, South America

Sector-specific skills:
Energy, Oil and Gas, Electricity Generation and Distribution, Engineering, Healthcare

Operational skills:
Purchasing, Business Development, Digital, Management, Executive Management, CSR

CORINE DE BILBAO

Independent director

Date of birth: 16 October 1966 – Nationality: French

President of Microsoft France since July 2021, Corine de Bilbao is committed to the digital transformation of companies and public organisations, and the development of the ecosystem in France.

Corine de Bilbao began her career at the General Electric Group, where she held various management positions in industrial, sales and service departments, and her responsibilities included P&L management at an international level. In particular, she spent ten years in the medical imaging division of General Electric, where she developed its service activities.

From 2019 to 2021, she served as Chief Executive Officer of the international division of Segula Technologies, an engineering company with 13,000 employees and operations in 30 countries. She also held the position of President of GE France during this period. In this role, she contributed to the consolidation of General Electric's activities in France and the integration of Alstom's energy business.

Corine de Bilbao also spent two years at Areva T&D as Vice President, Sales for the Products division.

All of the above experience has given her a 360-degree view of industry and technology and the related challenges in many different market environments.

She is a graduate of the Institut d'Études Politiques (IEP) de Bordeaux with an MBA in Sourcing and Supply Chain Management.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- President: Microsoft France
- Director: Vallourec (listed company)

Corine de Bilbao complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- President: General Electric (GE) International France
- President: General Electric (GE) Industrial France
- Chief Executive Officer: Segula Technologies International
- Director: Geast (GE-Alstom nuclear JV)
- Member of the Supervisory Board: Segula Technologies, Vallourec
- Vice-President: AmCham (American Chamber of Commerce in France)

Number of shares held:
800 shares

International experience:
Europe

Sector-specific skills:
Insurance, Consulting, Environment, Retail

Operational skills:
Human Resources

ISABELLE CALVEZ

Independent director

Date of birth: 1 March 1965 – Nationality: French

With a long career in the field of Human Resources, Isabelle Calvez has been Senior Executive Human Resources at Veolia since April 2022, after having been Human Resources Executive Vice President Group at Suez from 2017 to 2022. Isabelle Calvez began her career in executive search before joining Thomson-CSF, now Thalès, where she was appointed Business Development Director for Communications Electronic Warfare in 1996. In 2000, she joined the Canal+ group as Director of Human Resources for Canal+ Technologies and Human Resources Development Vice President for the group. She was appointed Human Resources Vice President France & Benelux at Accenture in 2003 and then Human Resources Vice President for the Groupama group in 2007 and for Carrefour France in 2012. Isabelle Calvez graduated from the Institut d'Études Politiques de Paris in 1986.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

Director: Veolia Poland

Isabelle Calvez complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: Sen'Eau

Number of shares held:
246 shares

International experience:
Asia, Europe, United States

Industry experience:
Hospitality, Tourism, Cruises

Operational skills:
Sales, Management, Marketing, Human Resources, Executive Management

BERNADETTE DANET-CHEVALLIER

Independent director

Date of birth: 5 December 1958 – Nationality: French

Bernadette Danet-Chevallier is a graduate of ESSEC and has spent most of her career in the tourism and hospitality industries. She held a number of management positions in finance, sales and marketing at Club Méditerranée, before joining the Accor group and later being appointed to an executive management role in independent hospitality.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Chair: Philosykos, Ivauban

Bernadette Danet-Chevallier complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None

LAURE DUHOT

Independent director

Date of birth: 6 October 1961 – Nationality: French

Laure Duhot has 25 years' experience across asset classes in the real estate sector, in the UK and in Europe, with a focus on healthcare assets and on the residential sector (including senior living).

With a background in investment banking, she headed up the investment, fund management and capital markets teams real estate specialist operators such as Lendlease (Europe), Grainger, Pradera and Sunrise Senior Living.

Laure Duhot also has 12 years' prior experience in investment banking, corporate lending and private equity. She was a founding partner of real estate investment boutique Macquarie Capital Partners (now "M3CP").

In these roles, she led and successfully closed around £17 billion in investments, capital raising, portfolio sales/acquisitions and M&A transactions.

As a member of the Executive Board and/or Investment Committee, she played a key role in setting long-term strategy, deciding the right balance between internal and external growth, and prioritising/restructuring activities in certain asset classes or target countries. As the senior executive responsible for the investment and financing components of such growth strategies, she successfully focused on forming strategic partnerships with large international institutional investors. She was also involved in many of the operational aspects that had a critical influence on the performance of the funds and joint ventures she managed on behalf of third-party investors.

Laure Duhot has solid experience in corporate governance, acquired since 2003 with publicly listed companies, private companies and non-profits. She has also been involved as a business angel investor in the proptech sector.

Number of shares held:
None

International experience:
Europe

Sector-specific skills:
Real Estate, Investment, Finance

Operational skills:
Finance, M&A, Capital Markets and Fundraising, Real Estate Development and Construction, Real Estate Investment and Fund Management

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: Safestore plc, NBMI plc, Primary Health Properties plc, Lifestory Group
- Independent member of the Investment Committee: CBRE-IM

Laure Duhot complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: MIC Limited, Latis Group Limited, InLand Homes plc, Duhot-Consult Limited, The Guinness Partnership Group, The Guinness Housing Association Limited, MedicX Fund

Number of shares held:
None

International experience:
Africa, Europe

Sector-specific skills:
Transport, Healthcare, Public Utility Services

Operational skills:
Public Relations, Executive Management, Finance, Strategy

MIREILLE FAUGÈRE

Independent director

Date of birth: 12 August 1956 – Nationality: French

A graduate of HEC Paris business school, Mireille Faugère joined SNCF, the French national railway company, in 1979. During her career there, she headed up development of the Mediterranean TGV network and, on being appointed Director of Montparnasse station in 1991, she became the first woman at SNCF to attain this level of operational responsibility. In 2000, she launched the Voyages-sncf.com website and was named Managing Director of SNCF's high-speed rail operations. She became Chair of Voyages-sncf.com in 2003, where she developed international partnerships and equity investments in non-French high-speed rail companies.

Mireille Faugère then worked as Managing Director for the Public Hospitals of Paris from 2010 to 2013. Her work there included supporting and developing the university hospital's research initiatives as well as its national and international influence.

She was a senior advisor at the French audit office (*Cour des comptes*) from 2014 to 2022, where she successively chaired the Justice and Defence sections of the fourth chamber.

At the same time, Mireille Faugère was a director of Essilor International and EDF, where she chaired the Ethics Committee from 2009 to 2014. She was also appointed a director and Chair of the Audit Committee of Atout France, a French tourism special interest group, from 2014 to 2021.

Mireille Faugère is currently the French Chair of the African public health NGO, AMREF. She is also a member of the French State's shareholdings and transfers commission (CPT) and of the Ethics Committee of the Economic, Social and Environmental Council (ESEC).

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: L'Oréal Foundation, Institut Français des Administrateurs
- Chair: AMREF France

Mireille Faugère complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: Atout France

Number of shares held:
5 shares

International experience:
France, Germany, United Kingdom, United States

Sector-specific skills:
Business to Consumer, Business to Business, Energy, Real Estate, Industry

Operational skills:
Executive Management, Governance

JOHN GLEN

Independent director

Date of birth: 9 July 1959 – Nationality: British and Irish

Particularly experienced in governance and leadership as well as finance and real estate, John Glen began his career at Unilever, before joining Air Liquide in 2000 as Group Finance Director and member of the Executive Committee. From 2008 to 2019, he was Chief Executive Officer of Buccleuch Estates Ltd, the holding company of a family group operating in agriculture, real estate and renewable energy in England and Scotland. In particular, he helped to develop and market a portfolio of major energy projects in sustainable technologies. In addition, he became a director of The Borders Distillery Co. in 2016. From January 2020, he served as Group Chief Operating Officer of DC Thomson Publishing before being appointed Chairman of the Board of Directors of BIC SA, a position he held until May 2022.

John Glen is a Fellow of the Chartered Institute of Certified Accountants and holds a master's degree in Accounting and Economics from the University of Edinburgh.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: The Borders Distillery Co., The Three Stills Company

John Glen complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director and Chairman of the Board of Directors: BIC SA
- Chief Executive Director: Buccleuch Estates Ltd
- Chief Operating Officer: DC Thomson Publishing
- Director: Thames River Property Investment Trust
- Vice Chairman: EFRAG

Number of shares held:
10 shares

International experience:
Africa, Asia, Europe, Latin America, Middle East, United States

Sector-specific skills:
Banking, IT, Healthcare

Operational skills:
Digitalisation, Executive Management, Marketing, Services, Sales

DAVID HALE

Independent director

Date of birth: 2 July 1968 – Nationality: French and American

A specialist in the healthcare sector, David Hale has been Chief Executive Officer of Guerbet since December 2019, following some two years with the group as Chief Commercial Officer and member of the Executive Committee in charge of sales, marketing, development and engineering of diagnostic imaging medical devices. Previously, David Hale worked for Ascom and Boston Consulting Group, before joining GE Healthcare in France and the United States, where for 15 years he held several management positions in the areas of quality, sales, marketing and product management in the services and information systems sectors. David Hale graduated from the Georgia Institute of Technology (United States) with a degree in industrial and systems engineering and holds an MBA from the Institute of Management Development (Switzerland).

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Chief Executive Officer: Guerbet

David Hale complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None.

Number of shares held:
1,030 shares

International experience:
Europe

Industry experience:
Real Estate, Finance, Healthcare

Operational skills:
Development, Digital, Executive Management, Finance, Governance, Real Estate

OLIVIER LECOMTE

Independent director

Date of birth: 7 August 1965 – Nationality: French

Olivier Lecomte graduated from École Centrale Paris. He started his career as an Investment Banker in London and Paris, at Société Générale and at Demachy, Worms & Cie. He then joined the Unibail group, where he held a number of positions between 1994 and 2002, as Director of Development, Chairman of Espace Expansion, then Deputy Chief Executive Officer of the Group in charge of the Shopping Centres and Conventions-Exhibitions divisions. From 2010 to 2014, he chaired the Paris region innovation lab (Paris Lab).

He also served as a director on the Board of the Paris & Co association. He is the co-founder of a biotechnology start-up (Theravectys, a spin-off of the Pasteur Institute), a member of the Monitoring Commission and Serious Adverse Events Unit of the Robert-Debré University Hospital, and a member of the steering committee of the Integrated Cancer Research Site (SIRIC) at the Gustave-Roussy Institute and of the steering committee of the AP-HP/Instituts Mines Télécom "Bloc Opératoire Augmenté (BOpA)" chair. Since 2003, he has also been a lecturer at École Centrale Paris. He has served as Lead Director and Chairman of the Audit Committee of Carmila since 2017 and was a director of SA Ingénieurs de l'École Centrale des Arts et Manufactures.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Director: Carmila SA (listed company), Fonds Alma

Olivier Lecomte complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: Carmila SAS
- Ingénieurs de l'École Centrale des Arts et Manufactures

Number of shares held:
3,261,353 shares

PEUGEOT INVEST ASSETS, WITH BERTRAND FINET AS ITS PERMANENT REPRESENTATIVE

Independent director

Peugeot Invest Assets is well known for its selective approach to investing and for the long-term support it provides to companies that are leaders in their industry and boast attractive growth prospects.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Member of the Supervisory Board: Immobilière Dassault, IDI Emerging Markets, Finapolline
- Director: SEB, LISI, Lapilus II, SPIE, Tikehau Capital Advisors
- Non-voting advisor: Total Eren
- Manager: FFP-Les Grésillons
- Member of the Executive Committee: LDAP

Offices that expired in the past five years

- Member of the Supervisory Board: Zodiac Aerospace
- Chairman: Financière Guiraud
- Vice-Chairman and member of the Supervisory Board: IDI

Number of shares held:
None

International experience:
Europe

Sector-specific skills:
Finance, Investments

Operational skills:
Executive Management

BERTRAND FINET

Independent director

Date of birth: 6 September 1965 – Nationality: French

A graduate of ESSEC, Bertrand Finet is Chief Executive Officer of Peugeot Invest (formerly FFP), the listed company majority-owned by the Peugeot family group. He began his career in 1991 at 3i Group where he was appointed Investment Director.

After 25 years at various Anglo-Saxon private equity funds, the Fonds Stratégique d'Investissement (FSI) and on the Executive Committee of Bpifrance, Bertrand Finet joined Peugeot Invest in early 2017 as Deputy CEO. He became Chief Executive Officer in May 2020.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Permanent representative of Peugeot Invest Assets on the Board of Directors: ORPEA

Offices and positions held in non-Group companies

- Chief Executive Officer: Peugeot Invest, Peugeot Invest Assets
- Representative of Peugeot Invest, Chairman: Peugeot 1810
- Director & CEO: Peugeot Invest UK Limited
- Permanent representative of Peugeot Invest Assets on the Board of Directors: SPIE (listed company), SEB (listed company)
- Chairman: FFP Invest Arb
- Permanent representative of Peugeot Invest Assets on the Executive Committee: LDAP

Bertrand Finet complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Deputy CEO: Peugeot Invest
- Representative of Peugeot Invest Assets, Chairman: Financière Guiraud
- Non-voting advisor: Asia Emergency Assistance Holdings PTE Ltd

Number of shares held:
10 shares

International experience:
Asia, Australia, Europe, North America, South America

Industry experience:
Pharmaceuticals, Healthcare

Operational skills:
Sales, Management, Medical Services

PASCALE RICHETTA

Independent director

Date of birth: 12 March 1959 – Nationality: French

A Doctor of Medicine, Pascale Richetta served between February 2016 and April 2020 as Executive Vice President in charge of the Bone Patient Value Unit of UCB, a company dedicated to bone diseases, in particular osteoporosis, and was a member of its Executive Committee.

Previously, from January 2013 to January 2016, she served as Vice President, Western Europe and Canada for AbbVie, and held several other management positions at Abbott, GSK, Ipsen and Servier, working to launch the flagship medications of these companies across several international markets.

Pascale Richetta has more than 20 years of commercial and management experience in the pharmaceutical and biotechnology industry, having worked on innovative pharmaceutical products, including complex biological products.

Pascale Richetta has been a member of the Supervisory Board of Institut Curie since 2022.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director: ORPEA

Offices and positions held in non-Group companies

- Chair: Atlantic Art Studio

Pascale Richetta complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

- Director: CAPIO

Number of shares held:
20 shares

International experience:
None

Industry experience:
Healthcare

Operational skills:
Legal

SOPHIE KALAIDJIAN

Director representing employees

Date of birth: 8 December 1977 – Nationality: French

As an elected representative of the Works Council of the ORPEA Economic and Social Unit (which became the Social and Economic Committee of the ORPEA Economic and Social Unit on 6 June 2019), Sophie Kalaidjian has attended meetings of the Board of Directors since January 2015 (and is entitled to vote).

A lawyer by training, Sophie Kalaidjian has been a Group employee for nearly 18 years. She is currently the Head of Legal Affairs at CLINEA, in which capacity she is involved in developing the Group's hospitals and monitoring their compliance with the applicable health legislation. The Board's discussions are enhanced by her complementary insights, underpinned by her knowledge of the Group.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director representing employees: ORPEA

Offices and positions held in non-Group companies

None.

Sophie Kalaidjian complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None.

Number of shares held:
20 shares

International experience:
Asia, Europe, South America

Industry experience:
Industry, Healthcare

Operational skills:
Quality, Management

LAURENT SERRIS

Director representing employees

Date of birth: 22 February 1970 – Nationality: French

As a representative appointed by the Social and Economic Committee of the ORPEA Economic and Social Unit, Laurent Serris has attended meetings of the Board of Directors since 15 December 2020 (and is entitled to vote).

A quality specialist by training, Laurent Serris has been a Group employee for nearly 16 years, holding various quality-related positions. He currently works as Head of Corporate Quality at ORPEA, and in this role he coordinates the Group's Quality policy and supports the Quality departments of the Clusters in implementing this policy. The Board's discussions are enhanced by his complementary insights, underpinned by his knowledge of the Group.

CURRENT TERMS OF OFFICE

Offices and positions held in Group companies

- Director representing employees: ORPEA

Offices and positions held in non-Group companies

None.

Laurent Serris complies with the relevant regulations concerning the number of offices that may be held concurrently.

Offices that expired in the past five years

None.

4.8 Statutory Auditors' report on related-party agreements

Annual General Meeting called to approve the financial statements for the year ended 31 December 2022

This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of ORPEA (hereinafter "the Company"), we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures we deemed necessary in accordance with the professional standards for Statutory Auditors applicable in France for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE ANNUAL GENERAL MEETING

AGREEMENTS AUTHORISED AND ENTERED INTO DURING THE YEAR ENDED 31 DECEMBER 2022

We were not informed of any agreement authorised and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

AGREEMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS

a) That were implemented during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed of the continued implementation during the year of the following agreement that was previously approved by the Annual General Meeting.

Arrangement of unemployment insurance for Yves Le Masne

Person concerned: Yves Le Masne, Chief Executive Officer of the Company until 30 January 2022

Nature and purpose: At its meeting on 29 June 2006, the Board of Directors authorised the arrangement of an unemployment insurance policy for Yves Le Masne, with the corresponding premiums paid by the Company.

Financial impact during 2022: The Company paid premiums amounting to €32,764.82 excluding taxes in respect of 2022.

This agreement expired on 30 January 2022 following the termination of Yves Le Masne's term of office as Chief Executive Officer.

b) That were not implemented during the year

In addition, we were informed that the following agreements previously approved by the Annual General Meeting remained in force but were not implemented during the year.

1) Agreement on investment arrangements with Peugeot Invest Assets

Person concerned: Peugeot Invest Assets, a director of the Company represented by Bertrand Finet, who succeeded Thierry de Poncheville with effect from 28 July 2022.

Nature and purpose: At its meeting on 11 December 2014, the Board of Directors authorised the signature of an agreement setting out the arrangements of the investment by Peugeot Invest Assets (formerly FFP Invest) in the Company's share capital, concerning the following:

- Right granted to Peugeot Invest Assets to participate in any future capital increase by the Company, or, if the envisaged transaction does not allow it to subscribe to shares in said capital increase, to restore its percentage interest in the share capital by any and all means to be agreed by the parties. This best efforts commitment does not apply in the event of dilution arising from a contribution in kind, a takeover bid or a merger;
- Right granted to Peugeot Invest Assets Invest to obtain the Company's assistance in connection with any significant disposals of shares that Peugeot Invest Assets Invest wishes to carry out. A disposal of shares is deemed to be significant if it consists of more than 10% of the share capital sold to a given person, or more than 5% where the shares are sold to various investors. The Company's assistance involves the coordination of the various selling shareholders, and the provision of reasonable assistance to facilitate the sale transactions. This right to assistance may not be solicited more than three times in any five-year period.

2) Investment agreement with CPPIB

Persons concerned:

- Moritz Krautkrämer, a director of the Company until 17 June 2022
- Joy Verlé, a director of the Company until 30 August 2022
- John Glen, a director of the Company with effect from 28 July 2022
- Laure Duhot, a director of the Company with effect from 10 September 2022

whose appointment to the Board of Directors was proposed by CPPIB, which was a shareholder of the Company with more than 10% of the voting rights at 31 December 2022, before selling all its shares between 2 and 8 February 2023.

Nature and purpose: At its meeting on 11 December 2013, the Board of Directors authorised the Company to enter into an investment agreement (the "Investment Agreement") with CPPIB, setting forth the principal arrangements for CPPIB's investment in connection with its acquisition of a shareholding in ORPEA.

The principal terms and conditions of the Investment Agreement are as follows:

- The Investment Agreement has a term of ten years.
- CPPIB may be represented on the Board of Directors by a director provided that CPPIB continues to hold at least 8% of the voting rights, and by two directors provided that CPPIB holds at least 16% of the voting rights, with this director or these directors being appointed to the Audit Committee, Appointments and Remuneration Committee and any other Committee that may be established;
- Provided that CPPIB holds at least 5% of the Company's share capital, the Company will make every effort to ensure CPPIB is able to subscribe to any shares issued as part of a capital increase in proportion to its interest in the Company, or if the envisaged transaction does not allow it to subscribe to shares through said capital increase, to restore its percentage interest in the share capital by any and all means to be agreed by the parties. This best efforts commitment does not apply in the event of dilution arising from a contribution in kind, a takeover bid or a merger;
- CPPIB may not dispose of the shares it has acquired or subscribed to in connection with the Acquisition and Capital Increase for a period of eighteen (18) months from the date of the Acquisition. Once this period expires, CPPIB may request the Company's cooperation to complete any disposals of significant blocks of shares or private placements. A disposal of shares is deemed to be significant if it consists of more than 10% of the share capital sold to a given person, or more than 5% where the shares are sold to various investors. The Company's assistance involves the coordination of the various selling shareholders, and the provision of reasonable assistance to facilitate the sale transactions. This right to assistance may not be solicited more than three times in any five-year period.
- CPPIB may continue to acquire the Company's shares directly or indirectly, on- and off-market.

At its meeting on 11 December 2014, the Board of Directors authorised a supplementary clause to the Investment Agreement concerning notification of the Company's Board of Directors of any request for assistance from CPPIB in the event of any major disposals of its shares:

- Upon the Company's receipt of a request for assistance, the Company may inform the Board of Directors if it has previously informed CPPIB of its intention to do so.
- The Company will not inform the Board of Directors if the request for assistance is withdrawn within five business days of CPPIB's receipt of the Company's notification.

AGREEMENTS APPROVED DURING THE YEAR ENDED 31 DECEMBER 2022

We were also informed of the implementation during the year of the following agreement, already approved by the Annual General Meeting of 28 July 2022, based on the Statutory Auditors' special report of 14 June 2022.

Exceptional remuneration awarded to Olivier Lecomte

Person concerned: Olivier Lecomte, a director of the Company

Nature and purpose: At its meeting of 15 February 2022, the Board of Directors authorised the award of exceptional remuneration to Olivier Lecomte, in his capacity as Chairman of the Ad Hoc Committee formed to oversee the independent review into the acts of wrongdoing described in a book published on 26 January 2022. This remuneration, which was paid for the entire duration of his assignment from 15 February to 30 June 2022, amounted to €9,000 per month.

Financial impact during 2022: The Company paid total exceptional remuneration of €40,500 to Olivier Lecomte in respect of 2022.

Paris-La Défense and Paris, France, 1 June 2023

The Statutory Auditors

Mazars	Deloitte & Associés	Saint-Honoré BK&A
Gaël Lamant	Damien Leurent	Xavier Groslin

CHAPTER 5
COMMENTARY ON 2022

Commentary on 2022

5

5.1 Significant events of the year

5.1.1 PUBLICATION OF THE BOOK *LES FOSSOYEURS*

The publication on 26 January 2022 of the book *Les fossoyeurs*, describing acts of wrongdoing within the ORPEA Group, received immediate and widespread media coverage, both in the general public and in the financial community. This publication triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had an impact on the Company's day-to-day management, its financial sustainability and its governance.

Following the book's publication, ORPEA's Board of Directors commissioned Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. At the same time, the French Ministry of Solidarity and Health ordered each of the General Inspectorate of Social Affairs (*Inspection Générale des Affaires Sociales* – IGAS) and the General Inspectorate of Finance (*Inspection Générale des Finances* – IGF) to investigate the described acts.

On 30 January 2022, the Group's Board of Directors decided to terminate Yves Le Masne's duties as Chief Executive Officer, and to appoint Philippe Charrier as Chairman and Chief Executive Officer. Mr Charrier's mission is to ensure, under the Board's supervision, that best practices are applied throughout the Company and to shed full light on the described acts, based in particular on the aforementioned independent reviews.

5.1.2 FINDINGS OF ADMINISTRATIVE INVESTIGATIONS AND INDEPENDENT REVIEWS

FINDINGS OF THE ADMINISTRATIVE INVESTIGATIONS

On 26 March 2022, ORPEA issued a press release disclosing the findings of the final reports of the IGAS-IGF joint investigation and took note of the announcement by the Minister Delegate to the Minister of Solidarity and Health in charge of Autonomy, of her decision to transmit to the public prosecutor the report of the administrative investigation carried out by the IGAS and IGF.

On 29 July 2022, following the above-mentioned joint investigation report, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return unduly received funding in an amount of €55.8 million.

On 22 November 2022, ORPEA decided to reimburse the full amount owed to the CNSA and provide a lasting solution to the problem of care assistants "filling in" as nursing assistants. The decision to settle with the past and pay all the sums owed to the CNSA, as well as the commitments and proposals made by ORPEA, are consistent with the approach set out by the Group in its Refoundation Plan (see section 5.1.5 below) to conduct its mission in a calm, amicable climate and in a spirit of constructive dialogue with all stakeholders.

FINDINGS OF THE INDEPENDENT REVIEWS

Grant Thornton and Alvarez & Marsal submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and on employment law. The findings of these independent reviews rule out allegations of widespread systemic abuse. In particular, they refute the claim that incontinence products were rationed as well as several allegations concerning meals and food. On the other hand, they report shortcomings and deficiencies, particularly in the handling of adverse events, management incentives and human resources management.

5.1.3 INITIAL MEASURES TO SUPPORT A WAY OUT OF THE CRISIS

Before the aforementioned report findings were published, ORPEA undertook a series of remedial measures targeting its internal processes to eliminate any practices identified as inappropriate and allocate to that purpose the necessary human and financial resources.

On 2 May 2022, ORPEA's Board of Directors appointed Laurent Guillot as Chief Executive Officer with effect from 1 July 2022.

On the same day, ORPEA also announced that it had filed a complaint with the public prosecutor against unnamed persons for past events and operations – totally unrelated to the living and care conditions of residents – that could adversely affect ORPEA's best interests and which were discovered following internal investigations that revealed a number of instances of fraud of which the Company or its subsidiaries may have been victims. Internal measures were immediately taken to remove the persons likely to be involved in these frauds and to strengthen the Group's internal control procedures.

In addition, the Board of Directors unanimously approved various structural changes, including:

- conducting a study regarding the transformation of ORPEA into a mission-led company (*société à mission*);
- the renewal of the Board of Directors;
- a major transformation plan, deployed primarily in France.

From July 2022, more significant actions have been undertaken, particularly in France, in order to:

- Remedy: get the business "back on track". This means zero tolerance of unethical practices, transparent scrutiny when a facility is challenged, a review of the policy for reporting serious adverse events, increased attention on hiring and retaining employees, and enhanced training on ethics and positive treatment.
- Organise: bring the Group up to the highest standards in the sector, structure a human resources and salary policy, create an Ethical Care and Positive Treatment Committee in France, launch the reorganisation of support functions.

- Remobilise: regain our position as a major player in the future of "ageing well", which means broadening the dialogue with stakeholders (begun with the Conferences for the Elderly), defining a corporate purpose (*raison d'être*), taking part in discussions on mission-led companies, and inventing the care and services of tomorrow, while promoting synergies within our business.

On 20 December 2022, ORPEA filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering.

Following this complaint, ORPEA has continued its investigations and filed additional complaints against other named persons.

5.1.4 CHANGES IN THE MEMBERSHIP OF ORPEA SA'S BOARD OF DIRECTORS AND ITS COMMITTEES AND THE RESPONSIBILITIES OF THE COMMITTEES

CHANGES IN THE MEMBERSHIP OF THE BOARD OF DIRECTORS;

ORPEA's Annual General Meeting on 28 July 2022, approved major changes in ORPEA's Board of Directors, appointing Isabelle Calvez, Guillaume Pepy, John Glen and David Hale as independent directors, as well as Laurent Guillot, Chief Executive Officer, as a non-independent director.

On the same day, Bertrand Finet, Chief Executive Officer of Peugeot Invest Assets, replaced Thierry de Poncheville as permanent representative of this company on ORPEA's Board of Directors.

In addition, the new Board of Directors appointed Guillaume Pepy as Chairman of the Board of Directors at its meeting immediately following said Annual General Meeting.

Lastly, Laure Duhot was appointed as a director by the Board of Directors on 10 September 2022 to replace Joy Verlé, who resigned on 30 August 2022. Mireille Faugère was also appointed as a director with effect from 1 October 2022 by the Board of Directors on 28 September 2022, replacing Laure Baume, who resigned at the end of said Board meeting.

CHANGES IN THE MEMBERSHIP AND RESPONSIBILITIES OF THE BOARD COMMITTEES

At its first meeting, held immediately after the Annual General Meeting of 28 July 2022, the new Board of Directors also decided to make changes to (i) the membership of the Board's Committees to bring in new directors and (ii) the duties assigned to its committees in order to reaffirm its commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges.

- The role of the Audit Committee, renamed the Audit and Risk Committee, was strengthened and clarified, particularly with regard to risk-related responsibilities.
- The Appointments and Remuneration Committee was tasked with more duties relating to talent pool supervision, to ensure a succession plan for the Executive Committee and other key positions, and also to HR policy.
- The CSR and Innovation Committee became the Ethics, Quality and CSR Committee, the aim being to support the Board of Directors' work by ensuring that Ethics, Quality and CSR are at the heart of the Group's mission and activities.

The development, membership and operations of the Board of Directors and its Committees are fully described in Chapter 4 of this Universal Registration Document.

5.1.5 PRESENTATION OF THE *WITH YOU AND FOR YOU, CHANGING ORPEA* REFOUNDATION PLAN

On 15 November 2022, the new management team presented its *With you and for you, changing ORPEA* Refoundation Plan, aimed at restoring trust and involving the Group's stakeholders in the challenges of tomorrow. With this plan, ORPEA's ambition is to once again become the leading player in the sector by refocusing on the quality of care and the support and development of its employees.

This transformation, which is necessary for residents, patients and their families, employees and the Company, is built on four main pillars:

1. employees, particularly caregivers, including a target of a 20% reduction in work-related accidents by 2025, a focus on recruitment, training and retention;
2. patients and residents, in particular with the implementation of a structured medical care project, the guarantee of a higher quality of care, better communication and personalised support for patients and residents through local work on care pathways;
3. society, with an increased focus on ethics training for the Group's employees, a strengthening of local roots and the enrichment of environmental objectives;
4. partners (financial and real estate in particular), by moving towards a more transparent and efficient model.

At the same time, the Group launched a strategic review of its assets to focus on the most attractive countries and identify, if necessary, restructuring or disposal plans.

When presenting the Changing ORPEA plan, the Group also presented a trajectory for a gradual recovery in performance over the 2022-2025 period, with:

- an average annual increase of 4% in the number of facilities, to 1,173, and of 3.3% in the number of beds to 96,806, by 2025;
- average growth in revenue of 9% per year, to €6.1 billion in 2025;
- an increase in the EBITDAR margin of 340 basis points, bringing it to 20.4%, i.e., EBITDAR of €1.25 billion, in 2025;
- an EBITDA margin excluding IFRS 16 of 12.2%, i.e., EBITDA excluding IFRS 16 of €745 million in 2025.

On 12 May 2023, the Group updated its 2022-2025 business plan based on the 2022 financial statements closing, the terms and conditions of the proposed accelerated safeguard plan and the implementation of the real estate disposal programme. While the business outlook for the period remains unchanged, certain management indicators and objectives have been updated as follows:

- an increase in the EBITDAR margin of 320 basis points, bringing it to 19.9%, i.e., EBITDAR of €1.216 billion, in 2025;
- an EBITDA margin excluding IFRS 16 of 11.0%, i.e., EBITDA excluding IFRS 16 of €671 million in 2025.

5.1.6 SALE OF 32 NURSING HOME PROPERTIES IN THE NETHERLANDS

On 28 July 2022, ORPEA signed an agreement with Syntrus Achmea Real Estate & Finance, acting on behalf of the Achmea Dutch Health Care Property Fund (ADHCPF), for the sale of a real estate portfolio of 32 nursing homes in the Netherlands.

DagelijksLeven (DL) will continue to operate the 32 facilities. DL has developed a successful, innovative concept of specialised care and accommodation for seniors in the Netherlands, characterised by affordable price positioning, low-capacity facilities (with around 20 residents), quality locations throughout the country, and strong development potential.

By 31 December 2022, 30 of the 32 property disposals had been completed.

5.1.7 FINANCIAL RESTRUCTURING

OPENING OF A FIRST CONCILIATION PROCEDURE AND NEW FINANCING (MAY 2022)

On 12 May 2022, ORPEA signed a term sheet with its main banking partners (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale, together, the "**Banks**") as part of an amicable conciliation procedure opened by order of the President of the Nanterre Specialised Commercial Court on 20 April 2022.

This term sheet with the Banks was designed in response to challenges relating to the period of uncertainty affecting ORPEA, as well as to closed-off access to financial markets and the slowdown in the initially planned real estate asset disposal programme, notably enabling it to meet significant debt servicing obligations in 2022.

Unanimously approved by ORPEA's Board of Directors, it provided for the Banks to grant new financing through a secured syndicated loan of €1.727 billion and an optional syndicated facility of up to €1.5 billion due December 2026, open on a priority basis to lenders participating in the short- and medium-term financing mentioned above, to refinance the unsecured bank facilities at a rate of Euribor +5%.

After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022 (the "**Conciliation Protocol**"), which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022 (the "**Existing Loan Agreement**").

After the conditions precedent provided for in the Existing Loan Agreement and the Conciliation Protocol were lifted, up to the end of December 2022 the Company made several drawdowns on the various loans described above, for the total amount of €3.227 billion.

These funds were used to finance and refinance the Group's general corporate purposes (including, but not limited to, debt servicing and capital expenditure) as well as the costs due under the Existing Loan Agreement.

OPENING OF A SECOND CONCILIATION PROCEDURE (OCTOBER 2022)

The economic situation, unforeseeable circumstances and the strategic review conducted by the new management team brought to light new difficulties for the Group and for ORPEA – which therefore decided to enter into discussions with its financial creditors to restructure its debt, obtain new financial resources and adjust its covenants, within a stable and legally secure framework.

In these circumstances, the Company applied for a second conciliation procedure, which was opened by the President of the Nanterre Specialised Commercial Court in an order issued on 25 October 2022.

This additional step, which was unanimously backed by the Board of Directors, was a prerequisite for implementing the Refoundation Plan. A preventive procedure, it was designed to facilitate amicable solutions with the Company's main financial creditors, under the oversight of a conciliator, in order to achieve a sustainable financial structure by drastically reducing its debt and securing the liquidity needed to continue as a going concern.

FINDINGS OF THE ASSET REVIEW (OCTOBER – DECEMBER 2022)

With its Refoundation Plan, ORPEA has committed to changing how it works with stakeholders, its approach to care and support, and the focus given to its employees, while achieving a sustainable financial structure. In this spirit of transparency, ORPEA's new management team continued its in-depth review of the Company's assets in order to adjust their value to its new situation and apply the lessons learned from past decisions.

The review, which was completed on 21 December 2022 and covered 90% of the total assets (excluding cash) reported on the balance sheet at 30 June 2022, led to the early recognition of impairment of between €5.0 and €5.4 billion before tax at 31 December 2022, with a negative impact on equity of around €0.6 billion taking into account the reversal of deferred tax liabilities.

Following the annual review carried out by independent valuers of a portion of the real estate assets (which represented nearly 86% of the value of the entire real estate portfolio at 31 December 2022), the total value of the Group's real estate assets at 31 December 2022 was estimated at between €6.0 and €6.1 billion (vs. €8.4 billion at 31 December 2021, including €0.3 billion in assets held for sale).

This review exercise was carried out in a commitment to true and fair reporting and with the aim of aligning the Group's financial statements with its economic reality and assets.

The Company's financial restructuring plan is further detailed in section 1.5 of this Universal Registration Document.

5.2 Review of the consolidated financial statements for the year ended 31 December 2022

5.2.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2022	2021
Revenue	**4,681**	**4,299**
Recurring operating profit/(loss)	**(49)**	**396**
OPERATING PROFIT/(LOSS)	**(4,272)**	**355**
Net financial expense	**(319)**	**(249)**
PROFIT/(LOSS) BEFORE TAX	**(4,591)**	**106**
Income tax	596	(38)
Share in profit/(loss) of associates and joint ventures	(33)	(1)
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES	**(4,028)**	**67**
Attributable to non-controlling interests	(1)	2
Attributable to ORPEA's shareholders	(4,027)	65
Weighted average number of shares	*64,607,979*	*64,578,202*
Earnings/(loss) per share *(in euros)*	(62.33)	1.01
Diluted earnings/(loss) per share *(in euros)*[1]	(62.33)	0.95

(1) Diluted earnings/(loss) per share for 2021 have been adjusted due to the omission of the "OCEANE" line.

ORPEA GROUP'S 2022 CONSOLIDATED REVENUE

The ORPEA Group generated consolidated revenue of €4,681 million in 2022, up 8.9% on 2021. Organic growth was 5.5%.

(in millions of euros)	2022	2021	Reported change *(as a %)*
France-Benelux-UK-Ireland	2,802.4	2,643.2	6.0%
Central Europe	1,197.2	1,086.0	10.2%
Eastern Europe	435.4	395.2	10.2%
Iberian Peninsula and Latin America	241.8	171.1	41.3%
Other countries	4.1	3.1	32.6%
TOTAL REVENUE	**4,680.9**	**4,298.6**	**8.9%**

Consolidation dates: Brazil Senior Living group at 1 January 2022.
Geographic breakdown (including non-controlling interests):
France-Benelux-UK-Ireland: France, Belgium, the Netherlands, the United Kingdom, Luxembourg and Ireland.
Central Europe: Germany, Italy and Switzerland.
Eastern Europe: Austria, Poland, the Czech Republic, Croatia, Slovenia and Latvia.
Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Uruguay, Mexico.
Other countries: China.

Revenue in the **France-Benelux-UK-Ireland area** advanced 6.0% over the year to €2,802 million, accounting for 59.9% of the Group's total revenue. The increase is mainly due to the contribution of facilities that opened in this geographical area (Netherlands) during the period and a rise in the medical care allowance in Belgium. Revenue in France remained virtually stable over the period in a persistently difficult environment for nursing homes, with an occupancy rate of 85% that was significantly below its historic level.

Central Europe revenue rose by 10.2% to €1,197 million, or 25.6% of the Group's total revenue, reflecting favourable pricing trends in Germany and expansion in Switzerland.

Eastern Europe revenue grew by 10.2% to €435 million, driven by the ramp-up of new facilities opened in various countries in the area. This geographical area represents 9.3% of the Group's total revenue.

Revenue in the **Iberian Peninsula and Latin America** rose by a sharp 41.3% to €242 million (or 5.2% of the Group's consolidated revenue), thanks to the inclusion of Brazil Senior Living Group in the scope of consolidation on 1 January 2022.

Other countries solely include operations in China, with the €4 million in revenue deriving from the facility located in Nanjing.

PROFITABILITY AND NET PROFIT

(IFRS) *(in millions of euros)*	31 Dec. 2022	% of revenue	31 Dec. 2021	% of revenue	2022/2021 change *(as a %)*
Revenue	4,680.9	100.0%	4,298.6	100%	8.9%
EBITDAR[1]	779.7	16.7%	1,070.2	24.9%	-27.1%
EBITDA[2]	756.0	16.2%	1,040.7	24.2%	-27.4%
Recurring operating profit/(loss)	(49.1)	-1.0%	395.7	9.2%	N/A
Operating profit/(loss)	(4,272.2)	N/A	354.7	8.3%	N/A
Net financial expense	(318.6)	-6.8%	(248.9)	-5.8%	28.0%
Profit/(loss) before tax	(4,590.8)	N/A	105.8	2.5%	N/A
ATTRIBUTABLE NET PROFIT/(LOSS)	**(4,027.0)**	**N/A**	**65.2**	**1.5%**	**N/A**

(1) EBITDAR = Recurring EBITDA before rental expenses, including provisions related to the "External costs" and "Personnel costs" line items.
(2) EBITDA = Recurring operating profit before depreciation and amortisation, including provisions relating to the "External costs" and "Personnel costs" line items.

RECONCILIATION OF OPERATING PROFIT/(LOSS)

(in millions of euros)	2022	2021
Operating profit/(loss)	**(4,272)**	**355**
Neutralisation of non-recurring operating income and expenses	4,223	41
Recurring operating profit/(loss)	**(49)**	**396**
Neutralisation of depreciation, amortisation and charges to provisions	805	645
Neutralisation of rental costs	24	29
EBITDAR	**780**	**1,070**
IFRS 16 – Restatement of external leases	(430)	(382)
IFRS 16 – Restatement of operating expenses	(7)	(7)
EBITDA BEFORE IFRS 16	**342**	**682**

EBITDAR came to €780 million in 2022, for a margin of 16.7% compared with 24.9% in 2021. This decrease of a total of 824 bps, is mainly due to:

- for approximately 280 bps, an increase in personnel costs as a result of salary pressures in the care professions across the various geographical areas and the acceleration of recruitment in France over the September-December 2022 period;
- for approximately 270 bps, an increase in other costs, with the most marked inflationary effects on food and energy. The Group's energy costs as a percentage of revenue in 2022 stood at 3.5%, compared with 2.3% in 2021;
- for approximately 185 bps, the reduction or elimination of the Covid-19 subsidies received in the various countries, which the increase in the Group's occupancy rate between the two financial years did not offset;
- for approximately 90 bps, due to other factors, in particular the recognition in 2021 of significant amounts of specific income not carried over in 2022 (reversal of provisions, relief from social security charges and VAT credits).

EBITDA fell 27.4% to €756.0 million, representing a margin of 16.2%. EBITDA before IFRS 16 halved during the year to €342 million, representing a margin of 7.3%.

A **recurring operating loss** of €49.1 million was recognised after depreciation, amortisation and charges to provisions of €805.1 million. Depreciation, amortisation and charges to provisions increased by €160 million, mainly due to the increase in depreciation and amortisation (increase in the gross value of assets).

Non-recurring items represented a net expense of €4,223 million compared to a net expense of €41 million in 2021. This increase is mainly due to:

- impairment tests on intangible assets (IAS 36): further to the asset reviews performed based on new business plans drawn up by each facility worldwide and on other parameters specific to each asset class (in particular changes in real estate yields), the values of a large proportion of the Company's property, plant and equipment and intangible assets were adjusted, resulting in the recognition of a non-cash expense of €3.1 billion in the income statement;
- impairment losses on financial receivables, in an amount of €0.5 billion, based on negotiations to date to unwind certain partnerships established by the former management and an assessment of the recoverability of the underlying assets;
- €0.4 billion in depreciation on real estate assets;
- non-recurring expenses related to the management of the crisis that hit the Group in 2022, for €0.1 billion.

The **cost of net debt** stood at €318.6 million, up 28.0% compared with 2021. This change reflects the increase in gross debt, combined with higher interest rates and margins associated with the June 2022 refinancing.

The **attributable net loss** for the year was €4,027 million.

5.2.2 CONSOLIDATED BALANCE SHEET

ASSETS

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021 restated[1]**	**31 Dec. 2021 reported**
ASSETS			
Goodwill	1,362,491	1,668,553	1,668,553
Intangible assets, net	1,592,231	3,076,406	3,076,406
Property, plant and equipment, net	4,374,692	5,324,490	7,237,005
Assets in progress	626,633	832,385	832,385
Right-of-use assets	3,499,987	3,072,567	3,072,567
Investments in associates and joint ventures	7,852	84,158	84,158
Non-current financial assets	180,997	94,703	94,703
Deferred tax assets	581,556	115,510	115,510
Non-current assets	**12,226,438**	**14,268,772**	**16,181,287**
Inventories	16,100	15,735	15,735
Trade receivables	455,368	431,630	431,630
Other receivables, accruals and prepayments	586,957	1,015,354	1,015,354
Cash and cash equivalents	856,417	952,369	952,369
Current assets	**1,914,842**	**2,415,088**	**2,415,088**
Assets held for sale	**353,154**	**387,952**	**387,952**
TOTAL ASSETS	**14,494,434**	**17,071,812**	**18,984,327**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

EQUITY AND LIABILITIES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021 restated[1]	31 Dec. 2021 reported
EQUITY AND LIABILITIES			
Share capital	80,867	80,800	80,800
Consolidated reserves	2,313,578	2,244,163	2,399,657
Revaluation reserves	131,075	(66,564)	1,253,806
Attributable net profit/(loss)	(4,027,042)	65,185	65,185
Equity attributable to ORPEA's shareholders	**(1,501,521)**	**2,323,584**	**3,799,448**
Non-controlling interests	(715)	11,780	11,780
Total equity	**(1,502,236)**	**2,335,364**	**3,811,228**
Non-current financial liabilities	1,378,335	7,006,775	7,006,775
Long-term lease liabilities	3,424,153	2,968,098	2,968,098
Long-term provisions	296,195	148,436	148,436
Provisions for pensions and other employee benefit obligations	66,195	75,035	75,035
Deferred tax liabilities and other non-current liabilities	813,993	997,009	1,433,660
Non-current liabilities	**5,978,871**	**11,195,353**	**11,632,004**
Current financial liabilities	8,236,460	1,855,524	1,855,524
Short-term lease liabilities	344,317	297,098	297,098
Short-term provisions	-	22,464	22,464
Trade payables	326,954	334,797	334,797
Tax and payroll liabilities	411,874	329,107	329,107
Current tax liability	112,471	68,808	68,808
Other payables, accruals and prepayments	529,492	633,297	633,297
Current liabilities	**9,961,568**	**3,541,095**	**3,541,095**
Liabilities held for sale	**56,232**	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**14,494,434**	**17,071,812**	**18,984,327**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

Operating intangible assets

At 31 December 2022, goodwill totalled €1,362 million compared to €1,669 million at end-2021.

Intangible assets, comprising mainly operating licences, amounted to €1,592 million versus €3,076 million at 31 December 2021. The decrease in intangible assets is attributable to impairment losses recognised on operating licenses in accordance with IAS 36 for an amount €1,436 million.

Real estate portfolio

At 31 December 2022, the balance sheet value of the **real estate assets** was €4.9 billion, with a total economic value of €6.5 billion. This amount includes €4.9 billion in assets valued by independent valuers (based on an asset yield of 5.1%), the balance being maintained at book value.

Capital structure and debt

Attributable consolidated equity was a negative €1.5 billion at 31 December 2022, compared with a positive €3.8 billion at 31 December 2021, mainly due to the net loss for the year (€4 billion) and the impact of the change in accounting method applied to real estate projects accounted for under IAS 16 (€1.5 billion negative impact after tax).

At end-2022, the Group had cash and cash equivalents of €856 million, compared with €952 million at end-2021.

Net debt stood at €8,758 million, compared with €7,910 million at 31 December 2021. Net debt at 31 December 2022 comprised:

- current gross debt: €8,236 million;
- non-current gross debt: €1,378 million;
- cash and cash equivalents: €(856) million.

Current gross debt of €8,236 million at 31 December 2022 mainly comprises debt subject to the "R1" and "R2" financial covenants (see section below). The amicable conciliation procedure opened on 25 October 2022 on the order of the President of the Nanterre Specialised Commercial Court, followed by the accelerated safeguard procedure opened on 24 March 2023, were aimed in particular at adjusting the covenants. Consequently, the debt is not contractually due but has been reclassified for accounting purposes to debt due within one year.

At 31 December 2022, any direct or indirect contractual impact of the covenants contained in the Group's financing documentation has been neutralised, as a result of the conciliation procedures and subsequent accelerated safeguard procedures and the negotiations aimed at adjusting the covenants:

- regarding the outstanding debt at the level of ORPEA SA, the conciliation and accelerated safeguard procedures have led to a suspension of the contractual provisions relating to the covenants;
- regarding the other debt concerned, at the level of the subsidiaries, the Company obtained a waiver from the related creditors in March 2023, providing for the non-application of the covenants at end-2022.

The application of IFRS 16 led to the recognition on the balance sheet of right-of-use assets relating to leases in force for €3,500 million (31 December 2021: €3,073 million), while the present value of future lease payments recognised in liabilities totalled €3,768 million, €3,424 million of which is due in more than one year and €344 million within one year.

Other assets and liabilities

Changes in other receivables and payables reflect construction projects, disposals of real estate assets and acquisitions in connection with the Group's expansion drive.

5.2.3 CASH FLOWS

(in millions of euros)	**2022**	**2021**
Gross cash flow from operations	510	895
Net cash generated by operating activities	410	754
Net cash used in investing activities	(657)	(1,409)
Net cash generated by financing activities	152	718
CHANGE IN CASH AND CASH EQUIVALENTS	**(96)**	**64**

Net cash used in investing activities decreased by more than 50% compared with 2021 and represented an outflow of €657 million, mainly concerning ongoing construction projects.

Net cash generated by financing activities represented an inflow of €152 million and includes the bank financing secured in June 2022 for €3.2 billion, which was used in particular to repay other bank loans for €2.2 billion.

RECONCILIATION OF CASH FLOWS

The Group uses "Net recurring operating cash flow" as a management indicator to show cash generated by ordinary activities, net of recurring maintenance and IT capital expenditure. Net recurring operating cash flow is the sum of EBITDA before IFRS 16, recurring non-cash items, change in working capital, income tax paid and maintenance and IT capital expenditure. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	**2022**
Net cash generated by operating activities	**410**
Neutralisation of the IFRS 16 impact	*(414)*
Net cash generated by operating activities before IFRS 16	***(4)***
Change in working capital – Reclassification of cash flows used in investing activities	79
Reclassification of financial items	33
Reversal of non-current items	151
Other reclassifications	(2)
Maintenance and IT capital expenditure	(136)
NET RECURRING OPERATING CASH FLOW	**122**

The Group uses "Net cash flow before financing" as a management indicator to show net cash after recurring and non-recurring items, all capital expenditure, interest expense on borrowings, and gains and losses on transactions concerning the asset portfolio. Net cash flow before financing is the sum of net recurring operating cash flow, development capital expenditure, non-recurring items, net income or expense related to the day-to-day management of the asset portfolio, and financial expenses. It can be reconciled with the cash flow statement as follows:

(in millions of euros)	**2022**
Net cash generated by operating activities	**410**
Neutralisation of the IFRS 16 impact	*(414)*
Net cash used in investing activities	**(657)**
Net financial expense	(182)
NET CASH FLOW BEFORE FINANCING	**(844)**

5.3 Review of the individual financial statements for the year ended 31 December 2022

5.3.1 ORPEA SA INCOME STATEMENT

(in thousands of euros)	2022	2021
Revenue	1,045,899	1,026,727
Production transferred to inventories	(4,694)	(3,639)
Other operating income	82,333	76,617
Purchases and other external costs	(651,875)	(458,829)
Taxes other than on income	(62,384)	(53,006)
Personnel costs	(643,341)	(541,977)
Depreciation, amortisation and charges to provisions	(90,249)	(120,807)
Other operating expenses	(4,308)	(13,773)
Operating profit/(loss)	**(328,618)**	**(88,688)**
Financial income	185,598	201,719
Financial expense	(2,989,990)	(163,597)
Net financial income/(expense)	**(2,804,392)**	**38,122**
Recurring profit/(loss) before tax	**(3,133,010)**	**(50,567)**
Net non-recurring expense	(364,135)	(20,563)
Employee profit-sharing	-	-
Income tax	20,077	19,503
NET PROFIT/(LOSS)	**(3,477,069)**	**(51,626)**

REVENUE

ORPEA SA's revenue came to €1,046 million in 2022, up 1.9% compared with 2021. It continues to be heavily impacted by the crisis affecting the occupancy rate of the Group's French nursing homes.

OPERATING PROFIT/(LOSS)

Operating costs increased significantly, with purchases and external costs rising from €458.8 million to €651.8 million, an increase of 42.1% that can be associated with the fees paid to the various law firms commissioned to investigate allegations concerning the Group's practices.

To a lesser extent, the increase in energy costs linked to the Russian-Ukrainian conflict (up €22 million) and bank fees incurred by refinancing (up €27 million) also contributed to the increase in this item.

Personnel costs also increased significantly, from €541.9 million to €643.3 million (up 18.7%), due to recruitment carried out in the second half of the year to improve staffing levels in facilities.

NET FINANCIAL INCOME/(EXPENSE)

Net financial expense amounted to €2,804.4 million, mainly due to write-downs of investments in subsidiaries held by the Company and current accounts corresponding to advances granted to the direct and indirect subsidiaries.

These amounts were determined following the implementation of annual impairment tests conducted by management to identify, for each investment and current account advance, any indications of impairment caused by the situation of the subsidiaries at 31 December 2022 and/or their economic prospects, based on business forecasts for the coming years.

NET NON-RECURRING EXPENSE

Net non-recurring items represented a net expense of €364 million, compared with a net expense of €20.6 million in 2021. The net amount consists mainly of impairment losses recognised against receivables from certain related parties, as well as provisions made on a portion of fixed assets, also determined on the basis of impairment tests carried out by management.

NET PROFIT/(LOSS)

With tax consolidation income of €20.1 million, the loss for 2022 amounted to €3,477 million, compared with a loss of €51.6 million in 2021, mainly due to the provisions set aside in connection with the impairment tests.

5.3.2 ORPEA SA BALANCE SHEET

ASSETS

(in thousands of euros)	31 Dec. 2022 Gross	31 Dec. 2022 Depreciation, amortisation and charges to provisions	31 Dec. 2022 Net	31 Dec. 2021 Net
NON-CURRENT ASSETS				
Intangible assets	462,875	(27,059)	435,815	426,932
Property, plant and equipment	635,977	(349,075)	286,902	343,642
Financial assets	2,413,198	(1,275,182)	1,138,016	2,166,924
Total non-current assets	**3,512,049**	**1,651,316**	**1,860,733**	**2,937,497**
CURRENT ASSETS				
Inventories and work-in-progress	2,466		2,466	7,037
Advances and downpayments	4,482		4,482	4,736
Trade receivables	48,432	(9,230)	39,203	51,708
Other receivables	5,013,005	(1,712,125)	3,300,880	4,228,441
Marketable securities	250,351		250,351	4,395
Cash at bank and in hand	224,761		224,761	359,346
Prepaid expenses	6,857		6,857	26,862
Total current assets	**5,550,355**	**(1,721,355)**	**3,829,000**	**4,682,524**
Deferred debt issuance costs	44,739		44,739	
Bond redemption premiums	7,068		7,068	8,303
Unrealised foreign currency losses	2,768		2,768	3,435
TOTAL ASSETS	**9,116,979**	**(3,372,671)**	**5,744,308**	**7,631,760**

EQUITY AND LIABILITIES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
EQUITY		
Share capital	80,867	80,800
Share premiums and reserves	644,803	696,497
Net loss for the year	(3,477,069)	(51,626)
Tax-regulated provisions	11,229	9,671
Total equity	**(2,740,169)**	**735,342**
Provisions for liabilities and charges	153,734	95,242
LIABILITIES		
Borrowings and other debt	7,172,321	5,729,061
Advances and downpayments	133	2
Trade payables	86,437	70,554
Tax and payroll liabilities	192,794	110,030
Other payables	812,238	848,360
Amounts due to suppliers of non-current assets	9,224	8,650
Deferred income	36,627	23,696
Total liabilities	**8,309,774**	**6,790,353**
Unrealised foreign currency gains	20,969	10,824
TOTAL EQUITY AND LIABILITIES	**5,744,308**	**7,631,760**

ORPEA SA's net non-current assets totalled €1,860.7 million at 31 December 2022, versus €2,937.4 million at 31 December 2021. The decrease of almost €1 billion is mainly attributable to the provisions for impairment made on a portion of the investments in subsidiaries held by the Company, following the identification of impairment losses by management on these investments.

The annual impairment tests also led to the recognition of impairment losses on a portion of the Group's current accounts, resulting in a drop in net current assets from €4,682.5 million at 31 December 2021 to €3,829 million at 31 December 2022.

On the liabilities side, the loss for the year resulted in a negative net position of €2,740.2 million, compared with a positive net position of €735.3 million at 31 December 2021.

Borrowings and other debt – the Company's main liability item – rose to €7,172 million at 31 December 2022 from €5,729 million at 31 December 2021. The increase reflects the first debt restructuring in June 2022, the details of which are set out in section II.1.8 of the notes to the individual financial statements.

Total equity and liabilities amounted to €5,744 million at 31 December 2022, compared with €7,631.8 million at 31 December 2021.

5.3.3 INFORMATION ON SUPPLIER AND CUSTOMER PAYMENT TERMS

Pursuant to Articles L. 441-6-1 and D. 441-4 of the French Commercial Code (*Code de commerce*), the following table shows information about the payment terms applicable to ORPEA's suppliers and customers at 31 December 2022.

	Article D. 441-1-1: Past-due invoices received but not paid at the reporting date					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payments by period						
Number of invoices concerned	1,467					20,700
Total amount of invoices concerned incl. VAT	12,052,471.19	13,282,422.42	587,533.45	2,567,014.38	2,260,279.19	18,697,249.44
Percentage of total purchases in the year incl. VAT	1%	2%	0%	0%	0%	2%
Percentage of total revenue for the year incl. VAT						
(B) Invoices excluded from (A) corresponding to payables and receivables in dispute or not recognised						
Number of invoices excluded	Impossible to obtain this information (accrued invoices by total for each period and not by invoice)					
Total amount of invoices excluded incl. VAT						€55,687,111
(C) Reference payment terms used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments			Contractual period: Statutory period:	30 days 30 days		

	Article D. 441-1-1: Past-due invoices issued but not paid at the reporting date					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (1 day or more)**
(A) Late payments by period						
Number of invoices concerned						64,017
Total amount of invoices concerned incl. VAT	996,588.29	4,416,717.85	2,155,001.15	387,444.69	26,409,182.64	33,368,346.33
Percentage of total purchases in the year incl. VAT						
Percentage of total revenue for the year incl. VAT	0%	1%	0%	0%	3%	4%
(B) Invoices excluded from (A) corresponding to payables and receivables in dispute or not recognised						
Number of invoices excluded	Impossible to obtain this information (invoices to be issued and doubtful accounts by total per period and not by invoice)					
Total amount of invoices excluded incl. VAT			€14,067,203			
(C) Reference payment terms used (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments			Contractual period:	30 days		

Note:
The number of (A) invoices relating to suppliers is taken from our digitalisation software, which handles most of our payables.
The number of (A) invoices relating to customers is taken from our billing software, which handles most of our receivables.

5.4 Other financial and legal information

5.4.1 DIVIDEND PAYMENTS IN THE PAST THREE YEARS

The table below shows the dividend per share paid in the past three years, as well as the applicable tax regime.

Period concerned (year of distribution)	Dividend paid per share	Eligible for the 40% tax allowance referred to in Article 158(3)(2) of the French General Tax Code (*Code général des impôts*)	Not eligible for the 40% tax allowance referred to in Article 158(3)(2) of the French General Tax Code
2019 (2020)	€0.00	-	-
2020 (2021)	€0.90	€0.90	None
2021 (2022)	€0.00	-	-

Pursuant to Article 2224 of the French Civil Code (*Code civil*) and Article L. 1126-1 of the French Public Property Code (*Code générale de la propriété des personnes publiques*), dividends that are not claimed within five years of their payment date will lapse and become the property of the State.

5.4.2 ALLOCATION OF NET PROFIT/(LOSS)

The Board of Directors, having approved the financial statements, has decided to allocate the loss for the year ended 31 December 2022, amounting to €3,477,068,607.84, as follows:

- €636,160,146.38 to the "Share premium" account, which would be reduced to €0;
- €8,078,915.63 to the "Statutory reserve" account, which would be reduced to €0;
- the remainder to "Retained earnings", which would become negative in the same amount, i.e., €2,832,829,545.83.

This proposed allocation of the loss is provisional and will be modified when the 2023 Annual General Meeting is convened to take into account the transactions provided for in the restructuring plan.

In view of the accelerated safeguard procedure opened for the Company by way of a judgement of the Nanterre Specialised Commercial Court dated 24 March 2023 and extended on 22 May 2023 by way of a judgement of the said Court for an additional two months until 24 July 2023, the provisions of Article L. 225-248 applicable in the event that a company's equity falls below half of its share capital do not apply to the Company, in accordance with the final paragraph of the said article.

5.4.3 SUMPTUARY EXPENSES

Sumptuary expenses, as referred to in Article 39-4 of the French General Tax Code, amounted to €1,158,073 for the Company. These included excess depreciation of passenger vehicles not deductible for tax purposes.

5.4.4 LEGAL AND ARBITRATION PROCEEDINGS

In the normal course of its French and international business, the Group is involved in litigation or disputes, mainly in the labour and tax fields. In addition, proceedings have been initiated against the Group in an attempt to challenge the implementation of its restructuring plan. Any provisions accrued in respect of such disputes are described in the notes to the consolidated and individual financial statements on pages 321 and 383 of this Universal Registration Document.

Following the final report of the IGAS-IGF joint investigation, on 29 July 2022 the CNSA sent the Company a formal notice to return €55.8 million in unduly received funding. The Company recorded a provision for this amount in its individual and consolidated financial statements at 31 December 2022.

Furthermore, on 2 May 2022 ORPEA announced that it had filed a complaint with the public prosecutor against unnamed persons for past events and operations – totally unrelated to the living and care conditions of residents – that could adversely affect ORPEA's best interests and which were discovered following internal investigations that revealed a number of instances of fraud of which the Company or its subsidiaries may have been victims.

On 20 December 2022, ORPEA filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering.

Following this complaint, ORPEA has continued its investigations and filed additional complaints against other named persons.

To the best of the Group's knowledge, there are no other governmental, legal or arbitration proceedings that may have, or have had in the recent past, a material adverse impact on the financial position or profitability of the Company and/or the Group.

5.4.5 STATUTORY AUDITORS' FEES

Fees paid to the Statutory Auditors for services provided to ORPEA in 2022 break down as follows:

		Deloitte & Associés		Saint-Honoré BK&A		Mazars	
(in thousands of euros)	**2022 TOTAL**	**2022 Statutory Auditors**	**2022 Network**	**2022 Statutory Auditors**	**2022 Network**	**2022 Statutory Auditors**	**2022 Network**
Audit and interim review of the individual and consolidated financial statements	**7,226**	**1,857**	**1,350**	**927**	**-**	**1,741**	**1,351**
ORPEA SA	3,567	1,528	-	447	-	1,592	-
Fully-consolidated subsidiaries[1]	3,659	329	1,350	480	-	149	1,351
Non-audit services[2]	**366**	**148**	**93**	**54**	**-**	**71**	**-**
ORPEA SA	273	148	-	54	-	71	-
Fully-consolidated subsidiaries[1]	93	-	93	-	-	-	-

(1) Including fully-consolidated subsidiaries and jointly controlled entities to the extent that the related fees are recognised in the consolidated income statement.

(2) Including non-audit services required by statutory and regulatory provisions and non-audit services provided at the Group's request. They correspond primarily to the report of the independent third party on labour-related, environmental and social information provided for in Article L. 225-102-1 of the French Commercial Code (€78 thousand) and the issue of the report on the amount of receivables held by each party involved in the conciliation proceedings as part of the accelerated safeguard procedure (€195 thousand).

5.5 Outlook and events subsequent to 1 January 2023

5.5.1 EVENTS SUBSEQUENT TO 1 JANUARY 2023

FINANCIAL RESTRUCTURING

Term sheet on the financial restructuring plan (February 2023)

Overseen by the appointed conciliator, the Company announced on 1 February 2023 that it had signed a term sheet, effective 3 February 2023, on a financial restructuring plan (the "**Term Sheet**"), with (i) a group of long-term French investors comprising Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and (ii) five institutions (the "**SteerCo**"), under which the parties agreed on the principles of the financial restructuring plan, as further described below.

At the same time, the stakeholders reiterated their support for management and the Refoundation Plan presented by the Company in its press release dated 15 November 2022.

Lock-Up Agreement (February 2023)

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all the steps and actions required to implement the financial restructuring.

The terms and conditions of the Lock-Up Agreement are standard and include an undertaking by the signatory creditors to support the Company's financial restructuring in accordance with the principles agreed in the Term Sheet, and to sign the required contractual documentation. These terms and conditions authorise the signatories and unsecured creditors adhering to the Lock-Up Agreement, until the completion date of the Company's restructuring, to transfer the debt of the Company they hold provided that the assignee is bound in the same terms by the Lock-Up Agreement.

Extension of the conciliation procedure (February 2023)

On 23 February 2023, the Company announced that the amicable conciliation procedure opened on 25 October 2022 by the President of the Nanterre Specialised Commercial Court, initially scheduled to end on 25 February 2023, had been extended for an additional period of one month at the request of the conciliator, i.e., until 25 March 2023.

Agreement on additional financing and an amendment to the Existing Loan Agreement with the main banking partners (March 2023)

On 20 March 2023, the Company announced that it had finalised and signed an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Lenders**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for an amendment to the Existing Loan Agreement, as summarised below. The purpose of the agreement is to formalise the parties' undertakings, in order to allow the Company to implement its restructuring plan pursuant to the aforementioned accelerated safeguard procedure.

Main terms of the "new money debt" financing structure

As part of the financial and shareholding restructuring of ORPEA, the Lenders have agreed to participate in a €600 million senior new money debt financing in three separate facilities:

(i) a €400 million revolving credit facility (the "D1 Facility");

(ii) a revolving credit facility of up to €100 million (the "D2 Facility"); and

(iii) a revolving credit facility of up to €100 million (the "D3 Facility").

The above financing was granted to ORPEA SA (with the exception of the first €200 million tranche granted under the D1 Facility, which was granted to Niort 94 (RCS 440 360 006) and Niort 95 (RCS 811 249 978)).

The main changes to be made to the Existing Loan Agreement

ORPEA and the Lenders have agreed to make certain changes to the Existing Loan Agreement as part of ORPEA's financial and shareholder restructuring through an addendum.

Signature of the corresponding financing documentation

The new financing agreement and the amendment to the Existing Loan Agreement, dated 26 May 2023, were signed on 29 May 2023. The amendment will come into force, subject to certain conditions precedent being met, on completion of the second capital increase provided for in the financial restructuring plan.

Opening of an accelerated safeguard procedure (March 2023)

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which was extended for a further two months by way of a judgement of the said Court on 22 May 2023. The term of the accelerated safeguard procedure has therefore now been set at 24 July 2023.

The main purpose of this procedure is to enable the Company to implement its restructuring plan in accordance with the provisions of (i) the Lock-Up Agreement and (ii) the Agreement Protocol.

The court appointed SELARL FHB, represented by Hélène Bourbouloux, as the administrator for the procedure and SELARL AJRS, represented by Thibaut Martinat, as co-administrator.

The Company's financial restructuring plan is further detailed in section 1.5 of this Universal Registration Document.

OTHER EVENTS

The ORPEA Group has announced plans to consolidate (i) three residences in Flanders, due to the dilapidated state of the buildings, and (ii) seven residences in Brussels, in accordance with a government order requiring the sector to reduce the number of vacant beds.

As part of the sale of the real estate of 32 nursing homes in the Netherlands (see section 5.1.6 above), ORPEA sold a nursing home property to Syntrus Achmea Real Estate & Finance, acting on behalf of Achmea Dutch Health Care Property Fund (ADHCPF), bringing the number of properties sold to 31 out of a portfolio of 32 buildings.

Since the year-end, the ORPEA Group has acquired:

- all of the share capital and voting rights of the French company SENIOR+. Further to this acquisition, the ORPEA Group wholly owns 13 companies with real estate or real estate projects for senior residences;
- 60% of the share capital and voting rights of the Belgian company Holding Senior Invest. Further to this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 19.26% of the share capital and voting rights of the French companies AP1, AP2, AP3 and AP4, which operate residential facilities for dependent elderly people. Further to this acquisition, the ORPEA Group holds 79.26% of these companies.

  These acquisitions have enabled progress to be made in unwinding historic partnerships.

The ORPEA Group signed an agreement to sell all of the share capital and voting rights of the Latvian company Senior Baltic, which operates and owns a nursing home. The sale will take place once the usual conditions precedent have been met.

There have been no other significant events since 1 January 2023 other than those described above.

5.5.2 2023-2025 OUTLOOK

Based on its Refoundation Plan, the Company presented a 2022-2025 business plan to the markets on 15 November 2022 (the "**November 2022 Business Plan**") based on the following key assumptions:

- an increase in occupancy rates;
- an enhanced service offering with more appropriate pricing policies;
- relative stability in the fixed cost base, following a major recruitment drive and inflationary impacts in 2022 and 2023, enabling the Group to benefit fully from the recovery in occupancy rates over time, particularly in 2025;
- a growing contribution from Greenfield projects, whether in the form of investments made by the Group in recent years or investments to which the Company is already committed and which are due to be made in the coming years;
- a more structured approach to development projects, in view of the major initiatives undertaken to halt or reduce capital expenditure in 2021 and 2022; and
- no change in the geographic scope, with the understanding that strategic decisions made on implementing the Restructuring Plan may lead the Group to withdraw from markets considered "non-core".

The 2022-2025 business plan was recently updated ("**Updated November 2022 Business Plan**") to take into account, on the one hand, the 2022 landing and the outcome of the various reviews carried out as part of the 2022 accounts closing and, on the other hand, the terms and conditions of the proposed accelerated safeguard plan (in relation to the assumptions initially adopted in autumn 2022 for the financial restructuring).

As a result, the business outlook for the 2022-2025 period remains unchanged versus the outlook presented in November 2022, the only notable differences being an accounting reclassification of IT expenses from capital expenditure to operating expenses (€19 million in 2022, €30 million for subsequent years). In terms of cash flow, the update provides for a slight downward revision of the development capital expenditure budget over the period (nearly €75 million out of a total of €1.6 billion).

The table below summarises the change in EBITDAR between the November 2022 Business Plan and the Updated November 2022 Business Plan:

EBITDAR *(in millions of euros)*	2022	2023	2024	2025
November 2022 Business Plan	**797**	**911**	**1,083**	**1,246**
Impact of implementation in 2022	+1	+0	+0	+0
Reclassification of IT expenses to operating expenses	(19)	(30)	(30)	(30)
Updated November 2022 Business Plan	**780**	**881**	**1,053**	**1,216**

In line with the Refoundation Plan objective of ultimately reducing the proportion of real estate held directly by the Group to 20%-25%, the Group has also committed to the G6 banks and as part of the accelerated safeguard plan to make at least €1.25 billion worth of real estate disposals (gross value, excluding duties) over the 2022-2025 period. Compared with the amount of the real estate disposals already included in the November 2022 Business Plan, the Updated November 2022 Business Plan provides for an additional €1.0 billion worth of real estate disposals over the 2024-2025 period.

The additional real estate disposals will have no impact on the Group's EBITDAR. However, they will lead to a reduction in EBITDA before IFRS 16[1] due to additional rental expenses in respect of leases related to the sold assets, partially offset by a reduction in interest expense as the Group repays its debt with the proceeds from the real estate disposals.

The table below summarises the change in EBITDAR before IFRS 16 between the November 2022 Business Plan and the Updated November 2022 Business Plan:

EBITDA before IFRS 16 *(in millions of euros)*	2022	2023	2024	2025
November 2022 Business Plan	**358**	**433**	**593**	**745**
Impact of implementation in 2022	+3	+0	+0	+0
Reclassification of IT expenses to operating expenses	(19)	(30)	(30)	(30)
Impact of additional real estate disposals	+0	+0	(16)	(44)
Updated November 2022 Business Plan	**342**	**403**	**547**	**671**

(1) EBITDA before IFRS 16 corresponds to EBITDAR less all external equipment and real estate rental expenses.

The Updated November 2022 Business Plan breaks down as follows:

Amounts *(in millions of euros)*	**2022**	**2023**	**2024**	**2025**	**Average growth 2022-2025**
Revenue	**4,681**	**5,326**	**5,737**	**6,102**	**+9%**
Personnel costs	(3,028)	(3,358)	(3,571)	(3,752)	+7%
% of revenue	*65%*	*63%*	*62%*	*61%*	
Purchases and other costs	(873)	(1,087)	(1,113)	(1,134)	+9%
% of revenue	*19%*	*20%*	*19%*	*19%*	
EBITDAR	**780**	**881**	**1,053**	**1,216**	**+16%**
% of revenue	*16.7%*	*16.5%*	*18.4%*	*19.9%*	
EBITDA before IFRS 16	**342**	**403**	**547**	**671**	**+25%**
% of revenue	*7.3%*	*7.6%*	*9.5%*	*11.0%*	
KEY INDICATORS					
▪ Number of beds installed *(in thousands)*	91	99	102	103	+4%
▪ Occupancy rate	82%	84%	87%	91%	+9 pts
▪ Average income per day and per bed	€141/day	€142/day	€142/day	€144/day	+1%

Group revenue is expected to increase to more than €5.3 billion in 2023, more than €5.7 billion in 2024 and around €6.1 billion in 2025, versus revenue of almost €4.7 billion in 2022. This trajectory would correspond to average annual growth of 9% over the period, based on:

(i) a recovery in bed occupancy rates following the Covid-19 crisis, underpinned by growing demand and an appropriate policy for recruiting and retaining employees;

(ii) price increases in line with cost inflation, partly in connection with an enhanced service offering with more appropriate pricing policies; and

(iii) the ramp-up of facilities that have recently opened or are under development, located mainly in France, Benelux and the Iberian Peninsula. Almost 120 new sites (net of closures) are expected to open, with the number of beds installed at Group level rising from 90,860 at 31 December 2022 to almost 103,400 by the end of 2025.

The Group's EBITDAR is expected to increase from €0.8 billion in 2022 to more than €1.2 billion in 2025, with the margin rising from just under 17% in 2022 to almost 20% in 2025, mainly due to:

(i) higher income, driven by the factors described in the previous paragraph;

(ii) an improved margin, resulting from relative stability in the fixed operating cost base, with personnel costs, food costs and energy costs in particular expected to normalise over time in relative terms (i.e., expressed as a % of revenue), and at headquarters level due to greater efficiency in support functions, with headquarters costs falling to around 5.8% of revenue in 2025 compared with around 6.3% in 2022; and

(iii) the growing positive impact of the contribution of Greenfield projects in 2024 and 2025.

Between 2022 and 2025, EBITDAR is expected to grow by an average of 16%, with almost half of the growth generated by France. France, Germany, Switzerland and Austria are expected to account for around 75% of the Group's EBITDAR in 2025.

The Group's EBITDA before IFRS 16 is expected to almost double over the period, from €342 million in 2022 to €671 million in 2025. The increase would be driven by EBITDAR growth over the period, partly offset by the increase in rental expenses linked to the new real estate disposal programme to be implemented over the 2022-2025 period for more than €1.25 billion.

Cash flows in the Updated November 2022 Business Plan break down as follows:

Amounts *(in millions of euros)*	**2022**	**2023**	**2024**	**2025**	**Cumulative 2022-2025**
EBITDA before IFRS 16	**342**	**403**	**547**	**671**	**1,964**
Other recurring operating cash flows	(85)	(145)	(17)	(44)	(291)
Maintenance and IT capital expenditure	(136)	(215)	(206)	(212)	(768)
Net recurring operating cash flow	**122**	**44**	**324**	**415**	**905**
Development capital expenditure	(638)	(478)	(282)	(124)	(1,522)
Non-recurring items	(151)	(165)	(51)	(57)	(425)
Asset portfolio management	39	(25)	486	401	902
Cost of debt	(215)	(318)	(189)	(173)	(896)
Net cash flow before financing	**(844)**	**(942)**	**288**	**462**	**(1,037)**
Change in equity		1,550	-	-	1,550
Total net debt	**(844)**	**608**	**288**	**462**	**513**
June 2022 financing	1,691	(200)	(200)	(300)	991
Secured 2023 financing (new RCF)		-	-	400	400
Other debt waivers/(repayments)	(943)	(461)	(526)	(357)	(2,287)
Net cash flow	**(96)**	**(54)**	**(438)**	**205**	**(383)**
CASH AND CASH EQUIVALENTS AT 31 DEC.	**856**	**803**	**365**	**570**	
Net debt (excluding IFRS adjustments)	8,860	4,443	4,154	3,692	
Financial leverage (net debt to EBITDA before IFRS 16 ratio)	**25.9x**	**11.0x**	**7.6x**	**5.5x**	

Net recurring operating cash flow[1] is expected to rise from a net inflow of €122 million in 2022 to a net inflow of close to €415 million in 2025, with a low point expected in 2023 due to an expected significant negative change in working capital. Further to the above-mentioned accounting reclassification of IT expenses to operating expenses, maintenance and IT capital expenditure is expected to represent a total amount of €0.8 billion over the 2022-2025 period.

Development capital expenditure, which mainly corresponds to programmes begun in 2022 or earlier, would amount to around €1.5 billion over the 2022-2025 period.

Non-recurring items would represent a net cash outflow of €425 million over the 2022-2025 period, chiefly including non-recurring expenses related to the management of the 2022 crisis, costs in respect of the financial restructuring in 2022 and 2023, and general expenses related to the implementation of the Refoundation Plan in 2024 and 2025.

Asset portfolio management transactions include both day-to-day management transactions (exercise of purchase options, purchase of non-controlling interests in non-trading property companies, etc.) and transactions relating to the implementation of the real estate disposal programme over the 2022-2025 period for a gross amount of €1.25 billion. In total, these transactions would generate cumulative net income of €0.9 billion over the period, taking into account the anticipated tax impact of the future real estate disposals.

Based on the existing financial structure, i.e., before the financial restructuring and taking into account the terms and conditions of the June 2022 financing, financial expenses are expected to peak in 2023 at roughly €318 million. They are then expected to fall very significantly over the 2024-2025 period following the drastic reduction in the Group's debt, the favourable adjustment to the terms and conditions of the June 2022 financing (in particular, a reduced margin of 2.0% instead of 4.9% on average for all tranches), and the set-up of additional secured financing in the form of RCFs.

Overall, net cash flow before financing[2] would represent a significant net outflow in 2023 (€942 million) as was the case in 2022 (€844 million), before turning positive and representing significant net inflows in 2024 and 2025 (respectively €288 million and €462 million, or €750 million over the two years).

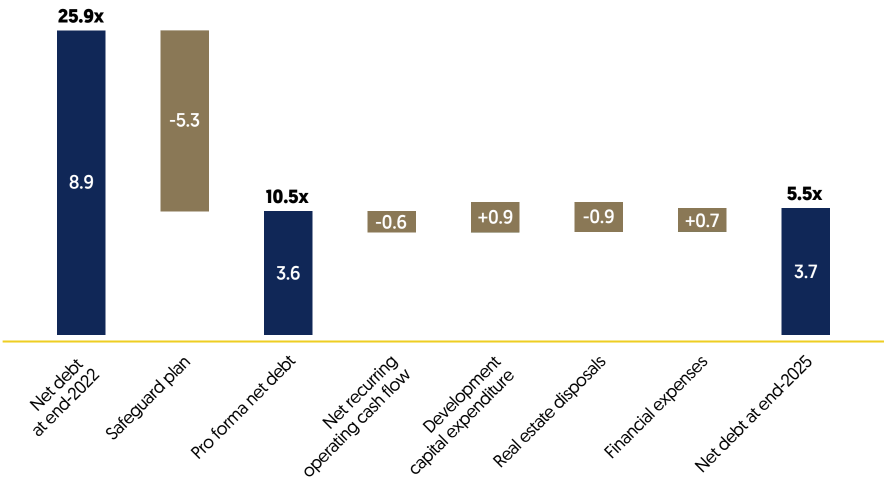
The business plan would be financed over the period by the new money obtained as part of the financial restructuring, i.e., by a cash equity injection of €1.55 billion and by additional financing in the form of a secured RCF of €0.4 billion, drawn down in full then repaid in 2023, then drawn down again in 2025, depending on liquidity requirements.

In addition to the significant negative net cash before financing in 2023, the new money obtained and the proceeds from the real estate disposals would be used over the period for the partial repayment of the June 2022 financing (Tranche A), recurring repayments of other secured debt at the Group level and unsecured debt maintained at the level of ORPEA SA subsidiaries, and the early repayment of lease liabilities related to the real estate assets sold.

Consequently, the Group's net debt would be reduced to almost €3.7 billion at end-2025, corresponding to leverage (net debt to EBITDA before IFRS 16 ratio) of 5.5x, its lowest level since 2012, versus net debt of €8.9 billion and leverage of 25.9x at 31 December 2022, before the financial restructuring, or pro forma leverage of 10.5x at 31 December 2022 had the financial restructuring been completed at that date.

(1) Net recurring operating cash flow is the sum of EBITDA before IFRS 16, recurring non-cash items, change in working capital, income tax paid and maintenance and IT capital expenditure.
(2) Net cash flow before financing is the sum of net recurring operating cash flow, development capital expenditure, non-recurring items, net income and expenses related to the day-to-day management of the asset portfolio, and financial expenses.

■ **Change in net debt** *(in billions of euros)* **over the 2023-2025 period**



The Updated November 2022 Business Plan is based on a vision for 2025 in which, once the financial restructuring has been implemented and the Refoundation Plan completed, all the Group's management indicators will have improved significantly, with revenue of more than €6 billion, an EBITDAR margin of 20%, the proportion of real estate held directly by the Group close to the target of 20%-25%, net recurring operating cash flow and net cash flow before financing both in excess of €0.4 billion, and a healthy balance sheet based on leverage of 5.5x. On this basis, the Group would be in a position to refinance the remainder of the June 2022 financing.

5.6 Five-year financial summary

	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018
SHARE CAPITAL AT YEAR-END					
Share capital *(in euros)*	80,867,314	80,800,094	80,789,156	80,769,796	80,732,904
Number of ordinary shares in issue	64,693,851	64,640,075	64,631,325	64,615,837	64,586,323
Maximum number of additional shares to be issued					
▪ through bond conversion	3,481,228	3,471,691	3,450,511	3,450,511	-
▪ through exercise of subscription rights	311,626	312,449	271,516	183,110	71,726
RESULTS OF OPERATIONS *(in euros)*					
Revenue	1,045,899,095	1,026,726,578	965,500,629	943,200,804	866,262,327
Operating profit/(loss)	(328,619,464)	(88,688,369)	31,016,949	76,381,958	73,782,467
Net financial income/(expense)	(2,804,391,308)	38,121,745	(2,114,342)	(1,824,040)	(43,959,392)
Recurring profit/(loss) before tax	(3,133,010,772)	(50,566,625)	28,902,607	74,557,918	29,823,075
Net non-recurring income/(expense)	(364,134,583)	(20,562,814)	(3,196,333)	(613,094)	25,085,146
Earnings/(loss) before tax, depreciation, amortisation and charges to provisions	(370,045,535)	32,118,669	59,672,228	107,489,078	95,921,561
Income tax	20,076,747	19,503,106	4,782,337	(13,156,217)	(17,537,186)
Net profit/(loss)	(3,477,068,608)	(51,626,332)	30,488,611	60,788,607	37,371,035
Distributed earnings	-	-	58,168,192	-	77,539,004
EARNINGS/(LOSS) PER SHARE *(in euros)*					
Basic earnings/(loss) per share	(54)	(1)	-	1	1
Maximum diluted earnings/(loss) per share	(54)	(1)	-	1	1
Dividend paid per share	-	-	1	-	1
EMPLOYEES					
Average headcount	13,068	12,424	12,041	11,946	11,145
Total payroll costs *(in euros)*	471,172,342	413,794,502	378,838,047	349,428,394	327,623,211
Total employee benefits *(in euros)*	172,168,914	128,182,721	122,830,698	104,664,462	104,689,281

CHAPTER 6
2022 FINANCIAL STATEMENTS

2022 financial statements

6

6.1 Consolidated financial statements for the year ended 31 December 2022

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2022	2021
Revenue	4.21	**4,680,899**	**4,298,574**
Purchases used and other external costs[1]		(939,257)	(731,792)
Personnel costs[1]		(3,027,911)	(2,644,104)
Taxes other than on income[1]		(63,069)	(26,373)
Depreciation, amortisation and charges to provisions		(805,122)	(644,973)
Other recurring operating income		144,144	337,396
Other recurring operating expense		(38,812)	(193,002)
Recurring operating profit/(loss)	4.23	**(49,127)**	**395,727**
Other non-recurring operating income	4.24	119,264	93,302
Other non-recurring operating expense	4.24	(4,342,299)	(134,369)
OPERATING PROFIT/(LOSS)		**(4,272,162)**	**354,660**
Cost of net debt		(341,034)	(221,708)
Other financial income and expense, net		22,410	(27,189)
Net financial expense	4.25	**(318,623)**	**(248,897)**
PROFIT/(LOSS) BEFORE TAX		**(4,590,785)**	**105,763**
Income tax	4.26	596,492	(37,539)
Share in profit/(loss) of associates and joint ventures	4.5	(33,285)	(1,362)
NET PROFIT/(LOSS) OF CONSOLIDATED COMPANIES		**(4,027,579)**	**66,861**
Attributable to non-controlling interests		(537)	1,676
Attributable to ORPEA's shareholders		(4,027,042)	65,185
Weighted average number of shares		*64,607,979*	*64,578,202*
Earnings/(loss) per share *(in euros)*		(62.33)	1.01
Diluted earnings/(loss) per share *(in euros)*[2]		(62.33)	0.95

(1) For 2021:
– reclassification of payroll and training taxes of €101,771 thousand from "Taxes other than on income" to "Personnel costs";
– reclassification of external doctors' expenses of €15,305 thousand from "Purchases used and other external costs" to "Personnel costs";
– reclassification of temporary staff costs from "Purchases used and other external costs" to "Personnel costs" in an amount of €98,140 thousand.
(2) For 2021:
– diluted earnings/(loss) per share has been adjusted due to the omission of the "OCEANE" line in 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)		2022	2021 restated[1][2]	2021 reported[2]
Net profit/(loss) for the period	a	**(4,027,579)**	**66,861**	**66,861**
Change in currency translation adjustments		46,742	5,617	5,617
Financial assets measured at fair value		-	-	-
Cash flow hedges		259,225	117,327	117,327
Tax effect on items that may be reclassified to profit or loss		(66,945)	(30,300)	(30,300)
Total items that may be reclassified to profit or loss	b	**239,022**	**92,644**	**92,644**
Comprehensive income/(loss) net of items that may be reclassified to profit or loss	a+b	**(3,788,557)**	**159,505**	**159,505**
Actuarial gains		7,380	33,177	33,177
Revaluation of properties		-	-	281,445
Tax effect on items that may not be reclassified to profit or loss		(2,019)	(6,660)	(79,344)
Total items that may not be reclassified to profit or loss	c	**5,361**	**26,517**	**235,278**
Comprehensive income/(loss) net of items that may not be reclassified to profit or loss	a+b+c	**(3,783,197)**	**186,022**	**394,783**
Other comprehensive income (net of tax)	b+c	**244,382**	**119,161**	**327,922**
COMPREHENSIVE INCOME/(LOSS)	A+B+C	**(3,783,197)**	**186,022**	**394,783**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.
(2) The presentation of the 2021 statement of comprehensive income (reported and restated) has been adjusted as follows:
- the first line is now "Net profit/(loss) for the period" and corresponds to the net profit/loss of consolidated companies rather than attributable net profit/(loss);
- non-controlling interests have been taken into account in "Changes in currency translation adjustments".

CONSOLIDATED BALANCE SHEET

(in thousands of euros)	Notes	31 Dec. 2022	31 Dec. 2021 restated[1]	31 Dec. 2021 reported
ASSETS				
Goodwill	4.1.2	1,362,491	1,668,553	1,668,553
Intangible assets, net	4.1.3	1,592,231	3,076,406	3,076,406
Property, plant and equipment, net	4.3	4,374,692	5,324,490	7,237,005
Assets in progress	4.3	626,633	832,385	832,385
Right-of-use assets	4.4	3,499,987	3,072,567	3,072,567
Investments in associates and joint ventures	4.5	7,852	84,158	84,158
Non-current financial assets	4.6	180,997	94,703	94,703
Deferred tax assets	4.26	581,556	115,510	115,510
Non-current assets		**12,226,438**	**14,268,772**	**16,181,287**
Inventories	4.7	16,100	15,735	15,735
Trade receivables	4.8	455,368	431,630	431,630
Other receivables, accruals and prepayments	4.9	586,957	1,015,354	1,015,354
Cash and cash equivalents	4.14	856,417	952,369	952,369
Current assets		**1,914,842**	**2,415,088**	**2,415,088**
Assets held for sale	4.10	**353,154**	**387,952**	**387,952**
TOTAL ASSETS		**14,494,434**	**17,071,812**	**18,984,327**

(in thousands of euros)	Notes	31 Dec. 2022	31 Dec. 2021 restated[1]	31 Dec. 2021 reported
EQUITY AND LIABILITIES				
Share capital		80,867	80,800	80,800
Consolidated reserves		2,313,578	2,244,163	2,399,657
Revaluation reserves		131,075	(66,564)	1,253,806
Attributable net profit/(loss)		(4,027,042)	65,185	65,185
Equity attributable to ORPEA's shareholders	4.11	**(1,501,521)**	**2,323,584**	**3,799,448**
Non-controlling interests		(715)	11,780	11,780
Total equity		**(1,502,236)**	**2,335,364**	**3,811,228**
Non-current financial liabilities	4.14	1,378,335	7,006,775	7,006,775
Long-term lease liabilities	4.4	3,424,153	2,968,098	2,968,098
Long-term provisions	4.12	296,195	148,436	148,436
Provisions for pensions and other employee benefit obligations	4.13	66,195	75,035	75,035
Deferred tax liabilities and other non-current liabilities	4.26	813,993	997,009	1,433,660
Non-current liabilities		**5,978,871**	**11,195,353**	**11,632,004**
Current financial liabilities	4.14	8,236,460	1,855,524	1,855,524
Short-term lease liabilities	4.4	344,317	297,098	297,098
Short-term provisions	4.12	-	22,464	22,464
Trade payables	4.17	326,954	334,797	334,797
Tax and payroll liabilities	4.18	411,874	329,107	329,107
Current tax liability	4.26	112,471	68,808	68,808
Other payables, accruals and prepayments	4.19	529,492	633,297	633,297
Current liabilities		**9,961,568**	**3,541,095**	**3,541,095**
Liabilities held for sale	4.10	**56,232**	**-**	**-**
TOTAL EQUITY AND LIABILITIES		**14,494,434**	**17,071,812**	**18,984,327**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16 (see Note 4.3).

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) of consolidated companies[1]		(4,027,579)	66,861
Elimination of non-cash income and expense related to operating activities[2]		3,907,079	285,056
IFRS 16 impact[3]		350,498	294,300
Financial income and expenses, excluding financial expenses on lease liabilities	4.25	182,120	168,730
Financial expenses on lease liabilities	4.25	97,939	80,167
Cash flows from operations generated by consolidated companies		**510,057**	**895,114**
Change in operating working capital:			
▪ Inventories		181	4,089
▪ Trade receivables	4.8	(7,109)	(198,406)
▪ Other receivables	4.9	28,959	(8,027)
▪ Tax and payroll liabilities	4.18	124,548	51,383
▪ Trade payables	4.17	37,215	25,381
▪ Other payables	4.19	(284,124)	(15,783)
Net cash generated by operating activities		**409,728**	**753,751**
CASH FLOW FROM INVESTING AND DEVELOPMENT ACTIVITIES			
Property investments		(158,711)	(1,270,736)
Disposals of real estate		132,490	284,125
Other acquisitions and changes		(631,268)	(421,906)
Net cash used in investing activities		**(657,489)**	**(1,408,517)**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of the parent	4.11.4	-	(58,168)
Net cash inflows/(outflows) related to bridging loans and bank overdrafts	4.14	-	53,558
Proceeds from new finance leases	4.14	-	152,201
Proceeds from other borrowings	4.14	3,368,461	2,265,693
Repayments of lease liabilities	4.14	(415,891)	(294,300)
Repayments of other borrowings	4.14	(2,470,057)	(991,880)
Repayments under finance leases	4.14	(148,557)	(159,908)
Net financial income/expense and other changes	4.25	(182,146)	(248,897)
Net cash generated by financing activities		**151,809**	**718,299**
CHANGE IN CASH AND CASH EQUIVALENTS		**(95,952)**	**63,533**
Cash and cash equivalents at beginning of period		952,369	888,836
Cash and cash equivalents at end of period		**856,417**	**952,369**
Cash recognised in the balance sheet		**856,417**	**952,369**
Cash equivalents	4.14	258,991	11,586
Cash	4.14	597,426	940,782

(1) In 2021, €1,676 thousand of net profit attributable to non-controlling interests was included in "Elimination of non-cash income and expense related to operating activities". For better readability, the first line of the statement of cash flows has been changed from "Attributable net profit/(loss)" to "Net profit/(loss) of consolidated companies", which includes the amount attributable to non-controlling interests.

(2) Mainly including impairment losses, depreciation and amortisation, income and expense related to equity-method associates, deferred taxes, and restructuring costs.

(3) Depreciation of right-of-use assets in accordance with IFRS 16.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

				Revaluation reserves							
(in thousands of euros except for the number of shares)	**Number of shares**	**Share capital**	**Share premiums**	**Revaluation of properties**	**Cash flow hedges**	**IAS 19 actuarial gains and losses**	**Other reserves**	**Net profit/ (loss)**	**Total attributable to ORPEA's shareholders**	**Non-controlling interests**	**Total equity**
At 31 December 2020 reported	**64,631,325**	**80,789**	**950,586**	**1,123,387**	**(168,342)**	**(11,767)**	**1,360,441**	**160,046**	**3,495,140**	**(5,181)**	**3,489,958**
Impact of change in method for revaluation of properties	-	-	-	(1,123,387)	-	-	(143,717)	-	(1,267,104)	-	(1,267,104)
At 31 December 2020 restated[1]	**64,631,325**	**80,789**	**950,586**	**-**	**(168,342)**	**(11,767)**	**1,216,724**	**160,046**	**2,228,036**	**(5,181)**	**2,222,854**
Change in fair value of properties	-	-	-	-	-	-	-	-	-	-	-
Post-employment benefit obligations	-	-	-	-	-	26,517	-	-	26,517	-	26,517
Financial instruments	-	-	-	-	87,027	-	-	-	87,027	-	87,027
Currency translation adjustments	-	-	-	-	-	-	5,976	-	5,976	(359)	5,617
Impact of the remeasurement of deferred taxes	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value recognised directly in equity	**-**	**-**	**-**	**-**	**87,027**	**26,517**	**5,976**	**-**	**119,520**	**(359)**	**119,161**
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Allocation of net profit/(loss)	-	-	-	-	-	-	101,878	(160,046)	(58,168)	-	(58,168)
2021 net profit	-	-	-	-	-	-	-	65,185	65,185	1,676	66,861
Other	-	-	-	-	-	-	(34,786)	-	(34,786)	15,643	(19,143)
Free share plan	8,750	11	(11)	-	-	-	6,982	-	6,982	-	6,982
Cancellation of treasury shares	-	-	-	-	-	-	(3,185)	-	(3,185)	-	(3,185)
At 31 December 2021 restated[1]	**64,640,075**	**80,800**	**950,575**	**-**	**(81,315)**	**14,750**	**1,293,589**	**65,185**	**2,323,584**	**11,780**	**2,335,364**
Change in fair value of properties	-	-	-	-	-	-	-	-	-	-	-
Post-employment benefit obligations	-	-	-	-	-	7,380	-	-	7,380	-	7,380
Financial instruments	-	-	-	-	259,225	-	-	-	259,225	-	259,225
Currency translation adjustments	-	-	-	-	-	-	46,742	-	46,742	-	46,742
Dividend payment	-	-	-	-	-	-	-	-	-	-	-
Impact of the remeasurement of deferred taxes	-	-	-	-	(66,945)	(2,019)	-	-	(68,964)	-	(68,964)
Changes in fair value recognised directly in equity	**-**	**-**	**-**	**-**	**192,280**	**5,361**	**46,742**	**-**	**244,382**	**-**	**244,382**
Reclassifications	-	-	-	-	-	-	-	-	-	-	-
Allocation of net profit/(loss)	-	-	-	-	-	-	64,972	(65,185)	(213)	-	(213)
2022 net loss	-	-	-	-	-	-	-	(4,027,042)	(4,027,042)	(537)	(4,027,579)
Other	-	-	-	-	-	-	(42,232)	-	(42,232)	(11,959)	(54,191)
Free share plan	53,776	67	(67)	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-
AT 31 DECEMBER 2022	**64,693,851**	**80,867**	**950,508**	**-**	**110,965**	**20,110**	**1,363,071**	**(4,027,042)**	**(1,501,521)**	**(715)**	**(1,502,236)**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16 (see Note 1.3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Amounts are stated in thousands of euros unless otherwise indicated.

The 2022 consolidated financial statements for the ORPEA Group were approved for issue by the Board of Directors on 11 May 2023.

ORPEA SA is a French joint-stock company (*société anonyme*) whose registered office is located at 12, rue Jean-Jaurès, 92800 Puteaux, France. It is the parent company of a leading global group with expertise in providing support for all types of vulnerable people. The Group operates in 21 countries and covers three core areas of expertise: care for the elderly (nursing homes, assisted-living facilities, home care), post-acute and rehabilitation care, and mental health care (specialised hospitals).

1. Significant accounting policies and basis of preparation

1.1 LIQUIDITY AND GOING CONCERN RISKS

At 31 December 2022, the Group's total gross debt amounted to €9.7 billion (excluding €3.8 billion in IFRS 16 lease liabilities). Out of this amount, contractual principal repayments of €1.8 billion, €1.1 billion and €1.6 billion are due in 2023, 2024 and 2025 respectively (in the absence of default), and the Group's cash and cash equivalents stood at €856 million at 31 December 2022. However, as a result of non-compliance with the applicable covenants at 31 December 2022, €6.5 billion worth of debt was reclassified as due in less than one year, bringing the total amount of gross debt due in less than one year to €8.2 billion.

On the basis of (i) this debt repayment schedule, (ii) the 2023-2025 business plan drawn up in connection with the Refoundation Plan presented on 15 November 2022, including in particular the amount of capital expenditure planned over the period, (iii) the Group's existing cash position and the minimum cash "cushion" of €200 million needed to operate, and excluding any proceeds from the disposal of real estate assets over the period from 2023 to 2025 in line with the Group's objective of eventually holding 20%-25% of its real estate assets, its financing requirement has been estimated at some €5.7 billion between now and 2025.

This unsustainable financial outlook was what led the Company to draw up the financial restructuring proposal presented to ORPEA SA's unsecured creditors on 15 November 2022 as part of the conciliation procedure opened on 25 October 2022. This restructuring proposal was the subject of discussions and negotiations with the various parties involved in the financial restructuring, overseen by the conciliator appointed for the purposes of the procedure.

On 14 February 2023, ORPEA SA entered into a lock-up agreement (the "**Lock-Up Agreement**") with a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and five institutions holding the Company's unsecured debt (the "**SteerCo**") , under which the parties agreed on the principles of the financial restructuring plan. Approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo, the original signatories to the Lock-Up Agreement), representing approximately €1.9 billion in outstanding unsecured debt (51% of ORPEA SA's €3.8 billion unsecured debt), have acceded to the Lock-Up Agreement, in accordance with its terms and prior to the longstop date which was set at 10 March 2023.

The Lock-Up Agreement meets ORPEA SA's objectives of achieving a sustainable financial structure and financing its Refoundation Plan presented on 15 November 2022, through:

i. the conversion into capital of all of ORPEA SA's unsecured debt, corresponding to a reduction in the Group's gross debt of approximately €3.8 billion;

ii. an equity injection in cash ("new money equity") of €1.55 billion, via capital increases which would be subscribed by the Groupement for a total of €1,355 million, with a backstop for the balance up to €195 million provided by the SteerCo;

iii. the principle of additional financing of €600 million (including a €200 million bridging loan that can only be drawn down in 2023) to be provided by the Group's main banking partners.

These transactions will ensure the Group's future financial equilibrium, with a reduction of almost 60% in its net debt (excluding €3.8 billion in IFRS 16 lease liabilities). After all of ORPEA SA's unsecured debt (€3.8 billion) has been cleared and taking into account the additional financing (€0.4 billion), the Group's gross debt would amount to €6.5 billion, of which €0.65 billion repayable in 2023, €0.60 billion in 2024 and €0.55 billion in 2025.

On 17 March 2023, as provided for in the Lock-Up Agreement and with a view to the opening of an accelerated safeguard procedure, ORPEA SA entered into an agreement protocol with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Agreement Protocol**"). The Agreement Protocol sets out the terms and conditions of the additional financing provided for in the Lock-Up Agreement (€400 million, plus a €200 million bridging loan only drawable in 2023), which should enable the Group to cover its liquidity needs until completion of the capital increases (currently planned for fourth-quarter 2023 and corresponding to a cash contribution of €1.55 billion). It also provides for an adjustment to the documentation for the loans put in place in June 2022, notably including the extension of the loans' final maturity to December 2027 (see Note 4.14) and reducing the applicable margin to 2.0%.

Lastly, in relation to its existing financing not affected by the planned financial restructuring (approximately €2.7 billion) – both secured debt held by ORPEA SA and debt held at the level of subsidiaries – the Group has obtained waivers from almost all of the lenders involved concerning (i) the neutralisation of the "R1" and "R2" financial covenants (elimination of the "R2" covenant and application of an amended "R1" covenant postponed to mid-2025), and (ii) the change of control clauses (only covering the take over of control by the Groupement provided for as part of the financial restructuring). These waivers mean that no early debt repayments will be triggered for non-compliance with the applicable covenants at 31 December 2022 or at the time of the change of control of ORPEA SA on the completion date of the financial restructuring. The covenants are described in Note 4.14.

The Lock-Up Agreement will be implemented as part of an accelerated safeguard procedure, opened on 24 March 2023 by the Nanterre Specialised Commercial Court (*Tribunal de commerce spécialisé de Nanterre*). The draft accelerated safeguard plan will be subject to approval by a two-thirds majority vote of the classes of affected parties (including in particular the class of shareholders classified as affected parties). If the conditions provided for by law and the protections of the affected parties are met, the Nanterre Specialised Commercial Court will approve ORPEA SA's accelerated safeguard plan, if applicable, by way of a cross-class cram down of the plan against the dissenting classes of affected parties (including, if applicable, the shareholder class) in accordance with Article L. 626-31 of the French Commercial Code (*Code de commerce*), which will be enforceable and binding on all of the affected parties. The Lock-Up Agreement is also subject to customary conditions precedent.

To date, in view of (i) the Lock-Up Agreement signed with the majority of ORPEA SA's unsecured financial creditors, (ii) the possibility for the Nanterre Specialised Commercial Court to approve ORPEA SA's accelerated safeguard plan, under the above-described conditions and notwithstanding the possible negative vote of one or more classes of affected parties, (iii) the legal analyses carried out with the assistance of the Group's main advisers for the assessment of potential third party claims, and (iv) its ability to lift all of the conditions precedent applicable to the various agreements entered into with the various stakeholders, Executive Management is confident that the Company's financial restructuring will be carried out successfully in accordance with the agreed terms.

In addition, the Agreement Protocol entered into with its main banking partners will enable ORPEA SA to cover its liquidity needs until completion of the capital increases, while making adjustments to the loan documentation put in place in June 2022 to make it compatible with the Group's financial structure.

Given:

- the Group's cash balance, which stood at €354 million at 4 May 2023;
- the Company's cash flow forecasts, which take into account the following key assumptions:
  - new money debt drawdowns of €200 million in May 2023, €200 million in July 2023 and potentially €200 million in the last quarter of 2023 under the Agreement Protocol;
  - the successive capital increases of €1.55 billion planned for the last quarter of 2023;

as at the approval date of the consolidated financial statements, the Company considers that its estimated cash balance is compatible with its future commitments and that it is therefore in a position to meet its estimated cash requirements over the next 12 months.

On this basis, and taking into account its assessment of the liquidity risk related to the items mentioned in Note 4.15.2 "Liquidity risk", at its meeting on 11 May 2023, the Board of Directors approved the consolidated financial statements for the year ended 31 December 2022 on a going concern basis.

1.2 SIGNIFICANT ACCOUNTING POLICIES

In accordance with EC Regulation No. 1606/2002 of 19 July 2002, the ORPEA Group has prepared its 2022 consolidated financial statements in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) as adopted by the European Union and mandatory at the reporting date of these financial statements.

This framework, available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias_en.htm), consists of the international financial reporting standards (IAS and IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC).

In preparing the consolidated financial statements for the year ended 31 December 2022, the Group applied the same accounting principles and methods as in its consolidated financial statements for the year ended 31 December 2021, with the exception of the change in method relating to the revaluation of operated properties in accordance with IAS 16, as described in Note 4.3.

The following amendments to existing standards are mandatory for periods beginning on or after 1 January 2022:

- Annual Improvements to IFRS Standards 2018-2020 – various provisions;
- Amendments to IFRS 3 – *Business Combinations – Reference to the Conceptual Framework*;
- Amendments to IAS 16 – *Property, Plant and Equipment – Proceeds Before Intended Use*;
- Amendments to IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

These amendments had no material impact on the Group's consolidated financial statements.

The Group did not apply any of the new standards or interpretations that were not mandatory at 1 January 2022. These are primarily the following (not yet adopted by the European Union [application date subject to EU adoption]):

- Amendments to IAS 1 – *Presentation of Financial Statements – Classification of Liabilities as Current and Non-Current* (1 January 2023);
- Amendments to IAS 8 – *Definition of Accounting Estimates* (1 January 2023);
- Amendments to IAS 12 – *Income Taxes* (1 January 2023);
- IFRS 17 – *Insurance Contracts* (1 January 2023).

The detailed analysis of these standards and amendments is currently under way, but no material impact is expected on the consolidated financial statements.

1.3 CHANGE IN ACCOUNTING METHOD APPLIED TO PROPERTIES ACCOUNTED FOR IN ACCORDANCE WITH IAS 16

At 31 December 2022, the Group changed the measurement method applied for properties used for its operations and accounted for in accordance with IAS 16.31 to 42. This decision corresponds to a change in accounting method with retroactive effect within the meaning of IAS 8.

ORPEA was the only Paris-based group in its sector to use the optional revaluation method available under IAS 16, which resulted in the annual revaluation of the carrying amounts of real estate assets, with the change in value recognised in equity.

The Group now applies the cost model, which means its accounting method is comparable with other players in the sector.

This change in accounting method resulted in the retrospective cancellation of the revaluation amounts recognised in the balance sheet since the Group began using the optional revaluation model, i.e., an impact of €1.1 billion net of deferred taxes at 1 January 2021.

The change in method also means that the carrying amount of each of the Group's real estate assets is now included in its IAS 36 impairment tests.

The Group still asks external valuers to produce valuations of its real estate assets based on market values. The valuers' reports will be posted on our website and key figures will be included in our financial communications.

1.4 SIGNIFICANT ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that have an impact on the amounts presented in these financial statements. These estimates are based on the assumptions and conditions described in Note 1.1 relating to the safeguard plan and going concern, and are established on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based change or in the event new information comes to light. Actual results may differ from these estimates.

The consolidated financial statements have been prepared by reference to the current environment, particularly with respect to the estimates presented below:

- the assumptions related to future cash flows assumptions, real estate valuers' valuations and the discount rates used for the impairment testing of goodwill, intangible assets and property, plant and equipment (IAS 36) on the basis of a business plan (derived from ORPEA's Refoundation Plan) approved by the Group's Board of Directors in the last quarter of 2022 and presented on 15 November 2022;
- measurement of financial assets (development-related receivables and partners' current accounts) in light of the discussions entered into with the Group's long-standing partners to unwind partnerships and settle those advances in exchange for the underlying real estate assets in the various countries concerned;
- measurement of share-based payments (IFRS 2);
- measurement of provisions (IAS 37);
- measurement of post-employment benefits (IAS 19);
- estimates of lease terms and discount rates for future lease payments (IFRS 16);
- measurement of certain financial instruments at fair value (IFRS 9);
- determining the corporate income tax expense and assumptions about the recoverability of deferred taxes (IAS 12).

1.5 BASIS OF CONSOLIDATION

Entities indirectly or directly controlled by the Group are fully consolidated. Control is assessed for each company in light of the following criteria provided for in IFRS 10 – *Consolidated Financial Statements*:

- power over the investee, which is based primarily on the ability to direct the relevant activities of that company;
- exposure, or rights, to variable returns from involvement with the investee;
- the ability to use power over the investee to affect the amount of those returns.

Joint arrangements classified as joint operations are consolidated line by line in relation to the Group's actual interest. Joint arrangements classified as joint ventures are accounted for using the equity method.

Entities over which the Group directly or indirectly exercises significant influence over financial and operating decisions but does not exercise control are accounted for using the equity method.

They are recognised at cost including any goodwill at the date of acquisition.

Their carrying amount reflects the Group's share in the entity's profits subsequent to the acquisition. If losses exceed the Group's net investment in the entity concerned, these are not recognised by the Group unless it has an obligation to recapitalise the entity or make payments on its behalf.

Acquisitions and disposals made during the year are included in the consolidated financial statements from the date on which control or significant influence is acquired to the date on which it ceases.

The consolidated financial statements have been drawn up on the basis of the financial statements of all consolidated entities at 31 December.

1.6 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 — *Business Combinations*, published in January 2008 by the International Accounting Standards Board (IASB).

Acquisitions of businesses are generally contingent upon the award by the supervisory authorities of a licence to the Group as the new operator. Other conditions precedent may be provided for on a case-by-case basis.

In such cases, the acquisition goes ahead and the newly acquired entity is consolidated once the conditions precedent have been satisfied.

A business combination is accounted for using the acquisition method only as of the date on which control is acquired.

If a non-controlling interest in the entity was held prior to the acquisition of an additional interest giving rise to a change of control, it is remeasured at fair value and any difference is recognised in non-recurring operating profit.

Transaction costs, such as intermediaries' fees, legal, advisory, accounting, appraisal and other fees, and associated taxes and duties, are recognised in non-recurring operating expenses for the period.

Identifiable assets, liabilities and contingent liabilities of the acquired entity which meet the conditions for recognition set out in IFRS 3 are measured at fair value except for assets (or disposal groups) that qualify as non-current assets held for sale under IFRS 5, which are recognised and measured at fair value less costs to sell.

On first-time consolidation of an acquired entity, the Group has 12 months in which to determine the fair value of identifiable assets, liabilities and contingent liabilities acquired.

In the light of current regulations, licences to operate hospitals and nursing homes are recognised and measured as identifiable intangible assets at the date of acquisition.

Operating licences for certain non-French facilities do not meet the recognition requirements for identifiable intangible assets and are accordingly included in goodwill.

The Group also analyses any risks and obligations (employee-related, tax-related, property-related and other) that arise during the due diligence process for acquisitions.

The difference between the cost of an acquisition and the Group's interest in the fair value of identifiable assets and liabilities acquired on the acquisition date is recognised as goodwill. Goodwill, measured in the functional currency of the acquired entity, is recognised as an asset on the balance sheet. It is not amortised but is tested for impairment whenever there is an indication of a loss in value and at least annually at the end of the financial year. Any impairment losses are recognised in "Other non-recurring operating expense". Goodwill impairment losses cannot subsequently be reversed under any circumstances.

If the fair value of assets, liabilities and contingent liabilities acquired exceeds the cost of the acquisition, the negative goodwill is recognised immediately in profit or loss under "Other non-recurring operating income" (see Note 4.24).

Since the revised IFRS 3 was adopted, non-controlling interests in consolidated subsidiaries can be measured at fair value or based on the share of the non-controlling interest in the identifiable net assets of the acquired company.

This option is available on a transaction-by-transaction basis.

Goodwill arising on entities accounted for by the equity method is included in "Investments in associates and joint ventures" (see Note 4.5).

Upon disposal of a subsidiary, jointly-controlled entity or facility, the corresponding goodwill is included when determining the gain or loss on disposal recorded under non-recurring operating profit.

1.7 FUNCTIONAL CURRENCY

The consolidated financial statements are prepared in euros.

Financial statements of subsidiaries with a different functional currency are translated into euros as follows:

- at the official rate at the reporting date for assets and liabilities;
- at the average rate for the period for income statement and cash flow statement items.

Any exchange differences resulting from the application of these exchange rates are recognised under "Foreign currency translation reserves", a component of "Consolidated reserves" in consolidated equity.

The functional currency of the Swiss, Polish, Czech, Chinese, British, Croatian, Mexican, Brazilian, Uruguayan and Chilean subsidiaries is not the euro.

2. Significant events of 2022

The publication on 26 January 2022 of the book *Les fossoyeurs*, describing acts of wrongdoing within the ORPEA Group, received immediate and widespread media coverage, both in the general public and in the financial community. This publication triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout the year, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

2.1 LAUNCH OF ADMINISTRATIVE AND INDEPENDENT INVESTIGATIONS

Following the publication of *Les fossoyeurs* on 26 January 2022, ORPEA's Board of Directors commissioned Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. At the same time, the French Ministry of Solidarity and Health ordered each of the General Inspectorate of Finance (IGF) and the General Inspectorate of Social Affairs (IGAS) to investigate the claims.

FINDINGS OF THE ADMINISTRATIVE INVESTIGATIONS

On 26 March 2022, ORPEA issued a press release disclosing the findings of the final reports of the IGAS-IGF joint investigation and took note of the announcement by the Minister Delegate to the Minister of Solidarity and Health in charge of Autonomy of her decision to transmit to the public prosecutor the report of the investigation carried out by the IGAS and IGF.

On 29 July 2022, following the above-mentioned joint investigation report, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return unduly received funding in an amount of €55.8 million.

On 22 November 2022, ORPEA decided to reimburse the full amount owed to the CNSA and confirmed its intention to provide a lasting solution to the problem of care assistants "filling in" as nursing assistants. The decision to settle with the past in this way, and the commitments and proposals made by ORPEA, are consistent with the approach set out by the Group in its Refoundation Plan (see Note 2.4) to conduct its mission in a calm, amicable climate and in a spirit of constructive dialogue with all stakeholders.

FINDINGS OF THE INDEPENDENT INVESTIGATIONS

Grant Thornton and Alvarez & Marsal submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and employment law. The findings of these independent investigations rule out allegations of widespread systemic abuse. In particular, they refute the claim that incontinence products were rationed as well as several allegations concerning meals and food. On the other hand, they report shortcomings and deficiencies, particularly in the handling of adverse events, management incentives and human resources management.

2.2 CRISIS RECOVERY PLAN IMPLEMENTED IN THE FIRST HALF OF 2022

CHANGES IN GOVERNANCE

On 30 January 2022, the Board of Directors decided to terminate Yves Le Masne's duties as Chief Executive Officer, and to appoint Philippe Charrier as Chairman and Chief Executive Officer. Philippe Charrier's mission was to ensure, under the Board's supervision, that best practices are applied throughout the Group and to shed full light on the acts described in the book *Les fossoyeurs*, based in particular on the aforementioned independent investigations.

On 2 May 2022, the Board of Directors appointed Laurent Guillot as ORPEA's Chief Executive Officer, with effect from 1 July 2022, in order to enable the Group to enter into a new phase and launch the in-depth transformation process designed to create the new ORPEA. It was also decided at that time that the Board of Directors would be completely overhauled and that a new corporate governance structure would soon be put in place, notably by strengthening the roles of the Board's specialised committees.

On the same day, ORPEA also announced that it had filed a complaint against unnamed persons with the public prosecutor for past transactions and events – wholly unrelated to the accommodation and care conditions for residents – that could raise questions with regard to ORPEA's best interests and which were discovered following internal investigations that revealed a number of fraudulent activities of which the Company or its subsidiaries may have been victims. In addition, the investigations carried out in 2022 led the Company to file a complaint against its former Chief Executive Officer, Yves Le Masne, on 20 December 2022, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering, as well as filing additional complaints against named persons.

The known effects of these acts are already reflected in the financial statements.

ACCELERATED INTERNAL CONTROL MEASURES

As soon as the Company was aware of the facts, internal measures were taken to remove the persons likely to be involved in the frauds concerned.

In addition, before the findings of the above-mentioned reports were published, the Group undertook a series of remedial measures, aimed at strengthening its internal processes to eliminate any practices identified as inappropriate and ensuring that the necessary human and financial resources are provided to achieve that objective.

NEGOTIATION OF A NEW FINANCING PLAN AS PART OF A FIRST CONCILIATION PROCEDURE

In the first quarter of 2022, with access to the financial markets closed off, the Group considered that it could soon find itself facing a liquidity crisis, given both (i) the repayment schedule for its existing debt (€1.56 billion repayable in 2022 alone) and (ii) the investment programme launched to develop its real estate portfolio (€1.63 billion, of which more than half incurred in 2022).

In addition to the protective measures taken to meet its liquidity needs (including a reduction its investment budget and numerous discussions concerning plans to dispose of property assets), the Company contacted its main banking partners (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale, together the "**Banks**") to discuss putting in place new financing arrangements in the very short term.

These discussions took place as part of an amicable conciliation procedure, opened by order of the President of the Nanterre Specialised Commercial Court on 20 April 2022. They led to a term sheet signed on 12 May 2022 providing for the Banks to grant new financing, namely:

- a €1.727 billion secured syndicated loan (Tranches "A and B"), including €900 million (Tranches "A1/A4") with a short maturity (2023) and designed to act as a bridging loan until the proceeds from disposals of real estate assets are received (expected before the end of 2023);
- a refinancing facility (Tranche "C") of up to €1.5 billion to extend the maturity of certain existing debt until December 2026.

After consulting with the appropriate employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"). The main terms and conditions of the Existing Loan Agreement are set out in Note 4.14 "Debt".

2.3 A NEW BOARD OF DIRECTORS, A NEW MANAGEMENT TEAM AND A NEW STRATEGIC PLAN

AN OVERHAULED GOVERNANCE STRUCTURE

At the Annual General Meeting on 28 July 2022, the shareholders approved major changes in ORPEA's Board of Directors, notably by appointing Isabelle Calvez, Guillaume Pepy, John Glen and David Hale as independent directors, as well as Laurent Guillot, Chief Executive Officer, as a non-independent director. In addition, at its meeting immediately following said Annual General Meeting, the new Board of Directors appointed Guillaume Pepy as Chairman of the Board of Directors.

The new Board of Directors decided to change (i) the membership of the Board Committees in order for the new directors to become members, and (ii) the duties assigned to the Committees in order to reaffirm the Board's commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges.

Under the leadership of Laurent Guillot, ORPEA's Chief Executive Officer since 1 July 2022, the Group's Executive Committee has also undergone a major overhaul, with the arrival of a Human Resources Director, a Group Medical Director, a Sustainable Development and Quality Director, a Real Estate Director and an Executive Vice-President of Communications.

A SHORT-TERM ACTION PLAN WITH THREE OBJECTIVES

- Remedial actions to ensure a complete and rapid overhaul of internal practices: zero tolerance of unethical practices; transparency at the level of each facility during the root cause analysis; immediate reporting of serious adverse events.
- Putting in place a more efficient organisational structure: bringing the Group up to the best standards in the sector; implementing the right human resources and salary policies; reviewing the role of support functions, etc.
- Remobilisation measures to get back to being a major player in the future of "ageing well", in particular by broadening dialogue with all stakeholders in care for the elderly.

LAUNCH OF A STRATEGIC AND FINANCIAL REVIEW IN AN INCREASINGLY UNFAVOURABLE MARKET ENVIRONMENT

In the summer of 2022, the new Executive Management team initiated a comprehensive strategic and financial review of the Group's activities, based, for the first time in its history, on information produced by the various operating entities.

This review, which was carried out in a highly inflationary economic environment with rising interest rates and an increase in the workforce, led to a major review of the Group's operating performance and the fair values of many assets, which resulted in significant impairment losses being recognised in the 2022 financial statements.

OPENING OF A SECOND CONCILIATION PROCEDURE

As the discussions with real estate investors that began in the first half of 2022 progressed, it gradually became clear that the undertakings made in the agreement with the Banks regarding real estate asset disposals to be completed by the end of 2023 would be impossible to meet due to:

- the slowdown in the real estate market in an environment shaped by rising interest rates, with a significant impact from the beginning of the summer; and
- the negative perception of the Group's financial strength, particularly after the release of its first-half results in September 2022, increasingly making ORPEA a non-credible counterparty for sale and leaseback transactions.

Therefore, without waiting for the final outcome of the strategic and financial review under way, as a result of these factors and the fact that it felt it may not be able to comply with the covenants contained in many of its financing facilities as they stood at 31 December 2022, the Company applied to the President of the Nanterre Specialised Commercial Court for a second conciliation procedure, which was opened on 25 October 2022. The aim was to provide for a stable and legally secure framework to enter into discussions with the Company's financial creditors in relation to restructuring its debt, obtaining new financial resources and adjusting its covenants.

2.4 REFOUNDATION PLAN AND FINANCIAL RESTRUCTURING PLAN

On 15 November 2022, the new management team presented the Group's new strategic priorities with its *With you and for you, changing ORPEA* Refoundation Plan and a Group-level transformation based on the following four priority areas for change:

- operational change, with zero tolerance for unethical practices, a collaborative approach with all stakeholders, a balanced focus on priorities, and a transparent and efficient operating model;
- organisational change, with facilities given autonomy, a new role for support functions, a Medical Director on the Group Executive Committee, and the real estate business serving as a support for operations;
- a change in the approach to care, support and human resources, with "Care by ORPEA" based on personalised support, a human approach to care and the management of caregivers, a focus on catering, and excellence in medical and care practices;
- a change in financial balance, with a recovery in operating profitability, a new property ownership policy and the restoration of a sustainable financial structure.

2.5 FINDINGS OF THE ASSET REVIEW

As part of the strategic and financial review of its activities, the Group carried out an in-depth review of the assets on its balance sheet.

At the reporting date of these consolidated financial statements, the amount of impairment losses recognised at 31 December 2022 (through the income statement) was €3.9 billion (see Note 4.24).

In addition, a €1.1 billion impact was recognised as a deduction from equity following the change in accounting method applied to properties in accordance with IAS 16.

INTANGIBLE ASSETS

As part of the impairment tests carried out in accordance with IAS 36, the Group recognised €1.8 billion of impairment losses against goodwill and licences.

REAL ESTATE ASSETS

Impairment losses were recognised following the annual review carried out by independent valuers of a portion of the Group's real estate assets (representing nearly 86% of the value of the entire real estate portfolio at 31 December 2022).

Before the impact of reclassifying assets held for sale and before deferred tax effects, the carrying amount of property, plant and equipment fell from €8.4 billion in 2021 to €5.1 billion in 2022. This year-on-year change mainly reflects:

- the change in accounting method applied to properties accounted for in accordance with IAS 16, which resulted in the retrospective cancellation of the revaluation amounts recognised in the balance sheet since the Group began using the optional revaluation model, i.e., an impact of €1.6 billion at 1 January 2021 (€1.1 billion net of deferred taxes recognised as a reduction in equity);
- the €1.6 billion impact of asset impairment tests on real estate assets, breaking down as follows:
  - €1.3 billion for real estate assets used in operations and other property, plant and equipment,
  - €0.3 billion for real estate assets under construction.

FINANCIAL RECEIVABLES RELATED TO PARTNERSHIPS

As a result of the analysis of the risk of non-recovery of financial receivables relating to partnerships, the Group recorded a provision of €0.5 billion (see Notes 4.5 and 4.9).

2.6 SCOPE OF CONSOLIDATION

The Group purchased, directly or via companies, specific assets necessary for its expansion, such as intangible and real estate operating rights, and sold certain facilities and properties.

During the year, the Group acquired a 100% stake in the Brazilian sub-group BSL, Logroño and Lescer in Spain as well as in nursing homes and/or hospitals in England, the Czech Republic and the Netherlands.

Based on provisional estimates of the fair value of assets acquired, the total investment at their acquisition date breaks down as follows:

	2022					
(in millions of euros)	**Goodwill**	**Operating intangible assets**	**Properties**	**Purchase price**	**Revenue**	**Profit/(loss) for the period**
France-Benelux-UK-Ireland	10	3	8	2	5	-
Central Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
Iberian Peninsula and Latin America	21	-	28	48	39	(19)
TOTAL	**31**	**4**	**36**	**50**	**44**	**(18)**

In 2021, total investments at the date of consolidation were:

	2021					
(in millions of euros)	**Goodwill**	**Operating intangible assets**	**Properties**	**Purchase price**	**Revenue**	**Profit/(loss) for the period**
France-Benelux-UK-Ireland	88	108	120	277	79	(16)
Central Europe	35	62	48	102	47	(2)
Eastern Europe	11	16	54	57	27	-
Iberian Peninsula and Latin America	2	2	-	5	-	-
TOTAL	**137**	**187**	**221**	**441**	**154**	**(17)**

3. Subsequent events

The negotiations carried out as part of the conciliation procedure opened on 25 October 2022 enabled ORPEA SA to sign, on 1 February 2023, a term sheet on a financial restructuring plan (the "**Term Sheet**") with, (i) a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**"), and (ii) five institutions (the "**SteerCo**") holding approximately 50% of the Company's unsecured debt, which totals nearly €3.8 billion. The aim of the Term Sheet was for the parties to agree on the principles of the financial restructuring plan, which provides in particular for:

- the conversion into capital of all of ORPEA's unsecured debt, amounting to €3.8 billion (if shareholders do not exercise their pre-emption rights for the related capital increase); and
- an equity injection in cash ("new money equity") for a total amount of €1.55 billion, including €1,355 million contributed by the Groupement, and the remaining €195 million open to all shareholders (including creditors who have become shareholders), with a backstop provided by the SteerCo.

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring.

On 20 March 2023, the Company announced that it had finalised and signed an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Lenders**") in view of opening an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for additional financing and provides for amendments to the Existing Loan Agreement which will come into effect on completion of the financial restructuring.

The additional financing will be granted to two Group real estate subsidiaries (Niort 94 and Niort 95) and secured by shares in the holding company ORESC 26, which will own Niort 94 and Niort 95.

The main financing terms of the initial syndicated loan agreement are presented in Note 4.14.

The main terms of the additional "new money debt" financing are summarised below:

	D1 Facility	D2 Facility	D3 Facility
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of Niort 94/Niort 95 (including debt servicing and capital expenditure), (y) the general corporate purposes of ORPEA SA (via repayment of existing intra-group debt) and (z) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount *(in euros)*	€400 million, broken down as follows: ▪ **D1A Tranche:** €200 million ▪ **D1B Tranche:** €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure, for the portion of these net proceeds not already used to reduce the D3 Facility.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure.
Annual margin	2.00% per annum (in addition to the Euribor rate applicable over the drawdown period (one month, three months or six months))		
Final maturity	**D1A/D1B Facility:** 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of all of the capital increases provided for in the judgement of the Nanterre Specialised Commercial Court approving ORPEA's accelerated safeguard plan (the "**Plan Approval**") and ORPEA's receipt of the related amounts.	Same as for the D2 Facility.
Availability period	From the date of signature until one month prior to the maturity date of the D1 Facility.	(x) From the earlier of: (i) the date of signature and (ii) the date on which the D1 Facility is fully drawn down and (y) until one month prior to the maturity date of the D2 Facility.	(x) From the earlier of: (i) the date on which the D2 Facility is fully drawn down and (ii) 31 August 2023 and until (y) one month prior to the maturity date of the D3 Facility.
Collateral, guarantee and equity injection undertaking	▪ A first-ranking pledge (*nantissement de premier rang*) to be granted by ORESC 27, a newly-created company ("**Topco**"), wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26 ("**Newco**"), which is wholly owned by Topco and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95 ▪ A pledge of receivables (*nantissement de créances*) to be granted by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities ▪ An autonomous guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the D1, D2 and D3 Facilities ▪ An equity injection undertaking (*engagement d'apport de fonds propres*) pursuant to Article 2322 of the French Civil Code given by ORPEA to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities ▪ A *Dailly* assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities		

The main terms of the addendum to the Existing Loan Agreement can be summarised as follows:

	A Loans				
	A1 Loan	**A2/A3 Loans**	**A4 Loan**	**B Loan**	**C1/C2 Loans**
Margin	2.00% per annum (in addition to the three-month Euribor)				
Maturity date	31 December 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 December 2027	31 December 2027
	31 December 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 October 2026)	31 December 2027	31 December 2023		
Repayments	▪ 31 October 2024: €200 million ▪ 31 October 2025: €200 million This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the date on which the Addendum comes into force (the "**Effective Date**"), up to €100 million (the "**First Net Disposal Proceeds**"). ▪ 31 October 2026: €200 million	At maturity	31 December 2023: €200 million	At maturity	At maturity

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which may be renewed for a further two months without exceeding a total duration of four months.

The main purpose of this procedure is to enable the Company to implement its restructuring plan in accordance with the provisions of the Lock-Up Agreement and the Agreement Protocol.

The key points of ORPEA SA's financial restructuring are as follows:

- the conversion into capital of all of ORPEA SA's unsecured debt, amounting to €3.8 billion (if shareholders do not exercise their pre-emption rights for the related capital increase);
- an equity injection in cash ("new money equity") for a total amount of €1.55 billion, including €1,355 million contributed by the Groupement, and the remaining €195 million open to all shareholders (including creditors who have become shareholders), with a backstop provided by the SteerCo. This contribution will be supplemented by the issue of stock warrants (BSA) to the Groupement and to the SteerCo as consideration for the backstop guarantee provided for the placement of the third capital increase;
- an option offered, where applicable, to ORPEA SA's unsecured creditors that do not wish, for their own legal reasons, to hold shares directly, to become creditors of an SPV which would itself hold the shares resulting from the conversion of their unsecured debt;
- the provision of "new money debt" financing in tranches of up to €600 million by ORPEA SA's main banking partners and amendments to the Existing Loan Agreement, including the extension of the final maturity to December 2027 and the reduction of the margin to 2.00% per annum in accordance with the above-mentioned agreement and after implementation of the entire restructuring plan;
- obtaining agreements from virtually all of the Group's subsidiaries' lenders in respect of waivers relating to change of control clauses and the "R1" and "R2" financial covenants to enable the completion of the financial restructuring.

These above-mentioned financial liabilities will be recognised at fair value (excluding transaction costs) and subsequently measured at amortised cost.

On 29 March 2023, the ORPEA Group acquired:

- all of the capital and voting rights of the French company SENIOR+. As a result of this acquisition, the ORPEA Group wholly owns 13 companies with real estate or real estate projects for senior assisted-living facilities;
- 60% of the capital and voting rights of the Belgian company Holding Senior Invest. Following this acquisition, the ORPEA Group wholly owns this company and its subsidiaries;
- 19.26% of the capital and voting rights of the French companies AP1, AP2, AP3 and AP4, which operate residential facilities for dependent elderly people. Following this acquisition, the ORPEA Group owns 79.26% of these companies.

4. Notes to the consolidated financial statements

4.1 GOODWILL AND INTANGIBLE ASSETS

4.1.1 KEY ACCOUNTING POLICIES

Recognition of operating licences

The intangible assets recognised in the balance sheet mainly comprise operating licences, which may be recognised either as part of an acquisition (a business combination within the meaning of IFRS 3) or at cost if acquired directly.

In the case of business combinations (within the meaning of IFRS 3), recognition in the balance sheet depends in particular on applicable local regulations and whether or not there are any restrictions on the granting of new licences in the geographical area concerned. Where an operating licence is required to be recognised in the balance sheet, its fair value at the acquisition date is determined based on the type of operation and its location.

Operating licences recognised in the balance sheet mainly concern beds in nursing homes, post-acute hospitals and psychiatric hospitals in France, Belgium, Switzerland, Spain, Italy, Austria, Poland, the Czech Republic, Portugal, the Netherlands, Germany (hospitals only), Slovenia, Ireland and the United Kingdom.

These licences are considered to have an indefinite life, in line with the market position adopted by the sector. This position is based on the following observations and is reinforced by the Group's past experience:

- the probability of the licences being withdrawn or not renewed is low, given that the Group adheres strictly in the management of its facilities to the guidelines and standards set by the various supervisory authorities;
- the costs incurred in maintaining licences are not material.

Operating licenses with an indefinite useful life are not amortised but tested for impairment at each reporting date or whenever there is an indication that they might be impaired. The test consists of determining the recoverable amount of each licence at the end of the reporting period and recognising an impairment loss under "Other non-recurring operating expense" if this amount is less than the net carrying amount.

In the absence of any observable transaction relating to operating licences since the beginning of the 2022 financial year, the Group has exclusively used value in use to test these licences for impairment (IAS 36).

Other intangible assets

The amortisation period applied to other intangible assets ranges between one and ten years.

Amortisation of other intangible assets is recognised in profit or loss under "Depreciation, amortisation and charges to provisions". Impairment losses are recognised in "Other non-recurring operating expense" (see Note 4.24).

Impairment of goodwill, intangible assets and property, plant and equipment

In accordance with IAS 36, the net carrying amount of intangible assets with an indefinite useful life (corresponding mainly to operating licences) and goodwill is tested at the end of each reporting period or more frequently if there is any indication of impairment. The net carrying amount of other assets is tested whenever there is an indication of impairment.

Indications of impairment that may trigger an impairment test comprise:

- external indicators: market value of the asset, major changes in the company's environment, market capitalisation below the net carrying amount of equity, etc.; and
- internal indicators: fall in occupancy rate, change in regulations, obsolescence of the asset, financial performance below forecasts, etc.

Intangible assets and property, plant and equipment are tested for impairment at the level of the cash-generating unit (CGU), which corresponds to a homogeneous group of assets whose ongoing use generates cash inflows independently of the cash inflows from other CGUs. Each CGU corresponds to a facility (i.e., a nursing home or hospital).

Goodwill is tested for impairment by country (corresponding to a group of CGUs), i.e., the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the recoverable amount of the CGU or group of CGUs, and of the various assets comprising it, with its net carrying amount. The recoverable amount is defined by IAS 36 as the higher of an asset's fair value less costs of disposal and its value in use (corresponding to the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

The following method is used to carry out impairment tests:

- The value in use of each CGU or group of CGUs is determined by discounting expected future cash flows.
- For tests performed at the CGU level (in the case of unamortised intangible assets allocated to the CGU), where the value in use is less than the net carrying amount, an impairment loss is recognised using the following method:
  - If an additional impairment loss has to be recognised on the CGU or group of CGUs, the impairment loss is charged to all the intangible assets and property, plant and equipment making up the CGU (excluding working capital and financial assets) in proportion to their net carrying amount, within the limit of the individual asset's fair value less costs of disposal. In particular, the amount of impairment allocated to real estate assets that were appraised at the end of 2022 is such that its carrying amount after impairment is at least equal to its fair value less costs of disposal.
- For tests performed at the country level (group of CGUs), when the value in use is less than the net carrying amount, an impairment loss is recognised firstly on goodwill (this impairment being irreversible) and then, if required, on the value of the intangible assets and property, plant and equipment making up the group of CGUs (excluding working capital and financial assets) in proportion to the net carrying amount.

4.1.2 GOODWILL

The main movements during the period were as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Net goodwill at beginning of period	**1,668,553**	**1,494,270**
Reclassification of goodwill held for sale	-	56,079
Business combinations	30,969	136,775
Adjustments to previous goodwill, deconsolidations and other	3,981	(12,931)
Impairment	(365,909)	(15,902)
Currency translation adjustments	24,896	10,264
NET GOODWILL AT END OF PERIOD	**1,362,491**	**1,668,553**

Business combinations recognised in 2022 mainly include the allocation of goodwill arising on the acquisition of all outstanding shares in the Brazilian sub-group BSL (a group in which the Group previously held a 50% stake and which was previously accounted for using the equity method in the Group's financial statements), Acacias Logroño and Lescer in Spain, Start2Stop in the United Kingdom and Compleet Menserweck in the Netherlands.

At 31 December 2022, goodwill by operating segment breaks down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
France-Benelux-UK-Ireland	627,016	683,393
Central Europe	608,460	691,514
Eastern Europe	32,073	61,629
Iberian Peninsula and Latin America	94,942	232,018
NET GOODWILL AT END OF PERIOD	**1,362,491**	**1,668,553**

The impairment tests carried out at 31 December 2022 led to the recognition of a total impairment loss on goodwill of €366 million, mainly in Brazil, Switzerland, Belgium, Portugal, the Czech Republic, Italy and Ireland.

At 31 December 2022, goodwill impairment by operating segment breaks down as follows:

(in thousands of euros)	31 Dec. 2022
France-Benelux-UK-Ireland	(68,466)
Central Europe	(91,550)
Eastern Europe	(30,615)
Iberian Peninsula and Latin America	(175,277)
TOTAL	**(365,909)**

4.1.3 INTANGIBLE ASSETS

Gross intangible assets and accumulated amortisation break down as follows:

	31 Dec. 2022			31 Dec. 2021		
(in thousands of euros)	**Gross**	**Amortisation and charges to provisions**	**Net**	**Gross**	**Amortisation and charges to provisions**	**Net**
Operating intangible assets	2,985,514	(1,457,954)	1,527,560	2,993,288	(28,802)	2,964,486
Advances and downpayments	5,203	(2,343)	2,859	5,708	(17)	5,691
Other intangible assets	282,327	(218,323)	64,004	256,314	(150,085)	106,229
Intangible assets held for sale	(2,192)	-	(2,192)	-	-	-
TOTAL	**3,273,044**	**(1,678,620)**	**1,592,231**	**3,255,310**	**(178,904)**	**3,076,406**

At 31 December 2022, “Operating intangible assets” mainly included operating licences considered to have an indefinite useful life. The allocation of these intangible assets by operating segment is shown in the table below:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
France-Benelux-UK-Ireland	1,263,534	2,117,462
Central Europe	112,807	384,992
Eastern Europe	94,228	283,023
Iberian Peninsula and Latin America	56,990	179,009
NET OPERATING LICENCES AT END OF PERIOD	**1,527,560**	**2,964,486**

The following table shows movements in intangible assets (net) by category:

(in thousands of euros)	Operating licences	Advances and downpayments	Other	Intangible assets held for sale	Total
At 31 December 2020	**2,791,316**	**3,191**	**90,759**	**(3,835)**	**2,881,430**
Increase	14,979	3,337	12,771	-	22,977
Decrease	(4,000)	-	(688)	-	(4,688)
Amortisation and charges to provisions	(13,476)	(1)	(9,108)	-	(22,585)
Reclassifications and other	(11,258)	(840)	8,987	3,835	14,846
Changes in scope	186,931	5	3,502	-	184,426
At 31 December 2021	**2,964,486**	**5,691**	**106,229**	**-**	**3,076,406**
Increase	2,400	351	7,286	-	10,037
Decrease	(4,197)	(356)	(2,491)	-	(7,044)
Amortisation and charges to provisions	(1,435,557)	(2,834)	(48,660)	-	(1,487,051)
Reclassifications and other	(8,018)	7	1,865	(2,192)	(8,339)
Changes in scope	8,445	-	(224)	-	8,222
AT 31 DECEMBER 2022	**1,527,560**	**2,859**	**64,004**	**(2,192)**	**1,592,231**

Changes in the scope of consolidation during the year derived chiefly from business combinations recognised in 2022, and include intangible assets recognised following the acquisition of Acacias Logroño and Lescer in Spain, Start2Stop in the United Kingdom, Compleet Menserweck in the Netherlands and Brindley and Firstcare in Ireland (following the final purchase price allocation).

“Other intangible assets” include €47 million of intangible concession assets located in Spain.

The impairment tests carried out at 31 December 2022 led to the recognition of a total impairment loss on intangible assets of €1,436 million, relating to operating licences. The countries most affected by the impairment of intangible assets are France, Belgium, Austria, Switzerland, Italy, Ireland, Spain, Portugal, Germany, the United Kingdom and Slovenia.

The table below shows the allocation of impairment losses on operating licences by country:

(in thousands of euros)	31 Dec. 2022
France	(556,326)
Belgium	(195,978)
Austria	(169,558)
Switzerland	(133,434)
Italy	(99,847)
Ireland	(96,720)
Spain	(63,649)
Portugal	(47,615)
Slovenia	(10,953)
United Kingdom	(7,898)
Germany	(37,974)
Other	(15,605)
TOTAL	**(1,435,557)**

4.2 REGULAR IMPAIRMENT TESTING

In accordance with IAS 36, the cash-generating units were tested for impairment at the end of the 2022 financial year, including goodwill, intangible assets with an indefinite useful life and property, plant and equipment.

At 31 December 2022, the value in use of each CGU or group of CGUs was estimated using a discounted cash flow model based in particular on:

- pre-tax cash flows derived from the business plan, using the flows for 2023 to 2025 from the four-year plan drawn up for the period 2022 to 2025, as approved by the Group's Board of Directors;
- discount rates determined using the Group's weighted average cost of capital and a country-by-country approach (see table below);
- the long-term growth rate, which corresponds to the forecast inflation rate for 2027 published by the International Monetary Fund (IMF) in October 2022 (see table below).

	Discount rate		Long-term growth rate	
Country	**2022**	**2021**	**2022**	**2021**
France	6.7%	5.5%	1.6%	1.5%
Belgium	6.8%	5.9%	1.7%	1.5%
Luxembourg	6.0%	5.5%	2.0%	1.5%
Ireland	7.3%	6.8%	2.0%	1.5%
Netherlands	6.4%	5.9%	2.0%	1.5%
Austria	6.7%	5.5%	2.0%	1.5%
Croatia	8.9%	7.2%	1.9%	1.5%
Latvia	7.8%	7.2%	2.5%	1.5%
Poland	8.8%	6.8%	2.5%	1.5%
Czech Republic	7.6%	6.8%	2.0%	1.5%
Slovenia	7.8%	7.2%	2.4%	1.5%
Germany	6.1%	5.5%	2.0%	1.5%
Italy	8.6%	6.1%	2.0%	1.5%
Switzerland	6.1%	5.5%	1.0%	1.5%
Spain	7.6%	5.9%	1.7%	1.5%
Portugal	7.9%	6.8%	2.0%	1.5%
Mexico	10.1%	7.2%	3.0%	1.5%
Brazil	11.5%	7.2%	3.0%	1.5%
Uruguay	11.5%	7.2%	4.5%	1.5%
China	7.8%	7.2%	2.0%	1.5%
United Arab Emirates	7.7%	7.2%	2.0%	1.5%

The impairment tests carried out on CGUs and groups of CGUs at 31 December 2022 led to the recognition of the following impairment losses on the Group's goodwill, intangible assets and property, plant and equipment:

(in millions of euros)	**31 Dec. 2022**
Goodwill	366
Intangible assets	1,436
Real estate assets	1,036
Other property, plant and equipment	248
TOTAL EXCLUDING DEFERRED TAX REVERSALS	**3,085**

Sensitivity:

DISCOUNT RATE

- A 50 basis point increase in the discount rate would result in the recognition of an additional impairment loss of €243 million.
- A 50 basis point decrease in the discount rate would reduce the overall impairment loss by €263 million.

GROWTH RATE

- A 50 basis point increase in long-term growth rates would lead to the reversal of €218 million of the overall impairment loss.
- A 50 basis point decrease in long-term growth rates would lead to the recognition of an additional impairment loss of €195 million.

For tests performed at CGU level, when the CGU's value in use is higher than its net carrying amount, no impairment loss is recognised.

4.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly comprises land, buildings, fixtures and fittings, and equipment.

The Group's operating properties are either acquired, built or redeveloped by the Group.

They are held directly or under finance leases.

As part of its asset management policy, the Group regularly sells operating properties it owns.

These sales are carried out in a block or in lots and are then leased back from the new owner. Disposals may include properties owned and operated by the Group for several years and also properties that have been recently acquired, redeveloped or built, or are under construction or redevelopment.

Properties that the Group intends to sell within 12 months are classified as "Assets held for sale".

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at their cost of acquisition or production less accumulated depreciation and any impairment, in line with the standard treatment under IAS 16 – *Property, Plant and Equipment.*

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset, as required by IAS 23 – *Borrowing Costs.*

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

The Group depreciates property, plant and equipment on a straight-line basis. Depreciation is calculated based on the expected useful life of each asset or each of its components having different useful lives in line with the following criteria:

- Buildings, fixtures and fittings: 12 to 60 years;
- Technical installations, equipment: 3 to 10 years;
- Other: 3 to 10 years.

Property, plant and equipment is tested for impairment whenever there is an indication of impairment. Any impairment losses are recognised in profit or loss under "Other non-recurring operating expense".

PROPRIETARY PROPERTY DEVELOPMENT PROJECTS CARRIED OUT BY THE GROUP

Under its expansion policy and in order to meet its quality standards, the Group manages most of its own operating property development and redevelopment projects.

These properties are either retained by the Group or sold to external investors and leased back to the Group under sale-and-leaseback arrangements.

The cost of new or redeveloped properties includes the cost of purchasing the land, any buildings to be redeveloped and all development and redevelopment costs. These include direct production costs and borrowing costs directly attributable to the production of the asset in accordance with paragraph 11 of IAS 23 – *Borrowing Costs.*

The percentage of completion is determined based on accrued costs after validation by the project manager, and corresponds to the technical advancement in terms of the overall costs of the project.

Marketing expenses directly attributable to assets sold off-plan are recognised as assets under property, plant and equipment in progress and are charged back in proportion to the percentage of completion.

For real estate projects in the process of being sold, the calls for funds amount for off-plan sales is deducted from the assets side of the balance sheet.

CHANGES IN PROPERTY, PLANT AND EQUIPMENT AND PROPERTY UNDER CONSTRUCTION

Gross property, plant and equipment, including property under construction, and accumulated depreciation break down as follows:

	31 Dec. 2022			31 Dec. 2021 restated[1]			31 Dec. 2021 reported		
(in thousands of euros)	**Gross**	**Depreciation and charges to provisions**	**Net**	**Gross**	**Depreciation and charges to provisions**	**Net**	**Gross**	**Depreciation and charges to provisions**	**Net**
Properties	6,781,797	(2,644,773)	4,137,024	6,313,036	(1,376,333)	4,936,703	8,246,060	(1,396,842)	6,849,218
Technical installations	1,045,834	(776,858)	268,976	1,001,363	(545,485)	455,878	1,001,363	(545,485)	455,878
Assets in progress	1,063,857	(304,307)	759,550	982,363	(62)	982,301	982,363	(62)	982,301
Other property, plant and equipment	553,893	(458,104)	95,788	438,315	(309,132)	129,183	438,315	(309,132)	129,183
Property, plant and equipment held for sale	(368,833)	108,820	(260,013)	(347,191)	-	(347,191)	(347,191)	-	(347,191)
TOTAL	**9,076,547**	**(4,075,222)**	**5,001,325**	**8,387,886**	**(2,231,012)**	**6,156,874**	**10,320,910**	**(2,251,521)**	**8,069,390**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

Depreciation is recognised in profit or loss under "Depreciation, amortisation and charges to provisions".

Impairment losses are recognised in the income statement under "Other non-recurring operating expense".

Property, plant and equipment held for sale corresponds to properties earmarked for disposal within 12 months and amounted to €235 million at 31 December 2022.

Movements in the net carrying amounts of non-current assets are as follows:

(in thousands of euros)	**Properties**	**Technical installations**	**Assets in progress**	**Other property, plant and equipment**	**Property, plant and equipment held for sale**	**Total**
At 31 Dec. 2020 reported	**6,116,441**	**360,545**	**814,562**	**165,786**	**(488,032)**	**6,969,303**
Impact of change in method for the revaluation of properties and other assets	(1,645,055)					(1,645,055)
At 31 Dec. 2020 restated[1]	**4,471,386**	**360,545**	**814,562**	**165,786**	**(488,032)**	**5,324,248**
Acquisitions	352,920	133,908	532,084	36,699	-	1,055,611
Change in fair value	-					-
Disposals and retirements	(173,853)	(396)	(65,951)	(773)	-	(240,972)
Depreciation and charges to provisions	(117,848)	(77,113)	-	(32,797)	-	(227,759)
Reclassifications and other	182,666	30,031	(298,413)	(45,159)	140,841	9,966
Changes in scope	221,432	8,903	19	5,428	-	235,781
At 31 Dec. 2021 restated[1]	**4,936,703**	**455,878**	**982,301**	**129,183**	**(347,191)**	**6,156,874**
Acquisitions	179,652	52,097	484,175	54,282	-	770,204
Disposals and retirements	(125,343)	(6,526)	(103,519)	(346)	-	(235,735)
Depreciation and charges to provisions	(1,222,807)	(265,001)	(311,057)	(112,377)	-	(1,911,243)
Reclassifications and other	293,931	30,704	(357,503)	24,853	87,177	79,161
Changes in scope	74,889	1,825	65,154	194	-	142,062
AT 31 DECEMBER 2022	**4,137,024**	**268,976**	**759,550**	**95,788**	**(260,013)**	**5,001,325**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

The main changes during 2022 were:

- impairment losses of €1.6 billion (see Note 2.5);
- depreciation;
- changes in scope;
- investments necessary for the continuing operation of the facilities;
- investments in new buildings or extensions;
- properties under construction, other items of property, plant and equipment acquired during the year through business combinations and those under construction.

TREATMENT OF FINANCE LEASES ACCORDING TO IFRS 16

In the past, the Group has frequently used and continues to use finance leases with its financial partners for the financing of properties acquired, for restructuring or for the construction of new properties.

The amounts at 31 December 2022 relating to these transactions were €1,338 million in property, plant and equipment and €780 million in financial liabilities (see Note 4.14).

Finance leases result in a legal assignment of properties but do not lead to the derecognition of the asset. This is because the Group retains control of the asset, since it is a financing transaction. As these financial arrangements are substantially asset purchases and not leases, real estate assets are considered as property, plant and equipment in accordance with IAS 16 and the corresponding liabilities are considered as financial liabilities within the meaning of IFRS 9.

4.4 LEASES

4.4.1 KEY ACCOUNTING POLICIES

Under IFRS 16 – *Leases*, the Group determines whether a contract is (or contains) a lease, i.e., whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group is a lessee under property leases relating mainly to facilities, vehicles and equipment required for patient care.

Leases must give rise to the recognition in the balance sheet of an asset (representing the right to use the underlying asset for the lease term) and a liability (in respect of the lease payment obligation).

Lease liabilities

At the commencement of the contract, the lease liability corresponds to the present value of future rental payments over the term of the contract. The items taken into account to measure the liability include:

- fixed payments;
- variable lease payments that depend on an index or a rate (using the index or rate at the commencement date);
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- termination or non-renewal penalties, if they are absolutely certain.

The lease liability is increased by the interest expense determined by applying the discount rate and reduced by the amount of payments made.

In addition, the liability may be re-estimated in the event of a review of the lease term or rental amount, the possibility of a purchase option being exercised, or the rates and indices on which rents are based.

Rights of use

At the commencement date, the right-of-use asset is recognised at cost, including the initial amount of the lease liability, any advance payments made to the lessor and the initial direct costs incurred in concluding the contract. This asset also includes, where applicable, an estimate of costs to be incurred by the lessee in restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets relating to leases are depreciated over the period used to calculate the lease liability.

In the income statement, the depreciation charges are recognised in operating profit and interest expenses are included in net financial income/expense.

Lease terms

Lease terms are determined on a contract by contract basis.

The Group estimates the lease term by taking into account the renewal options at the commencement date, and on the basis of the Group's Strategic Plan.

Discount rate

The standard requires the discount rate for each contract to be determined by reference to the incremental borrowing rate of the contracting subsidiary.

In practice, given the Group's financial model, this rate is based on the incremental borrowing rate of the Group as a whole, the remaining lease term and the impact of geographical areas to reflect the risks specific to each country.

Simplification measure

The Group has elected to apply both exemptions provided for by the standard to:

- leases for which the underlying asset is of low value (the replacement value of the underlying asset is less than €5,000);
- short-term leases (less than 12 months from the commencement date of the contract).

Lease payments relating to these contracts are recognised in the income statement as recurring operating expenses.

4.4.2 RIGHT-OF-USE ASSETS

At 31 December 2022, changes in right-of-use assets break down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Beginning of period	**3,072,567**	**2,817,216**
Increase	785,547	208,547
Decrease	(105,161)	(38,693)
Depreciation and charges to provisions	(350,809)	(301,200)
Reclassifications and other	76,367	27,432
Changes in scope	21,477	359,265
END OF PERIOD	**3,499,987**	**3,072,567**

4.4.3 LEASE LIABILITIES

The breakdown of lease liabilities by maturity is as follows:

(in thousands of euros)	31 Dec. 2022	Less than 1 year	1 to 5 years	More than 5 years
IFRS 16 lease liabilities	3,768,470	344,317	1,190,055	2,234,098
TOTAL	**3,768,470**	**344,317**	**1,190,055**	**2,234,098**

Changes in lease liabilities break down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Beginning of period	**3,265,196**	**2,986,531**
Discount	95,705	80,163
New contracts and increases	800,285	210,045
Repayments	(415,491)	(359,309)
Decreases due to amendments	(103,806)	(41,585)
Reclassifications and other	104,977	30,086
Changes in scope	21,604	359,265
END OF PERIOD	**3,768,470**	**3,265,196**

4.5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 31 December 2022, investments in associates and joint ventures break down as follows:

Associates and joint ventures *(in thousands of euros)*	Application of the % holding	Based on 100% interest	HSI and non-consolidated Belgian companies	IDS and real estate companies jointly owned with IDS	Real estate companies retained as a result of sale and leaseback transactions	Brazil Senior Living	Rodevita[1]	Dutch companies	Senior assisted-living facilities	Senior Suites	Âge Partenaires	Other
Non-current assets	254,626	569,784	94,203	192,106	109,073	-	2,799	13,059	126,358	65	19,821	12,299
Current assets	95,168	210,862	65,038	12,144	5,028	-	41,348	64,189	13,538	5	6,686	2,885
TOTAL ASSETS	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Equity	(6,723)	(21,939)	(90,566)	74,159	4,601	-	(220)	9,997	(9,095)	5	(6,598)	(4,223)
Non-current liabilities	93,149	213,157	12,293	123,073	53,086	-	7	1,345	6,309	63	15,376	1,605
Current liabilities	263,367	589,428	237,514	7,018	56,414	-	44,360	65,906	142,682	2	17,730	17,803
TOTAL EQUITY AND LIABILITIES	**349,793**	**780,646**	**159,242**	**204,250**	**114,101**	**-**	**44,147**	**77,248**	**139,896**	**70**	**26,508**	**15,184**
Percentage ownership	-	-	40%	50%	between 10% and 49%	50%	45%	49%	49%	50%	50%	between 28% and 50%
Revenue	28,920	70,307	48,035	9,889	8,638	-	-	3,449	109	17	62	109
INFORMATION ON THE CONSOLIDATED GROUP												
Carrying amount of investments	60,047	-	26,594	10,131	3,755	10,273	(86)	1,819	3,476	2,792	353	938
Equity-accounted profit/(loss) in previous financial years	18,169	-	(1,192)	29,473	499	(10,273)	-	2,283	-	(2,792)	-	171
Equity-accounted profit/(loss) based on a 100% interest	-	(67,932)	(63,505)	(5,051)	9,520	-	(29)	(136)	(7,042)	5	(786)	(907)
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(67,932)	(63,505)	(5,051)	9,520	-	(29)	(136)	(7,042)	5	(786)	(907)
Share of profit/(loss)	(33,285)	-	(25,402)	(2,525)	(1,030)	-	(13)	(67)	(3,451)	2	(393)	(407)
Assets held for sale (see Note 4.10)	(37,079)	-	-	(37,079)	-	-	-	-	-	-	-	-
Investments in associates and joint ventures	7,852	-	-	-	3,224	-	(99)	4,035	25	3	(40)	704
Related-party receivables (see Note 4.9)	-	101,646	-	-	2,169	-	-	69,517	-	29,851	-	109

(1) For equity-accounted companies in the Rodevita group, the data corresponds to the parent company's 2021 individual financial statements.

Based on the value of the individual investments, existing cash flows with these companies and the ORPEA Group's overall strategy in and outside France, management believes that these interests are not material when taken individually.

At 31 December 2022, investments held for sale correspond to shares in equity-accounted companies that are earmarked for disposal within 12 months and stood at €37 million.

In 2022, impairment of receivables from related parties amounted to €380 million (see Note 4.9)

At 31 December 2021, investments in associates and joint ventures break down as follows:

Associates and joint ventures *(in thousands of euros)*	**Application of the % holding**	**Based on 100% interest**	**HSI and non-consolidated Belgian companies**	**IDS and real estate companies jointly owned with IDS**	**Real estate companies retained as a result of sale and leaseback transactions**	**Brazil Senior Living**	**Rodevita**	**Dutch companies**	**Senior assisted-living facilities**	**Senior Suites**	**Âge Partenaires**	**Other**
Non-current assets	277,071	643,975	32,761	231,244	151,439	42,567	80,438	9,214	10,012	48,003	27,298	10,999
Current assets	119,978	250,421	11,481	13,338	8,031	8,539	20,718	49,844	99,434	2,282	30,433	6,322
TOTAL ASSETS	**397,049**	**894,396**	**44,242**	**244,582**	**159,470**	**51,106**	**101,156**	**59,058**	**109,446**	**50,285**	**57,731**	**17,321**
Equity	48,293	112,555	6,508	66,769	22,619	20,396	885	(1,431)	65	700	(5,342)	1,385
Non-current liabilities	294,742	670,649	37,754	158,442	131,708	16,021	100,088	13,340	104,371	48,467	46,255	14,202
Current liabilities	54,014	111,192	(21)	19,370	5,143	14,689	182	47,150	5,009	1,119	16,816	1,733
TOTAL EQUITY AND LIABILITIES	**397,049**	**894,396**	**44,241**	**244,581**	**159,470**	**51,106**	**101,155**	**59,059**	**109,445**	**50,286**	**57,729**	**17,320**
Percentage ownership			0	0	between 5.2% and 49%	0	0	0	0	0	0	between 28% and 50%
Revenue	66,021	140,818	38,786	3,154		29,306		28,693	939	12,024	19,684	8,530
INFORMATION ON THE CONSOLIDATED GROUP												
Carrying amount of investments	105,883	-	636	14,635	14,970	50,959	15	21	100	12,954	84	11,509
Equity-accounted profit/(loss) in previous financial years	20,398	-	(494)	22,779	-	(1,957)	-	758	-	(433)	-	(3)
Equity-accounted profit/(loss) based on a 100% interest	-	(2,229)	(698)	6,693	499	(8,316)	-	1,525	-	(2,358)	-	426
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	(2,229)	(698)	6,693	499	(8,316)	-	1,525	-	(2,358)	-	426
Share of profit/(loss)	(1,362)	-	(279)	3,347	(54)	(4,158)	-	747	-	(1,156)	-	191
Assets held for sale (see Note 4.10)	(40,761)	-	-	(40,761)	-	-	-	-	-	-	-	-
Investments in associates and joint ventures	84,157	-	(138)	-	14,916	44,844	15	1,526	100	11,354	840	11,446
Related-party receivables (see Note 4.9)	-	476,829	136,493	48,518	17,654	962	63,698	50,813	105,095	23,724	13,309	16,564

4.6 NON-CURRENT FINANCIAL ASSETS

The fair value of financial assets and liabilities recognised at amortised cost, particularly for loans and sureties granted by the Group, is equal to the carrying amount of these securities with the exception of bonds, if applicable.

In instances where the Group does not exercise control, joint control or significant influence over the operating or financial decisions of a company in which it has an equity interest, that equity interest is recognised in accordance with the principles applicable to financial assets measured at fair value.

This corresponds either to the stock market price (level 1) for shares listed on an active market, or, in the case of unlisted shares, the estimated fair value determined on the basis of financial criteria most appropriate for the particular situation of each share (level 3).

Derivative financial instruments are accounted for using hedge accounting. Fair value is determined using valuation techniques. These different methods use observable market data as far as possible and rarely use the Group's own estimates. If all the inputs required to calculate the fair value of the instrument are observable, the instrument is classified in level 2.

Definitions of levels 1, 2 and 3 are set out in Note 5.2.

Non-current financial assets break down as follows:

(in thousands of euros)	31 Dec. 2022 Net	31 Dec. 2021 Net
Non-consolidated investments	2,332	2,754
Loans	21,726	45,734
Deposits and guarantees	72,529	46,215
Derivative financial instruments	84,410	-
TOTAL	**180,997**	**94,703**

Non-consolidated investments are investments in companies over which the Group does not exercise any significant influence and investments in mutual banks.

Loans mainly consist of construction loans arranged by French subsidiaries.

Security deposits and guarantees include all types of security deposits and guarantees that the Group may be called upon to provide in the normal course of its business.

Derivative financial instruments include fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps).

4.7 INVENTORIES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Food	4,565	3,326
Cleaning products	292	1,057
Pharmaceuticals	8,366	8,708
Other	3,964	3,621
Impairment on inventories of goods	(1,086)	(978)
TOTAL	**16,100**	**15,735**

4.8 TRADE RECEIVABLES

Allowances are recognised against trade receivables to reflect the best estimate of expected credit losses over their life.

In accordance with IFRS 9, these allowances are recognised during the initial accounting of the corresponding assets. Initial or subsequent evaluations of these expected credit losses are made, either singly or collectively, based on various criteria, including the age of the receivables, past events and current and future economic conditions. Valuation adjustments to trade receivables in light of the expected credit losses over their life are reviewed at each reporting date.

Trade receivables may be sold to banks to raise financing. An analysis is performed to assess whether the risks and rewards incidental to ownership of these receivables are transferred. If this review shows that substantially all these risks and rewards have been transferred, the trade receivables are derecognised and any rights created or retained in connection with the transfer are recognised. Otherwise, the trade receivables continue to be recognised, and a financial liability is recognised in respect of the amount transferred.

At 31 December 2022, no trade receivables had been assigned.

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Trade receivables	455,368	431,630
TOTAL	**455,368**	**431,630**

The ageing balance of financial assets at 31 December 2022 is broken down as follows:

(in thousands of euros)	31 Dec. 2022	Receivables not yet due	0 to 6 months past due	7 to 12 months past due	1 to 2 years past due	More than 2 years past due
Trade receivables	530,177	184,782	134,460	178,286	17,478	15,171
Allowances	(74,809)	(18,684)	(2,039)	(35,338)	(7,927)	(10,822)
TOTAL	**455,368**	**166,097**	**132,421**	**142,948**	**9,552**	**4,350**

The Group has not identified any major risk of default among its customers and as such has not recognised any material additional impairment losses for losses expected on its receivables pursuant to IFRS 9.

It should be noted that the default risk is limited, given that most nursing home services are billed in advance and that in-hospital services are paid for by health insurance funds and private insurance.

4.9 OTHER RECEIVABLES, ACCRUALS AND PREPAYMENTS

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Development-related receivables	71,875	206,999
Receivables related to disposals of real estate	5,526	20,723
VAT receivables	118,640	103,921
Advances and downpayments made	14,331	3,443
Current accounts (associates and related parties)	101,646	476,829
Interest rate derivatives	46,577	5,330
Miscellaneous receivables	137,360	92,463
Receivables from suppliers	48,629	63,837
Prepaid operating expenses	42,373	41,809
TOTAL	**586,957**	**1,015,354**

The above items are shown net of impairment.

Development-related receivables consist mainly of receivables from advances paid in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments.

An analysis of the financial receivables relating to our partnerships led to development-related receivables being impaired for €153 million and current accounts with related parties for €380 million, giving a total amount of €534 million, as explained in Notes 2.5 and 4.24. This impairment was measured on the basis of a detailed analysis of the situation of our partnerships and the status of ongoing negotiations.

VAT receivables arise mainly from property construction projects forming part of the Group's growth strategy.

Shareholder advances consist mainly of amounts paid to equity-accounted entities and are detailed in Note 4.5.

4.10 ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

In accordance with IFRS 5, assets or groups of assets (disposal groups) – particularly properties or facilities which the Group intends to sell within a period of 12 months – are classified under "Non-current assets held for sale".

Assets are classified as held for sale when the sale is highly probable and the non-current asset or disposal group held for sale meets the classification criteria (in particular, it is immediately available for sale).

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

At 31 December 2022, assets held for sale break down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Goodwill	-	-
Intangible assets	2,192	-
Property, plant and equipment	127,096	197,275
Assets in progress	132,917	149,916
Financial assets	37,079	40,761
Other assets	53,870	-
TOTAL ASSETS HELD FOR SALE	**353,154**	**387,952**
Borrowings from credit institutions	55,076	-
Other liabilities	1,155	-
TOTAL ASSOCIATED LIABILITIES	**56,232**	**-**

Assets held for sale in the "Property, plant and equipment" and "Assets in progress" categories mainly concern the following geographical areas:

(in thousands of euros)	31 Dec. 2022
France-Benelux-UK-Ireland	122,505
Central Europe	1,971
Eastern Europe	95,374
Iberian Peninsula and Latin America	40,163
TOTAL	**260,013**

The "Financial assets" category relates to the France Benelux region, while the "Borrowings from credit institutions" category relates to:

(in thousands of euros)	31 Dec. 2022
France-Benelux-UK-Ireland	13,459
Central Europe	0
Eastern Europe	41,617
Iberian Peninsula and Latin America	
TOTAL	**55,076**

4.11 EQUITY

4.11.1 SHARE CAPITAL

	31 Dec. 2022	31 Dec. 2021
Total number of shares	64,693,851	64,640,075
Number of shares issued	64,693,851	64,640,075
Par value *(in euros)*	1.25	1.25
Share capital *(in euros)*	80,867,314	80,800,094
Treasury shares	74,563	52,553

Since 31 December 2021, capital increases and the exercise of stock options have had the following impact on share capital and share premiums:

(in thousands of euros except for the total number of shares)	Total number of shares	Share capital	Share premiums
Share capital at 31 Dec. 2021	**64,640,075**	**80,800**	**950,575**
Allocation of 2021 net profit	-	-	-
Capital increase	53,776	67	(67)
SHARE CAPITAL AT 31 DEC. 2022	**64,693,851**	**80,867**	**950,508**

The capital increases were for free shares that vested under plans that expired during the year.

4.11.2 EARNINGS PER SHARE

Basic earnings per share are calculated using the weighted average number of shares in issue during the financial year, less any treasury shares held and deducted from equity.

Diluted earnings per share take account of all potentially dilutive instruments, such as options, warrants and convertible bonds. Options and warrants are dilutive when their exercise price is lower than the market price.

Weighted average number of shares in issue

	31 Dec. 2022		31 Dec. 2021	
	Basic	**Diluted**	**Basic**	**Diluted**
Ordinary shares	64,675,773	64,675,773	64,632,054	64,632,054
Treasury shares	(67,794)	(67,794)	(53,853)	(53,853)
Other shares	-	311,626	-	293,462
Shares resulting from the conversion of OCEANE bonds	-	3,481,228	-	3,481,228
WEIGHTED AVERAGE NUMBER OF SHARES	**64,607,979**	**68,400,833**	**64,578,202**	**68,352,892**

Basic earnings/(loss) per share

	31 Dec. 2022		31 Dec. 2021	
(in euros)	**Basic**	**Diluted**	**Basic**	**Diluted**
Attributable net profit/(loss)	(62.33)	(62.33)	1.01	0.95

The numbers of diluted shares and diluted earnings/(loss) per share have been corrected to reflect the omission of the “OCEANE” line item in 2021.

4.11.3 SHARE-BASED PAYMENTS/TREASURY SHARES

ORPEA SA shares held by the parent company are recognised at cost as treasury shares and deducted from equity until such time as they are sold.

Gains or losses on the sale of treasury shares are added to or deducted from consolidated reserves net of tax.

Stock options are granted to certain Group employees.

In accordance with IFRS 2 – *Share-based Payment*, plans set up after 7 November 2002 are measured at the award date and are recognised under personnel costs over the period during which rights vest with grantees. This expense, which represents the option’s market value at the award date, is recognised as an increase in equity.

The fair value of options and rights is determined by actuaries using pricing models based on the characteristics of the plan and market data at the award date.

This programme has a number of aims, including to allow the ORPEA Group to maintain the liquidity of and stimulate trading in its shares, to optimise its capital management and to grant shares to employees including under free share plans.

At 31 December 2022, the Group held 74,563 treasury shares.

The Board of Directors approved the introduction of free share plans for corporate officers and certain employees of ORPEA and affiliated companies. These plans are as follows:

Information on free share awards	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/6/2021	13/6/2022	28/7/2022
Decisions taken by the Chief Executive Officer	1/2/2020	1/2/2020	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A
Maximum total number of free shares that can be awarded	70,315	540	28,374	84,543	840	13,271	193,906	27,676
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
Performance conditions	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR	Achievement of six CSR roadmap objectives, share price performance including dividend, earnings per share growth
Number of shares vested at 31 December 2022	120	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of lapsed shares	25,880	540	24,050	27,767	840	13,271	17,351	N/A
Free shares awarded but not vested at 31 December 2022	46,795	N/A	4,324	56,276	N/A	N/A	176,555	27,676

The fair value under IFRS 2 of the benefits provided to the grantees was measured by an independent actuary for each plan. This takes into account the market value of the shares, less a discount to reflect the fact that no dividend is paid until the end of the vesting period and that shares may not be sold for two years following the vesting date. The total expense is then calculated taking into account the probability that grantees will remain with the Group and the probable number of shares that they will be granted according to whether the performance criteria are satisfied.

The fair value of the plans (excluding social security contributions) under IFRS 2 amounted to €34 million at 31 December 2022. Reversals of provisions in 2022 amounted to €3.8 million (excluding social security contributions).

4.11.4 DIVIDENDS

No dividend was approved at the Annual General Meeting on 28 July 2022.

4.12 PROVISIONS

The Group sets aside a provision where it has a present obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of this obligation can be estimated reliably.

Where this liability is not probable and the amount of the obligation cannot be measured sufficiently reliably, but an outflow may be required to settle the obligation, the Group recognises a contingent liability.

Provisions related to the operating cycle are classified as current regardless of their probable reversal date. They primarily concern employee-related risks and are estimated by the employee affairs department based on the Group's exposure and the status of any proceedings.

Provisions that are not directly related to the operating cycle and have a probable reversal date of over one year are classified as non-current. They mainly comprise provisions for litigation, taxes and related items, onerous contracts and restructuring.

Group companies frequently undergo tax audits. Most of the reassessments notified by the tax authorities have been challenged by these companies, and so no provisions have been set aside for these reassessments. Tax reassessments that are not challenged are recognised in the financial year in which they are received.

Provisions break down as follows:

					Reversals		
(in thousands of euros)	**31 Dec. 2021**	**Changes in scope and other**	**Reclassifications**	**Charges**	**Utilised provisions**	**Surplus provisions**	**31 Dec. 2022**
Provisions for contingencies	128,598	(6,357)	54,290	162,446	(61,847)	(34,214)	242,914
Provisions for restructuring	42,303	8,180	(3,929)	29,116	(1,616)	(20,772)	53,281
TOTAL	**170,900**	**1,822**	**50,361**	**191,562**	**(63,462)**	**(54,986)**	**296,195**

Provisions mainly consist of:

- provisions for liabilities relating to the IGAS-IGF report for €86 million;
- provisions for equity-accounted companies for €46 million. For equity-accounted companies that have incurred losses, the carrying amount of the investment is reduced to zero and any further losses have been provided for to the extent of the Group's obligation to fund the losses (*IAS 28 §38 and §39*);
- provisions for labour disputes for €43 million;
- provisions for restructuring for €53 million, consisting mainly of provisions recorded in connection with the consolidation of acquisitions.

PROVISION FOR LIABILITIES BOOKED FOLLOWING THE IGAS-IGF REPORT AND THE GOVERNMENT'S ANNOUNCEMENT OF THE REFERRAL OF THE CASE TO THE PUBLIC PROSECUTOR

On 29 July 2022, the National Solidarity Fund for Autonomy (*Caisse nationale de solidarité pour l'autonomie* – CNSA) notified ORPEA SA that, following the report on the administrative investigation carried out by the General Inspectorate of Social Affairs (*Inspection générale des affaires sociales* – IGAS) and the General Inspectorate of Finance (*Inspection générale des finances* – IGF) dated March 2022, it intended to request the repayment of €56 million of funding unduly received.

The breakdown of provisions by type of risk is as follows:

			Reversals		
(in millions of euros)	**31 Dec. 2021**	**Charges**	**Utilised provisions**	**Surplus provisions**	**31 Dec. 2022**
2017-2020 surplus	20	-	-	-	20
2021 surplus	41	-	-	-	41
2022 surplus (before submitting the revenue and expenditure statements)[1]	-	25	-	-	25
Total surplus provisions	**61**	**25**	**-**	**-**	**86**
Provisions for refunding care and dependency subsidies	22	34	(56)	-	-
TOTAL	**83**	**59**	**(56)**	**-**	**86**

(1) The statements of actual revenue and expenditure (ERRD) are prepared annually at the end of each accounting period by the players in the healthcare and nursing sector and submitted to the relevant authorities.

- Risk arising on discrepancies between sums paid by the government for medical and personal care and the resources implemented by the Group between 2017 and 2022 in an amount of €86 million.
- Risk arising on fees on services under supplier contracts in the medical and personal care sector: following its commitment to pay all amounts claimed, the Group has reversed the entire provision (€55.8 million) and reclassified it as an accrued expense.

4.13 EMPLOYEE BENEFITS

In France, the Group primarily applies the FHP (*Fédération de l'Hospitalisation Privée* – French private hospitals federation) collective bargaining agreement of 18 April 2002 for the private healthcare sector. This provides for payment of a lump-sum benefit upon retirement based on the employee's length of service, grade and salary at retirement date.

No other post-employment or long-term benefits are granted to employees in service.

Outside France, the Group applies the relevant local provisions in each country. It operates defined benefit pension plans only in Switzerland, Austria and for certain facilities in Germany and Italy.

The Group's post-employment benefit obligations are calculated on the basis of actuarial estimates and using the projected unit credit method. Actuarial assumptions include staff turnover, salary increases, inflation and life expectancy.

The actuarial obligation is provided for, less any plan assets measured at fair value.

Cumulative actuarial gains and losses arising from experience adjustments or the effects of changes in financial, economic or demographic assumptions (change of discount rate, annual salary increases, length of service, etc.) are recognised immediately in the Group's obligation with a corresponding amount in a separate component of equity ("Other reserves"), in accordance with IAS 19 (revised).

Current and any past service cost is recognised as an operating expense.

Interest cost and expected return on plan assets, calculated at the same rate, are recognised in net financial expense.

The impact on the Group's financial statements of applying the IFRIC's April 2021 agenda decision on attributing benefit to periods of service is not material.

The provision for post-employment benefit obligations breaks down as follows:

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021**
France	38,309	44,674
International	27,886	30,361
TOTAL	**66,195**	**75,035**

Movements in post-employment benefit obligations in France break down as follows:

	31 Dec. 2022			31 Dec. 2021		
(in thousands of euros)	**Provision recognised**	**Income statement**	**Equity**	**Provision recognised**	**Income statement**	**Equity**
Beginning of period	**(44,674)**	**-**	**-**	**(44,760)**	**-**	**-**
Current service cost	(4,266)	(4,266)	-	(4,043)	(4,043)	-
Interest cost (unwinding of the discount)	(413)	(413)	-	(153)	(153)	-
Actuarial gains and losses	5,766	-	5,766	659	-	659
Past service costs	2,624	2,624	-	-	-	-
Benefits paid	2,507	2,507	-	3,846	3,846	-
Changes in scope	146	-	-	(224)	-	-
Other	1	-	-	-	-	-
END OF PERIOD	**(38,309)**	**452**	**5,766**	**(44,674)**	**(350)**	**659**

Movements in post-employment benefit obligations outside France break down as follows:

	31 Dec. 2022			31 Dec. 2021		
(in thousands of euros)	**Provision recognised**	**Income statement**	**Equity**	**Provision recognised**	**Income statement**	**Equity**
Beginning of period	**(30,361)**	**-**	**-**	**(54,483)**	**-**	**-**
Current service cost	(2,822)	(2,822)	-	(5,325)	(5,325)	-
Actuarial gains and losses	1,614	-	1,614	32,518	-	32,518
Past service costs	479	479	-	1,094	1,094	-
Benefits paid	2,851	2,851	-	-	-	-
Changes in scope	(83)	-	-	(2,264)	-	-
Currency translation adjustments	(490)	-	-	(1,688)	-	-
Other	927	-	-	(212)	-	-
END OF PERIOD	**(27,886)**	**507**	**1,614**	**(30,361)**	**(4,231)**	**32,518**

The main actuarial assumptions are as follows:

	31 Dec. 2022		31 Dec. 2021	
	France	**International**	**France**	**International**
Discount rate	3.77%	between 0.50% and 3.80%	0.98%	between 0.85% and 1.20%
Annual rate of salary increases taking into account inflation	2.50%	between 0.25% and 2.05%	2.00%	between 1.25% and 1.75%
Expected return on plan assets	N/A	between 1% and 1.2%	N/A	between 1% and 1.2%
Retirement age	65	65	65	65
Social security contribution rate	average actual rate	-	average actual rate	-

4.14 DEBT (EXCLUDING LEASE LIABILITIES UNDER IFRS 16)

Debt is recognised at nominal value net of any associated transaction costs, which are deferred over the life of the liability in net financial expense using the effective interest method.

The Group applies interest rate hedge accounting in accordance with IFRS 9. These hedging instruments qualify as hedges of future cash flows.

The effective portion of changes in the fair value of hedging instruments designated and qualifying as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve, up to the amount of the aggregate change in the fair value of the hedged item since the inception of the hedge. The gain or loss resulting from the ineffective portion is recognised immediately in financial income or expense.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to net profit in the periods during which the hedged item impacts net profit and are recorded under the same line item as the recognised hedged item.

Net debt comprises short- and long-term financial liabilities, excluding IFRS 16 lease liabilities, less the value of short-term investments that meet the definition of cash equivalents under IAS 7 and cash at that date.

It includes property bridging loans allocated specifically to finance operating properties recently acquired or under construction.

ORPEA's net debt breaks down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Bond issues	2,129,500	2,179,500
Schuldschein debt	1,705,452	1,807,655
June 2022 bank financing	3,227,447	-
Other bank debt	682,599	2,814,997
Mortgage debt	1,191,300	1,218,812
Finance lease commitments	780,061	874,939
Other[1]	(101,564)	(33,604)
TOTAL GROSS DEBT	**9,614,795**	**8,862,298**
Cash	(597,426)	(940,782)
Cash equivalents	(258,991)	(11,586)
TOTAL NET DEBT	**8,758,378**	**7,909,930**

(1) At 31 December 2022, "Other" includes accrued interest not yet due amounting to €37 million and IFRS adjustments, including:
– €41 million in respect of OCEANE bonds;
– €32 million in "June 2022 bank financing" costs; and
– €55 million relating to IFRS 5.

Total debt at 31 December 2022, excluding IFRS impacts, amounted to €9,716 million.

The amount of debt at 31 December 2022 covered by a change of control clause amounted to €7,886 million in the consolidated financial statements at that date, it being understood that the contractual clauses will not apply in the future in the event of a takeover by the Groupement as provided for in the Group's financial restructuring plan, as the Group has since obtained the necessary ad hoc agreements from the lenders concerned.

Movements in debt at 31 December 2022 were as follows:

(in thousands of euros)	31 Dec. 2021	Increase	Decrease	Changes in scope and other	31 Dec. 2022
Bond issues[1]	2,179,500	-	(50,000)	-	2,129,500
Schuldschein debt[1]	1,807,655	50,297	(152,500)	-	1,705,452
June 2022 bank financing[1]	-	3,227,447	-	-	3,227,447
Other bank loans[1][2]	2,814,997	17,970	(2,150,508)	141	682,599
Mortgage debt[1]	1,218,812	72,747	(100,494)	236	1,191,300
Finance lease commitments[1]	874,939	74,109	(183,544)	14,558	780,061
Other	(33,604)	66,189	134,149	-	(101,564)
TOTAL GROSS DEBT	**8,862,298**	**3,508,759**	**(2,771,196)**	**14,934**	**9,614,795**
Cash and cash equivalents	(952,368)	(247,200)	343,151	-	(856,417)
TOTAL NET DEBT	**7,909,930**	**3,261,559**	**(2,428,045)**	**14,934**	**8,758,379**

(1) The debt lines show the amounts of capital outstanding.
(2) A significant portion of "Other bank loans" was repaid by drawing Tranche C (€1,500 million, at 100%) and Tranche B (€227 million, in part) of the June 2022 bank financing.

Debt net of cash breaks down by maturity as follows:

(in thousands of euros)	31 Dec. 2022	Less than 1 year(1)	More than 1 year and less than 5 years	More than 5 years
Bond issues	2,129,500	2,129,500	-	-
Schuldschein debt	1,705,452	1,705,452	-	-
June 2022 bank financing	3,227,447	3,227,447	-	-
Other bank debt	682,599	589;480	84,276	8,842
Mortgage debt	1,191,300	519,899	226,686	444,714
Finance lease commitments	780,061	164,594	412,230	203,237
Other	(101,564)	(99,912)	(1,632)	(20)
TOTAL GROSS DEBT	**9,614,795**	**8,236,460**	**721,562**	**656,773**
Cash and cash equivalents	(856,417)	(856,417)	-	-
TOTAL NET DEBT	**8,758,379**	**7,380,044**	**721,562**	**656,773**

(1) Debt classified as due in less than one year includes:
– almost €1.9 billion of debt with a contractual maturity of more than one year and in default of R1/R2 covenants at 31 December 2022;
– almost €4.6 billion of debt with a contractual maturity of more than one year and in cross-default at 31 December 2022 (due to the existence of R1/R2 defaults on other debt);
– almost €1.8 billion of debt maturing in 2023.

Debt maturing in more than one year but less than five years breaks down as follows:

(in thousands of euros)	More than 1 year and less than 5 years	2024	2025	2026	2027
Bond issues	-	-	-	-	-
Schuldschein debt	-	-	-	-	-
June 2022 bank financing	-	-	-	-	-
Other bank debt	84,276	45,250	11,195	26,613	1,218
Mortgage debt	226,686	61,353	60,473	52,776	52,085
Finance lease commitments	412,230	137,436	117,126	94,161	63,508
Other	(1,632)	(595)	(534)	(330)	(173)
TOTAL GROSS DEBT	**721,562**	**243,444**	**188,260**	**173,219**	**116,639**

The weighted average interest rate for the Group's financial liabilities was 3.25% in 2022.

GROUP FINANCING POLICY

The Group's development is generated by operating and real estate investments.

Until 2022, these investments were partly financed by diversified external resources:

- bilateral bank loans repayable over five, six or seven years allocated to the acquisition of facilities in service, operating licences, stakes in operating companies, etc.;
- property bridging loans made up of financing lines dedicated to a specific project as well as general credit lines to pre-finance properties recently acquired or under redevelopment or construction while awaiting refinancing;
- finance leases and mortgage loans payable over 12 to 15 years, contracted to finance or refinance dedicated property transactions;
- public or private bonds as well as *Schuldscheindarlehen*, the revenue from which is generally allocated to property investments.

BANK COVENANTS

A large portion of bilateral borrowings as well as *Schuldscheindarlehen* subscribed by the Group, are subject to the following contractually agreed covenants:

$$R1 = \frac{\textit{consolidated net debt (excluding real estate debt)}}{\textit{Consolidated EBITDA excluding IFRS 16 - 6\% net real estate debt}}$$

and

$$R2 = \frac{\textit{consolidated net debt}}{\textit{Equity + quasi equity (i.e., deferred tax liabilities linked to the measurement of intangible operating assets used in operations under IFRS in the consolidated financial statements)}}$$

At 31 December 2022, these covenants were not met. This factual situation has no impact on the debt in question carried by ORPEA SA, as the conciliation and accelerated safeguard procedures result in the suspension of the contractual provisions relating to these covenants. Regarding other relevant debt carried by the Group's subsidiaries, at the date of publication of this Universal Registration Document, the Company had obtained a waiver from the corresponding creditors regarding the amendment and non-application of these covenants at 31 December 2022.

The debt affected by these covenants totalled almost €2.3 billion and was reclassified in full as current liabilities at 31 December 2022.

JUNE 2022 BANK FINANCING AND CONCILIATION

On 12 May 2022, ORPEA signed a term sheet with its main banking partners BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale (the "**Banks**").

The purpose of this agreement was to provide the Company with the resources it needs to finance its day-to-day operations and development investments, and to meet its debt repayment obligations. In a context where the Group did not have access to the financial markets and the completion of a large-scale asset disposal programme would have taken time, the financing arranged with the Banks was based on maturities that were in line with the execution scenario of the disposal programme planned at that time.

The final agreement was signed and implemented on 13 June 2022 as part of an amicable conciliation procedure, opened by way of an order of the President of the Nanterre Specialised Commercial Court on 20 April 2022.

The bank financing that was arranged via a secured syndicated loan comprises three tranches fully drawn down at 31 December 2022 for a total amount of €3,227 million:

- Tranche A, totalling €1,500 million, repayable in instalments of €200 million at 30 June 2023, €700 million at 31 December 2023, €100 million at 30 June 2024, €100 million at 31 December 2024, €100 million at 30 June 2025 and €300 million at 31 December 2025;
- Tranche B, totalling €227 million, repayable at maturity on 31 December 2025 and intended to finance the repayment of the 2022 maturities of the Banks that signed the agreement; and
- Tranche C, totalling €1,500 million and repayable at maturity on 31 December 2026, open in priority to lenders participating in the short- and medium-term financing outlined above to refinance the unsecured bank facilities of ORPEA SA (excluding all bond, Euro, PP and *Schuldschein* financing).

Prior to the new financial restructuring (see Note 3), the financing agreement included:

- a commitment to the Banks to maintain a minimum cash level of €300 million, to be tested quarterly from June 2023;
- commitments relating to the disposal of operating and real estate assets, the cumulative value of gross real estate disposals (excluding duties) being expected to amount to €1 billion at 31 December 2023, €1.5 billion at 31 December 2024, and €2 billion at 31 December 2025;
- rules for allocating a portion of the proceeds of disposals to the early repayment of various loans;
- a change of control clause for ORPEA; and
- a cross-default clause (€40 million threshold).

In terms of collateral, in addition to the pre-money privilege granted with respect to Tranches A and B by the Nanterre Specialised Commercial Court under the conciliation protocol signed in June 2022, the financing is secured by pledges of shares of the subsidiaries CLINEA and CEECSH (which represented 24.5% and 32.5% of Group revenue in 2022, respectively). In this respect, it was agreed that, following reorganisations within the Group's investment portfolio, the pledges would be limited to the CLINEA France sub-group and the Group's operations in Germany, representing 23.5% and 16% of 2022 consolidated revenue, respectively.

In terms of cost, the loans are at floating rates (3-month Euribor; interest payable at the end of each calendar quarter) with margins that vary according to the tranche, ranging from 3.5% to 5.0%, representing a weighted average (before any repayment of the principal) of 4.4%.

The table below sets out the key terms and conditions of the syndicated loan agreement described above.

<table>
<tr><th></th><th>A1 Loan</th><th>A2/A3 Loans</th><th>A4 Loan</th><th>B Loan</th><th>C1/C2 Loans</th></tr>
<tr><td>Purpose</td><td colspan="3">▪ To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans</td><td>▪ To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and Schuldschein for the second half of 2022 and to finance all the fees, costs and expenses relating to the Loans</td><td>▪ To refinance unsecured debt (excluding bonds and Schuldschein) and finance all fees, costs and expenses relating to the Loans</td></tr>
<tr><td>Principal amount (€m)</td><td>▪ €700 million</td><td>▪ €600 million</td><td>▪ €200 million</td><td>▪ €229 million</td><td>▪ €1,500 million</td></tr>
<tr><td>Amount drawn down at 31 December 2022</td><td>▪ €700 million</td><td>▪ €600 million</td><td>▪ €200 million</td><td>▪ €227.4 million</td><td>▪ €1,500 million</td></tr>
<tr><td>Final maturity</td><td>▪ 31 Dec. 2023 or 30 June 2024[1]</td><td>▪ 31 Dec. 2025</td><td>▪ 30 June 2023 or 31 Dec. 2023[3]</td><td>▪ 31 Dec. 2025</td><td>▪ 31 Dec. 2026</td></tr>
<tr><td>Repayment profile</td><td>▪ Single payment at maturity</td><td>▪ €100 million repayable on 30 June 2024
▪ €100 million repayable on 31 Dec. 2024
▪ €100 million repayable on 30 June 2025
▪ Balance repayable on 31 Dec. 2025</td><td>▪ Single payment at maturity</td><td>▪ Single payment at maturity</td><td>▪ Single payment at maturity</td></tr>
<tr><td>Number of authorised drawdowns</td><td>▪ Maximum of two</td><td>▪ Two (A2 Loan and A3 Loan)</td><td>▪ One[2]</td><td>▪ Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)</td><td>▪ Depending on the commitment confirmations</td></tr>
<tr><td>Annual margin</td><td>▪ 4.00% to increase by 2.00% from 1 Jan. 2024</td><td>▪ 4.00%</td><td>▪ 3.50% to increase by 1.00% from 1 July 2023</td><td>▪ 4.00%</td><td>▪ 5.00%</td></tr>
<tr><td>Security interests and privileges</td><td colspan="4">▪ A Dailly assignment of intra-group loans financed by loan drawdowns
▪ First-ranking pledges over:
– 100% of the shares of CEECSH (the "CEECSH Pledge")
– 100% of the shares of ORESC 25 SARL ("ORESC")</td><td>▪ (i) Security interests equivalent to the A Loan for the C1 Loan and (ii) Second-ranking pledges for the C2 Loan</td></tr>
<tr><td>Undertakings relating to the disposal of operating and real estate assets</td><td colspan="4">▪ Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds
▪ Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 December 2023, increasing to (ii) €1.5 billion at 31 December 2024, and (iii) €2 billion at 31 December 2025[4]</td><td></td></tr>
<tr><td>Early repayment undertakings</td><td colspan="5">▪ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 Loan
▪ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans
▪ Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans
▪ Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of its subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million)
▪ Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions), to repay the A2/A3 and B Loans
▪ Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan</td></tr>
<tr><td>Other undertakings</td><td colspan="5">▪ From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA SA's accelerated safeguard procedure</td></tr>
</table>

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Enforcement of security interests	If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 Loan): ■ Loan payment default ■ Failure to comply with the minimum consolidated cash undertaking described below ■ Insolvency proceedings ■ Failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral ■ Cross-default above a cumulative threshold of €100 million ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.7% of the outstanding amounts and undrawn commitments at that date under the Loans (excluding the C2 Loan): ■ Loan payment default ■ Insolvency proceedings The second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings)				
Events of default (subject to the usual materiality thresholds and cure periods, if any)	■ Loan payment default ■ Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter from 30 June 2023 ■ Cross-acceleration above a cumulative threshold of €40 million ■ Insolvency proceedings ■ Enforcement proceedings as from a cumulative threshold of €40 million ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements ■ Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the commitments relating to the disposal of operating assets and real estate assets				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) Drawdown conditional on the delivery of a Memorandum of Understanding relating to the disposal of real estate assets for €200 million (the "MoU").
(3) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.
(4) The undertakings to sell real estate assets do not prevent the Group from leasing those assets.

BOND ISSUES

In 2018, the Group completed a public bond offering of €400 million, maturing in seven years (due in March 2025) with an annual fixed-rate coupon of 2.625%.

In May 2019, ORPEA issued €500 million of eight-year OCEANE bonds (bonds convertible to and/or exchangeable for new or existing shares, due in May 2027), with an annual fixed-rate coupon of 0.375%. In accordance with IAS 32, the value of the equity component of the OCEANE bonds was not deemed material, due to the low value of the buy-out option.

On 1 April 2021, ORPEA SA issued a public non-convertible seven-year bond for €500 million.

Over the years, the Group has also issued several private bond placements with maturities of eight, 12 and 20 years, for a total outstanding principal amount of €729 million at 31 December 2022.

OTHER BORROWINGS AND DEBT

Finance leases

The Group's finance leases for transferable property and real estate amounted to €780 million at 31 December 2022.

Mortgage debt

Prior to 2022, the ORPEA Group took out mortgage loans, generally with a 12-year maturity and an LTV ratio (ratio between the amount of the loan and the value of the assets) of 70% at inception. The balance of these loans totalled €1,191 million at 31 December 2022.

Schuldscheindarlehen and *Namensschuldverschreibung* debts

In January 2022, the ORPEA Group subscribed to €50 million worth of *Schuldscheindarlehen* notes. The balance of the *Schuldscheindarlehen* and *Namenschuldverschreibung* notes at 31 December 2022 was €1,705 million.

Other bank debt

Excluding the June 2022 bank financing, other bank debt consisted mainly of bilateral unsecured debt totalling €683 million at 31 December 2022.

SHORT-TERM DEBT SECURITIES

At 31 December 2022, the amount issued under the commercial paper programme was reduced to zero.

FINANCING SECURED BY RECEIVABLES

Where the opportunity arises, the Group may, and has, secured financing lines through the sale of receivables. At 31 December 2022, the Group had a €128 million financing line secured by future receivables with a variety of health insurance funds.

At 31 December 2022, €128 million of this financing was recognised as debt.

4.15 CASH AND LIQUIDITY

4.15.1 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" consist of cash in hand and at bank and short-term investments that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Financial assets and liabilities may be offset subject to the conditions laid down in IAS 32.

Cash and cash equivalents comprise balances on bank accounts, cash in hand, term deposits of less than three months and debt securities traded on official markets that are subject to an insignificant risk of a fall in value, which are measured at fair value, with any changes recognised in profit or loss. At 31 December 2022, no debt securities were traded on official markets.

At 31 December 2022, ORPEA's cash and cash equivalents consisted of €259 million in non-speculative short-term investments such as term deposits with first-rate financial institutions and €597 million in bank credit balances.

Under the June 2022 financing, the Group's cash position must be at least €300 million at the end of each half-yearly and annual period from June 2023. This clause will not apply as long as ORPEA SA is under the accelerated safeguard procedure or until its financial restructuring has been fully completed.

4.15.2 LIQUIDITY RISK

At 31 December 2022, the Group had cash and cash equivalents of €856 million, above the minimum amount the Group requires for its day-to-day operations, estimated at around €200-€250 million.

A conciliation procedure has been open since 25 October 2022 and negotiations are ongoing with the various stakeholders to determine the future terms of the financial restructuring of ORPEA SA to be implemented in accordance with the specifications presented by the Company on 15 November 2022 [see Note 1.1 "Liquidity and going concern risks" and Note 2.4 "Refoundation Plan and financial restructuring plan"].

These discussions led to:

- the signing:
  - on 14 February 2023 of a lock-up agreement relating to the financial restructuring between the Company and (i) a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and (ii) five institutions holding the Company's unsecured debt (the "SteerCo"), to which approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo) had acceded at 10 March 2023,
  - on 17 March 2023 of an agreement protocol between the Company and its core banking partners setting out the terms and conditions for the provision of €600 million in additional financing (the "**Additional Financing**") and the amendments to the syndicated loan agreement signed on 13 June 2022;
- the opening of an accelerated safeguard procedure on 24 March 2023 (see section 1.1 "Presentation of the Safeguard Plan").

With regard to the financing for the continuity of operations until the effective execution of the planned financial restructuring, the amount and terms of the Additional Financing have been calibrated to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for in the context of the financial restructuring. It is expected that the definitive documentation for the Additional Financing will be signed shortly, so that the first €200 million tranche will be drawn down on 31 May 2023, followed by a second €200 million tranche in July 2023 and a potential third €200 million tranche in the last quarter of 2023 (see section 1.1 "Presentation of the Safeguard Plan").

The 12-month liquidity requirement (from May 2023 to April 2024) is currently estimated at nearly €1.35 billion and will be covered by the proceeds from the €1.55 billion capital increases.

Risk identification

Risks related to the implementation of the financial restructuring project

The effective implementation of the financial restructuring remains subject to the following main conditions precedent:

- approval of the safeguard plan by the Nanterre Commercial Court;
- approval by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) of the prospectuses relating to the planned capital increases;
- the Groupement obtaining a final exemption from the AMF of the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring;
- obtaining any other necessary regulatory approvals; and
- discharge of all appeals.

The main risks associated with the implementation of this financial restructuring are therefore the following:

- the impossibility for the Nanterre Commercial Court to approve the safeguard plan as is;
- the non-fulfilment of one or more of the other conditions mentioned above which would prevent the implementation of the financial restructuring as currently provided for in the above-mentioned agreements;
- delays in the implementation of the various stages of the financial restructuring, leading to:
  - the restructuring not being fully executed by the expiry date of the lock-up agreement and/or the expiry date of the agreement protocol concluded between the Company and its main banking partners,
  - the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for under the financial restructuring.

In such a situation, or more generally if the operations provided for under the restructuring plan could not be implemented for any other reason, the Company considers that it would not have sufficient means of financing to enable it to meet its obligations, and therefore its estimated liquidity requirements, for the next 12 months. As a result, the Group could be subject to administration proceedings and/or judicial liquidation proceedings with, if necessary, the implementation of a disposal plan. If such proceedings were to be initiated, affected parties ranking below the secured debt holders would recover a smaller portion of the final disposal proceeds than under the safeguard plan.

Risks related to the Additional Financing

The mobilisation of the Additional Financing is subject to the fulfilment of conditions precedent (see section 1.1 "Presentation of the Safeguard Plan") which may not be satisfied on the planned drawdown dates (31 May 2023, 31 July 2023 and 1 September 2023 respectively). However, since the Company has full control over the fulfilment of the majority of these conditions precedent, it considers this risk to be low.

For the future, the Additional Financing includes a certain number of undertakings to be respected (provision of information, protection of securities, etc.), in particular maintaining a "Loan To Value" ratio of less than 55% at 31 December 2023 and then less than 50% at 31 December 2024 and 31 December 2025 respectively. In the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95, this ratio may not be respected at the dates mentioned.

Risks related to the syndicated loan put in place in June 2022 and amended by the agreement protocol of 17 March 2023

Under the syndicated loan agreement of 13 June 2022, as amended by the agreement protocol of 17 March 2023, the Group undertook in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities other than the D2 and D3 Facilities) of €300 million tested half-yearly from the first full quarter after completion of the capital increases provided for under the restructuring plan;
- carry out real estate disposals for €1.25 billion by the end of 2025.

Failure by the Group to respect its undertakings under the above-mentioned financing arrangements could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's commitment to carry out real estate disposals within a limited time period could mean that it may have to sell the assets at a lower-than-expected price, which could require the Group to recognise impairment losses on the assets concerned.

Other risks related to Group financing

The Group's existing debt at 31 December 2022 (see Note 4.14) includes, *inter alia*, some of the following covenants (almost all of which are subject to waivers obtained from the relevant lenders to enable completion of the Group's financial restructuring):

- maintain a certain level of assets free of any security interests, depending on the amount of the loan concerned;
- comply with debt-to-EBITDA and debt-to-equity ratios;
- provide asset-backed guarantees.

These various covenants would restrict its capacity to take on additional debt if new difficulties were to arise, and any failure to comply with them could constitute an event of default which could affect the Group's financial position, results and outlook.

Moreover, if the Group fails to restore its image and financial position, notably by implementing its financial restructuring plan, it could continue to experience difficulties in obtaining financing, which could jeopardise its results and its ability to pursue its business.

Risk management

The Group's teams are fully mobilised to complete the Group's financial restructuring.

The Group's various stakeholders have been and will be regularly informed of the progress of the negotiations and the terms of the various planned transactions by means of press releases.

In particular, in order to ensure that shareholders are provided with the fullest possible information, the Company has appointed Sorgem as an independent expert. In its report, which will be made available to the public, Sorgem will give its opinion on the fairness of the financial restructuring for the current shareholders of the Company.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring, leading to it not being fully executed by the expiry date of the lock-up agreement and/or the expiry date of the agreement protocol concluded between the Company and its main banking partners could be controlled by negotiating, at the required time, extension clauses for the lock-up agreement and/or the agreement protocol with the parties concerned, namely the Groupement, the SteerCo and the other unsecured creditors having adhered to the lock-up agreement on the one hand, and the Group's main banking partners on the other hand.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for in the context of the financial restructuring could, if necessary, be controlled by negotiating an increase in the amount of the Additional Financing with the Group's main banking partners on terms and conditions to be discussed at the time.

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, resulting in a failure to comply with the above-mentioned "Loan To Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

Finally, taking into account (i) the lock-up agreement signed with a majority of the Company's unsecured financial creditors, (ii) the possibility for the Nanterre Specialised Commercial Court, under the conditions recalled above, to approve the Company's accelerated safeguard plan, notwithstanding the possible negative vote of one or more classes of affected parties, (iii) the legal analyses carried out with the assistance of its main advisers for the assessment of potential third party claims, and (iv) its ability to lift all of the conditions precedent related to the agreements entered into with the various stakeholders, the Company considers the risk of not being able to implement the safeguard plan to be limited.

4.16 FINANCIAL INSTRUMENTS

The Group uses various financial instruments to hedge its exposure to interest rate risk. The Group had no currency derivatives at 31 December 2022. They are over-the-counter instruments arranged with blue chip counterparties.

Interest rate derivatives are recognised under "Other current assets and liabilities" and "Other non-current financial liabilities/assets", depending on their maturity, and measured at fair value at the transaction date (see Note 4.16.1 "Interest rate risk management strategy").

Currency derivatives are recognised under "Other current assets and liabilities" and measured at fair value at the transaction date (see Note 4.16.2 "Currency risk"). At 31 December 2022, no currency derivatives had been recognised.

4.16.1 INTEREST RATE RISK

Interest rate risk management strategy

The Group's debt consists for 62.8% of debt carrying floating rates of interest, and is mostly floating-rate domestic debt exposed to the risk of an increase in short-term rates in the eurozone.

The Group's strategy is to hedge a large proportion of its consolidated net debt against the risk of fluctuations in floating interest rates. To do so, it uses financial instruments to hedge its floating-rate financial liabilities. These include:

- interest rate swaps under which it receives mainly three-month Euribor and pays a fixed rate specific to each contract; and
- interest rate options (caps).

The Group applies hedge accounting under IFRS 9, and these transactions qualify as future cash flow hedging. Unrealised gains and losses arising from the re-measurement of these derivatives at market value are recognised in equity at the end of the reporting period, except for the time value at the inception of options, which is amortised in profit and loss over the effective lives of the instruments, in accordance with the "hedging cost" approach under IFRS 9.

The use of these hedges to curb interest rate risk exposes the Group to counterparty risk. Counterparty risk is the risk of having to replace a hedge at going market prices should a counterparty default. The Group's analysis did not identify any material impact arising from this risk.

The Group therefore considers only the intrinsic value of option contracts to be hedging instruments.

Interest rate derivatives

At 31 December 2022, the derivatives portfolio included fixed-for-floating interest rate swaps (mainly three-month Euribor) and interest rate options (caps). These derivatives have either a constant or decreasing nominal profile.

At 31 December 2022, the maturity profile of the interest rate derivatives was as follows:

	Maturity profile				
	2023	**2024**	**2025**	**2026**	**2027**
Average notional amount *(in millions of euros)*	2,040	2,337	1,816	372	65
Interest rate	0.8%	1.1%	1.3%	1.8%	2.2%

(in thousands of euros)	**31 Dec. 2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**More than 5 years**
Current assets	46,577	46,577	-	-	-	-	-
Non-current assets	84,410	-	47,538	27,927	5,607	1,237	2,100
INTEREST RATE DERIVATIVES	**130,987**	**46,577**	**47,538**	**27,927**	**5,607**	**1,237**	**2,100**

At 31 December 2021, the maturity profile of the interest rate derivatives was as follows:

	Maturity profile				
	2022	**2023**	**2024**	**2025**	**2026**
Average notional amount *(in millions of euros)*	3,527	3,521	3,524	2,642	360
Interest rate	0.6%	0.7%	0.9%	1.1%	1.5%

(in thousands of euros)	31 Dec. 2021	2022	2023	2024	2025	2026	More than 5 years
Current liabilities	37,283	37,283	-	-	-	-	-
Non-current liabilities	81,328	-	25,829	28,152	22,047	4,130	1,170
INTEREST RATE DERIVATIVES	**118,611**	**37,283**	**25,829**	**28,152**	**22,047**	**4,130**	**1,170**

Accumulated changes in the fair value of these hedging derivatives, representing €131 million at 31 December 2022, were recognised under interest rate hedging reserves in equity.

Analysis of sensitivity to fluctuations in interest rates

Analyses are performed based on the assumption of a 1% increase or 0.10% decrease in the three-month Euribor yield curves.

The fair value of derivatives is sensitive to changes in the yield curve and volatility trends. Volatility is assumed to remain unchanged for the purposes of this analysis.

Including the impact of hedges:

- a 1% (100 basis point) rise in the yield curve would increase the Group's financial expense by €27.5 million (before tax and capitalisation of financial expenses);
- a 0.1% drop (10 basis points) would increase financial expenses by €0.7 million.

At 31 December 2022, net debt amounted to €8,758 million (excluding IFRS 16 debt), with approximately 37.2% arranged at fixed rates and the remainder at floating rates.

Movements in the future cash flow hedging reserve

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Revaluation reserve at beginning of period	**(100,524)**	**(179,306)**
Correction of the revaluation reserve	(35,318)	-
New instruments	-	-
Impact on net profit	7,604	(3,339)
Change in equity	259,225	82,121
REVALUATION RESERVE AT END OF THE PERIOD	**130,987**	**(100,524)**

4.16.2 CURRENCY RISK

The Group has little foreign currency debt and little cash denominated in foreign currencies. For accounting purposes, the Group is also exposed to currency risk on intra-group loans granted to some of its subsidiaries (Switzerland, Poland, Czech Republic, etc.). This risk remains very limited.

4.17 TRADE PAYABLES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Trade payables	326,954	334,797
TOTAL	**326,954**	**334,797**

The Group does not have any reverse factoring arrangements for its trade payables.

4.18 TAX AND PAYROLL LIABILITIES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Employee-related liabilities	237,833	185,439
Social security liabilities	138,378	101,862
Tax liabilities	35,663	41,806
TOTAL	**411,874**	**329,107**

4.19 OTHER PAYABLES, ACCRUALS AND PREPAYMENTS

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Development-related liabilities	19,423	220,156
Security deposits	76,299	62,656
Commitments to carry out work on buildings sold	43,907	252
Customer accounts in credit	134,799	93,489
Other prepaid income	39,429	68,124
Interest rate derivatives	-	37,283
Currency derivatives	-	6,577
Advances and downpayments received on orders in progress	20,843	1,866
Current accounts (associates and related parties)	53,865	13,125
Miscellaneous	140,928	129,767
TOTAL	**529,492**	**633,297**

Development-related liabilities mainly comprise the deferred payment on exercising the put on non-controlling interests in Dagelijks Leven and the earn-outs from shares in France Senior, Axion, Allerzorg, September and SIS Brasil.

Security deposits mainly comprise the sums paid by residents at the beginning of their stay.

4.20 SIMPLIFIED INCOME STATEMENT

	31 Dec. 2022			31 Dec. 2021		
(in thousands of euros)	**Excluding IFRS 16**	**IFRS 16 impact**	**Including IFRS 16**	**Excluding IFRS 16**	**IFRS 16 impact**	**Including IFRS 16**
Revenue and other income	4,825,043	-	4,825,043	4,635,970	-	4,635,970
Purchases used and other costs	(4,052,603)	7,260	(4,045,343)	(3,572,324)	6,537	(3,565,787)
EBITDAR(1)	**772,441**	**7,260**	**779,700**	**1,063,646**	**6,537**	**1,070,183**
External rental costs	(430,324)	406,619	(23,705)	(381,697)	352,214	(29,483)
EBITDA(2)	**342,117**	**413,878**	**755,995**	**681,949**	**358,751**	**1,040,700**
Recurring operating profit/(loss)	(111,625)	62,497	(49,127)	337,276	58,452	395,727
Net financial expense	(221,126)	(97,498)	(318,623)	(168,731)	(80,166)	(248,897)
Profit/(loss) before tax	(4,564,407)	(26,379)	(4,590,785)	126,032	(20,269)	105,763
Attributable net profit/(loss)	(4,007,714)	(19,865)	(4,027,579)	82,567	(15,706)	66,861
ATTRIBUTABLE NET PROFIT/(LOSS)	**(4,007,269)**	**(19,773)**	**(4,027,042)**	**80,800**	**(15,615)**	**65,185**

(1) EBITDAR = Recurring EBITDA before rental expenses, including provisions related to the "External costs" and "Personnel costs" line items.
(2) EBITDA = Recurring operating profit before depreciation and amortisation, including provisions relating to the "External costs" and "Personnel costs" line items.

4.21 REVENUE

Revenue mainly comprises payment for accommodation and care services provided to residents and patients. Revenue is recognised when the service is provided.

The only seasonal effect is the number of business days, which is higher in the second half of each year than in the first.

In 2022, revenue amounted to €4,681 million, up 8.9% compared with 2021, an increase of €382 million.

The Group's growth in 2022 was mainly organic. A number of acquisitions were also made during the year.

ORGANIC GROWTH

Organic revenue growth for 2022 was 5.5%.

Organic growth in revenue reflects the following factors:

- the year-on-year change in the revenue of existing facilities as a result of changes in their occupancy rates and per diem rates;
- the year-on-year change in the revenue of redeveloped facilities or those where capacity has been increased in the current or year-earlier period;
- revenue generated in the current period by facilities created during the current period or year-earlier period, and the change in revenue of recently acquired facilities by comparison with the previous equivalent period.

SUMMARY OF CHANGES IN OCCUPANCY RATES

	12 months		
Average occupancy rate	**31 Dec. 2022**	**31 Dec. 2021**	**Change**
France-Benelux-UK-Ireland	83.6%	83.8%	-20 bps
Central Europe	79.1%	78.1%	+100 bps
Eastern Europe	81.9%	79.9%	+200 bps
Iberian Peninsula and Latin America	78.0%	76.4%	+160 bps
Other countries	NM	NM	NM
TOTAL GROUP	**81.6%**	**81.0%**	**+60 BPS**

4.22 SEGMENT INFORMATION

Segment information is provided for the segments used by management to analyse its activity and monitor its development. The operating segments are presented by geographical area:

- France-Benelux-UK-Ireland: France, Belgium, Luxembourg, the Netherlands, the United Kingdom and Ireland;
- Central Europe: Germany, Italy and Switzerland;
- Eastern Europe: Austria, Poland, Czech Republic, Slovenia, Latvia and Croatia;
- Iberian Peninsula and Latin America: Spain, Portugal, Brazil, Uruguay and Mexico;
- Other countries: China.

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021 reported**
REVENUE		
France-Benelux-UK-Ireland	2,802,422	2,643,200
Central Europe	1,197,213	1,086,028
Eastern Europe	435,414	395,218
Iberian Peninsula and Latin America	241,788	171,063
Other countries	4,063	3,064
TOTAL	**4,680,899**	**4,298,574**
RECURRING OPERATING PROFIT BEFORE RENTS AND BEFORE DEPRECIATION, AMORTISATION AND CHARGES TO PROVISIONS		
France-Benelux-UK-Ireland	447,204	694,426
Central Europe	242,768	283,887
Eastern Europe	62,880	60,850
Iberian Peninsula and Latin America	24,444	31,930
Other countries	2,405	(910)
TOTAL	**779,700**	**1,070,183**

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021 restated[1]**	**31 Dec. 2021 reported**
ASSETS			
France-Benelux-UK-Ireland	11,684,288	12,573,732	14,234,305
Excluding France Benelux	2,810,146	4,498,080	4,750,022
TOTAL	**14,494,434**	**17,071,812**	**18,984,327**
LIABILITIES EXCLUDING EQUITY			
France-Benelux-UK-Ireland	12,412,582	10,754,572	11,133,701
Excluding France Benelux	3,584,088	3,981,877	4,039,398
TOTAL	**15,996,670**	**14,736,448**	**15,173,099**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16 (see Note 4.3).

The costs of acquiring segment assets are disclosed in Chapter 5 "Management report".

4.23 RECURRING OPERATING PROFIT

Recurring operating profit breaks down as follows:

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021**
Revenue	4,680,899	4,298,574
Purchases used and other external costs before rental expenses[1]	(915,551)	(702,309)
Personnel costs[1]	(3,027,911)	(2,644,104)
Taxes other than on income[1]	(63,069)	(26,373)
Other recurring operating income	144,144	337,396
Other recurring operating expense	(38,812)	(193,002)
Recurring operating profit before rents and before depreciation, amortisation and charges to provisions	**779,700**	**1,070,183**
Rental expenses	(23,705)	(29,483)
Depreciation, amortisation and charges to provisions	(805,122)	(644,973)
RECURRING OPERATING PROFIT/(LOSS)	**(49,127)**	**395,727**

(1) For 2021:
– reclassification of payroll and training taxes for €101,771 thousand from "Taxes other than on income" to "Personnel costs";
– reclassification of external doctors' fees for €15,305 thousand from "Purchases used and other external costs before rental expenses" to "Personnel costs";
– reclassification of temporary employment costs for €98,140 thousand from "Purchases used and other external costs before rental expenses" to "Personnel costs".

Depreciation, amortisation and charges to provisions include the €56 million provision accrued following the IGAS-IGF report (see Note 4.12).

4.24 OTHER NON-RECURRING OPERATING INCOME AND EXPENSE

Other non-recurring operating income and expense comprises:

- gains or losses on the Group's real-estate transactions: development costs and any impairment;
- the Group's development expenses and redevelopment costs for recently acquired facilities;
- income and expenses related to business combinations: transaction costs, negative goodwill;
- impairment of intangible assets and goodwill.

With effect from 1 July 2022, the Group has reclassified certain expenses previously classified as "non-recurring" as recurring expenses. These are operating costs of facilities that have not yet reached their standard operating level. The Group previously presented these expenses as "non-recurring". At 31 December 2022, €20 million of these costs remained in non-recurring profit, corresponding to the costs for the first half of 2022.

At 31 December 2021, total expenses in this category stood at €50 million.

Other non-recurring operating income and expense for the year were as follows:

(in thousands of euros)	**31 Dec. 2022**	**31 Dec. 2021**
Capital gains/(losses) on disposals	(58,352)	-
Reversals of provisions	7,234	12,685
Charges to provisions	(622,395)	(43,798)
Asset impairment	(3,341,438)	-
Other income/(Other expenses)	(208,084)	(9,955)
OTHER NON-RECURRING OPERATING INCOME AND EXPENSES	**(4,223,035)**	**(41,068)**

At 31 December 2022, other non-recurring operating income and expenses consisted mainly of:

- charges to provisions mainly comprising a €0.5 billion provision for the risk of non-recovery of financial receivables relating to partnerships (see Note 4.9);
- asset impairment corresponds to the impairment losses recognised following impairment tests at the level of CGUs and groups of CGUs at 31 December 2022 in application of IAS 36, for €3.1 billion (see Note 4.2), and property impairment losses recognised on assets under construction for €0.3 billion;
- other expenses mainly comprise crisis management expenses.

4.25 FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Interest on bank debt and other financial liabilities	(228,416)	(127,921)
Interest income	261	433
Interest on items held under finance leases	(14,940)	(14,056)
Financial expenses on lease liabilities	(97,939)	(80,164)
Cost of net debt	**(341,034)**	**(221,708)**
Net income/(losses) on interest rate derivatives	15,192	(38,872)
Capitalised financial expenses[1]	7,219	11,683
Other financial income and expense, net	**22,410**	**(27,189)**
NET FINANCIAL EXPENSE	**(318,623)**	**(248,897)**

(1) Calculated at an average rate of 3.25% in 2022 on constructions in progress.

4.26 INCOME TAX EXPENSE

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021 reported
Current income tax	(51,656)	(63,353)
Deferred taxes	648,148	25,814
TOTAL	**596,492**	**(37,539)**

Pursuant to IAS 12, the income tax expense includes the CVAE value-added levy of €13.5 million.

The CFE (*Cotisation Foncière des Entreprises*) levy is recognised as a recurring operating expense in "Taxes other than on income".

Deferred tax assets/(liabilities) break down by type of temporary difference as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021 restated[1]	31 Dec. 2021 reported
Fair value of intangible assets	(287,952)	(606,057)	(606,057)
Fair value of property, plant and equipment[1]	116,201	(224,574)	(661,225)
Capitalisation of finance leases	(175,189)	(184,812)	(184,812)
Temporary differences	93,432	(6,340)	(6,340)
Tax loss carryforwards	164,708	67,581	67,581
Deferral of capital gains tax on disposals	9,010	(13)	(13)
Employee benefits	15,782	10,975	10,975
CVAE value-added levy on businesses	(108)	(3,272)	(3,272)
Financial instruments and other	(170,091)	146,341	146,341
TOTAL	**(234,206)**	**(800,171)**	**(1,236,822)**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

Deferred taxes arising on temporary differences between the tax base and accounting base of consolidated assets and liabilities are recognised using the liability method at the rates enacted or substantially enacted at the reporting date. The tax rates used are based on the expected timing of the reversal of the temporary differences, tax losses and other tax credits. The impact of a change in tax rate is recognised in profit or loss for the period, or in equity, depending on the item to which it relates.

Deferred tax assets arising on tax loss carryforwards are recognised if there is a reasonable probability that they will reverse in the foreseeable future, based on projections of future taxable profits on the businesses that gave rise to the original losses.

Deferred taxes are not discounted.

A provision is set aside for any taxes that may be due by the Group on dividend payments made by subsidiaries if the dividend payment has been formally agreed at the reporting date.

Deferred tax assets and liabilities are netted by tax entity when they are expected to reverse in the same period.

Current and/or deferred taxes are recognised in profit or loss for the period except when they arise on a transaction or event recognised directly in equity.

Deferred taxes calculated based on the IFRS measurement of intangible operating assets came to €288 million at 31 December 2022.

Deferred tax assets and liabilities and other non-current liabilities break down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021 restated[1]	31 Dec. 2021 reported
IFRS 16	91,153	47,929	47,929
Tax loss carryforwards	164,708	67,581	67,581
Deferred tax assets	325,695	-	-
TOTAL DEFERRED TAX ASSETS	**581,556**	**115,510**	**115,510**
Deferred tax liabilities[1]	(815,762)	(915,681)	(1,352,332)
Interest rate derivatives (non-current)	-	(81,328)	(81,328)
Other	1,769	-	-
TOTAL DEFERRED TAX LIABILITIES AND OTHER NON-CURRENT LIABILITIES	**(813,993)**	**(997,009)**	**(1,433,660)**

(1) The reported financial statements for 2021 have been restated following the Group's decision to no longer apply the revaluation model under IAS 16.

The difference between the statutory tax rate, i.e., 25.83% at 31 December 2022, and the effective tax rate in the income statement, breaks down as follows:

(in thousands of euros)	31 Dec. 2022	31 Dec. 2021
Profit/(loss) before tax	**(4,590,785)**	**105,764**
Statutory tax rate in France	**25.8%**	**28.4%**
Theoretical tax income (expense)	**1,185,800**	**(30,048)**
Impact of:		
▪ permanent differences	(120,090)	3,871
▪ difference in tax rates	(81,158)	19,703
▪ non-recognition of tax losses	(251,693)	(44,096)
▪ other[1]	(136,367)	13,029
INCOME TAX EXPENSE	**596,492**	**(37,539)**
Effective tax rate	**13.0%**	**36.0%**

(1) Mainly related to the impairment of deferred tax assets following business plan analysis.

5. Additional information

5.1 COMMITMENTS AND CONTINGENT LIABILITIES

5.1.1 OFF-BALANCE SHEET COMMITMENTS

Commitments given

Debt-related commitments

Pledges, mortgages, security deposits and other collateral account for most of the debt-related commitments given in relation to the Group's financing:

(in thousands of euros)	31 Dec. 2022
Pledged shares	3,321,601
Sureties and bank guarantees	833,839
Real estate mortgages	833,604
Comfort letters	757,365
Put/call options (shares)	225,170
Partnership guarantees	239,513
Lease guarantees	109,077
Other guarantees and commitments	71,963
Contractual commitments relating to property development	33,665
Other pledges	2,087
COMMITMENTS GIVEN	**6,427,885**

The main commitments given and received by the ORPEA Group under the conciliation protocol signed with its main banking partners in December 2022 are as follows:

- Provision of Loans by banking partners.

  The Lenders, in particular, have undertaken to finance the Group's cash flow requirements by making available the A1, A2/A3, A4, B and C Loans in the form of a syndicated loan (together, the "**Loans**");
- ORPEA's main undertakings.

ORPEA has given the following main undertakings, described in Note 4.14:

- relating to the disposal of operating and real estate assets;
- relating to the allocation of certain net proceeds from disposals and subscriptions to repay the Loans;
- to grant collateral to secure Loan repayment obligations.

To ensure that the Loan amounts due are repaid *pari passu*, ORPEA has granted the following security interests from the first drawdown of one of the Loans:

- a *Dailly* assignment of intra-group loans financed by Loan drawdowns;
- first-ranking pledges over:
  - 100% of the shares of CEECSH (the "CEECSH Pledge"), and
  - 100% of the shares of ORESC 25 SARL ("ORESC") to which the Company will contribute no later than on the second drawdown date of the Loans (i.e., excluding the first drawdown of a maximum amount of €250 million under the A1 Loan), 100% of the shares of its subsidiary CLINEA (the "ORESC Pledge", and together with the CEECSH Pledge, the "Pledges"), (the pledged assets representing 24.5% and 32.5% of the Group's revenue, respectively). Following certain reorganisations to be carried out within the Group, the pledges will be over shares in CLINEA France and the Group's business in Germany, representing 23.5% and 16% of consolidated revenue, respectively.

Commitments relating to the Group's operating activities

France

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	Immobilière de Santé	The following commitment has been given as regards the potential acquisition of a 100% interest in 50.01%-held Immobilière de Santé (France): ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised between 1 January 2024 and 31 December 2024 (inclusive).
France	AP6	The following commitment has been given concerning the potential acquisition of a 100% interest in 50%-held AP6 (France): ▪ call option for SARL 97 (ORPEA) (i.e., promise to sell by the partners), which may be exercised between 1 January 2024 and 30 June 2024.
France	AP7	The following commitment has been entered into concerning the potential acquisition of a 100% interest in 50%-held AP7 (France): ▪ call option for ORPEA (i.e., promise to sell by the partners), which may be exercised between 26 December 2022 and 31 December 2023.
France	Clinique des Portes de l'Eure	▪ The following commitments have been given concerning the potential acquisition of a 100% interest in 55%-held Clinique des Portes de l'Eure (France), including the receivables held by the partner at the exercise date: – promise to buy granted by Sinoue group (ORPEA), with the option to be substituted by any third party (i.e., put option for the partner) exercisable at any time until 31 March 2030; – call option for Sinoue group (ORPEA) with the option to be substituted by any third party (i.e., promise to sell by the partner) exercisable (i) between 1 April 2030 and 30 September 2030 or (ii) if a material event occurs within six months of Sinoue group becoming aware of said event (i.e., termination of MPCM Management's term of office as Chairman, change in control of MPCM Management, resignation, dismissal, death or incapacity of MPCM Management's legal representative due to mismanagement resulting in a loss for the target company). ▪ A promise to sell was granted by Sinoue group (ORPEA) with the option to be substituted by any third party (i.e., call option for the partner) concerning 45%-held Clinique des Portes de l'Eure (France) and the receivables held by Sinoue group at the exercise date, which may be exercised during any of the following three periods: – between 1 January 2023 and 31 March 2023; – between 1 January 2026 and 31 March 2026; – between 1 January 2029 and 31 March 2029.
France	ORESC 7	▪ The following commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 7 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date: – promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds); – call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds). ▪ The following commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 7 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date: – promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds); – call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).

<table>
<tr><th>Country</th><th>Companies controlled/ accounted for using the equity method</th><th>Put/call options</th></tr>
<tr><td>France</td><td>ORESC 8</td><td>■ The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.9%-held ORESC 8 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date:
– promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds);
– call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised (i) at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular with regard to a call for funds) or (ii) if the shares and/or receivables held by OPPCI ICADE Healthcare Europe were to be subsequently held indirectly by a competitor of ORPEA (or any of its affiliated entities).
■ The following respective commitments have been given for a potential acquisition of a 100% interest in 10.1%-held ORESC 8 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date:
– promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised (i) at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds) or (ii) if no agreement is reached between the parties on whether to pursue their investment in the six months prior to the agreement's expiration date (provided that the ORPEA Real Estate Luxembourg's put option does not result in German Real Estate Transfer Tax (RETT) becoming payable);
– call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).</td></tr>
<tr><td>France</td><td>ORESC 12</td><td>■ The following respective commitments have been given concerning the potential acquisition of a 100% interest in 51%-held ORESC 12 (France), including the related shareholder advances held by OPPCI ICADE Healthcare Europe at the exercise date:
– promise to buy granted by ORPEA Real Estate Luxembourg (i.e., put option for the partner), which may be exercised at any time by the partner until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds);
– call option for ORPEA Real Estate Luxembourg (i.e., promise to sell by the partner), which may be exercised at any time until 25 November 2035, in the event of a serious breach by the partner of one of its obligations (in particular in respect of a call for funds).
■ The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORESC 12 (France), including the related shareholder advances held by ORPEA Real Estate Luxembourg at the exercise date:
– promise to buy granted by OPPCI ICADE Healthcare (i.e., put option for ORPEA Real Estate Luxembourg), which may be exercised at any time by ORPEA Real Estate Luxembourg until 25 November 2035, in the event of a serious breach by OPPCI ICADE Healthcare of one of its obligations (in particular in respect of a call for funds);
– call option for OPPCI ICADE Healthcare (i.e., promise to sell by ORPEA Real Estate Luxembourg), which may be exercised at any time until 25 November 2035, in the event of a serious breach by ORPEA Real Estate Luxembourg of one of its obligations (in particular in respect of a call for funds).</td></tr>
<tr><td>France</td><td>SCI des Boucles de la Moselle</td><td>The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI des Boucles de la Moselle (France) or (ii) the property lease or (iii) the property it owns:
■ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035;
■ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.</td></tr>
<tr><td>France</td><td>SCI d'Yvetot</td><td>The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI d'Yvetot (France) or (ii) the property finance lease or (iii) the building it owns:
■ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035;
■ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.</td></tr>
<tr><td>France</td><td>SCI Clinique du Campus</td><td>The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Clinique du Campus (France) or (ii) the property finance lease or (iii) the building it owns:
■ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035;
■ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.</td></tr>
<tr><td>France</td><td>SCI de Chatillon</td><td>The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de Chatillon (France) or (ii) the property finance lease or (iii) the building it owns:
■ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035;
■ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.</td></tr>
<tr><td>France</td><td>SAS du Champ de Gretz</td><td>The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SAS du Champ de Gretz (France) or (ii) the property finance lease or (iii) the building it owns:
■ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035;
■ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.</td></tr>
</table>

Country	Companies controlled/ accounted for using the equity method	Put/call options
France	SCI du Virval	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI du Virval (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035; ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI de l'Epinoy	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de l'Epinoy (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035; ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.
France	SCI Les Oyats	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Les Oyats (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035; ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038.

International

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/accounted for using the equity method	Put/call options
Chile	Rentas Senior Suites SA	The following respective commitments have been entered into concerning the potential acquisition of a 100% interest in 50%-held Rentas Senior Suites SA (Chile): ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2024 and 31 July 2024; ▪ call option for the partner *(i.e.,* promise to sell by ORPEA), which may be exercised between 1 August 2024 and 31 July 2025; ▪ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised until 31 July 2024.
Mexico	SIS Exploit Mexico S. de R.L. de C.V.	Concerning 49%-held SIS Exploit Mexico S. de R.L. de C.V. (Mexico), the following respective commitments have been given concerning the potential acquisition of a 100% interest: ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); ▪ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Colombia	ORPEA Colombia Exploit SAS	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 49%-held ORPEA Colombia Exploit SAS (Colombia): ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building (and at any time if the partner ceases to be manager); ▪ promise to buy granted by the ORPEA Group (i.e., put option for the partner), which may be exercised between 1 January 2022 and the second anniversary of the delivery of the fifth facility building.
Czech Republic	SeneCura S.R.O. (previously Senior Holding S.R.O.)	Concerning 80%-held SeneCura S.R.O. (Czech Republic), the following respective commitments have been given concerning the potential acquisition of a 100% interest: ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised between 1 January 2028 and 31 May 2028; ▪ call option for the ORPEA Group (i.e., promise to sell by the partner) if there is a change of partner/Chief Executive Officer appointed by Urban Survival, until the contract end date; ▪ put option for the partner (i.e., promise to buy by the ORPEA Group), which may be exercised between 1 June 2028 and 31 August 2028.
Luxembourg	Bad Schonborn Properties S.C.S.	Concerning 10.1%-held Bad Schonborn Properties S.C.S. (Luxembourg), the following commitments have been entered into: ▪ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 12 May 2026 and 12 August 2026; ▪ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 12 February 2027 and 12 May 2027.

Country	Companies controlled/accounted for using the equity method	Put/call options
Luxembourg	Salza Verwaltungs GmbH	The following respective commitments have been entered into concerning the potential acquisition of the 5.2% interest held in Salza Verwaltungs GmbH (Luxembourg): ▪ call option for the partner (i.e., promise to sell by ORPEA Group), which may be exercised between 30 June 2021 and 15 November 2021; ▪ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised between 7 November 2037 and 7 February 2038; ▪ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised between 7 May 2038 and 7 July 2038.
Luxembourg	ORPEA Real Estate Luxembourg S.à.r.l	Call option in respect of Daki. Since 1 January 2023, ORPEA Real Estate Luxembourg S.à.r.l has had a call option concerning Red Bridge's interest in Daki, enabling it, if it were to exercise the option, to acquire 100% of Daki SA. Alongside this call option, the Group also benefits from a share pledge on the Daki shares.
Germany	ORPEA Premium Holding GmbH	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 75%-held ORPEA Premium Holding GMBH (Germany): ▪ put option for the partner (i.e., promise to buy by ORPEA), which may be exercised between 1 January 2024 and 31 December 2025; ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised at any time from 1 January 2026; ▪ call option for the ORPEA Group (i.e., promise to sell by the partner), which may be exercised before 1 January 2026 if (a) Mr Tavridis is convicted of a crime within the meaning of the German Criminal Code; (b) Mr Tavridis resigns as Chief Executive Officer without just cause (to avoid ambiguity, the death of Mr Tavridis constitutes a just cause within the meaning of the clause); (c) Axion declares that ORPEA Premium Holding GmbH has terminated the contract; (d) a change in control at Axion.
Netherlands	Thuismakers Holding B.V.	Concerning 49%-held Thuismakers Holding (Netherlands), the ORPEA Group has a call option (i.e., promise to sell by the partner) in respect of each of the two co-shareholders for the remaining 51%, which may be exercised (i) in certain well-defined circumstances (good/bad leaver, change in co-shareholders' control/insolvency, event affecting the company's reputation) and/or (ii) for a period of 90 days from the date on which the co-shareholders no longer hold any shares in Allerzorg Beheer B.V. and September Holding B.V.
Netherlands	September Holding B.V.	Concerning 97.9%-held September Holding (Netherlands), the ORPEA Group has a call option (i.e., promise to sell by the partner) in respect of each of the two co-shareholders for the remaining 2.1%, which may be exercised in certain well-defined circumstances (good/bad leaver, change in co-shareholders' control/insolvency, event affecting the company's reputation).
Netherlands	Allerzorg B.V.	Concerning 99.7%-held Allerzorg Beheer (Netherlands), the ORPEA Group has a call option in respect of the co-shareholder for the remaining 0.3%, which may be exercised in certain well-defined circumstances (good/bad leaver, change in co-shareholder's control/insolvency, event affecting the company's reputation).
Russia	ORPEA Rus	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.09%-held ORPEA Rus (Russia): ▪ promise to buy granted by the ORPEA Group (i.e., put option for minority shareholders), which may be exercised between 27 December 2025 and 27 December 2029 (and at any time in the cases listed in Article 3.1.2 of the Deed of Covenant (in particular if no project has been approved within 18 months of the initial investment)); ▪ call option for the ORPEA Group (i.e., promise to sell by minority shareholders), which may be exercised between 27 December 2025 and 27 December 2028 (and at any time in the cases listed in Article 4.1.2 of the Deed of Covenant (in particular if no project has been approved within the 18 months following the initial investment)). If ORPEA SA fails to meet its obligations relating to the call option for the benefit of the ORPEA Group (e.g., non-payment), reverse call option (i.e., promise to sell by ORPEA) for the minority shareholders.
China	YangTing (Shanghai) Enterprise Management and Consultant Co. Ltd.	The following commitments have been given concerning the potential acquisition of a 100% interest in 49%-held YangTing (Shanghai) Enterprise Management and Consultant Co. Ltd. (China): ▪ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (25 December 2037).
China	Pacific ORPEA (Shanghai) Senior Care Management Co. Ltd.	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 44%-held Pacific ORPEA (Shanghai) Senior Care Management Co. Ltd. (China): ▪ put option for the ORPEA Group (i.e., promise to buy by the partner), which may be exercised until the contract end date (31 October 2038); ▪ call option for the partner (i.e., promise to sell by the ORPEA Group), which may be exercised until the contract end date (31 October 2038).
Switzerland	Gevea Seniors SA	Concerning 49%-held Gevea Seniors SA (Switzerland), the ORPEA Group has a call option in respect of its partner for the remaining 51%, which may be exercised from 1 January 2025 to 31 January 2025.

Commitments received

In addition to the call options for the ORPEA Group identified in the previous section, which constitute commitments received by the Group, ORPEA also has the possibility of benefiting from purchase options on real estate assets leased in Belgium.

(in thousands of euros)	**31 Dec. 2022**
Pledged shares	40,590
Other commitments received	10,139
COMMITMENTS RECEIVED	**50,729**

5.1.2 CONTINGENT LIABILITIES

Overall, management believes that the provisions recognised in the balance sheet for disputes involving the Group of which it is aware should be sufficient to cover its exposure to risks.

As explained in Note 2 "Significant events", ORPEA has taken note of the announcement by the government of its decision to transmit to the public prosecutor the report of the investigation carried out by the General Inspectorate of Social Affairs (*Inspection générale des affaires sociales* – IGAS) and the General Inspectorate of Finance (*Inspection générale des affaires sociales* – IGF) in February and March 2022. On 29 July 2022, following the audit report, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return unduly received funding in an amount of €55.8 million. The Company has set aside a provision for the above-mentioned amount as described in Note 4.12 "Provisions".

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences.

Other civil or criminal proceedings, either related or unrelated to the acts described in the book *Les fossoyeurs,* could result in civil or criminal liability for the Group, its executives and/or current or former employees. With the exception of the risks that are the subject of a provision described in Note 4.12 "Provisions", the Group considers at this stage that these proceedings are not likely to have a material adverse effect on its financial position or profitability. However, since the outcome of any proceedings is inherently unpredictable, proceedings in progress could represent contingent liabilities.

In addition, in May 2022, the Group also filed a complaint against unnamed persons with the public prosecutor for past transactions and events – wholly unrelated to the accommodation and care conditions for residents – that could raise questions with regard to ORPEA's best interests and which were discovered following internal investigations that revealed a number of potentially fraudulent activities of which the Company or its subsidiaries may have been victims.

In December 2022, the Company filed a complaint against the former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering.

Lastly, ORPEA continued its investigations and filed additional complaints against named persons.

The Company has not currently identified any material adverse impact on its cash flow or real estate assets resulting from the reported fraudulent activities. Nevertheless, the proceedings that may be initiated in this respect, which are inherently unpredictable, could represent contingent liabilities.

5.2 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES IN ACCORDANCE WITH IFRS 7

Financial assets and liabilities recognised under IFRS 7 break down as follows:

		Carrying amount				Fair value		
(in thousands of euros)	**Balance**	**Hedge accounting**	**Amortised cost**	**Fair value through equity**	**Fair value through profit or loss**	**Level 1**	**Level 2**	**Level 3**
AT 31 DECEMBER 2022								
FINANCIAL ASSETS	**2,087,591**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in companies and joint ventures	7,852	-	-	7,852	-	-	-	7,852
Derivative financial instruments – non-current assets	84,410	84,410	-	-	-	-	84,410	-
Non-current financial assets	180,997	-	180,997	-	-	-	-	-
Non-current assets	**273,259**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	455,368	-	455,368	-	-	-	-	-
Derivative financial instruments – current assets	46,577	46,577	-	-	-	-	46,577	-
Other receivables, accruals and prepayments	455,970	-	455,970	-	-	-	-	-
Cash and cash equivalents	856,417	-	-	-	856,417	856,417	-	-
Current assets	**1,814,332**	**-**	**-**	**-**	-	**-**	**-**	**-**
FINANCIAL LIABILITIES	**10,471,242**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current financial liabilities	1,378,335	-	1,378,335	-	-	-	-	-
Non-current liabilities	**1,378,335**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current financial liabilities	8,236,460	-	8,236,460	-	-	-	-	-
Trade payables	326,954	-	326,954	-	-	-	-	-
Other payables, accruals and prepayments	529,492	-	529,492	-	-	-	-	-
Current liabilities	**9,092,906**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
AT 31 DECEMBER 2021								
FINANCIAL ASSETS	**2,578,214**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments in companies and joint ventures	84,158	-	-	84,158	-	-	-	84,158
Non-current financial assets	94,703	-	94,703	-	-	-	-	-
Non-current assets	**178,861**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	431,630	-	431,630	-	-	-	-	-
Other receivables, accruals and prepayments	1,015,354	-	1,015,354	-	-	-	-	-
Cash and cash equivalents	952,369	-	-	-	952,369	952,369	-	-
Current assets	**2,399,353**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FINANCIAL LIABILITIES	**9,830,393**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current financial liabilities	7,006,775	-	7,006,775	-	-	-	-	-
Derivative financial instruments – non-current liabilities	81,328	81,328	-	-	-	-	81,328	-
Non-current liabilities	**7,088,103**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current financial liabilities	1,855,524	-	1,855,524	-	-	-	-	-
Derivative financial instruments – current liabilities	37,283	37,283	-	-	-	-	37,283	-
Trade payables	334,797	-	334,797	-	-	-	-	-
Other payables, accruals and prepayments	514,686	-	514,686	-	-	-	-	-
Current liabilities	**2,742,290**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Level 1: financial assets and liabilities quoted on an active market, where fair value is the listed price.
Level 2: financial assets and liabilities not quoted on an active market, for which fair value is measured using directly observable market inputs.
Level 3: financial assets and liabilities not quoted on an active market, for which fair value is measured using inputs not based on observable market data.

5.3 RELATED-PARTY TRANSACTIONS

RELATED-PARTY TRANSACTIONS

In the ordinary course of its business, the ORPEA Group enters into various transactions with related parties as defined by IAS 24.

At 31 December 2022, the main net exposures with regard to related parties were as follows:

- property development partnerships;
- advances granted by the ORPEA Group to its associates and joint ventures and to other related parties amounted to €102 million at 31 December 2022 (see Note 4.5);
- advances granted by the ORPEA Group to other partners in respect of property development projects amounted to €73 million (see Note 4.7 "Other receivables, accruals and prepayments").

The ORPEA Group has initiated negotiations with its partners with a view to unwinding the partnerships and recovering the real estate assets against the receivables.

Advances received by the ORPEA Group from its associates and joint ventures and from related parties amounted to €54 million at 31 December 2022.

Benefits granted to corporate officers

The total amount of gross remuneration, fees (excluding all taxes) and benefits paid during 2022 to the ORPEA Group's corporate officers was €1,655 thousand, including €674 thousand allocated to directors.

The carrying amount of shares awarded in 2022 is €415 thousand.

5.4 HEADCOUNT

The ORPEA Group had 76,160 employees at 31 December 2022.

	31 Dec. 2022	31 Dec. 2021	*Change*
France-Benelux-UK-Ireland	38,818	37,276	*1,542*
Central Europe	21,497	20,132	*1,365*
Eastern Europe	9,293	8,866	*427*
Iberian Peninsula and Latin America	6,422	5,278	*1,144*
Other countries	130	124	*6*
TOTAL GROUP WORKFORCE	**76,160**	**71,676**	***4,484***

5.5 STATUTORY AUDITORS' FEES

Fees paid to the Statutory Auditors for services provided to ORPEA in 2022 break down as follows:

		Deloitte & Associés		Saint-Honoré BK&A		Mazars	
(in thousands of euros)	Total 2022	2022 Statutory Auditors	2022 Network	2022 Statutory Auditors	2022 Network	2022 Statutory Auditors	2022 Network
Audit and interim review of the individual and consolidated financial statements	**7,226**	**1,857**	**1,350**	**927**	**-**	**1,741**	**1,351**
ORPEA SA	3,567	1,528	-	447	-	1,592	-
Fully-consolidated subsidiaries	3,659	329	1,350	480	-	149	1,351
Non-audit services	**366**	**148**	**93**	**54**	**-**	**71**	**-**
ORPEA SA	273	148	-	54	-	71	-
Fully-consolidated subsidiaries	93	-	93	-	-	-	-

		Deloitte & Associés		Saint-Honoré BK&A		Mazars	
(in thousands of euros)	Total 2021	2021 Statutory Auditors	2021 Network	2021 Statutory Auditors	2021 Network	2021 Statutory Auditors	2021 Network
Audit and interim review of the individual and consolidated financial statements	**4,438**	**1,351**	**2,141**	**946**	**-**	**-**	**-**
ORPEA SA	1,781	1,041	-	740	-	-	-
Fully-consolidated subsidiaries	2,657	310	2.141	206	-	-	-
Non-audit services	**496**	**86**	**410**	**-**	**-**	**-**	**-**
ORPEA SA	86	86	-	-	-	-	-
Fully-consolidated subsidiaries	410	-	410	-	-	-	-

5.6 SCOPE OF CONSOLIDATION AT 31 DECEMBER 2022

The main companies involved in ORPEA Group activities and management of its property portfolio are:

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
ORPEA SA	100.00%	100.00%	Parent
Clinea SAS	100.00%	100.00%	Full
SA La Saharienne	100.00%	100.00%	Full
EURL Les Matines	100.00%	100.00%	Full
Bel Air	100.00%	100.00%	Full
SARL 95	100.00%	100.00%	Full
SARL 96	100.00%	100.00%	Full
Résidence Les Pastoureaux	100.00%	100.00%	Full
Résidence Les Jardins de Louise	100.00%	100.00%	Full
Résidence Les Jardins de Lucile	100.00%	100.00%	Full
Résidence Les Jardins de Mathis	100.00%	100.00%	Full
Residence La Bretagne	100.00%	100.00%	Full
Résidence Saint-Luc	100.00%	100.00%	Full
Clinique de Champvert	100.00%	100.00%	Full
La Teste de Buch – Résidence Saint-Marc	100.00%	100.00%	Full
Clinique du Cabirol	100.00%	100.00%	Full
Résidence Les Jardins d'Escudié	100.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
SARL Domea	100.00%	100.00%	Full
Clinique Régina	99.00%	100.00%	Full
Clinique de l'Émeraude	100.00%	100.00%	Full
Clinique La Chavannerie	100.00%	100.00%	Full
Société Pyrénéenne de Maisons de Santé pour Diabétiques	100.00%	100.00%	Full
Résidence Les Parrans	100.00%	100.00%	Full
Maison de Santé de Merfy	100.00%	100.00%	Full
Résidence Les Acanthes	100.00%	100.00%	Full
Résidence Le Clos Saint-Grégoire	100.00%	100.00%	Full
Château de Bon Attrait	100.00%	100.00%	Full
Clinique Sancellemoz	97.00%	100.00%	Full
Résidence La Villa des Aînés	100.00%	100.00%	Full
Résidence Malka	100.00%	100.00%	Full
Résidence Athéna	100.00%	100.00%	Full
Clinique Gallieni	100.00%	100.00%	Full
Séniors Études et Réalisations	100.00%	100.00%	Full
Résidence du Lac	100.00%	100.00%	Full
Clinique du Pays d'Oc (formerly Dr. Becq)	100.00%	100.00%	Full
Résidence Bon Air	100.00%	100.00%	Full
L'Ambarroise	100.00%	100.00%	Full
Institut Hélio Marin de la Côte d'Azur	100.00%	100.00%	Full
Clinique La Salette	100.00%	100.00%	Full
Clinique Les Bruyères Brosville	100.00%	100.00%	Full
CRF Mer Air Soleil	100.00%	100.00%	Full
Clinique La Pinède	100.00%	100.00%	Full
GCS Pharmacie du Valois	100.00%	100.00%	Full
Résidence Centre de Repos de la Montagne	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
Résidence Le Clos Saint-Jacques	100.00%	100.00%	Full
SARL ORPEA	100.00%	100.00%	Full
Europsy	100.00%	100.00%	Full
Clinique du Château de Garches	100.00%	100.00%	Full
Clinique du Dauphiné	100.00%	100.00%	Full
Clinique Madeleine Remeuzat	100.00%	100.00%	Full
Maison de Santé Bellevue	100.00%	100.00%	Full
Clinique Rochebrune	100.00%	100.00%	Full
Boucles de la Moselle	100.00%	100.00%	Full
Boucles de la Seine	100.00%	100.00%	Full
Clinique de Chatillon	100.00%	100.00%	Full
Clinique de l'Epinoy	100.00%	100.00%	Full
Clinique des Oyats	100.00%	100.00%	Full
Clinique du Campus	100.00%	100.00%	Full
Clinique du Littoral	100.00%	100.00%	Full
Clinique du Virval	100.00%	100.00%	Full
Institut d'Addictologie du Littoral	100.00%	100.00%	Full
Résidence Paul & Lisa (delisted company)	100.00%	100.00%	Full
HDJ Psy84	55.00%	100.00%	Full
OPCI	100.00%	100.00%	Full
SFI France	100.00%	100.00%	Full
SAS Douce France Santé	100.00%	100.00%	Full
Sogip SARL	100.00%	100.00%	Full
Massilia Gestion Santé	100.00%	100.00%	Full
Sud Ouest Santé	100.00%	100.00%	Full
SARL Augeo – Livry-Gargan	100.00%	100.00%	Full
SARL Livery Traiteur	100.00%	100.00%	Full
SARL FamiliSanté	97.00%	100.00%	Full
ORPEA China Holding	100.00%	100.00%	Full
SARL Services 77	100.00%	100.00%	Full
SARL Résidence Parc de Royat	100.00%	100.00%	Full
SARL Résidence de l'Ambène	100.00%	100.00%	Full
SARL Résidence Saint-Martial	100.00%	100.00%	Full
SARL Résidence Marquisat de Provence	100.00%	100.00%	Full
SARL Résidence Parc des Noues	100.00%	100.00%	Full
SARL Résidence Les Pergolas de Sigoules	100.00%	100.00%	Full
SARL Services 64	100.00%	100.00%	Full
SARL Résidence Saint-Honorat	100.00%	100.00%	Full
SARL Domidorm Franchises	100.00%	100.00%	Full
AP Immo 2	98.00%	100.00%	Full
Domidom Office	100.00%	100.00%	Full
TCP Dev	100.00%	100.00%	Full
Âge Partenaires	100.00%	100.00%	Full
AP5	100.00%	100.00%	Full
Transac-Consulting	100.00%	100.00%	Full
SCI Officea Santé	100.00%	100.00%	Full
SCI Résidence Sud Saintonge	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SAS Nucourt	100.00%	100.00%	Full
SCI Résidence Les Rives d'Or	100.00%	100.00%	Full
AP Immo1	100.00%	100.00%	Full
SCI Princess 2	75.00%	100.00%	Full
SCI Résidence du Château	100.00%	100.00%	Full
SCI Résidence La Talaudière	100.00%	100.00%	Full
SCI Résidence Saint-Priest	100.00%	100.00%	Full
SCI Résidence de Balbigny	100.00%	100.00%	Full
SCI Résidence Saint-Just	100.00%	100.00%	Full
SCI Résidence Sainte-Clotilde	100.00%	100.00%	Full
SCI Résidence La Tour Pujols	100.00%	100.00%	Full
SCI Résidence La Cerisaie	100.00%	100.00%	Full
SCI Résidence Val de Seine	100.00%	100.00%	Full
ORPEA le Clos Saint-Louis	100.00%	100.00%	Full
SCI Résidence du Clisclouet	100.00%	100.00%	Full
Les Rives de Cabessut	100.00%	100.00%	Full
Grandes Platières Passy	100.00%	100.00%	Full
SCI Résidence Saint-Germain	100.00%	100.00%	Full
SCI Résidence Gambetta	100.00%	100.00%	Full
SCI Résidence Croix-Rousse	100.00%	100.00%	Full
SCI Les Chesnaies	100.00%	100.00%	Full
SCI Résidence Les Dornets	100.00%	100.00%	Full
SCI Clinique de l'Ill	100.00%	100.00%	Full
SCI Résidence Montchenot	100.00%	100.00%	Full
SCI Clinique Villa Montsouris	100.00%	100.00%	Full
SCI Clinique de l'Abbaye	100.00%	100.00%	Full
SCI Résidence Les Tamaris	100.00%	100.00%	Full
SCI Résidence Saint-Jacques	100.00%	100.00%	Full
SCI de Beaulieu	100.00%	100.00%	Full
SCI Résidence Fauriel	100.00%	100.00%	Full
SCI Résidence les Charentes	100.00%	100.00%	Full
SCI Résidence de l'Ambène	100.00%	100.00%	Full
SCI Résidence Les Maraîchers	100.00%	100.00%	Full
SCI Résidence Saint-Pierre-du-Bos	100.00%	100.00%	Full
SCI Clinique Le Vallon	100.00%	100.00%	Full
SAS Les Terrasses des Lilas	100.00%	100.00%	Full
SCI Résidence Les Diamantines	100.00%	100.00%	Full
SCI Résidence Le Lys Blanc	100.00%	100.00%	Full
SARL Spi	100.00%	100.00%	Full
SCI Les Magnolias	100.00%	100.00%	Full
SCI de l'Arche Courbevoie	100.00%	100.00%	Full
SCI Domaine de Borderouge	100.00%	100.00%	Full
SCI Ried Santé	75.00%	100.00%	Full
SCI Clinique Sainte-Brigitte	100.00%	100.00%	Full
SARL Niort 94	100.00%	100.00%	Full
Holding company	100.00%	100.00%	Full
AP1	50.00%	50.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
AP2	50.00%	50.00%	Equity-accounted
AP3	50.00%	50.00%	Equity-accounted
AP4	50.00%	50.00%	Equity-accounted
AP6	50.00%	50.00%	Equity-accounted
AP7	50.00%	50.00%	Equity-accounted
SCI Résidence Les Mimosas	100.00%	100.00%	Full
SCI Clinique l'Artémise	100.00%	100.00%	Full
SCI IBO Bastide des Oliviers	100.00%	100.00%	Full
SCI 12 Rue du Fauvet	100.00%	100.00%	Full
SCI Douarnenez ORPEA	100.00%	100.00%	Full
SCI Marcoussis	100.00%	100.00%	Full
SCI Kod's	100.00%	100.00%	Full
SCI Barbacane	100.00%	100.00%	Full
SCI Slim	100.00%	100.00%	Full
L'Allochon	100.00%	100.00%	Full
SCI Saintes BA	100.00%	100.00%	Full
SCI Barbaras	100.00%	100.00%	Full
SCI Selika	100.00%	100.00%	Full
SCI J.E.M. II	100.00%	100.00%	Full
SCI Château de la Chardonnière	100.00%	100.00%	Full
SCI des Ânes	100.00%	100.00%	Full
SCI Spaguy	100.00%	100.00%	Full
SAS ORPEA S.A.int-Bonnet	100.00%	100.00%	Full
SC Matisse Santé (formerly Calista Santé)	75.00%	100.00%	Full
Reine Bellevue	100.00%	100.00%	Full
SAS Champvert	100.00%	100.00%	Full
SCI La Salvate	100.00%	100.00%	Full
SCI François Rabelais	100.00%	100.00%	Full
SCI de la Drone	100.00%	100.00%	Full
SARL L'Ombrière	100.00%	100.00%	Full
SAS Maja La Rose des Sables	100.00%	100.00%	Full
Association Languedocienne de Gériatrie	100.00%	100.00%	Full
Holding Sogimob	100.00%	100.00%	Full
SCI du Caroux	100.00%	100.00%	Full
SCI du Mont d'Aurelles Clinique	100.00%	100.00%	Full
Société Civile des Praticiens du Grand Pré	100.00%	100.00%	Full
SAS ORPEA Assomption	100.00%	100.00%	Full
SCI La Lorraine	100.00%	100.00%	Full
SA Immobilière Leau Bonneveine	100.00%	100.00%	Full
SCI Héliades Santé	100.00%	100.00%	Full
Margaux Pony	100.00%	100.00%	Full
Than. Co.	100.00%	100.00%	Full
Société Civile Cardiopierre	100.00%	100.00%	Full
Les Jardins de Jouvence	100.00%	100.00%	Full
SCI Super Aix Paul Cézanne	100.00%	100.00%	Full
SARL Résidence du Parc	100.00%	100.00%	Full
Les Orangers	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
SCI Crosnes 1	100.00%	100.00%	Full
SCI Séquoia	100.00%	100.00%	Full
SCI Marseille Émeraude	100.00%	100.00%	Full
SCI Saint-Victoret	75.00%	100.00%	Full
SARL Régina Renouveau	100.00%	100.00%	Full
SCI Ansi	100.00%	100.00%	Full
SCI Océane Saint-Georges-de-Didonne	100.00%	100.00%	Full
SCI Dreux	100.00%	100.00%	Full
SCI Louvroil Bocage	100.00%	100.00%	Full
SCI Chanapost Chavannerie	100.00%	100.00%	Full
SCI Lautréamont Loos	100.00%	100.00%	Full
SCI Berlaimont Robert Schumann	100.00%	100.00%	Full
SNC Bréchet	100.00%	100.00%	Full
SARL Marc Aurelle Immobilier	100.00%	100.00%	Full
SAS Les Hauts de Crosne	100.00%	100.00%	Full
SCI Les Oliviers	100.00%	100.00%	Full
SARL Ancienne Abbaye	100.00%	100.00%	Full
SARL Parassy	100.00%	100.00%	Full
SCI Livry Vauban 2020	100.00%	100.00%	Full
SCI Méditerranée Clinque Saint-Joseph	75.00%	100.00%	Full
Maison de Santé Marigny	100.00%	100.00%	Full
SCI Normandy Cottage Foncier	100.00%	100.00%	Full
SAS La Aur	100.00%	100.00%	Full
SCI du Parc Saint-Loup	100.00%	100.00%	Full
SCI Larry	100.00%	100.00%	Full
Résidence Ardennaise	100.00%	100.00%	Full
SCI Ardennaise Charleville-Mézières	100.00%	100.00%	Full
SCI de Peix	100.00%	100.00%	Full
SCI Les Jardins de Castelviel	100.00%	100.00%	Full
Clinique Soleil Cerdan	100.00%	100.00%	Full
Clinique Sensevia	100.00%	100.00%	Full
SAS Immo Nevers	100.00%	100.00%	Full
SCI Villa Morgan	100.00%	100.00%	Full
SCI Yobema	100.00%	100.00%	Full
Boissise Le Roi	100.00%	100.00%	Full
SCI Nancy Bellefontaine	100.00%	100.00%	Full
SCI Les Bords du Gave	100.00%	100.00%	Full
RSS 150 Aurillac	49.00%	49.00%	Equity-accounted
RSS 830 Cogolin	49.00%	49.00%	Equity-accounted
RSS 020 Saint-Quentin	49.00%	49.00%	Equity-accounted
SCI Caserne de Draguignan	100.00%	100.00%	Full
SCI Rezé	100.00%	100.00%	Full
RSS 076 Rouen	49.00%	49.00%	Equity-accounted
RSS 130 Istres	49.00%	49.00%	Equity-accounted
RSS 510 Reims	49.00%	49.00%	Equity-accounted
RSS 270 Vernon	49.00%	49.00%	Equity-accounted
RSS 180 Bourges	49.00%	49.00%	Equity-accounted

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
RSS 730 La Ravoire	49.00%	49.00%	Equity-accounted
RSS 640 Pau	49.00%	49.00%	Equity-accounted
RSS 770 Provins	49.00%	49.00%	Equity-accounted
RSS 831 La Seyne	49.00%	49.00%	Equity-accounted
SCI du Bois-Guillaume	100.00%	100.00%	Full
RSS 771 Saint-Fargeau	49.00%	49.00%	Equity-accounted
ORPEA St Fiacre	100.00%	100.00%	Full
ORPEA St Fiacre	100.00%	100.00%	Full
SCI Barbusse Montigny-en-Gohelle	100.00%	100.00%	Full
SAS ORPEA Vilgenis	100.00%	100.00%	Full
SAS Résidence Gambetta	100.00%	100.00%	Full
SAS Résidence des Bûchères	100.00%	100.00%	Full
SCI des Capucins	100.00%	100.00%	Full
SAS Launaguet	100.00%	100.00%	Full
Foncière Clinipsy 1	100.00%	100.00%	Full
Foncière Clinipsy 2	100.00%	100.00%	Full
SAS ORPEA DeFrance	100.00%	100.00%	Full
ORPEA St Estève	100.00%	100.00%	Full
SCI Laurent	100.00%	100.00%	Full
ORPEA Immodom	100.00%	100.00%	Full
ORPEA La Metare	100.00%	100.00%	Full
SAS Grande Rue De Garches	100.00%	100.00%	Full
Aix Trinité	100.00%	100.00%	Full
Honfleur Immo	100.00%	100.00%	Full
Les Hauts de Suresnes	100.00%	100.00%	Full
ORPEA Affieux	100.00%	100.00%	Full
SAS RSS 780 Rambouillet	49.00%	49.00%	Equity-accounted
SAS ORPEA Verdun Saint-Mihiel	100.00%	100.00%	Full
DFS Immobilier	100.00%	100.00%	Full
Familisante Immobilier	100.00%	100.00%	Full
SCI Méditer Foncier	100.00%	100.00%	Full
Immobilière de Santé	50.00%	50.00%	Equity-accounted
Holding Dom	100.00%	100.00%	Full
France Seniors	100.00%	100.00%	Full
Sinoue group	100.00%	100.00%	Full
SAS Assistance Retraite	49.00%	49.00%	Equity-accounted
France Seniors Management	100.00%	100.00%	Full
SAS Résidence Services	100.00%	100.00%	Full
Domidom Services	100.00%	100.00%	Full
Domidom Franchise	100.00%	100.00%	Full
Domidom Office	100.00%	100.00%	Full
SARL Primavera SAP (delisted company)	100.00%	100.00%	Full
Adhap Performances	100.00%	100.00%	Full
APAD	100.00%	100.00%	Full
APAD 26	100.00%	100.00%	Full
APAD 42	100.00%	100.00%	Full
APAD 59	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
FRANCE			
E T A P E Entreprise de Travaux d'Aide aux Personnes	100.00%	100.00%	Full
SARL Seniors Comtois Services	100.00%	100.00%	Full
LP Solutions	100.00%	100.00%	Full
Aidadomicile 51	100.00%	100.00%	Full
Aidadomicile 52	100.00%	100.00%	Full
NT Lorraine Champagne Services	100.00%	100.00%	Full
A.S.B. Aide et Service du Bassin	100.00%	100.00%	Full
Alapa	100.00%	100.00%	Full
Maintien à Domicile	100.00%	100.00%	Full
Aidologie	100.00%	100.00%	Full
233 – Leudeville – subsidiary	100.00%	100.00%	Full
310 – Sainte-Terre – Subsidiary	100.00%	100.00%	Full
408 – Boissise-Le-Roi – Subsidiary	100.00%	100.00%	Full
410 – Brétigny-Sur-Orge	100.00%	100.00%	Full
416 – Signy-l'Abbaye – Subsidiary	100.00%	100.00%	Full
475 – Saintry – Subsidiary	100.00%	100.00%	Full
477 – Villiers-Le-Bel – Subsidiary	100.00%	100.00%	Full
479 – Margency – Subsidiary	100.00%	100.00%	Full
SAS La Saharienne	100.00%	100.00%	Full
SARL La Bretagne	100.00%	100.00%	Full
SAS Résidence Saint-Luc	100.00%	100.00%	Full
SAS Bon Air	100.00%	100.00%	Full
SAS Les Grands Pins (delisted company)	100.00%	100.00%	Full
SARL Mex (delisted company)	100.00%	100.00%	Full
SNC Les Jardins d'Escudie	100.00%	100.00%	Full
SAS Holfing Mandre (delisted company)	100.00%	100.00%	Full
SAS L'Oasis Palmeraie	100.00%	100.00%	Full
Résidence Paul and Lisa	100.00%	100.00%	Full
SAS Résidence l'Ambarroise	100.00%	100.00%	Full
AUSTRIA			
SeneCare Personalservices GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Mühldorf GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frantschach – St.Gertraud GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Veit in der Südsteiermark GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Afritz GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Kreuzbergl GmbH	100.00%	100.00%	Full
SeneCura Pflegezentrum Lurnfeld GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum St. Veit an der Glan GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort St. Josef GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weißbriach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Weissenbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad St.Leonhard GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH & Co. KG	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Salzerbad GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Wimsbach GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Agathenhof GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Hallein GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
AUSTRIA			
OptimaMed Rehabilitationszentrum Raxblick GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Perchtoldsdorf GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Bad Mitterndorf GmbH	100.00%	100.00%	Full
NEWSTART Center für psychosomatische Erkrankungen – Betriebs GmbH	100.00%	100.00%	Full
SeneCura Kliniken- und Heimebetriebsgesellschaft m.b.H.	100.00%	100.00%	Full
SeneCura Hauskrankenhilfe GmbH	100.00%	100.00%	Full
SeneCura Services Dienstleistungsgesellschaft mbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Purkersdorf Heimbetriebsgesellschaft mit beschränkter Haf	100.00%	100.00%	Full
SeneCura Sozialzentrum Grafenwörth Heimebetriebsgesellschaftm.b.H.	100.00%	100.00%	Full
SeneCura Sozialzentrum Krems Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pressbaum Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Nikitsch Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stegersbach Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Wildon gemeinnützige Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Bad St. Leonhard GmbH	100.00%	100.00%	Full
SeneCura Waldhaus Pflegeanstalt- und Heimebetriebs GmbH	100.00%	100.00%	Full
SeneCura Region Salzburg gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Süd GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Haus Bludenz gemeinnützige GmbH	99.00%	100.00%	Full
SeneCura Sozialzentrum Haus Lauterach gemeinnützige GmbH	99.00%	100.00%	Full
SeneCura Sozialzentrum Rust Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pölfing-Brunn Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Pöchlarn Pflegeheimbetriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Salzburg-Lehen gemeinnützige Gesellschaft mit beschränkte	100.00%	100.00%	Full
Ambulante Dienste Salzburg gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Region Wiener Alpen GmbH	100.00%	100.00%	Full
OptimaMed neurologisches Rehabilitationszentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Frauenkirchen Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Wolfsberg Gesellschaft mit beschränkter Haftung	100.00%	100.00%	Full
SeneCura Sozialzentrum Vasoldsberg GmbH	100.00%	100.00%	Full
SeneCura BePartment Betriebs GmbH	100.00%	100.00%	Full
SeneCura Pflegeheim Graz-Lend gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Schladming gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura West gemeinnützige Betriebs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitationszentrum Wiesing GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Stainz GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum St. Margarethen/Raab GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Unterpremstätten GmbH	100.00%	100.00%	Full
OptimaMed Gesundheitstherme Wildbad Betriebs GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Gratkorn GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Traiskirchen GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Kittsee GmbH	100.00%	100.00%	Full
OptimaMed ambulante Gesundheitsbetriebe GmbH	100.00%	100.00%	Full
OptimaMed Dialysezentrum Frauenkirchen GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Sitzenberg-Reidling BetriebsgmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Kittsee GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Söchau – Haus Kamille GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Feldbach – Haus Melisse GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Trofaiach – Haus Verbena GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
AUSTRIA			
SeneCura Sozialzentrum Kammern – Haus Viola GmbH	100.00%	100.00%	Full
SeneCura Sozialzentrum Knittelfeld GmbH	100.00%	100.00%	Full
SeneCura Residenz Oberdöbling gemeinnützige GmbH	100.00%	100.00%	Full
SeneCura Residenz Grinzing gemeinnützige GmbH	100.00%	100.00%	Full
CFE Immobilienentwicklungs GmbH	100.00%	100.00%	Full
SeneCura Immobilien Entwicklungs- und Verwaltungs GmbH	100.00%	100.00%	Full
SeneCura Holding West GmbH	100.00%	100.00%	Full
OptimaMed Bad Mitterndorf Immobilien GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft m.b.H. & Co. KG	100.00%	100.00%	Full
OptimaMed Bad Wimsbach Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Kärnten Immobilien GmbH	100.00%	100.00%	Full
Gesundheitsresort Montafon GmbH	100.00%	100.00%	Full
Orlando Immobilien Gesellschaft m.b.H.	100.00%	100.00%	Full
OptimaMed Gesundheitsresort Oberzeiring GmbH	100.00%	100.00%	Full
OptimaMed Perchtoldsdorf Immobilien GmbH	100.00%	100.00%	Full
OptimaMed Judenburg Immobilien GmbH	100.00%	100.00%	Full
ORPEA Austria Holding GmbH	100.00%	100.00%	Full
SeneCura gemeinnützige BetriebsGmbH	100.00%	100.00%	Full
OptimaMed Aspach Beteiligungsverwaltungs GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitatioszentrum Aspach GmbH	100.00%	100.00%	Full
SeneCura Gastro Services GmbH	100.00%	100.00%	Full
EMG Akademie für Gesundheit GmbH	100.00%	100.00%	Full
OptimaMed Therapiezentrum Judenburg GmbH	100.00%	100.00%	Full
OptimaMed Rehabilitatioszentrum Aspach GmbH & CoKG	100.00%	100.00%	Full
OptimaMed Gesundheitshotel Aspach GmbH	100.00%	100.00%	Full
BELGIUM			
SA ORPEA Belgium	100.00%	100.00%	Full
RS Domaine Churchill	100.00%	100.00%	Full
RPA Lonchamp Libertas	100.00%	100.00%	Full
Résidence Zennehart	100.00%	100.00%	Full
Résidence Sagittaire	100.00%	100.00%	Full
Résidence du Cinquantenaire	100.00%	100.00%	Full
Résidence Les Amarantes	100.00%	100.00%	Full
Palacea SA	49.00%	49.00%	Equity-accounted
Résidence Saint-François	100.00%	100.00%	Full
Les Jardins d'Ariane	100.00%	100.00%	Full
Panhuys Park	100.00%	100.00%	Full
Résidence Jean de Nivelles	100.00%	100.00%	Full
Résidence Lucie Lambert	100.00%	100.00%	Full
Gerontologisch Centrum De Haan VZW	40.00%	40.00%	Equity-accounted
Château Chenois	100.00%	100.00%	Full
Résidence Diamant SA	49.00%	49.00%	Equity-accounted
Résidence du Golf	100.00%	100.00%	Full
Justus Lipsius	100.00%	100.00%	Full
Résidence Linthout	100.00%	100.00%	Full
Résidence New Philip	100.00%	100.00%	Full
Résidence Parc Palace	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
BELGIUM			
Résidence Palace	100.00%	100.00%	Full
Résidence Rinsdelle	100.00%	100.00%	Full
Résidence Vigneron	100.00%	100.00%	Full
Les Ramparts	100.00%	100.00%	Full
Résidence De Manevinke	100.00%	100.00%	Full
Résidence Home de Famille	100.00%	100.00%	Full
Résidence Albe	100.00%	100.00%	Full
Résidence Séniorie Weltershoek	100.00%	100.00%	Full
Seaflower Service Palace	100.00%	100.00%	Full
Ter Harte VZW	40.00%	40.00%	Equity-accounted
Sint-Carolus WZC	100.00%	100.00%	Full
Woonzorg Het Dorp VZW	100.00%	100.00%	Full
T'Buurthuis	100.00%	100.00%	Full
Roobeekpark VZW	40.00%	40.00%	Equity-accounted
Ter Eyke VZW	40.00%	40.00%	Equity-accounted
Hof Sint-Martinus VZW	100.00%	100.00%	Full
ORPEA Volunteers	100.00%	100.00%	Full
Prinsenhof	100.00%	100.00%	Full
Andante BV	49.00%	49.00%	Equity-accounted
Residentie Klein Bijgaarden VZW	40.00%	40.00%	Equity-accounted
Wivina VZW	40.00%	40.00%	Equity-accounted
Kesterberg VZW	40.00%	40.00%	Equity-accounted
Ter Poele VZW	40.00%	40.00%	Equity-accounted
Quio VZW	40.00%	40.00%	Equity-accounted
De Hoef VZW	40.00%	40.00%	Equity-accounted
ORPEA at Home CV	40.00%	40.00%	Equity-accounted
Ter Reigerie VZW	40.00%	40.00%	Equity-accounted
Residentie Park Lane BV	49.00%	49.00%	Equity-accounted
Van Linthout	100.00%	100.00%	Full
Holding Médibelge	100.00%	100.00%	Full
Medidep Belgique SA	49.00%	49.00%	Equity-accounted
Holdind Mikkana	100.00%	100.00%	Full
Orpimmo	100.00%	100.00%	Full
Park Lane Im SA (future Antwerp building)	100.00%	100.00%	Full
Natiën immo	100.00%	100.00%	Full
SCI RS Le Domaine Churchill SA	100.00%	100.00%	Full
SCI Le Domaine Lonchamp SA	100.00%	100.00%	Full
Vintage Classics International	100.00%	100.00%	Full
Grand Chemin	100.00%	100.00%	Full
Résidence Carina – property	100.00%	100.00%	Full
Séniorie de l'Épinette	100.00%	100.00%	Full
ODE Holding	100.00%	100.00%	Full
Senior's Westland Immobilière	100.00%	100.00%	Full
Le Thines	100.00%	100.00%	Full
Chateau de la Lys	100.00%	100.00%	Full
Résidence Montaigne Maison De Repos	100.00%	100.00%	Full
Résidence d'Outremeuse	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
BELGIUM			
Residentie Julien	100.00%	100.00%	Full
Immobilière du Château d'Or	100.00%	100.00%	Full
Villerservices	100.00%	100.00%	Full
Feninvest	100.00%	100.00%	Full
Holding senior Invest SA	40.00%	40.00%	Equity-accounted
Corasen Groep	100.00%	100.00%	Full
Immobiiën en Project Maatschappij-IPM-	100.00%	100.00%	Full
t Bisschoppenhof NV	40.00%	40.00%	Equity-accounted
Immobilière Zorgcentrum Europ	100.00%	100.00%	Full
Vastgoed Albe NV	40.00%	40.00%	Equity-accounted
Retake	100.00%	100.00%	Full
Immobilière Edegem 3 Eiken	100.00%	100.00%	Full
Sodeim NV	100.00%	100.00%	Full
Leuven Brabanconne NV	100.00%	100.00%	Full
Helchteren Het Dorp	100.00%	100.00%	Full
Houthalen Lucia	100.00%	100.00%	Full
Residentie Klein Bijgaarden BV	40.00%	40.00%	Equity-accounted
Oostende Stenenbrug	100.00%	100.00%	Full
Brugpap	100.00%	100.00%	Full
Rinsdelle Développement SA	40.00%	40.00%	Equity-accounted
Vordenstein BV	40.00%	40.00%	Equity-accounted
Senes WZC BV	40.00%	40.00%	Equity-accounted
HSI Management & Services CV	40.00%	40.00%	Equity-accounted
Seaflower Service Palace	100.00%	100.00%	Full
NETHERLANDS			
OREN Holding	100.00%	100.00%	Full
DLZ – Dagelijks Leven Zorg	100.00%	100.00%	Full
Woonzorgnet BV	100.00%	100.00%	Full
OREN 2 BV DL Lochem	100.00%	100.00%	Full
OREN 3 BV DL Breuningen	100.00%	100.00%	Full
DLV – Dagelijks Leven B.V.	100.00%	100.00%	Full
OREN 1 BV DL Apeldoorn (headquarters)	100.00%	100.00%	Full
OREN 4 BV DL Heerhugowaard	100.00%	100.00%	Full
OREN 5 BV DL Varsseveld	100.00%	100.00%	Full
OREN 6 BV DL Terneuzen	100.00%	100.00%	Full
OREN 7 BV DL Doesburg	100.00%	100.00%	Full
OREN 8 BV DL Venray 2	100.00%	100.00%	Full
OREN 9 BV DL Wierden	100.00%	100.00%	Full
OREN 10 BV DL Kerkrade	100.00%	100.00%	Full
OREN 11 BV DL	100.00%	100.00%	Full
OREN 12 BV DL Gennep	100.00%	100.00%	Full
OREN 13 BV DL Schoonhoven	100.00%	100.00%	Full
OREN 14 BV DL Heerenveen	100.00%	100.00%	Full
OREN 21 BV DL Vlissingen 2	100.00%	100.00%	Full
OREN 22 BV DL Emmen 2	100.00%	100.00%	Full
OREN 23 BV DL Boxtel	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
OREN 24 BV DL Groesbeek	100.00%	100.00%	Full
OREN 25 BV DL Joure	100.00%	100.00%	Full
OREN 26 BV DL Emmen 3	100.00%	100.00%	Full
OREN 27 BV DL Geldermalsen	100.00%	100.00%	Full
OREN 28 BV DL Drachten	100.00%	100.00%	Full
OREN 29 BV DL	100.00%	100.00%	Full
OREN 30 BV DL Gorinchem	100.00%	100.00%	Full
OREN 100 Blmdl	100.00%	100.00%	Full
OREN 15 BV DL Cuijk	100.00%	100.00%	Full
OREN 16 BV DL Bergen op Zoom	100.00%	100.00%	Full
OREN 17 BV DL	100.00%	100.00%	Full
OREN 18 BV DL Emmeloord	100.00%	100.00%	Full
OREN 19 BV DL Oosterwolde	100.00%	100.00%	Full
OREN 20 BV DL Oldenzaal	100.00%	100.00%	Full
OREN 31 BV DL Hoogeveen2	100.00%	100.00%	Full
OREN 32 BV DL	100.00%	100.00%	Full
OREN 33 BV DL	100.00%	100.00%	Full
OREN 34 BV DL	100.00%	100.00%	Full
OREN 35 BV DL	100.00%	100.00%	Full
OREN 36 BV DL	100.00%	100.00%	Full
OREN 37 BV DL	100.00%	100.00%	Full
OREN 38 BV DL	100.00%	100.00%	Full
OREN 39 BV DL	100.00%	100.00%	Full
OREN 40 BV DL Deurne2	100.00%	100.00%	Full
OREN 41 BV DL	100.00%	100.00%	Full
OREN 42 BV DL	100.00%	100.00%	Full
OREN 43 BV DL	100.00%	100.00%	Full
OREN 44 BV DL	100.00%	100.00%	Full
OREN 45 BV DL	100.00%	100.00%	Full
OREN 46 BV DL	100.00%	100.00%	Full
OREN 47 BV DL	100.00%	100.00%	Full
OREN 48 BV DL	100.00%	100.00%	Full
OREN 49 BV DL	100.00%	100.00%	Full
OREN 50 BV DL	100.00%	100.00%	Full
OREN 101 Breda	100.00%	100.00%	Full
OREN 200 Moldenhof	100.00%	100.00%	Full
OREN 102 Hilversum	100.00%	100.00%	Full
OREN 103 Stoutenburg	100.00%	100.00%	Full
OREN 104 Rozenburg	100.00%	100.00%	Full
OREN 105 Heerenveen	100.00%	100.00%	Full
OREN 106 Breedenbroek	100.00%	100.00%	Full
OREN 107 Ede	100.00%	100.00%	Full
OREN 108 Stompetoren	100.00%	100.00%	Full
OREN 109 Apeldoorn	100.00%	100.00%	Full
OREN 110 Muiden	100.00%	100.00%	Full
OREN 111 Wassenaar	100.00%	100.00%	Full
OREN 112 Middelurg	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
NETHERLANDS			
OREN 117 BV Amsterdam	100.00%	100.00%	Full
OREN 115 BV Sneek	100.00%	100.00%	Full
OREN 119 BV Gouda	100.00%	100.00%	Full
OREN 53 B.V.	100.00%	100.00%	Full
OREN 54 B.V.	100.00%	100.00%	Full
OREN 55 B.V.	100.00%	100.00%	Full
OREN 56 B.V.	100.00%	100.00%	Full
OREN 57 B.V.	100.00%	100.00%	Full
OREN 58 B.V.	100.00%	100.00%	Full
OREN 59 B.V.	100.00%	100.00%	Full
OREN 60 B.V.	100.00%	100.00%	Full
OREN 201 BV Soesterberg	100.00%	100.00%	Full
OREN 202 BV Den Dolder	100.00%	100.00%	Full
OREN 122 BV Best	100.00%	100.00%	Full
OREN 123 BV Emmerloord	100.00%	100.00%	Full
Oren 119 Hailoo (final)	100.00%	100.00%	Full
OREN 120 Arnhem-Schaarsbergen (not final)	100.00%	100.00%	Full
Doorn Huize Doornrijck Vastgoed BV (pas final)	100.00%	100.00%	Full
OREN 124 Boskoop	100.00%	100.00%	Full
Thuismakers Zeist B.V	100.00%	100.00%	Full
OREN 52	100.00%	100.00%	Full
Thuismakers Holding B.V	49.00%	49.00%	Equity-accounted
Thuismakers Project Management B.V	49.00%	49.00%	Equity-accounted
Thuismakers Zeist B.V	49.00%	49.00%	Equity-accounted
Utrechtseweg Sortie 02-N B.V.	49.00%	49.00%	Equity-accounted
DLH – Dagelijks Leven Holding	100.00%	100.00%	Full
ORPEA Netherland BV	100.00%	100.00%	Full
OREN 51 BV	100.00%	100.00%	Full
OREN Holding BV	100.00%	100.00%	Full
Allerzorg BV	100.00%	100.00%	Full
BLMDL	98.00%	100.00%	Full
Holding Sept	98.00%	100.00%	Full
Van Hollant	98.00%	100.00%	Full
Zorggroep t Zicht BV	100.00%	100.00%	Full
PGZ groep B.V.	100.00%	100.00%	Full
Zorgverlening PGZ B.V.	100.00%	100.00%	Full
Compleet Mensenwerk	100.00%	100.00%	Full
CMW wonen	100.00%	100.00%	Full
CMW werkt	100.00%	100.00%	Full
Allerzorg Beheer BV	100.00%	100.00%	Full
ELSSC	100.00%	100.00%	Full
Allerzorg Support BV	100.00%	100.00%	Full
Allerzorg Kraamzorg	100.00%	100.00%	Full
Allerzorg Flexiekids BV	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
LUXEMBOURG			
OREG 5 – ex-923 / 8923	100.00%	100.00%	Full
OREG 4 – ex-924 / 8924	100.00%	100.00%	Full
OREG 3 – ex-8925	100.00%	100.00%	Full
OREG 2 – ex-926 / 8926	100.00%	100.00%	Full
OREG 1 – ex-927 / 8927	100.00%	100.00%	Full
ORESC 8 – ex-928 / 8928	10.00%	10.00%	Equity-accounted
ORESC 7 – ex-929 / 8929	49.00%	49.00%	Equity-accounted
ORESC 6 – ex-930 / 8930	100.00%	100.00%	Full
ORESC 5 – ex-931 / 8931	100.00%	100.00%	Full
ORESC 4 – ex-932 / 8932	100.00%	100.00%	Full
ORESC 3 – ex-933 / 8933	100.00%	100.00%	Full
ORESC 2 – ex-934 / 8934	100.00%	100.00%	Full
ORESC 1 – ex-935 / 8935	100.00%	100.00%	Full
OREGH – ex-941 / 8941	100.00%	100.00%	Full
ORESC 9 – ex-919 / 8919	100.00%	100.00%	Full
ORESC 10 – ex-8947	100.00%	100.00%	Full
ORESC 11 – ex-888 / 8888	100.00%	100.00%	Full
ORESC 12 – ex-920 / 8920	49.00%	49.00%	Equity-accounted
ORESC 13 – ex-8943	100.00%	100.00%	Full
ORESC 14	100.00%	100.00%	Full
ORESC 15 – ex-8948	100.00%	100.00%	Full
ORESC 16 – ex-8949	100.00%	100.00%	Full
ORESC 17 – ex-8950	100.00%	100.00%	Full
ORESC 18 – ex-8951	100.00%	100.00%	Full
ORESC 19 – ex-8952	100.00%	100.00%	Full
ORESC 20	100.00%	100.00%	Full
ORESC 21	100.00%	100.00%	Full
ORESC 22	100.00%	100.00%	Full
ORESC 23	100.00%	100.00%	Full
ORESC 24	100.00%	100.00%	Full
Acrina Grundinvest 10	100.00%	100.00%	Full
Wohnpark Elchesheim Illingen Projektgesellschaft UG	100.00%	100.00%	Full
Bad Schonborn Properties	10.00%	10.00%	Equity-accounted
Gengenbach Properties	95.00%	100.00%	Full
Schomberg (Care Home) Properties	95.00%	100.00%	Full
Schomberg (Clinic) Properties SARL	95.00%	100.00%	Full
ORE-A SARL	100.00%	100.00%	Full
ORE-B SARL	100.00%	100.00%	Full
ORE-D SARL	100.00%	100.00%	Full
RB Rehabilitationsklinik Bensberg GmbH	100.00%	100.00%	Full
Arkadia Pflegegesellschaft NRW mbH	100.00%	100.00%	Full
ORE-F	100.00%	100.00%	Full
ORE-I	100.00%	100.00%	Full
ORE-J	100.00%	100.00%	Full
ORE-O	100.00%	100.00%	Full
ORE-P	100.00%	100.00%	Full
ORE-R	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
LUXEMBOURG			
Antan Recona GmbH & Co, 12 VV KG	100.00%	100.00%	Full
ORE-T SARL	100.00%	100.00%	Full
ORE-U SARL	100.00%	100.00%	Full
ORE-W SARL	100.00%	100.00%	Full
ORPEA RE Lease SARL	100.00%	100.00%	Full
ORE-X SARL	100.00%	100.00%	Full
ORE-Y SARL	100.00%	100.00%	Full
ORE-Z SARL	100.00%	100.00%	Full
Cotp T8	30.00%	30.00%	Equity-accounted
ORESC 25	100.00%	100.00%	Full
ORESC 26	100.00%	100.00%	Full
ORESC 27	100.00%	100.00%	Full
OREL – ex-936/8936	100.00%	100.00%	Full
Ceecsh – ex-943/8943	100.00%	100.00%	Full
GCSE – ex-944/8944	100.00%	100.00%	Full
Brige	100.00%	100.00%	Full
Samosa	100.00%	100.00%	Full
ORPEA GP Lux	100.00%	100.00%	Full
OME Holding	100.00%	100.00%	Full
ORED GP GmbH	100.00%	100.00%	Full
SIS Portugal Exploit	100.00%	100.00%	Full
SIS Brasil Exploit	100.00%	100.00%	Full
Rodevita SA	45.00%	45.00%	Equity-accounted
ORPEA Luxembourg Exploitation	100.00%	100.00%	Full
ORPEA Luxembourg Services	100.00%	100.00%	Full
IRELAND			
Veritdale Limited	100.00%	100.00%	Full
Cubedale Limited	100.00%	100.00%	Full
Orbitview Limited	100.00%	100.00%	Full
TLC Spectrum Limited	100.00%	100.00%	Full
Brindley Manor Federation of NH Ltd.	100.00%	100.00%	Full
Buccleuch Estates Ltd	100.00%	100.00%	Full
Ashley Lodgde NH Ltd	100.00%	100.00%	Full
Kilminchy Lodge NH Ltd	100.00%	100.00%	Full
Maynooth Lodge NH Ltd	100.00%	100.00%	Full
Millbrae Lodge NH Ltd	100.00%	100.00%	Full
Brindley Healthcare Services Ltd	100.00%	100.00%	Full
Padamure Ltd	100.00%	100.00%	Full
Firstcare NH Ltd	100.00%	100.00%	Full
Belmont Care Ltd	100.00%	100.00%	Full
Firstcare Beneavin House Ltd	100.00%	100.00%	Full
Firstcare Beneavin Lodge Ltd	100.00%	100.00%	Full
Firstcare Beneavin Manor Ltd	100.00%	100.00%	Full
Firstcare Blainroe Lodge Ltd	100.00%	100.00%	Full
Firstcare Earlsbrook House Ltd	100.00%	100.00%	Full
Firstcare Mountpleasant Lodge Ltd	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
IRELAND			
Benton Ltd	100.00%	100.00%	Full
Mahaska Ltd	100.00%	100.00%	Full
Kilbrew Recouperation & Nursing Care Ltd	100.00%	100.00%	Full
Athlunkard Nursing Home Ltd	100.00%	100.00%	Full
Trygve Ltd	100.00%	100.00%	Full
Birger Ltd	100.00%	100.00%	Full
ORPEA Care Ireland Ltd	100.00%	100.00%	Full
Brindley Healthcare Ltd	100.00%	100.00%	Full
Zaltana Invest Ltd	100.00%	100.00%	Full
TLC Health Services Limited	100.00%	100.00%	Full
CZECH REPUBLIC			
SeneCura s.r.o.	80.00%	100.00%	Full
SeneCura Holding s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Chrudim s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Klamovka s.r.o.	80.00%	100.00%	Full
DS Morava a.s	100.00%	100.00%	Full
SeneCura SeniorCentrum MOPT a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum HSH a.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum Kolin s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Slivenec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Pisek a.s.	100.00%	100.00%	Full
SeneCura SeniorCentrum Liberec s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Telc s.r.o.	80.00%	100.00%	Full
Seniorsky Klub Pisek o.p.s.	80.00%	100.00%	Full
SeneCura SeniorCentrum Chotebor s.r.o.	80.00%	100.00%	Full
SeneCura SeniorCentrum Jicín s.r.o.	80.00%	100.00%	Full
SC Chrudim a.s.	100.00%	100.00%	Full
SC Klamovka s.r.o.	100.00%	100.00%	Full
SC Sanov s.r.o.	100.00%	100.00%	Full
SeneCura Olomouc s.r.o.	100.00%	100.00%	Full
SC Modrice s.r.o.	100.00%	100.00%	Full
SC Plzen s.r.o.	100.00%	100.00%	Full
SC Terezin, a.s.	92.00%	100.00%	Full
SC Havirov, s.r.o.	100.00%	100.00%	Full
SC Hradec Kralove, s.r.o.	100.00%	100.00%	Full
SC Sterboholy, s.r.o.	100.00%	100.00%	Full
SeneCura Kolin s.r.o.	100.00%	100.00%	Full
SC Slivenec s.r.o.	100.00%	100.00%	Full
SC Pisek s.r.o.	100.00%	100.00%	Full
SC Liberec s.r.o.	100.00%	100.00%	Full
SeneCura SeniorCentrum Humpolec s.r.o.	80.00%	100.00%	Full
SR Telc s.r.o.	100.00%	100.00%	Full
SC Zadr nad Sazavou s.r.o.	80.00%	100.00%	Full
SC Chotebor s.r.o.	100.00%	100.00%	Full
SeneCura Jicin s.r.o.	100.00%	100.00%	Full
SC Jablonne s.r.o.	100.00%	100.00%	Full
SC Horazdovice s.r.o.	100.00%	100.00%	Full
SeneCura Rehabilitace Plzen s.r.o	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
BRAZIL			
Casa de Repouso Alex Sabino Pereira Ltda	100.00%	100.00%	Full
Casa de Repouso Bem Viver Ltda	100.00%	100.00%	Full
Cial – Centro Integrado de Atendimento ao Idoso Ltda – EPP	100.00%	100.00%	Full
Vivace Residencial Para Idosos Eireli	100.00%	100.00%	Full
Hrsv Residencial Para Idosos Eirelihrsv Residencial Para Idosos Eireli	100.00%	100.00%	Full
Primo Immo Brasil Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
SIS EHPAD	100.00%	100.00%	Full
Spe Norte Sul Campinas Empreendimentos Imobiliarios Ltda	100.00%	100.00%	Full
Orpimmo Pampulha Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
Orpimmo Sao Francisco Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
Orpimmo Trompowski Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
Orpimmo Tres Figueires Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
Orprimmo Jardim Goianas	100.00%	100.00%	Full
Orpimmo Camboinhas Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Brasília Norte Empreendimentos e Participações Ltda	100.00%	100.00%	Full
Orpimmo Saint-Émilion Joinville Empreendimentos e Participações Ltda	100.00%	100.00%	Full
ORPEA Brasil Empreendimentos E Participacoes Ltda	100.00%	100.00%	Full
Doce Exploit Empreendimentos E Participacoes Eireli	100.00%	100.00%	Full
SIS Clinicas e Residencias Geriatricas Ltda	100.00%	100.00%	Full
Hospital E Casa De Repouso Sainte Marie Ltda	100.00%	100.00%	Full
Brazil Senior Living SA	100.00%	100.00%	Full
Assistcare Servicos De Saude SA	100.00%	100.00%	Full
Orpexploit Brasil Residenciais E Clinicas Para Idosos Ltda	100.00%	100.00%	Full
BSL Home Care Holding SA	100.00%	100.00%	Full
ITALY			
ORPEA Italia	100.00%	100.00%	Full
Clinea italia Holding SRL	100.00%	100.00%	Full
Villa Cristina Siège	100.00%	100.00%	Full
Casamia Verdello	100.00%	100.00%	Full
Casamia Mestre	100.00%	100.00%	Full
Madonna dei Boschi	100.00%	100.00%	Full
Centro dell'Anzianao SRL	100.00%	100.00%	Full
Solidarietas SRL	100.00%	100.00%	Full
Sarea	100.00%	100.00%	Full
Siège Clinea Italia	100.00%	100.00%	Full
Rodevita SPA	45.00%	45.00%	Equity-accounted
Rodevita Bicocca SRL	45.00%	45.00%	Equity-accounted
Rodevita Brescia SRL	45.00%	45.00%	Equity-accounted
Rodevita Camponogara SRL	45.00%	45.00%	Equity-accounted
Rodevita Favaro SRL	45.00%	45.00%	Equity-accounted
Rodevita San Celso SRL	45.00%	45.00%	Equity-accounted
Nord Est Group SRL	100.00%	100.00%	Full
Casamia International SRL	100.00%	100.00%	Full
Ad Maiores SRL	100.00%	100.00%	Full
LTC Invest SPA	100.00%	100.00%	Full
Crest SRL	100.00%	100.00%	Full
Sanremo Borea Immobiliare SRL	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
ITALY			
Torino Consolata Immobiliare SRL	100.00%	100.00%	Full
Nova Monastir	100.00%	100.00%	Full
Orpitalia	100.00%	100.00%	Full
ORPEA RSA Consolata SRL	100.00%	100.00%	Full
ORPEA RSA Julia Sanremo SRL	100.00%	100.00%	Full
PORTUGAL			
Portexploit Unipessoal Lda	100.00%	100.00%	Full
Doce Viver	100.00%	100.00%	Full
Porto Salus Azeitao	100.00%	100.00%	Full
Pensar Futuro Ltda	100.00%	100.00%	Full
Simple Senior Club – Apoio Social Limitada	100.00%	100.00%	Full
Casa de Avioso – Residencia e Apoio Senior SA	100.00%	100.00%	Full
AGMR SAUDE	100.00%	100.00%	Full
Flavicórdia, Saúde e Serviços, Lda	100.00%	100.00%	Full
Residências e Serviços para a 3ª Idade, Lda	100.00%	100.00%	Full
Immorpea S.A. Portugal	100.00%	100.00%	Full
CIT ORPEA S.A.	100.00%	100.00%	Full
ORPEA Portugal Immo SA	100.00%	100.00%	Full
U.S.C.S. SA	100.00%	100.00%	Full
Cometa 2018 Investimentos imobiliarios, Lda	100.00%	100.00%	Full
Niorpea Portugal	100.00%	100.00%	Full
Kauforg-Port, Unipessoal, Lda	100.00%	100.00%	Full
C.O.P. – Comprasorg, SA	100.00%	100.00%	Full
Hospital Nossa Senhora Da Arrabida	100.00%	100.00%	Full
C.R.G. – Centro de Reabilitação da Giesta, SA	100.00%	100.00%	Full
SPAIN			
ORPEA Ibérica SAU	100.00%	100.00%	Full
Residencial Senior 2000 SLU	100.00%	100.00%	Full
Artevida Centros Residenciales SAU	100.00%	100.00%	Full
Centros Residenciales Estremera SAU	100.00%	100.00%	Full
Explotacion de Residencias de Real Sitio de San Fernando SLU	100.00%	100.00%	Full
Centro de Mayores Care Extremadura dos 2002 SLU	100.00%	100.00%	Full
Sanyres Sur SLU	100.00%	100.00%	Full
Residencia Ciutat Diagonal Esplugues SLU	100.00%	100.00%	Full
Residencia Reyes de Aragon SLU	100.00%	100.00%	Full
Ecoplar SAU	100.00%	100.00%	Full
Gesecoplar SAU	100.00%	100.00%	Full
Ecoplar Serranillos SAU	100.00%	100.00%	Full
Ecoplar Cantabria SLU	100.00%	100.00%	Full
Ecoplar Granada SAU	100.00%	100.00%	Full
Acacias Logrono, SL	100.00%	100.00%	Full
Instituto de Investigaciones Neuropsiaquitricas Dr. Lopez Ibor SA	100.00%	100.00%	Full
Centro Lescer, SL	100.00%	100.00%	Full
Atirual Inmobiliaria SLU	100.00%	100.00%	Full
Union Sanyres SLU	100.00%	100.00%	Full
ORPEA Latam	100.00%	100.00%	Full
Accomodore Assistencial SLU	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
SWITZERLAND			
ORPEA Suisse SA	100.00%	100.00%	Full
Clinea Suisse	100.00%	100.00%	Full
Clinique de la Métairie	100.00%	100.00%	Full
Clinique Bois-Bougy	100.00%	100.00%	Full
Clinique du Grand-Salève	100.00%	100.00%	Full
Clinica Holistica Engadina	100.00%	100.00%	Full
Senevita AG	100.00%	100.00%	Full
Stiftung Résidence Beaulieu	100.00%	100.00%	Full
Senevita Bernerrose AG	100.00%	100.00%	Full
Senevita Limmatfeld	100.00%	100.00%	Full
Senevita Mülibach AG	100.00%	100.00%	Full
Senevita Tonisberg AG	100.00%	100.00%	Full
Casa Giesserei	100.00%	100.00%	Full
Sensato Holding	100.00%	100.00%	Full
Med-Immo La Colline SA	100.00%	100.00%	Full
Kauforg	100.00%	100.00%	Full
Helvetia Clinea SARL	100.00%	100.00%	Full
Gevea Sante SA	100.00%	100.00%	Full
Gevea Seniors SA	49.00%	49.00%	Equity-accounted
Gevea Immo SA	49.00%	49.00%	Equity-accounted
Vivimus AG	20.00%	20.00%	Equity-accounted
Transport Bois-Bougy SARL, in liquidation	100.00%	100.00%	Full
MEXICO			
SIS Exploit Mexico SA de C.V.	49.00%	49.00%	Equity-accounted
Operadora	100.00%	100.00%	Full
Mexicorpea	100.00%	100.00%	Full
Orpimmo Tlapan	100.00%	100.00%	Full
Orpimmo Valle Real	100.00%	100.00%	Full
Promotora	100.00%	100.00%	Full
Orpimmo Lomas	100.00%	100.00%	Full
Orpimmo Guadalajara Jardines	100.00%	100.00%	Full
Orpimmo Guadalajara Punto Sur	100.00%	100.00%	Full
Puebla Cascattas	100.00%	100.00%	Full
Orpimmo Centro Sur	100.00%	100.00%	Full
ORPEA Mexico S. de R.L. de C.V.	100.00%	100.00%	Full
Administracion	100.00%	100.00%	Full
SLOVENIA			
SeneCura Dom starejaih obcanov Radenci d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaih obcanov Vojnik d.o.o.	100.00%	100.00%	Full
SeneCura Dom starejaih obcanov Maribor d.o.o.	100.00%	100.00%	Full
SeneCura HS dom starejaih obcanov d.o.o.	100.00%	100.00%	Full
SeneCura Ra d.o.o.	100.00%	100.00%	Full
SeneCura K d.o.o.	100.00%	100.00%	Full
SeneCura M dom starejaih obcanov d.o.o.	100.00%	100.00%	Full
SeneCura ' dom starejaih obcanov d.o.o.	100.00%	100.00%	Full
SeneCura R dom starejaih obcanov d.o.o.	100.00%	100.00%	Full
SeneCura Central Sl, domovi starejaih obcanov, d.o.o.	100.00%	100.00%	Full
OptimaMed Dializni center Vojnik d.o.o.	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
CHILE			
ORPEA Chile SPA	100.00%	100.00%	Full
Rentas Senior Suites SA	50.00%	50.00%	Equity-accounted
Senior Gestion de Enfermeria las Encinas Ltda	50.00%	50.00%	Equity-accounted
Servicios Senior SA	50.00%	50.00%	Equity-accounted
Servicios Living La Dehesa SA	50.00%	50.00%	Equity-accounted
Seniors Gestion de Enfermeria Ltda	50.00%	50.00%	Equity-accounted
SG Sebastian Elcano Ltda	50.00%	50.00%	Equity-accounted
Inmobiliaria Seniors SA	50.00%	50.00%	Equity-accounted
Inmobiliaria Las Encinas SA	50.00%	50.00%	Equity-accounted
COLOMBIA			
ORPEA Colombia Exploit SAS	49.00%	49.00%	Equity-accounted
CHINA			
China Ltd	100.00%	100.00%	Full
Retirement Services Co. Ltd	100.00%	100.00%	Full
ORPEA (Shanghai) Enterprise Management Consulting Co., Ltd	100.00%	100.00%	Full
Pacific ORPEA (Shanghai) Senior Care Management Co., Ltd	44.00%	44.00%	Equity-accounted
Yangting (Shanghai) Enterprise Management and Consultant Co., Ltd	49.00%	49.00%	Equity-accounted
CROATIA			
Konsolidierung Kroatien	100.00%	100.00%	Full
SeneCura Dom za starije i nemocne Novaki Bistranski	100.00%	100.00%	Full
Dom SeneCura Treanjevka	100.00%	100.00%	Full
Dom Vita Nova Bjelovar	100.00%	100.00%	Full
SeneCura Novaki Bistranski d.o.o.	100.00%	100.00%	Full
Data S d.o.o. Bjelovar (Real Estate)	100.00%	100.00%	Full
SeneCura Ceecr d.o.o.	100.00%	100.00%	Full
Brojcanik j.d.o.o.	100.00%	100.00%	Full
Cisti dom j.d.o.o.	100.00%	100.00%	Full
Domar bistra j.d.o.o.	100.00%	100.00%	Full
POLAND			
ORPEA Polska	100.00%	100.00%	Full
MS Nieruchomosci sp.z.o.o.	100.00%	100.00%	Full
Ostoya Real Estate	100.00%	100.00%	Full
Czeremchowa	100.00%	100.00%	Full
KM sp.z.o.o	100.00%	100.00%	Full
URUGUAY			
Lagubel SA	100.00%	100.00%	Full
Famibel SA	100.00%	100.00%	Full
Blenasa International SA	100.00%	100.00%	Full
Caselio SA	100.00%	100.00%	Full
Orpimmo Uruguay SA	100.00%	100.00%	Full
Orpexploit Uruguay SA	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
UNITED ARAB EMIRATES			
ORPEA Middle East Investments LLC	48.00%	48.00%	Full
DPRC Rehabilitation Center LLC	48.00%	48.00%	Full
UNITED KINGDOM			
Florence Nightingale Hospital	100.00%	100.00%	Full
Start2Stop Limited	100.00%	100.00%	Full
ORPEA UK Limited	100.00%	100.00%	Full
BAHRAIN			
Orpimmo AL Jasra W.L.L.	48.00%	100.00%	Full
ISRAEL			
Senior Services Platform Ltd	49.00%	49.00%	Equity-accounted
LATVIA			
Senior Baltic	100.00%	100.00%	Full
RUSSIA			
ORPEA Rus	89.00%	100.00%	Full

The following fully-consolidated German subsidiaries intend to use all exemptions possible under Articles 264 (3) and 264b of the German Commercial Code (HGB) for the year ended 31 December 2021 with respect to the preparation of the notes to the financial statements and the management report in accordance with Subsection 1, audit requirements in accordance with Subsection 3 and the disclosure requirements of Subsection 4 of Section 2 of Book 3 of the HGB.

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
Seniorenresidenzen Bürgerpark GmbH	100.00%	100.00%	Full
Bavaria II GmbH Pflegeresidenz Alt-Tempelhof 10-12	100.00%	100.00%	Full
GAPSTEP Personalmanagement GmbH	100.00%	100.00%	Full
HKD GmbH Heim- und Klinikdienste	100.00%	100.00%	Full
Reiko Dienstleistung für Altenhilfeeinrichtung GmbH	100.00%	100.00%	Full
Theißtal Aue Alten- und Pflegeheim GmbH	100.00%	100.00%	Full
Residenz zwischen den Auen Gesellschaft für Altenpflege mbH	100.00%	100.00%	Full
Peter Janssen Seniorenresidenzen GmbH	100.00%	100.00%	Full
VitaCare Gesellschaft für den Betrieb von Pflegeeinrichtungen mbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
DSU Dienstleistungen für Sozialunternehmen GmbH	100.00%	100.00%	Full
Comunita Seniorenresidenzen GmbH	100.00%	100.00%	Full
GHW Gesellschaft für Handel und Wirtschaftsdienste Verwaltungs-GmbH	100.00%	100.00%	Full
ZDS Zentrale Dienstleistungen für Sozialunternehmen	100.00%	100.00%	Full
MediCare im Grillepark GmbH	100.00%	100.00%	Full
Senioren- und Pflegeheim Gutshof Bostel GmbH & Co. KG	100.00%	100.00%	Full
MediCare Pflegeeinrichtung GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren Beteiligungs GmbH	100.00%	100.00%	Full
Fürsorge im Alter Seniorenresidenzen GmbH	100.00%	100.00%	Full
Senioren Wohnpark Weser GmbH	100.00%	100.00%	Full
Senioren Wohnpark Stade GmbH	100.00%	100.00%	Full
HvBuche Seniorenresidenzen GmbH	100.00%	100.00%	Full
Vitalis Gesellschaft für soziale Einrichtungen mbH	100.00%	100.00%	Full
MediCare Verwaltungs GmbH	100.00%	100.00%	Full
MediCare Seniorenresidenz Rehren GmbH & Co. KG	100.00%	100.00%	Full
MediCare Servicegesellschaft mbH	100.00%	100.00%	Full
Bräuninger-Stift Alten- und Pflegeheim GmbH	100.00%	100.00%	Full
Residenz Phoenixsee GmbH	100.00%	100.00%	Full
Fürsorge im Alter Seniorenresidenz Weissensee GmbH	100.00%	100.00%	Full
Aumühlenresidenz Oberursel GmbH	100.00%	100.00%	Full
Arkadia Pflege Betriebsgesellschaft mbH	100.00%	100.00%	Full
Arkadia Objekt Bad Saarow GmbH	100.00%	100.00%	Full
alisea Domizil GmbH	100.00%	100.00%	Full
ORPEA Silver Care Holding GmbH	100.00%	100.00%	Full
ORPEA MediCare Holding GmbH	100.00%	100.00%	Full
ORPEA Peter Janssen Holding GmbH	100.00%	100.00%	Full
ORPEA Comunita Holding GmbH	100.00%	100.00%	Full
ORPEA Deutschland GmbH	100.00%	100.00%	Full
ORPEA FiA Holding GmbH	100.00%	100.00%	Full
ORPEA Residenz Holding GmbH	100.00%	100.00%	Full
ORPEA Deutschland Immobilien Services GmbH	100.00%	100.00%	Full
ORPEA Vitalis Holding GmbH	100.00%	100.00%	Full
ORPEA Ambulante Pflege Holding GmbH	100.00%	100.00%	Full
German Care Services Enterprise S.à.r.l., German Branch	100.00%	100.00%	Full
Celenus-Kliniken GmbH	100.00%	100.00%	Full
Teufelsbad Fachklinik Blankenburg GmbH	100.00%	100.00%	Full
Algos Fachklinik Bad Klosterlausnitz GmbH	100.00%	100.00%	Full
REHA-Klinik Sigmund Weil GmbH	100.00%	100.00%	Full

Legal entity	Percentage control	Percentage ownership	Consolidation method
GERMANY			
Sport- und Rehabilitationszentrum Harz GmbH	100.00%	100.00%	Full
Psychosomatische Fachklinik Gengenbach GmbH	100.00%	100.00%	Full
Fachklinik für psychische Erkrankungen Ortenau GmbH	100.00%	100.00%	Full
Psychosomatische Fachklinik Schömberg GmbH	100.00%	100.00%	Full
Gotthard-Schettler-Klinik GmbH	100.00%	100.00%	Full
Fachklinikum Sachsenhof GmbH	100.00%	100.00%	Full
Deutsche Klinik für Integrative Medizin und Naturheilverfahren GmbH	100.00%	100.00%	Full
Fachklinik Bromerhof GmbH	100.00%	100.00%	Full
Medexpert Gesellschaft für Klinikbetrieb mbH	100.00%	100.00%	Full
Rehakonzept Klinikbetriebsgesellschaft mbH	100.00%	100.00%	Full
Celenus Psychosomatische Fachklinik Freiburg GmbH	100.00%	100.00%	Full
Celenus Fachklinik Hilchenbach GmbH	100.00%	100.00%	Full
Klinik Bad Herrenalb GmbH	100.00%	100.00%	Full
Celenus Klinik an der Salza GmbH	100.00%	100.00%	Full
Celenus Salza Vita GmbH	100.00%	100.00%	Full
Celenus Parkklinik GmbH	100.00%	100.00%	Full
Kuwo GmbH	100.00%	100.00%	Full
Prävention und Fitness IO GmbH	83.00%	100.00%	Full
salvea Süd GmbH	100.00%	100.00%	Full
Reha Bensberg GmbH	100.00%	100.00%	Full
Reha Düsseldorf Gesellschaft für indikationsübergreifende Rehabilitation mbH	100.00%	100.00%	Full
Reha Gelsenkirchen -RG- GmbH	100.00%	100.00%	Full
Reha Kleve GmbH	100.00%	100.00%	Full
Reha Krefeld -RK- GmbH	100.00%	100.00%	Full
Reha Rheinland -RR- GmbH	100.00%	100.00%	Full
Reha-Zentrum Hofheim/Taunus GmbH	100.00%	100.00%	Full
Rehazentrum Obere Nahe IO GmbH	100.00%	100.00%	Full
TheraNet Homberg GmbH	100.00%	100.00%	Full
TheraNet Huckingen GmbH	100.00%	100.00%	Full
TheraNet NRW GmbH	51.00%	100.00%	Full
TheraNet Recklinghausen GmbH	75.00%	100.00%	Full
TheraNet Westfalen GmbH	100.00%	100.00%	Full
inoges – IV – GmbH – Integrierte Versorgung	100.00%	100.00%	Full
Danuvius Klinik GmbH	100.00%	100.00%	Full
Rehabilitationszentrum Alt-Neuötting GmbH	100.00%	100.00%	Full
Therapiezentrum Winterberg GmbH	100.00%	100.00%	Full
Medaktiv GmbH	100.00%	100.00%	Full
Medaktiv reha GmbH	100.00%	100.00%	Full
Danuvius Ambulante Pflege GmbH	100.00%	100.00%	Full
MVZ AidA GmbH	100.00%	100.00%	Full
Celenus SE	100.00%	100.00%	Full
Celenus-Service GmbH	100.00%	100.00%	Full
Celenus-Management GmbH	100.00%	100.00%	Full
Fachklinik Hilchenbach Service GmbH	100.00%	100.00%	Full
Celenus Beteiligungs GmbH	100.00%	100.00%	Full
Sot Vermögensverwaltungs GmbH	100.00%	100.00%	Full
inoges Holding GmbH	100.00%	100.00%	Full
Medaktiv Holding GmbH	100.00%	100.00%	Full
Medaktiv Saarbrücken GmbH	100.00%	100.00%	Full
Medaktiv Beteiligungsgesellschaft mbH	100.00%	100.00%	Full
Senwo GmbH – no Celenus Company	49.00%	49.00%	Equity-accounted
Salvea Hüls GmbH	100.00%	100.00%	Full

6.2 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2022

To the shareholders of ORPEA,

OPINION

In accordance with our appointment as Statutory Auditors by your Annual General Meetings, we have audited the accompanying consolidated financial statements of ORPEA for the year ended 31 December 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of this report.

INDEPENDENCE

We conducted our audit in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2022 to the date of our report, and, in particular, we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537-2014.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to:

- Note 1.3 to the consolidated financial statements, which describes the change in accounting method for property accounted for under IAS 16; and
- Notes 1.1 "Liquidity and going concern risks" and 4.15.2 "Liquidity risk" to the consolidated financial statements, which describe the information used by management for applying the going concern principle, as well as the Company's liquidity position.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

LIQUIDITY RISK AND GOING CONCERN

Notes 1.1, 3, 4.15.1 and 4.15.2 to the consolidated financial statements

RISKS IDENTIFIED

Note 1.1. "Liquidity and going concern risks" states that the Group's total gross debt amounted to €9.7 billion at 31 December 2022 (excluding €3.8 billion in IFRS 16 lease liabilities) and that it had available cash and cash equivalents of €856 million at that date.

The amount of debt contractually maturing in 2023, 2024 and 2025 (in the absence of default) is €1.8 billion, €1.1 billion and €1.6 billion respectively. In view of the Group's cash position at 31 December 2022 and the 2023-2025 business plan drawn up as part of the Refoundation Plan presented on 15 November 2022, including in particular the value of investments planned for the period, the Group was not in a position to meet its repayment obligations.

In this context, ORPEA SA began discussions with its creditors in October 2022 with a view to reaching an agreement on its financial restructuring with its main unsecured financial creditors and its shareholders. As mentioned in Notes 1.1, 3 and 4.15.2, the Company has entered into the following agreements:

- A term sheet on a financial restructuring plan (the "Term Sheet"), signed on 1 February 2023 with (i) a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "Groupement") and (ii) five institutions holding unsecured debt of the Company amounting to nearly €1.9 billion (the "SteerCo"). Under this agreement, the parties have agreed on the principles of the financial restructuring plan, which includes:
  - **i.** the conversion into capital of all of the Company's unsecured debt, corresponding to a reduction in the Group's gross debt of approximately €3.8 billion;
  - **ii.** an equity injection in cash (new money equity) of €1.55 billion, via capital increases for which the Groupement has undertaken to subscribe for a total of €1,355 million, with a backstop for the balance of up to €195 million provided by the SteerCo;
  - **iii.** €600 million in additional financing to be provided by the Group's main banking partners.
- A lock-up agreement (the "Lock-Up Agreement"), entered into on 14 February 2023 with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring.
- An agreement protocol (the "Agreement Protocol"), entered into on 20 March 2023 with the Group's main banking partners, setting out the terms and conditions for the provision of additional financing (new money debt) and amendments to the Existing Loan Agreement which will come into effect on the date the financial restructuring is completed.

These agreements will be implemented as part of the accelerated safeguard procedure opened on 24 March 2023 by the Nanterre Specialised Commercial Court. The Group expects to implement them over a period extending to the fourth quarter of 2023. They remain subject to:

- a two-thirds majority vote in favour by the classes of affected parties (including in particular the class of affected shareholder parties) or the cross-class cram down of the plan ordered by the Commercial Court;
- approval of the Safeguard Plan by the Nanterre Commercial Court;
- approval by the AMF (*Autorité des marchés financiers*) of the prospectuses relating to the planned capital increases;
- the Groupement obtaining a final waiver from the AMF of the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring;
- obtaining any other necessary regulatory approvals;
- the release, waiver or withdrawal of any claims.

Given the Group's liquidity position and the risks related to the implementation of the financial restructuring plan, in particular the lifting of the conditions precedent attached to the plan – which was in progress at the date of signature of our report – we considered the assessment of liquidity risk and the application of the going concern principle by management to be a key audit matter.

This assessment also requires management to exercise judgement and use estimates in preparing the cash flow forecasts used to determine the Group's liquidity requirements in order to meet its estimated debt repayments over the next twelve months.

OUR RESPONSE

We reviewed the documents relating to the Term Sheet, the Lock-Up Agreement and the Agreement Protocol entered into between the Company, the Groupement and its main creditors, and we examined the conditions precedent, as well as the risk of their non-fulfilment, particularly through the following audit procedures:

- We met on several occasions with the Company's management, the court-appointed administrators and the Company's main advisers in order to gain an understanding of:
  - the various steps of the accelerated safeguard procedure,
  - the assumptions used for preparing the Refoundation Plan, particularly in terms of debt drawdowns and repayments and capital increases,
  - their assessment of the risk of the financial restructuring plan not being implemented and the risks relating to (i) the conditions precedent to the above-mentioned agreements, (ii) third party claims, and (iii) obtaining the various regulatory authorisations and exemptions required,
  - their assessment of the consequences of any delay in implementing the financial restructuring plan in the above-described context.
- We analysed the cash flow plan on the basis of which the Company believes it will be able to meet its estimated cash requirements over the next twelve months, taking into account its available resources, the payment freeze on liabilities and the conditions for drawing down the new money debt. We reviewed the procedures and the main assumptions used to prepare the plan. We assessed its consistency with the forecast information in the latest strategic plan and how this information is monitored.
- On this basis, we assessed the proper application of the going concern principle as described in Note 1.1 to the consolidated financial statements and we also verified the appropriateness of the information relating to:
  - the various agreements signed in relation to the Company's financial restructuring plan, detailed in Note 3 to the consolidated financial statements;
  - the Group's net debt, as described in Note 4.15.1 to the consolidated financial statements;
  - liquidity risk, as described in Note 4.15.2 to the consolidated financial statements.

IMPAIRMENT TESTS ON INTANGIBLE ASSETS (GOODWILL AND OPERATING LICENCES) AND PROPERTY, PLANT AND EQUIPMENT

Notes 2.5, 4.1, 4.2, 4.3 and 4.24 to the consolidated financial statements

RISKS IDENTIFIED

In connection with its business development, the Group has carried out acquisitions, which have resulted in the recognition in the balance sheet of significant amounts of property, plant and equipment as well as goodwill and intangible assets relating to operating licences. These licences are required under local regulations in the Group's various host countries and apply to beds in facilities that it operates. They are considered to have an indefinite useful life.

In accordance with IAS 36, impairment tests were carried out on goodwill, intangible assets and property, plant and equipment at 31 December 2022. Intangible assets and property, plant and equipment are tested for impairment at the level of the cash-generating unit (CGU), which corresponds to a homogeneous group of assets whose ongoing use generates cash inflows independently of the cash inflows from other CGUs. Each CGU corresponds to a facility (i.e., a nursing home or hospital). Goodwill is tested for impairment by country (corresponding to a group of CGUs), i.e., the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing consists of comparing the recoverable amount of the CGU or group of CGUs, and of the various assets comprising it, with its net carrying amount. The recoverable amount is defined by IAS 36 as the higher of an asset's fair value less costs of disposal and its value in use (corresponding to the present value of the future cash flows expected to be derived from an asset or group of assets). For operating licences, since no observable transactions were carried out in 2022 which could be used to allocate them a market value, the Group solely applied their value in use for impairment testing purposes.

The following method is used to carry out impairment tests:

- The value in use of each CGU or group of CGUs is determined by discounting expected future cash flows.
- For tests performed at the CGU level (in the case of unamortised intangible assets allocated to the CGU), where the value in use is less than the net carrying amount, an impairment loss is recognised using the following method:
  - If an impairment loss has to be recognised, it is charged to all the intangible assets and property, plant and equipment making up the CGU (excluding working capital and financial assets) in proportion to their net carrying amount, within the limit of the individual asset's fair value less costs of disposal.
  - In particular, the amount of impairment allocated to real estate assets that were appraised at the end of 2022 is such that its carrying amount after impairment is at least equal to its fair value less costs of disposal.
- For tests performed at the country level (group of CGUs), when the value in use is less than the net carrying amount, an impairment loss is recognised firstly on goodwill (this impairment being irreversible) and then, if required, on the value of the intangible assets and property, plant and equipment making up the group of CGUs (excluding working capital and financial assets) in proportion to the net carrying amount.

At the end of 2022, as part of the strategic and financial review of its activities carried out in the autumn, the Group conducted an in-depth review of the assets in its balance sheet, which led to the recognition of impairment losses totalling €3.1 billion before tax under non-recurring operating expenses, including €0.4 billion on goodwill, €1.4 billion on intangible assets and €1.3 billion on property, plant and equipment.

At 31 December 2022, the net carrying amount of these assets (after impairment) stood at €7.3 billion (50.6% of total assets), including €1.4 billion in goodwill, €1.6 billion in intangible assets and €4.4 billion in property, plant and equipment.

Given the materiality of these assets in the consolidated financial statements and the fact that determining their recoverable amount requires management to make significant estimates, we considered the impairment tests on intangible assets and property, plant and equipment to be a key audit matter.

OUR RESPONSE

We assessed the methods used to perform these impairment tests. Our work consisted in particular of:

- reconciling the components of the carrying amount of the CGUs determined for the purposes of impairment testing with the base of non-current assets in the accounts at 31 December 2022;
- analysing, in the specific context of the crisis the Group is experiencing, the assumptions on which the estimates used by management for cash flow projections were based, particularly regarding the occupancy rate and the EBITDAR margin;
- comparing the projected data used to calculate values in use with the business plans for each facility, prepared by ORPEA's advisers and used to draw up the 2022-2025 strategic plan presented to the market on 15 November 2022;
- obtaining the Company's advisers' review of the impairment tests, as well as the valuation reports of real estate valuers, and ensuring, with the help of the valuation specialists on our audit team, that appropriate methodology and assumptions were used;
- assessing the growth rate and discount rate assumptions by country used by ORPEA in light of the rates recalculated by our specialists;
- verifying the appropriateness of the information provided in Notes 4.1 "Goodwill and intangible assets" and 4.2 "Regular impairment testing" to the consolidated financial statements, including the sensitivity analyses required by IAS 36.134 (f).

MEASUREMENT OF THE RECOVERABLE AMOUNT OF DEVELOPMENT-RELATED RECEIVABLES AND CURRENT ACCOUNTS

Notes 2.5, 4.5, 4.9, 4.24, 5.1.1 and 5.3 to the consolidated financial statements

RISKS IDENTIFIED

As part of its business development in France and internationally, the Group has worked with partners to prospect and build facilities. Historically, the Group has financed the construction of the facilities, which are then operated by the Group, which generally pays rent to occupy the premises.

Development-related receivables consist mainly of receivables arising from advances paid to partners in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments. Current accounts consist mainly of amounts paid to associates, i.e., companies controlled by the partners but over which ORPEA exercises significant influence and which are therefore accounted for using the equity method.

The Group has entered into negotiations with its partners with a view to unwinding the partnerships and recovering its real estate assets in exchange for receivables. In this context, the analysis of financial receivables relating to partnerships led to the recognition of a €153 million impairment loss on development-related receivables and a €380 million impairment loss on current accounts with associates, representing a total amount of €534 million recorded in non-recurring operating expenses for 2022. These impairment losses were measured on the basis of a detailed analysis of the partnerships' positions and the status of ongoing negotiations.

Given the large amount of impairment losses recognised by the Group and the significant estimates that management was required to make, we considered the measurement of the recoverable amount of these advances to be a key audit matter.

OUR RESPONSE

We reviewed the procedures implemented by management to identify and list all risks relating to its exposure to partners, in particular on the basis of the investigation reports prepared by Grant Thornton, Alvarez & Marsal and ADIT, the consultants appointed by the Company.

In order to assess the reasonableness of the estimate of the impairment losses recognised in respect of the risks identified by the Group, our work consisted of:

- talking to the Company's management, in particular the Legal department, and its advisers, to understand the progress and nature of its discussions with its partners;
- analysing the available legal documentation.

We also verified the appropriateness of the information disclosed in the Notes to the consolidated financial statements, in particular Notes 4.5 "Investments in associates and joint ventures", 4.9 "Other receivables, accruals and prepayments", 5.1.1 "Off-balance sheet commitments" and 5.3 "Related-party transactions".

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group provided in the management report includes the consolidated non-financial statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

OTHER VERIFICATIONS OR DISCLOSURES REQUIRED BY STATUTORY AND REGULATORY PROVISIONS

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for individual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent in the block tagging of the consolidated financial statements in accordance with the single European electronic reporting format, the content of certain tags in the Notes may not be rendered identically to the consolidated financial statements attached to this report.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

Deloitte et Associés was appointed as Statutory Auditor of ORPEA by the Annual General Meeting of 29 June 2006, Saint-Honoré BK&A by the Annual General Meeting of 27 June 2008 and Mazars by the Annual General Meeting of 28 July 2022.

At 31 December 2022, Deloitte & Associés was in its 17th year of uninterrupted engagement, Saint-Honoré BK&A in its 15th year and Mazars in its 1st year.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRS as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those financial statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND PROCEDURE

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgement throughout the audit.

In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and obtain audit evidence that they regard as sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- they obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- they evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- they assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be noted that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Paris and Paris-La Défense, France, 19 May 2023

The Statutory Auditors

Mazars	**Deloitte & Associés**	**Saint-Honoré BK&A**
Gaël Lamant	Damien Leurent	Xavier Groslin

6.3 Individual financial statements for the year ended 31 December 2022

INCOME STATEMENT

(in thousands of euros)	Notes	2022	2021
Revenue	**2.1**	**1,045,899**	**1,026,727**
Production transferred to inventories		(4,694)	(3,639)
Other operating income		82,333	76,617
Operating income	**2.2**	**1,123,538**	**1,099,704**
Purchases used and other external costs		(651,875)	(458,829)
Taxes other than on income		(62,384)	(53,006)
Personnel expenses		(643,341)	(541,977)
Depreciation, amortisation and charges to provisions		(90,249)	(120,807)
Other expenses	2.4	(4,308)	(13,773)
Operating expenses		**(1,452,157)**	**(1,188,393)**
Operating income/(loss)		**(328,618)**	**(88,688)**
Financial income		185,598	201,719
Financial expense		(2,989,990)	(163,597)
Net financial income/(expense)	**2.5**	**(2,804,392)**	**38,122**
Profit/(loss) before tax		**(3,133,011)**	**(50,567)**
Net non-recurring expense	2.6	(364,135)	(20,563)
Employee profit-sharing		-	-
Income tax	2.7	20,077	19,503
NET LOSS		**(3,477,069)**	**(51,626)**

BALANCE SHEET

(in thousands of euros)	Notes	31 Dec. 2022 Gross	31 Dec. 2022 Depreciation, amortisation and charges to provisions	31 Dec. 2022 Net	31 Dec. 2021 Net
ASSETS					
Intangible assets		462,875	(27,059)	435,815	426,932
Property, plant and equipment		635,977	(349,075)	286,902	343,642
Financial assets		2,413,198	(1,275,182)	1,138,016	2,166,924
Total non-current assets	**1.1**	**3,512,049**	**(1,651,316)**	**1,860,733**	**2,937,497**
Inventories	1.3	2,466	-	2,466	7,037
Advances and downpayments		4,482	-	4,482	4,736
Trade receivables	1.4	48,432	(9,230)	39,203	51,708
Other receivables	1.4	5,013,005	(1,712,125)	3,300,880	4,228,441
Marketable securities	1.5	250,351	-	250,351	4,395
Cash at bank and in hand		224,761	-	224,761	359,346
Prepaid expenses	1.10	6,857	-	6,857	26,862
Total current assets		**5,550,355**	**(1,721,355)**	**3,829,000**	**4,682,525**
Debt issuance costs	1.10	44,739	-	44,739	-
Loan repayment premiums	1.10	7,068	-	7,068	8,303
Unrealised foreign currency losses	1.10	2,768	-	2,768	3,435
TOTAL ASSETS		**9,116,979**	**(3,372,671)**	**5,744,308**	**7,631,760**

(in thousands of euros)	Notes	31 Dec. 2022 Net	31 Dec. 2021 Net
EQUITY			
Share capital		80,867	80,800
Share premiums and reserves		644,803	696,497
Retained earnings		-	-
Net loss for the year		(3,477,069)	(51,626)
Tax-regulated provisions		11,229	9,671
Total equity	**1.6**	**(2,740,169)**	**735,342**
Provisions for liabilities and charges	1.7	153,734	95,242
Liabilities			
Borrowings and other debt		7,172,321	5,729,061
Advances received		133	2
Trade payables		86,437	70,554
Tax and payroll liabilities		192,794	110,030
Other payables		812,238	848,360
Amounts due to suppliers of non-current assets		9,224	8,650
Deferred income	1.10	36,627	23,696
Total liabilities	**1.8**	**8,309,774**	**6,790,353**
Unrealised foreign currency gains	1.10	20,969	10,824
TOTAL EQUITY AND LIABILITIES		**5,744,308**	**7,631,760**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

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1. Significant accounting policies, major events of the period and subsequent events

1.1 BASIS OF PREPARATION

The Company applies the provisions of ANC regulation no. 2014-03 relating to French generally accepted accounting principles updated to reflect all subsequent amendments.

The financial statements have been prepared;

- on a going concern basis;
- using the accruals basis of accounting and consistent methods;

in accordance with the basic principle of prudence and with the general rules for preparing and presenting financial statements.

The basic method used to measure items recorded in the financial statements is the historical cost method.

As an exception to the above, the operating licences and investments in subsidiaries held prior to 1998 were revalued in connection with the merger transactions recognised in that year.

1.1.1 LIQUIDITY RISK AND GOING CONCERN

At 31 December 2022, the Company's total gross debt amounted to €7,172 million, with contractual principal repayments of €1.4 billion, €0.7 billion and €1.4 billion due in 2023, 2024 and 2025 respectively (in the absence of default). At that date the Company had cash at bank and in hand amounting to €224.7 million and €250 million in marketable securities readily convertible into cash.

On the basis of (i) this debt repayment schedule, (ii) the 2023-2025 business plan drawn up in connection with the Refoundation Plan presented on 15 November 2022, including in particular the amount of capital expenditure planned over the period, (iii) the Company's existing cash position and the minimum cash "cushion" of €200 million needed to operate, and excluding any proceeds from the disposal of real estate assets over the period from 2023 to 2025 in line with the Group's objective of eventually holding 20%-25% of its real estate assets, the Group's financing requirement has been estimated at around €5.7 billion between now and 2025.

This unsustainable financial outlook was what led the Company to draw up the financial restructuring plan presented to ORPEA SA's unsecured creditors on 15 November 2022 as part of the conciliation procedure opened on 25 October 2022.

This restructuring proposal was the subject of discussions and negotiations with the various parties involved in the financial restructuring, overseen by the conciliator appointed for the purposes of the procedure.

On 14 February 2023, ORPEA SA entered into a lock-up agreement (the "**Lock-Up Agreement**") with a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**") and five institutions holding the Company's unsecured debt (the "**SteerCo**"), under which the parties agreed on the principles of the financial restructuring plan. Approximately 51% of the Company's unsecured financial creditors (including the members of the SteerCo, the original signatories to the Lock-Up Agreement), representing approximately €1.9 billion in outstanding unsecured debt, have acceded to the Lock-Up Agreement, in accordance with its terms and prior to the longstop date which was set at 10 March 2023.

The Lock-Up Agreement meets ORPEA SA's objectives of achieving a sustainable financial structure and financing its Refoundation Plan presented on 15 November 2022, through:

(i) the conversion into capital of all of ORPEA SA's unsecured debt, corresponding to a reduction in the Group's gross debt of approximately €3.8 billion;

(ii) an equity injection in cash ("new money equity") of €1.55 billion, via capital increases for which the Groupement has given a subscription undertaking for €1,355 million, with a backstop for the balance up to €195 million provided by the SteerCo;

(iii) the principle of additional financing of €600 million to be provided by the Group's main banking partners. This additional financing will be granted to two Group real estate subsidiaries (Niort 94 and Niort 95).

These transactions will ensure the Company's future financial equilibrium, with a reduction of almost 60% in its net debt.

On 17 March 2023, as provided for in the Lock-Up Agreement and with a view to the opening of an accelerated safeguard procedure, ORPEA SA entered into an agreement protocol with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Agreement Protocol**"). The Agreement Protocol sets out (i) the terms and conditions for the provision of the additional financing provided for in the Lock-Up Agreement, which should enable the Company to cover its liquidity needs until completion of the capital increases, and (ii) amendments to the documentation for the loans put in place in June 2022, notably including the extension of the loans' final maturity to December 2027 and reducing the applicable margin to 2.0%.

Lastly, in relation to its existing financing not affected by the planned financial restructuring – both secured debt held by ORPEA SA and debt held at the level of subsidiaries – the Company has obtained waivers from almost all of the lenders involved concerning (i) the neutralisation of the "R1" and "R3" financial covenants (elimination of the "R2" covenant and application of an amended "R1" covenant postponed to mid-2025), and (ii) the change of control clauses (only covering the take over of control by the Groupement provided for as part of the financial restructuring). These waivers mean that no early debt repayments will be triggered for non-compliance with the applicable covenants at 31 December 2022 or at the time of the change of control of ORPEA SA on the completion date of the financial restructuring.

The Lock-Up Agreement will be implemented as part of an accelerated safeguard procedure, opened on 24 March 2023 by the Nanterre Specialised Commercial Court. The draft accelerated safeguard plan will be subject to approval by a two-thirds majority vote of the classes of affected parties (including in particular the class of shareholders classified as affected parties). If the conditions provided for by law and the protections of the affected parties are met, the Nanterre Specialised Commercial Court will approve ORPEA SA's accelerated safeguard plan, if applicable, by way of a cross-class cram down of the plan against the dissenting classes of affected parties (including, if applicable, the shareholder class) in accordance with Article L. 626-31 of the French Commercial Code, which will be enforceable and binding on all of the affected parties. The Lock-Up Agreement is also subject to customary conditions precedent.

In addition, the Agreement Protocol entered into with its main banking partners will enable ORPEA SA to cover its liquidity needs until the completion of the capital increases, while making adjustments to the loan documentation put in place in June 2022 to make it compatible with the Company's financial structure.

Given:

- the level of the Company's available cash, which stood at €104 million at 4 May 2023;
- the Company's cash flow forecasts, which take into account the following key assumptions:
  - the provision of "new money debt" of €200 million in May 2023, €200 million in July 2023 and potentially €200 million in the last quarter of 2023 under the Agreement Protocol,
  - the successive capital increases of €1.55 billion planned for the last quarter of 2023;

the Company considers that it will be able to meet its cash requirements over the next twelve months.

On this basis, the Board of Directors approved ORPEA SA's financial statements for the year ended 31 December 2022 on a going concern basis.

The effective implementation of the financial restructuring remains subject to the following main conditions precedent:

- approval of the safeguard plan by the Nanterre Commercial Court;
- approval by the AMF (*Autorité des marchés financiers*) of the prospectuses relating to the planned capital increases;
- the Groupement obtaining a final exemption from the AMF of the obligation to file a public offer for ORPEA's shares as a result of the financial restructuring;
- obtaining any other necessary regulatory approvals; and
- the discharge of all appeals.

The main risks associated with the implementation of this financial restructuring are therefore the following:

- the impossibility for the Nanterre Commercial Court to approve the safeguard plan as is;
- the non-fulfilment of one or more of the other conditions mentioned above which would prevent the implementation of the financial restructuring as currently provided for in the above-mentioned agreements;
- delays in the implementation of the various stages of the financial restructuring, leading to:
  - the restructuring not being fully executed by the expiry date of the Lock-Up Agreement and/or the expiry date of the agreement protocol concluded between the Company and its main banking partners,
  - the additional financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds of the cash capital increases provided for under the financial restructuring.

In such a situation, or more generally if the operations provided for under the restructuring plan could not be implemented for any other reason, the Company considers that it would not have sufficient means of financing to enable it to meet its obligations, and therefore its estimated liquidity requirements, for the next 12 months. As a result, the Group could be subject to administration proceedings and/or judicial liquidation proceedings with, if necessary, the implementation of a disposal plan.

If such proceedings were to be initiated, affected parties ranking below the secured debt holders would recover a smaller portion of the final disposal proceeds than under the safeguard plan.

RISKS RELATED TO THE ADDITIONAL FINANCING

The receipt of the additional financing to be provided by the Company's main banking partners (the "*Additional Financing*") is subject to the fulfilment of conditions precedent which may not be satisfied at the envisaged drawdown dates (31 May 2023, 31 July 2023 and 1 September 2023 respectively). However, since the Company has full control over the fulfilment of the majority of these conditions precedent, it considers this risk to be low.

For the future, the Additional Financing includes a certain number of undertakings that have to be respected (provision of information, protection of securities, etc.), in particular maintaining a "Loan To Value" ratio of less than 55% at 31 December 2023 and then less than 50% at 31 December 2024 and 31 December 2025. In the event of a drop in the value of the real estate assets currently owned by Niort 94 and Niort 95, this ratio may not be respected at the dates mentioned.

RISKS RELATED TO THE SYNDICATED LOAN AGREEMENT ENTERED INTO IN JUNE 2022 AND AMENDED BY THE AGREEMENT OF 17 MARCH 2023

Under the syndicated loan agreement of 13 June 2022, as amended by the agreement of 17 March 2023, the Group has undertaken in particular to:

- maintain a minimum level of available cash (plus undrawn Group credit facilities other than the D2 and D3 Facilities) of €300 million tested half-yearly from the first full quarter after completion of the capital increases provided for under the restructuring plan;
- carry out real estate disposals for €1.25 billion by the end of 2025.

Failure by the Group to respect its undertakings under the above-mentioned financing arrangement could result in an event of default. In such a case, the lenders could enforce the security interests granted to them, which would affect assets that are substantial for the Group and could have significant consequences on its financial position, business and development.

In addition, the Group's undertaking to carry out real estate disposals within a limited time period could mean that it may have to sell the assets at a lower-than-expected price, which could require the Group to recognise impairment losses against the assets concerned.

OTHER RISKS RELATED TO THE GROUP'S FINANCING

The Group's existing debt at 31 December 2022 (see Note 2.1.8) includes, *inter alia*, the following covenants (most of which are subject to waivers obtained from the relevant lenders to enable completion of the Group's financial restructuring):

- maintain a certain level of assets free of any security interests, depending on the amount of the loan concerned;
- comply with debt-to-EBITDA and debt-to-equity ratios;
- provide asset-backed guarantees.

These various covenants would restrict its capacity to take on additional debt if new difficulties were to arise, and any failure to comply with them could constitute an event of default which could affect the Group's financial position, results and outlook.

Moreover, if the Group fails to restore its image and financial position, notably by implementing its financial restructuring plan, it could continue to experience difficulties in obtaining financing, which could jeopardise its results and its ability to pursue its business.

Risk management

The Group's teams are fully mobilised to complete the Group's financial restructuring.

The Group's various stakeholders have been and will be regularly informed of the progress of the negotiations and the terms of the various planned transactions by means of press releases.

In particular, in order to ensure that shareholders are provided with the fullest possible information, the Company has appointed Sorgem as an independent expert. In its report, which will be made available to the public, Sorgem will give its opinion on the fairness of the financial restructuring for the current shareholders of the Company.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring, leading to it not being fully executed by the expiry date of the Lock-Up Agreement and/or the expiry date of the agreement protocol entered into between the Company and its main banking partners could be managed by negotiating, at the required time, extension clauses for the Lock-Up Agreement and/or the agreement protocol with the parties concerned, namely the Groupement, the SteerCo and the other unsecured creditors having adhered to the Lock-Up Agreement on the one hand, and the Group's main banking partners on the other hand.

The Company considers that the risk of a delay in the implementation of the various stages of the financial restructuring leading to the Additional Financing not being sufficient to meet the Group's liquidity needs for the period until the date of receipt of the proceeds from the cash capital increases provided for under the financial restructuring could, if necessary, be managed by negotiating an increase in the amount of the Additional Financing with the Group's main banking partners on terms and conditions to be discussed at the time.

The Company considers that, in the event of a decline in the value of the real estate assets currently owned by Niort 94 and Niort 95, resulting in a failure to comply with the above-mentioned "Loan To Value" ratio, it would still be able to provide Niort 94 and Niort 95 with additional assets, free of collateral and of a value that would enable it to comply with the required ratios.

Finally, taking into account (i) the lock-up agreement signed with a majority of the Company's unsecured financial creditors, (ii) the possibility for the Nanterre Specialised Commercial Court, under the conditions recalled above, to approve the Company's accelerated safeguard plan, notwithstanding the possible negative vote of one or more classes of affected parties, (iii) the legal analyses carried out with the assistance of its main advisers for the assessment of potential third party claims, and (iv) its ability to lift all of the conditions precedent related to the agreements entered into with the various stakeholders, the Company considers the risk of not being able to implement the safeguard plan to be limited.

1.2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by the Company are as follows:

1.2.1 INTANGIBLE ASSETS

Intangible assets mainly comprise:

- licences to operate beds in nursing home facilities, shown under "Business goodwill":

  These licences are considered to have an indefinite useful life, in line with the market position adopted by the sector. This status is underpinned by the Group's observations and past experience that the probability of licences being withdrawn or not renewed is limited, since ORPEA operates its facilities in strict compliance with the terms and conditions and the standards set by the various healthcare authorities, and since the costs incurred in maintaining these licences are not material;
- technical losses, shown under "Other intangible assets":

  Technical losses and business goodwill arising on mergers reflect unrealised gains on assets, which may or may not be recognised in the absorbed company's financial statements, less any unrecognised liabilities in the absorbed company's financial statements. They are recognised as the difference between the carrying amount of the previously held investment and the absorbed subsidiary's net assets.

  Pursuant to Article 745-5 of ANC regulation no. 2015-06 amending ANC regulation no. 2014-03 relating to French generally accepted accounting principles, technical losses are allocated in proportion to reliably estimated unrealised gains, with any remaining portion allocated to business goodwill.

  These technical losses are then amortised or impaired using the same methods as are applicable to the underlying assets to which they are assigned.

  The "Other intangible assets" heading includes technical losses assigned to the licences to operate nursing home beds and any other unallocated technical losses.

Groups of assets to which unamortised business goodwill, an operating licence and/or a technical loss have been assigned are tested annually for impairment, which consists in comparing their carrying amount with the higher of:

1) value in use, which is determined by discounting expected future cash flows from each of the facilities in which these assets are operated.

   The discount rate used for this impairment testing is the ORPEA Group's weighted average cost of capital, which is representative of the sector's rate, and the terminal value is determined using a perpetuity growth rate reflecting the growth outlook for the Company in the light of likely trends in its sector of activity (respectively 6.7% and 1.6% as at 31 December 2022);

2) fair value less costs to sell, where appropriate.

An impairment loss is recognised in respect of the difference if the carrying amount is higher than value in use or fair value less costs to sell.

Other intangible assets are amortised on a straight-line basis over a period of one to five years.

1.2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, comprising land, buildings, fixtures and fittings, equipment and furnishings, is measured at cost (purchase price plus transaction costs), production cost or contribution value.

These assets are depreciated by the Company on a straight-line basis. Depreciation is calculated based on the expected useful life of each asset or each of its components having different useful lives in line with the following criteria:

- buildings, fixtures and fittings: 12 to 60 years
- technical installations, equipment: 3 to 10 years
- other: 3 to 10 years

Other property, plant and equipment includes the technical merger losses assigned to property, plant and equipment, which are depreciated using the same rules and useful lives as the underlying assets.

1.2.3 INVESTMENTS IN SUBSIDIARIES, LONG-TERM INVESTMENTS AND RELATED RECEIVABLES

The values of investments in other companies and any related receivables are recognised under this item.

In accordance with decree no. 2005-1702 of 28 December 2005, the Company has elected to capitalise all transfer taxes, professional fees or commissions and other contract expenses related to the acquisition of long-term investments and securities held for sale as part of the cost of the acquisition.

Investments in subsidiaries are measured at cost or contribution value.

Other financial assets include the technical merger losses assigned to investments in subsidiaries.

An impairment loss is recognised in respect of the difference if the value in use of investments in subsidiaries and of the associated technical merger losses falls below the gross amount.

Value in use is determined according to the investee's equity value or an enterprise value calculated on the basis of:

- the present value of future cash flows expected to be generated by its continued operation, adjusted for net debt (see section 1.2.1); or
- the realisable value net of selling costs.

This enterprise value is then adjusted by the amount of net debt to determine the equity value.

Impairment losses are also recognised in respect of any related receivables using the same measurement methods.

1.2.4 INVENTORIES AND WORK IN PROGRESS

This item includes various supplies, materials, small items of equipment and work in progress on property projects, which are all measured at historical cost.

Work in progress on property projects comprises land and construction costs incurred to support the expansion of the Company and of its subsidiaries.

Cost includes the purchase and/or production cost incurred in bringing the asset to its present condition and location. Production cost includes direct production costs and borrowing costs directly attributable to the production of the property asset.

Marketing costs directly attributable to the assets sold are recognised in property work in progress during the construction period and expensed at the date of completion of the property.

Property development programmes are:

- either transferred to third parties as a block or in lots; or
- transferred to finance leasing organisations.

Revenue, construction costs and the corresponding margins are recognised in the income statement at the date of completion of the work.

Changes in work in progress are posted to "Production transferred to inventories" in the income statement.

Inventories are written down if their value in use falls below their carrying amount.

1.2.5 TRADE AND OTHER RECEIVABLES

Receivables and payables are recognised at nominal value. Receivables are written down if their estimated fair value falls below their nominal value.

An impairment loss is recognised on doubtful trade receivables when there is objective evidence that the Company may be unable to recover the full amount on the original terms and conditions due under the transaction. The age of a receivable and failure to pay within the usual payment period are indicators of impairment.

<table>
<tr><th></th><th></th><th colspan="4">1 year</th><th colspan="4">2 years</th><th colspan="4">3 years</th><th colspan="4">4 years</th></tr>
<tr><th>Facility</th><th>Category</th><th>0-3 months</th><th>3-6 months</th><th>6-9 months</th><th>9-12 months</th><th>12-15 months</th><th>15-18 months</th><th>18-21 months</th><th>21-24 months</th><th>24-27 months</th><th>27-30 months</th><th>30-33 months</th><th>33-36 months</th><th>36-39 months</th><th>39-42 months</th><th>42-45 months</th><th>45-48 months</th></tr>
<tr><td>Nursing homes</td><td>Residents present</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
<tr><td></td><td>Residents deceased intestate</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
<tr><td></td><td>Residents deceased with a will</td><td colspan="4">0%</td><td colspan="2">50%</td><td colspan="10">100%</td></tr>
<tr><td></td><td>Social assistance</td><td colspan="10">0%</td><td colspan="2">50%</td><td colspan="4">100%</td></tr>
<tr><td></td><td>Disputed invoices for residents</td><td colspan="2">0%</td><td colspan="2">50%</td><td colspan="12">100%</td></tr>
</table>

1.2.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash at bank and risk-free, short-term investments such as term deposits.

Term accounts are carried at their subscription value.

Marketable securities are recognised at historical cost and an impairment loss is recorded if their realisable value falls below historical cost.

1.2.7 PROVISIONS

The Company recognises a provision when it has an obligation to a third party, it is probable or certain that an outflow of resources embodying economic benefits will be required to settle the obligation, without any economic benefits with at least an equivalent value being received in return, and its amount can be estimated reliably.

Where this liability is not probable and the amount of the obligation cannot be measured reliably, but an outflow may be required to settle the obligation, the Company recognises a contingent liability.

Provisions for labour disputes are estimated by the employee affairs department based on the Company's exposure and the status of any proceedings.

Provisions for tax disputes are estimated by the finance department after a full review of any tax audits in progress.

Where applicable, a provision may be set aside for certain investments in subsidiaries depending on the investee's net assets and the Company's commitments to the subsidiaries concerned at the end of the financial year.

Tax-regulated provisions relate to accelerated depreciation for acquisition-related expenses on investments in subsidiaries.

1.2.8 BORROWINGS

Borrowings and other debt are recognised at nominal value, while associated issuance costs initially recognised in operating income are capitalised, then spread over the same term as underlying borrowings.

Borrowing costs are recognised over the term of the corresponding liability, except where they are directly attributable to the acquisition, construction or production of an asset, in which case they are included in the cost of the asset.

1.2.9 FINANCIAL INSTRUMENTS AND DERIVATIVES

Interest rate derivatives

The Company's financial liabilities mainly comprise floating rate domestic debt, and it is therefore exposed to the risk of an increase in short-term rates in the eurozone.

As part of its risk management policy, the Company uses derivatives such as:

- interest rate swaps;
- interest rate options (caps) allowing it to limit the impact of an increase in Euribor above a certain cap.

The purpose of these transactions is to convert floating-rate debt into fixed-rate debt, or at least to cap the applicable interest rate, and to optimise the risk profile of the Company's debt based on expected trends in interest rates.

During 2022, the Company continued its interest rate risk management policy, which is to build up a portfolio of financial instruments that qualify for hedge accounting.

Financial income and expenses associated with interest rate derivatives are recognised in the same manner and period as the income and expenses generated by the hedged item.

1.2.10 FOREIGN CURRENCY TRANSACTIONS

Foreign currency assets and liabilities are translated at year-end exchange rates when they are not covered by a specific hedge. Any exchange gains and losses are recognised under the relevant balance sheet headings. Unrealised foreign exchange losses are provided for, after the effects of any hedging.

1.2.11 REVENUE

Revenue mainly derives from:

1) accommodation and care services provided to residents. Revenue is recognised when the service is provided.

   Per diem rates are payable as follows:

   - the accommodation component is paid for by the resident,
   - the long-term care allowance component is paid for by the resident and the local authority (the daily charge is set by the local authority depending on the level of care required and forecast expenses),
   - the medical care component is paid for by the regional health insurance fund (the daily charge is set according to the level of care required and forecast expenses);

2) sales to third parties of properties built or redeveloped by the Company. Corresponding changes in work in progress are posted to "Production transferred to inventories".

1.2.12 INCOME TAX

ORPEA is the head of a tax consolidation group formed with subsidiaries that are at least 95%-owned.

ORPEA, like each subsidiary in the tax group, pays the income tax calculated on its own earnings.

1.3 INTERNAL RESTRUCTURING

In order to further streamline the Company's organisational structure, all the assets and liabilities of the following subsidiaries were transferred to ORPEA SA during the year: SAS Actiretraite Montgeron, SARL Les Jardins d'Aurélie and SARL L'Atrium.

The various assets and liabilities of these subsidiaries were absorbed and recognised in ORPEA's financial statements at the effective date of their transfer in 2022.

These transactions led to the recognition of technical merger losses amounting to €1.6 million, recognise in "Other intangible assets".

1.4 SIGNIFICANT EVENTS OF THE PERIOD

The publication on 26 January 2022 of the book *Les fossoyeurs*, alleging inappropriate practices within the ORPEA Group, received immediate and widespread media coverage, both in the general public and in the financial community. This publication triggered a major crisis for the Company due to the realisation of numerous risks to which it was exposed, including reputation risk, counterparty risk and liquidity risk. It also had unprecedented consequences on the Company throughout the year, in terms of its day-to-day management, its financial sustainability and its governance, and led to a complete redefinition of ORPEA's strategic priorities.

1.4.1 LAUNCH OF ADMINISTRATIVE AND INDEPENDENT INVESTIGATIONS

Following the publication of *Les fossoyeurs* on 26 January 2022, ORPEA's Board of Directors commissioned Grant Thornton and Alvarez & Marsal to conduct an independent review of the acts described in the book. At the same time, the French Ministry of Solidarity and Health ordered each of the General Inspectorate of Finance (IGF) and the General Inspectorate of Social Affairs (IGAS) to investigate the claims.

Findings of the administrative investigations

On 26 March 2022, ORPEA issued a press release disclosing the findings of the final reports of the IGAS-IGF joint investigation and took note of the announcement by the Minister Delegate to the Minister of Solidarity and Health in charge of Autonomy of her decision to transmit to the public prosecutor the report of the investigation carried out by the IGAS and IGF.

On 29 July 2022, following the above-mentioned joint investigation report, the National Solidarity Fund for Autonomy (*Caisse Nationale de Solidarité pour l'Autonomie* – CNSA) sent the Company a formal notice to return unduly received funding in an amount of €55.8 million.

On 22 November 2022, ORPEA decided to reimburse the full amount owed to the CNSA and confirmed its intention to provide a lasting solution to the problem of care assistants "filling in" as nursing assistants. This decision to settle with the past and pay all the sums owed to the CNSA, as well as the commitments and the proposals made by ORPEA, are in line with the approach set out by the Group in its Refoundation Plan (described in section 5.1.5 below) to conduct its mission in a calm and amicable environment and in a spirit of constructive dialogue with all its stakeholders.

Findings of the independent investigations

Grant Thornton and Alvarez & Marsal submitted their final reports to the Board of Directors on 27 May 2022 and 27 June 2022, respectively, on (i) the use of public funds and business relations with third parties, including some public officials; and (ii) the care of nursing home residents and employment law. The findings of these independent investigations rule out allegations of widespread systemic abuse. In particular, they refute the claim that incontinence products were rationed as well as several allegations concerning meals and food. On the other hand, they report shortcomings and deficiencies, particularly in the handling of adverse events, management incentives and human resources management.

1.4.2 CRISIS RECOVERY PLAN IMPLEMENTED IN THE FIRST HALF OF 2022

Changes in governance

On 30 January 2022, the Group's Board of Directors decided to terminate Yves Le Masne's duties as Chief Executive Officer, and to appoint Philippe Charrier as Chairman and Chief Executive Officer. Philippe Charrier's mission is to ensure, under the Board's supervision, that best practices are applied throughout the Group and to shed full light on the acts described in the book *Les fossoyeurs*, based in particular on the aforementioned independent investigations.

On 2 May 2022, the Board of Directors appointed Laurent Guillot as ORPEA's Chief Executive Officer, with effect from 1 July 2022, to enable the Group to enter into a new phase and launch the in-depth transformation process designed to create the new ORPEA. It was also decided at that time that the Board of Directors would be completely overhauled and that a new corporate governance structure would soon be put in place, notably by strengthening the roles of the Board's specialised committees.

On the same day, ORPEA also announced that it had filed a complaint against unnamed persons with the public prosecutor for past transactions and events – wholly unrelated to the accommodation and care conditions for residents – that could raise questions with regard to ORPEA's best interests and which were discovered following internal investigations that revealed a number of fraudulent activities of which the Company or its subsidiaries may have been victims. In addition, the investigations carried out in 2022 led the Company to file a complaint on 20 December 2022 against its former Chief Executive Officer of the Company, Yves Le Masne, for acts that could be qualified as misappropriation of company assets or funds, breach of trust, complicity, concealment or money laundering, as well as filing additional complaints against named persons.

The known effects of these acts are already reflected in the financial statements.

Accelerated internal control measures

As soon as the Company was aware of the facts, internal measures were taken to remove the persons likely to be involved in the frauds concerned.

In addition, before the findings of the above-mentioned reports were published, the Company undertook a series of remedial measures, aimed at strengthening its internal processes to eliminate any practices identified as inappropriate and ensuring that the necessary financial resources are provided to achieve that objective.

Negotiation of a new financing plan as part of a first conciliation procedure

In the first quarter of 2022, with access to the financial markets closed off, the Group considered that it could soon find itself facing a liquidity crisis, given both (i) the repayment schedule for its existing debt (€1.56 billion repayable in 2022 alone) and (ii) the investment programme launched to develop its real estate portfolio (€1.63 billion, of which more than half incurred in 2022).

In addition to the protective measures taken to meet its liquidity needs (including a reduction in its investment budget and numerous discussions concerning plans to dispose of real estate assets), the Company contacted its main banking partners (BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale, together the "Banks") to discuss putting in place new financing arrangements in the very short term.

These discussion took place as part of an amicable conciliation procedure, opened by order of the President of the Nanterre Specialised Commercial Court on 20 April 2022. They led to a term sheet signed on 12 May 2022 providing for the Banks to grant new financing, namely:

- a €1.727 billion secured syndicated loan (Tranches "**A and B**"), including €900 million (Tranches "**A1/A4**") with a short maturity (2023) and designed to act as a bridging loan until the proceeds from disposals of real estate assets are received (expected before the end of 2023);
- a refinancing facility (Tranche **C**) of up to €1.5 billion to extend the maturity of certain existing debt until December 2026.

After consulting with the relevant employee representative bodies and obtaining their opinion, the term sheet was included in a conciliation protocol approved by the Nanterre Specialised Commercial Court on 10 June 2022, which put an end to the first conciliation procedure and gave rise to the signature of a syndicated loan agreement with the Banks on 13 June 2022 (the "**Existing Loan Agreement**"). The main terms and conditions of the Existing Loan Agreement are set out in Note 2.1.8 "Financial liabilities".

1.4.3 A NEW BOARD OF DIRECTORS, A NEW MANAGEMENT TEAM AND A NEW STRATEGIC PLAN

An overhauled governance structure

At the Annual General Meeting on 28 July 2022, the shareholders approved major changes in ORPEA's Board of Directors, notably by appointing Isabelle Calvez, Guillaume Pepy, John Glen and David Hale as independent directors, as well as Laurent Guillot, Chief Executive Officer, as a non-independent director. In addition, at its meeting immediately following said Annual General Meeting the new Board of Directors appointed Guillaume Pepy as Chairman of the Board of Directors.

The new Board of Directors decided to change (i) the membership of the Board Committees in order for the new directors to become members, and (ii) the duties assigned to the Committees in order to reaffirm the Board's commitment to transformation, with the aim of effectively fulfilling its mission of providing care and support to the vulnerable and frail, and rising to the related challenges.

Under the leadership of Laurent Guillot, ORPEA's Chief Executive Officer since 1 July 2022, the Group's Executive Committee has also undergone a major overhaul, with the arrival of a Human Resources Director, a Group Medical Director, a Sustainable Development and Quality Director, a Real Estate Director and an Executive Vice-President of Communications.

A short-term action plan with three objectives

- Remedial actions to ensure a complete and rapid overhaul of internal practices: zero tolerance of unethical practices; transparency at the level of each facility during the root cause analysis; immediate reporting of serious adverse events.
- Putting in place a more efficient organisational structure: bringing the Group up to the best standards in the sector; implementing the right human resources and salary policies; reviewing the role of support functions, etc.
- Remobilisation measures to get back to being a major player in the future of "ageing well", in particular by broadening the dialogue with all stakeholders in care for the elderly.

Launch of a strategic and financial review in an increasingly unfavourable market environment

In the summer of 2022, the new Executive Management team initiated a comprehensive strategic and financial review of the Group's activities, based, for the first time in its history, on information produced by the various operating entities.

This review, which was carried out in a highly inflationary economic environment with rising interest rates and an increase in the workforce, led to a major review of the Group's operating performance and the fair values of many assets, which resulted in significant impairment losses being recognised in the 2022 financial statements.

Opening of a second conciliation procedure

As the discussions with real estate investors that began in the first half of 2022 progressed, it gradually became clear that the undertakings made in the agreement with the Banks regarding real estate asset disposals to be completed by the end of 2023 would be impossible to meet due to:

- the slowdown in the real estate market in an environment shaped by rising interest rates, with a significant impact from the beginning of the summer; and
- the negative perception of the Group's financial strength, particularly after the release of its first-half results in September 2022, increasingly making ORPEA a non-credible counterparty for sale and leaseback transactions.

Therefore, without waiting for the final outcome of the strategic and financial review under way, as a result of these factors and the fact that it felt it may not be able to comply with the covenants contained in many of its financing facilities as they stood at 31 December 2022, the Company applied to the President of the Nanterre Specialised Commercial Court for a second conciliation procedure, which was opened on 25 October 2022. The aim was to provide for a stable and legally secure framework to enter into discussions with the Company's financial creditors in relation to restructuring its debt, obtaining new financial resources and adjusting its covenants.

1.4.4 REFOUNDATION PLAN AND FINANCIAL RESTRUCTURING PLAN

On 15 November 2022, the new management team presented the Group's new strategic priorities with its *With you and for you, changing ORPEA Refoundation Plan* and a Group level transformation based on the following four priority areas for change:

- operational change, with zero tolerance for unethical practices, a collaborative approach with all stakeholders, a balanced focus on priorities, and a transparent and efficient operating model;
- organisational change, with facilities given autonomy, a new role for support functions, a Medical Director on the Group Executive Committee, and the real estate business serving as a support for operations;
- a change in the approach to care, support and human resources, with "Care by ORPEA" based on personalised support, a human approach to care and the management of caregivers, a focus on catering, and excellence in medical and care practices;
- a change in financial balance, with a recovery in operating profitability, a new property ownership policy and the restoration of a sustainable financial structure.

1.4.5 FINDINGS OF THE ASSET REVIEW

As part of the strategic and financial review of its activities, the Group carried out an in-depth review of the assets on its balance sheet.

With its Refoundation Plan, ORPEA has committed to changing its approach to its stakeholders, care and support and the attention it pays to its employees, while restoring its financial balance. It was in this spirit of transparency that ORPEA's new management team pursued its in-depth review of the Company's assets in order to obtain a more realistic value given its new reality and to learn from decisions made in the past.

This work led to the following findings:

- concerning the measurement of intangible assets, the Group supplemented its approach to this measurement by carrying out an in-depth review of the property, plant and equipment and capital expenditure that should be taken into account in the capital employed subject to the impairment tests carried out at 31 December 2022;
- the recoverability of financial receivables relating to partnerships was assessed based on a detailed analysis of the situation and the status of ongoing negotiations. This analysis led to the recognition of €150 million in impairment losses against current accounts.

For intangible assets, the estimation also included an increase in the risk-free rate to 2.6%.

Following the annual review carried out by an independent firm of the valuation of intangible assets, property, plant and equipment and financial assets held by the Company as well as of current accounts resulting from advances granted to subsidiaries and certain related parties, the following provisions were recognised in ORPEA SA's financial statements as a result of the risks of impairment in value identified at 31 December 2022:

- €76 million for property, plant and equipment;
- €1,232 million for investments in subsidiaries (see the table of subsidiaries and investments at the end of this document);
- €1,518 million for current accounts, where the enterprise value resulting from the impairment tests resulted in a negative equity value.

In addition, when the negative net worth of the tested subsidiaries exceeded the carrying amount of the investments, a provision for negative net worth was recorded for the difference. Provisions recognised for this purpose amounted to €19 million at 31 December 2022.

The overall asset review was carried out in the interest of full disclosure with the aim of bringing the Group's financial statements into line with its new reality in terms of both its financial and asset position.

1.5 SUBSEQUENT EVENTS

The negotiations carried out as part of the conciliation procedure opened on 25 October 2022 enabled ORPEA SA to sign, on 1 February 2023, a term sheet on a financial restructuring plan (the "**Term Sheet**") with (i) a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "**Groupement**"), and (ii) five institutions (the "**SteerCo**") holding approximately 50% of the Company's unsecured debt, which totals nearly €3.8 billion. The aim of the Term Sheet was for the parties to agree on the principles of the financial restructuring plan, which provides in particular for:

- the conversion into capital of all of ORPEA's unsecured debt, amounting to €3.8 billion (if shareholders do not exercise their pre-emption rights for the related capital increase); and
- an equity injection in cash ("new money equity") for a total amount of €1.55 billion, including €1,355 million contributed by the Groupement, and the remaining €195 million open to all shareholders (including creditors who have become shareholders), with a backstop provided by the SteerCo.

On 14 February 2023, the Company entered into an agreement (the "**Lock-Up Agreement**") with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring.

On 20 March 2023, the Company announced that it had finalised and signed an agreement protocol (the "**Agreement Protocol**") with its main banking partners (BNP Paribas, BPCE group, Crédit Agricole group, Crédit Mutuel Alliance Fédérale group, La Banque Postale and Société Générale) (the "**Lenders**") in view of the opening of an accelerated safeguard procedure. The Agreement Protocol sets out the terms and conditions for the provision of additional financing ("*new money debt*") and provides for amendments to the Existing Loan Agreement which will come into effect on the date of completion of the financial restructuring.

The additional financing will be granted to two Group real estate subsidiaries (Niort 94 and Niort 95) and secured by shares in the holding company ORESC 26, which will own Niort 94 and Niort 95.

The main financing terms of the initial syndicated loan agreement are presented in Note 2.1.8 "Financial liabilities".

The main terms of the additional financing ("new money debt") are summarised below:

	D1 Facility	D2 Facility	D3 Facility
Purpose	To finance or refinance (directly or indirectly) (x) the general corporate purposes of Niort 94/Niort 95 (including debt servicing and capital expenditure), (y) the general corporate purposes of ORPEA SA (via repayment of existing intra-group debt) and (z) all fees, costs and expenses relating to the Facilities.		
Maximum principal amount *(in euros)*	€400 million, broken down as follows: ■ **D1A Tranche:** €200 million ■ **D1B Tranche:** €200 million	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure, for the portion of these net proceeds not already used to reduce the D3 Facility.	€100 million This maximum amount will be reduced by the total net proceeds from the disposal of real estate assets received by members of the Group as from the opening of ORPEA's accelerated safeguard procedure.
Annual margin	2.00% per annum (in addition to the Euribor rate applicable over the drawdown period (one month, three months or six months))		
Final maturity	**D1A/D1B Facility:** 30 June 2026	The earlier of (i) 31 December 2023 and (ii) the fifth business day following the completion of all of the capital increases provided for in the judgement of the Nanterre Specialised Commercial Court approving ORPEA's accelerated safeguard plan (the "**Plan Approval**") and ORPEA's receipt of the related amounts.	Same as for the D2 Facility
Availability period	From the date of signature until one month prior to the maturity date of the D1 Facility.	(x) From the earlier of: (i) the date of signature and (ii) the date on which the D1 Facility is fully drawn down and (y) until one month prior to the maturity date of the D2 Facility.	(x) From the earlier of: (i) the date on which the D2 Facility is fully drawn down and (ii) 31 August 2023 and until (y) one month prior to the maturity date of the D3 Facility.
Collateral, guarantee and equity injection undertaking	■ A first-ranking pledge to be granted by ORESC 27, a newly-created company ("**Topco**"), wholly owned by ORPEA, over all of the shares issued by the newly-created company ORESC 26 ("**NewCo**") which is wholly owned by Topco and directly owns 100% of the share capital and voting rights of Niort 94 and Niort 95. ■ A pledge of receivables to be granted by ORPEA over all of the receivables that ORPEA holds or may hold against Niort 94 and Niort 95 and their respective subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities. ■ A stand-alone guarantee pursuant to Article 2321 of the French Civil Code (*Code civil*) guaranteeing an amount equal to the sum of the principal and interest due under the D1, D2 and D3 Facilities. ■ An equity injection undertaking pursuant to Article 2322 of the French Civil Code given by ORPEA to Niort 94 and Niort 95 (with a performance obligation), in order to restore and maintain a positive net asset position and to cover any cash shortfall in relation to (x) the debt servicing concerning the Facilities and (y) the structural and overhead costs incurred by these entities. ■ A *Dailly* assignment by way of guarantee by Niort 94 and Niort 95 relating to all receivables held or that may be held against all direct or indirect subsidiaries in respect of intra-group loans/advances granted by ORPEA to these entities.		

The main terms of the addendum to the Existing Loan Agreement can be summarised as follows:

	A Loan				
	A1 Loan	**A2/A3 Loans**	**A4 Loan**	**B Loan**	**C1/C2 Loans**
Margin	2.00% per annum				
Maturity date	31 December 2027 with the following maturity dates per sub-tranche to reflect the Repayments as set out below:			31 December 2027	31 December 2027
	31 December 2027 (or, in the case of the First Net Disposal Proceeds (as defined below), 31 October 2026)	31 December 2027	31 December 2023		
Repayments	■ 31 October 2024: €200 million ■ 31 October 2025: €200 million This repayment will be increased by the total amount of net proceeds from disposals received by the Group after the date on which the Addendum comes into force (the "**Effective Date**"), up to €100 million (the "**First Net Disposal Proceeds**"). ■ 31 October 2026: €200 million	At maturity	31 December 2023: €200 million	At maturity	At maturity

On 24 March 2023, the Nanterre Specialised Commercial Court opened an accelerated safeguard procedure with an initial observation period of two months, which may be renewed for a further two months without exceeding a total duration of four months.

The main purpose of this procedure is to enable the Company to implement its restructuring plan in accordance with the provisions of the Lock-Up Agreement and the Agreement Protocol.

The key points of ORPEA SA's financial restructuring are as follows:

- the conversion into capital of all of ORPEA SA's unsecured debt, amounting to €3.8 billion (if shareholders do not exercise their pre-emption rights for the related capital increase);
- an equity injection in cash ("new money equity") for a total amount of €1.55 billion, including €1,355 million contributed by the Groupement, and the remaining €195 million open to all shareholders (including creditors who have become shareholders), with a backstop provided by the SteerCo. This contribution will be supplemented by the issue of stock warrants (BSA) to the Groupement and to the SteerCo as consideration for the backstop guarantee provided for the placement of the third capital increase;
- an option offered, where applicable, to ORPEA SA's unsecured creditors that do not wish, for their own legal reasons, to hold shares directly, to become creditors of an SPV which would itself hold the shares resulting from the conversion of their unsecured debt;
- the settlement of additional "new money debt" financing in tranches of up to €600 million by ORPEA SA's main banking partners and amendments to the Existing Loan Agreement, including the extension of the final maturity to December 2027 and the reduction of the margin to 2.00% per annum in accordance with the above-mentioned agreement and after implementation of the entire restructuring plan;
- obtaining agreements from virtually all of the Group's subsidiaries' lenders in respect of waivers relating to change of control clauses and the "R1" and "R2" financial covenants to enable the completion of the financial restructuring.

2. Commentary on the individual financial statements

N.B.: Amounts are stated in thousands of euros unless otherwise indicated.

2.1 BALANCE SHEET

2.1.1 NON-CURRENT ASSETS

Intangible assets

Movements in gross intangible assets were as follows:

Gross	31 Dec. 2021	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2022
Set-up costs	26	-	-	-	-	26
Concessions, patents	1,757	39	-	465	-	2,261
Business goodwill	146,388	63	-	-	107	146,558
Other intangible assets	301,541	845	-	9,752	1,617	313,756
Advances on intangible assets	275	-	-	-	-	275
TOTAL	**449,988**	**947**	**-**	**10,217**	**1,723**	**462,875**

Amortisation and impairment of gross intangible assets were as follows:

Amortisation and impairment	31 Dec. 2021	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2022
Set-up costs	15	-	-	-	-	15
Concessions, patents	1,416	89	-	-	-	1,505
Business goodwill	20,248	-	-	-	-	20,248
Other intangible assets	1,377	3,915	-	-	-	5,293
Advances on intangible assets	-	-	-	-	-	-
TOTAL	**23,056**	**4,003**	**-**	**-**	**-**	**27,060**

Property, plant and equipment

Movements in gross property, plant and equipment were as follows:

Gross	31 Dec. 2021	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2022
Land	13,625	626	-	-	-	14,252
Buildings	368,491	1,036	2,884	13,401	-	380,044
Plant and facilities	80,864	2,040	51	1,553	-	84,407
Vehicles	630	49	122	-	-	557
Property, plant and equipment in progress	60,582	51,175	12,504	(37,442)	-	61,811
Other property, plant and equipment	71,006	11,640	11	12,272	-	94,907
TOTAL	**595,197**	**66,567**	**15,571**	**(10,217)**	**-**	**635,977**

Depreciation and impairment of gross property, plant and equipment were as follows:

Depreciation and impairment	31 Dec. 2021	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2022
Land	1,065	-	4	-	-	1,061
Buildings	132,005	87,575	1,555	-	2,959	220,985
Plant and facilities	69,939	3,873	416	-	403	73,799
Vehicles	4,079	78	-	-	292	4,449
Property, plant and equipment in progress	-	-	-	-	-	-
Other property, plant and equipment	44,466	4,287	178	-	206	48,782
TOTAL	**251,555**	**95,813**	**2,153**	**-**	**3,860**	**349,075**

Financial assets

Movements in gross financial assets were as follows:

Gross	31 Dec. 2021	Increase	Decrease	Reclassifications	Mergers	31 Dec. 2022
Investments in subsidiaries	2,099,495	345,226	209,806	-	(767)	2,234,149
Other investments	7	-	-	-	-	7
Receivables related to investments in subsidiaries	63,791	100,000	55,791	-	-	107,999
Loans	17,258	22,602	18	-	-	39,841
Other financial assets	17,117	45,143	31,059	-	-	31,202
TOTAL	**2,197,667**	**512,970**	**296,674**	**-**	**(767)**	**2,413,198**

The change in investments in subsidiaries is principally attributable to:

- an increase of €137 million related to capital increases of Group subsidiaries;
- an increase of €203 million following the acquisition of shares in ORESC 25, a company incorporated under Luxembourg law to which all of CLINEA's shares were contributed in the form of a contribution in kind. This transaction was carried out as part of the implementation of the guarantees provided to the Company's financial partners at the time of the refinancing in June 2022 and was recorded at book value, resulting in the removal from the balance sheet of CLINEA SAS shares for the same amount of €203 million;
- a €6 million decrease in other investments.

The year-on-year change in "Other financial assets" primarily reflects movements in treasury shares and security deposits from energy providers totalling €16 million.

Movements in provisions for impairment of financial assets during the year were as follows:

Provisions for impairment	31 Dec. 2021	Additions	Reversals	Reclassifications	Mergers	31 Dec. 2022
Investments in subsidiaries	30,698	1,232,913	2,747	-	-	1,260,864
Other investments	-	-	-	-	-	-
Receivables related to investments in subsidiaries	-	-	-	-	-	-
Loans	-	12,678	-	-	-	12,678
Other financial assets	46	1,593	-	-	-	1,640
TOTAL	**30,744**	**1,247,184**	**2,747**	**-**	**-**	**1,275,182**

Provisions for impairment totalling €1,233 million were recorded against investments in subsidiaries in 2022 following the strategic review carried out by management as part of the annual review of asset values referred to in section 1.4.5.

"Loans" and "Other financial assets" break down as follows:

	31 Dec. 2022	Less than 1 year	More than 1 year
Loans	39,841	30	39,811
Deposits and guarantees	20,633	-	20,633
Allocation of technical losses	8,514	-	8,514
Treasury shares	2,054	2,054	-
TOTAL	**71,042**	**2,083**	**68,959**

The Annual General Meeting of 29 June 2006 authorised a share buyback programme. This programme has a number of aims, including to allow the Company to provide liquidity and stimulate trading in its shares, and to optimise its capital management.

A total of 74,563 shares with a gross carrying amount of €2 million were held in treasury at 31 December 2022.

2.1.2 LIST OF SUBSIDIARIES AND INVESTMENTS

The table of subsidiaries and investments is presented at the end of this chapter.

2.1.3 INVENTORIES AND WORK IN PROGRESS

	31 Dec. 2022			31 Dec. 2021
	Gross	**Provisions**	**Net**	**Net**
Equipment and supplies	2,466	-	2,466	3,951
Property projects in progress	-	-	-	3,087
TOTAL	**2,466**	**-**	**2,466**	**7,037**

2.1.4 TRADE AND OTHER RECEIVABLES

	31 Dec. 2022			31 Dec. 2021
	Gross	**Provisions**	**Net**	**Net**
Trade receivables	48,432	(9,230)	39,203	51,708
Tax and payroll receivables	42,270	-	42,270	30,463
Group and associates	4,618,552	(1,518,386)	3,100,166	3,848,152
Miscellaneous receivables	352,184	(193,740)	158,444	349,827
TOTAL	**5,061,438**	**(1,721,355)**	**3,340,083**	**4,280,149**

Development-related receivables consist mainly of receivables related to advances paid in connection with future acquisitions of operating companies and property developments.

An analysis of the Company's financial receivables relating to partnerships led to recognition of impairment losses for development-related receivables in an amount of €39 million and for current accounts with related parties in an amount of €111 million, representing a total of €150 million, as explained in Note 1.4.5. These write-downs were assessed based on a detailed analysis of the situation of the Company's partnerships and the status of ongoing negotiations.

All trade receivables are due in less than one year.

Movements in provisions for impairment of receivables were as follows:

	31 Dec. 2021	Additions	Reversals	Mergers	31 Dec. 2022
Trade receivables	9,097	4,055	3,922	-	9,230
Group and associates	-	1,518,386	-	-	1,518,386
Other miscellaneous receivables	12,001	182,454	715	-	193,740
TOTAL	**21,098**	**1,704,894**	**4,637**	**-**	**1,721,355**

Impairment losses recognised against current accounts with subsidiaries are the result of the impairment tests carried out by management following the strategic review of the Company's subsidiaries and investments.

2.1.5 NEGOTIABLE INSTRUMENTS

	31 Dec. 2022	31 Dec. 2021
Marketable securities	250,334	128
Bonds	-	4,237
Accrued interest	17	29
TOTAL	**250,351**	**4,394**

No impairment was recognised in respect of these items as their fair value exceeded their carrying amount.

At 31 December 2022, marketable securities represented an unrealised gain of €610 thousand.

2.1.6 COMPOSITION OF THE SHARE CAPITAL

Changes in share capital

The Company's share capital stood at €80,867,314 at 31 December 2022, breaking down into 64,693,851 shares each with a par value of €1.25.

Changes in equity during the year can be summarised as follows:

	Number of shares issued	Share capital	Share premiums and reserves	Net profit/(loss) for the year	Tax-regulated provisions	Dividend payments	Total equity
At 31 December 2021	**64,640,075**	**80,800**	**696,497**	**(51,626)**	**9,671**	**-**	**735,342**
Allocation of 2021 net loss	-	-	-	-	-	-	-
Stock option plan	-	-	-	-	-	-	-
Allocations of free shares	53,776	67	(67)	-	-	-	-
Dividend payments	-	-	-	-	-	-	-
Tax-regulated provisions	-	-	-	-	1,558	-	1,558
Net loss for the year	-	-	-	(3,477,069)	-	-	(3,477,069)
AT 31 DECEMBER 2022	**64,693,851**	**80,867**	**696,430**	**(3,528,695)**	**11,229**	**-**	**(2,740,169)**

Free share plans

Information on free share awards	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
Date of Annual General Meeting	28/6/2018	28/6/2018	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
Date of Board of Directors' meeting	28/6/2018	28/6/2018	23/6/2020	N/A	N/A	24/6/2021	13/6/2022	28/7/2022
Decisions taken by the Chief Executive Officer	01/12/2020	01/12/2020	N/A	01/2/2021	01/2/2021	N/A	17/6/2022	N/A
Maximum total number of shares that can be awarded	70,315	540	28,374	85,543	840	13,271	193,906	27,676
Vesting date of the shares	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
End date of lock-up period	2/5/2023	2/5/2023	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
Performance conditions	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys	Change in revenue and net operating profit	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five 2023 CSR roadmap objectives	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR
Number of shares vested at 31 December 2022	120	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of lapsed shares	25,880	540	24,050	27,767	840	13,271	17,351	N/A
Free shares awarded but not vested at 31 December 2022	46,795	N/A	4,324	56,276	N/A	N/A	176,555	27,626

The shares awarded are usually newly issued shares.

The expense recognised in the financial statements corresponds to the employer's contribution to social security charges, which is provisioned on a straight-line basis over the applicable vesting periods.

The value of the shares used as the base for the relevant employer's contribution reflects the closing share price at 31 December 2022.

2.1.7 PROVISIONS

	31 Dec. 2021	Additions	Reversals (utilised provisions)	Reversals (surplus provisions)	Reclassifications	Mergers	31 Dec. 2022
Labour disputes	5,618	21,836	(2,352)	-	-	-	25,101
Other provisions for liabilities	89,624	66,408	(27,399)	-	-	-	128,633
PROVISIONS FOR LIABILITIES AND CHARGES	**95,242**	**88,244**	**(29,751)**	**-**	**-**	**-**	**153,734**

ORPEA SA and some of its subsidiaries in its tax consolidation group are undergoing tax audits. Most of the reassessments notified by the tax authorities have been challenged, and no provisions have been booked for these reassessments since the Company is making use of all administrative means of appeal available to it. Tax reassessments that are not challenged or are final are recognised in the financial year in which they are received.

Provision for liabilities and charges booked following the IGAS-IGF report and the government's announcement of the referral of the case to the public prosecutor

In view of the events in January and February 2022 (see Note 1.4 "Significant events of the period"), which occurred before the 2021 accounts closing and related to facts prior to 31 December 2021, an €83.2 million provision for liabilities and charges was recognised at end-2021.

The risk identified was limited to the period 2017-2021, corresponding to the period covered by the IGAS and IGF reviews, i.e., 2017-2020, and extrapolated to 2021.

2017 represents the date as of which the French law on adapting society to an ageing population ("ASV law") came into force. This law defines the creation of multi-year health performance and resources contracts ("CPOM"), along with a five-year convergence period to implement additional resources.

The provision recognised for the investigations into the Group and the change in this provision during 2022 break down as follows:

	(in millions of euros)	31 Dec. 2021	Additions	Reversals	31 Dec. 2022
2017-2020	Non-eligible portion of business property tax	4.64	-	(4.6)	-
	Difference between funding received and resources used	19.76	-	-	19.8
	Non-inclusion in statements of actual revenue and expenditure (ERRD) of fees received from suppliers eligible for personal care allowances	18.43	-	(18.4)	-
	Sub-total for 2017-2020	**43**	**-**	**(23.1)**	**19.8**
2021	Difference between funding received and resources used	39	-	-	39.1
	Non-inclusion in statements of actual revenue and expenditure (ERRD) of fees received from suppliers eligible for personal care allowances	1	-	-	1.25
	Sub-total for 2021	**40**	**-**	**-**	**40.4**
2022	Difference between funding received and resources used	-	24.7	-	24.7
	Sub-total for 2022	**-**	**24.7**	**-**	**24.7**
	TOTAL	**83**	**24.7**	**(23.1)**	**84.8**

The provision totalled €84.8 million at 31 December 2022 and consisted solely of discrepancies between funds received and resources used during the period 2017 to 2022.

The amounts referred to in the formal notice received from the Caisse Nationale de Solidarité pour l'Autonomie (CNSA) in July 2022 were reversed in 2022 and recognised as accrued expenses for their total amount of €55.8 million at 31 December 2022, including the sums due in respect of the issue of care assistants "filling in" as nursing assistants (see Note 4.1.2).

2.1.8 FINANCIAL LIABILITIES

The maturity schedule of the Company's financial liabilities is as follows:

31 Dec. 2022	Maturing in 1 year or less	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years	Total
Borrowings and other debt[1]	7,172,321	-	-	7,172,321
Trade payables	86,437	-	-	86,437
Tax and payroll liabilities	192,794	-	-	192,794
Group and associates	602,013	-	-	602,013
Miscellaneous liabilities	256,076	-	-	256,076
TOTAL	**8,309,641**	**-**	**-**	**8,309,641**

(1) All debt has been reclassified as due in less than one year as a result of non-compliance with the applicable covenants at 31 December 2022. See the note below on the ORPEA Group's financing policy.

31 Dec. 2021	Maturing in 1 year or less	Maturing in more than 1 year and less than 5 years	Maturing in more than 5 years	Total
Borrowings and other debt	1,131,416	2,899,601	1,698,044	5,729,061
Trade payables	70,554	-	-	70,554
Tax and payroll liabilities	110,030	-	-	110,030
Group and associates	619,420	-	-	619,420
Miscellaneous liabilities	217,811	43,475	-	261,286
TOTAL	**2,149,231**	**2,943,076**	**1,698,044**	**6,790,351**

New borrowings arranged during 2022 amounted to €3,305 million and borrowings of €1,856 million were repaid.

The “Group and associates” item comprises advances to the Group’s subsidiaries.

“Miscellaneous liabilities” chiefly comprise security deposits provided by residents in the amount of €41 million.

Loan repayment premiums recognised as assets in the balance sheet are spread over the respective terms of the underlying borrowings.

Borrowings and other debt

The ORPEA Group’s financing policy

The Company’s development is generated by operating and real-estate investments.

Until 2022, these investments were partly financed by diversified external resources:

- bilateral bank loans repayable over five, six or seven years allocated to the acquisition of facilities in service, operating licences, stakes in operating companies, etc.;
- property bridging loans made up of financing lines dedicated to a specific project as well as general credit lines to pre-finance properties recently acquired or under redevelopment or construction while awaiting refinancing;
- leases and mortgage loans payable over 12 to 15 years, contracted to finance or refinance dedicated property transactions;
- public or private bonds as well as *Schuldscheindarlehen*, the revenue from which is generally allocated to property investments.

Bank covenants

Since 31 December 2006, all bilateral borrowings as well as *Schuldscheindarlehen* subscribed by the Group, have been subject to the following contractually agreed covenants:

$$R1 = \frac{\text{Consolidated net debt (excluding real estate debt)}}{\text{Consolidated EBITDA excluding IFRS 16} - 6\% \text{ of net real estate debt}}$$

and

$$R2 = \frac{\text{Consolidated net debt}}{\text{Equity + quasi equity (i.e., deferred tax liabilities linked to the measurement of intangible operating assets under IFRS in the consolidated financial statements)}}$$

At 31 December 2022, these covenants were not met. This situation did not affect any of the relevant debt carried by ORPEA SA, as the conciliation and accelerated safeguard procedures resulted in a suspension of the contractual obligations relating to these covenants. Regarding other relevant debt carried by the Group’s subsidiaries, at the date of publication of this Universal Registration Document, the Company had obtained a waiver from the corresponding creditors regarding the amendment and non-application of these covenants at 31 December 2022.

June 2022 bank financing and conciliation procedure

On 12 May 2022, ORPEA signed a term sheet with its main banking partners BNP Paribas, Crédit Agricole, Crédit Mutuel Alliance Fédérale, BPCE group, La Banque Postale and Société Générale (together the “Banks”).

The purpose of this agreement was to provide the Company with the resources it needs to finance its day-to-day operations and development investments, and to meet its debt repayment obligations. In a context where the Group did not have access to the financial markets and the completion of a large-scale asset disposal programme would have taken time, the financing arranged with the banks was based on maturities that were in line with the execution scenario of the disposal programme planned at that time.

The final agreement was signed and implemented on 13 June 2022 as part of an amicable conciliation procedure, opened by way of an order of the President of the Nanterre Specialised Commercial Court on 20 April 2022.

The bank financing that was arranged via a secured syndicated loan comprises three tranches fully drawn down at 31 December 2022 for a total amount of €3,227 million:

- Tranche A, totalling €1,500 million, repayable in instalments of €200 million at 30 June 2023, €700 million at 31 December 2023, €100 million at 30 June 2024, €100 million at 31 December 2024, €100 million at 30 June 2025 and €300 million at 31 December 2025;
- Tranche B, totalling €227 million, repayable at maturity on 31 December 2025 and intended to finance the repayment of the 2022 maturities of the banks that signed the agreement; and
- Tranche C, totalling €1,500 million, repayable at maturity on 31 December 2026, open in priority to the lenders participating in the short- and medium-term financing outlined above and intended to refinance ORPEA SA’s unsecured bank facilities (excluding all bond, Euro, PP and *Schuldschein* financing).

Prior to the new financial restructuring (see Note 3), the financing agreement included:

- a commitment to the Banks to maintain a minimum cash level of €300 million, to be tested quarterly from June 2023;
- commitments relating to the disposal of operating and real estate assets, with the cumulative gross value of real estate disposals (excluding duties) amounting to at least (i) €1 billion at 31 December 2023, (ii) €1.5 billion at 31 December 2024, and (iii) €2 billion at 31 December 2025;
- rules for allocating a portion of the proceeds of disposals to the early repayment of various loans;
- a change of control clause for ORPEA; and
- a cross-default clause (€40 million threshold).

In terms of collateral, in addition to the pre-money privilege granted with respect to Tranches A and B by the Nanterre Specialised Commercial Court under the conciliation protocol signed in June 2022, the financing is secured by pledges of shares of the subsidiaries CLINEA and CEECSH (which represented 24.5% and 32.5% of Group revenue in 2022, respectively). In this respect, it was agreed that, following reorganisations within the Group’s investment portfolio, the pledges would be limited to the CLINEA France sub-group and the Group’s operations in Germany, representing 23.5% and 16% of 2022 consolidated revenue, respectively.

In terms of cost, the loans are at floating rates (3-month Euribor; interest payable at the end of each calendar quarter) with margins that vary according to the tranche, ranging from 3.5% to 5.0%, representing a weighted average (before any repayment of the principal) of 4.4%.

The table below sets out the key terms and conditions of the syndicated loan agreement described above.

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Purpose	To finance or refinance the general corporate purposes of the Group and all fees, costs and expenses relating to the Loans			To refinance the payments due in respect of the core banking group's unsecured debt, excluding bond debt and *Schuldschein* for the second half of 2022 and to finance all fees, costs and expenses relating to the Loans	To refinance unsecured debt (excluding bonds and Schuldschein) and finance all fees, costs and expenses relating to the Loans
Principal amount	€700 million	€600 million	€200 million	€229 million	€1,500 million
Amount drawn down at 31 December 2022	€700 million	€600 million	€200 million	€227.4 million	€1,500 million
Repayment profile	Single repayment at maturity	▪ €100 million repayable on 30 June 2024 ▪ €100 million repayable on 31 Dec. 2024 ▪ €100 million repayable on 30 June 2025 ▪ Balance repayable on 31 Dec. 2025	Single repayment at maturity	Single repayment at maturity	Single repayment at maturity
Number of authorised drawdowns	Maximum of two	Two (A2 Loan and A3 Loan)	One[2]	Monthly depending on the repayments to be refinanced (with, if necessary, simultaneous drawdowns with the provision of the C1 Loan by the core banking group)	Depending on the commitment confirmations
Final maturity	31 Dec. 2023 or 30 June 2024[1]	31 Dec. 2025	30 June 2023 or 31 Dec. 2023[3]	31 Dec. 2025	31 Dec. 2026
Availability period	From 13 June 2022 to 30 Sept. 2022	A2 Loan: 1-30 Sept. 2022 A3 Loan: 13 June 2022 until 31 Dec. 2022	13 June 2022 until 31 Dec. 2022	13 June 2022 until 31 Dec. 2022	13 June 2022 until 31 Dec. 2022
Annual margin	4.00% to increase by 2.00% from 1 Jan. 2024	4.00%	3.50% to increase by 1.00% from 1 July 2023	4.00%	5.00%
Security interests and privileges	A *Dailly* assignment of intra-Group loans financed by loan drawdowns First-ranking pledges over: ▪ 100% of the shares of CEECSH (the "**CEECSH Pledge**"), ▪ 100% of the shares of the shares of ORESC 25 SARL ("**ORESC**").				(i) Security interests equivalent to the A Loan for the C1 Loan and (ii) Second-ranking pledges for the C2 Loan
Undertakings relating to the disposal of operating and real estate assets	▪ Implement an operating asset disposal programme representing a minimum amount of €1 billion in net proceeds. ▪ Sell real estate assets for a cumulative gross asset value (excluding duties) of (i) €1 billion at 31 December 2023, increasing to (ii) €1.5 billion at 31 December 2024, and to (iii) €2 billion at 31 December 2025.				
Early repayment undertakings	▪ Allocate 100% of the net proceeds from the disposal of real estate assets covered by the MoU to repay the A4 Loan. ▪ Allocate 25% of the net proceeds from the disposal of real estate assets (subject to the previous paragraph) in excess of a cumulative amount of €1,270 million (including those referred to in the previous paragraph) to repay the A2/A3 and B Loans[4]. ▪ Allocate the net proceeds from the disposal of operating assets, up to a limit of €1.2 billion, to repay the A1 Loan, and then (up to 50% of said proceeds, i.e., €250 million) to repay the A2/A3 and B Loans. ▪ Allocate 25% of the net proceeds from sales or subscriptions in the event of the opening up of the capital of the Company's subsidiary Niort 94, to repay the A2/A3 and B Loans (up to a maximum repayment of €150 million). ▪ Allocate 25% (for proceeds up to €1 million) and then 50% (in excess of that amount) of the net proceeds of new capital market debt issues (subject to customary exceptions) to repay the A2/A3 and B Loans. ▪ Allocate the net proceeds received from any State or Bpifrance financing to repay the A3 Loan.				

	A1 Loan	A2/A3 Loans	A4 Loan	B Loan	C1/C2 Loans
Other undertakings	From 30 June 2023, maintain a minimum level of cash of €300 million (tested quarterly). This clause will not apply for the duration of ORPEA SA's accelerated safeguard procedure.				
Enforcement of security interests	If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold more than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 loan): ■ loan payment default; ■ failure to comply with the minimum consolidated cash undertaking described below; ■ insolvency proceedings; ■ failure to comply with the undertakings relating to the disposal of operating and real estate assets described above or to protect the assets provided as collateral; ■ cross-default above a cumulative threshold of €100 million; ■ issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements or a qualified opinion on the Group's status as a going concern. If the original lenders under the Loan Agreement and the institutions on an agreed list of potential lenders (in each case together with their affiliates) hold less than 66.2/3% of the outstanding amounts and undrawn commitments at the date in question under the Loans (excluding the C2 loan): ■ loan payment default; ■ insolvency proceedings; ■ the second-ranking pledges will only be realisable once the A1, A2/A3, A4, B and C1 Loans have been repaid in the same circumstances (by reference to the C2 Loan undertakings).				
Events of default (subject to the usual materiality thresholds and cure periods, if any)	■ Loan payment default. ■ Failure to respect the Group's minimum consolidated cash position of at least €300 million on the last day of each quarter from 30 June 2023. ■ Cross-acceleration above a cumulative threshold of €40 million. ■ Insolvency proceedings. ■ Enforcement proceedings as from a cumulative threshold of €40 million. ■ Issuance by the Statutory Auditors of a disclaimer of opinion on the ORPEA Group's consolidated financial statements. ■ Any administrative, arbitration, governmental or regulatory disputes, claims or litigation reasonably likely to (i) have a material adverse effect or (ii) negatively impact the undertakings relating to the disposal of operating assets and real estate assets.				

(1) If one or more indicative offers are received for disposals of operating assets representing a cumulative amount of €1 billion in net proceeds.
(2) Drawdown conditional on the delivery of a Memorandum of Understanding relating to the disposal of real estate assets for €200 million (the "MoU").
(3) In the event of the signature of an agreement to sell real estate assets representing net disposal proceeds of €200 million.
(4) The undertakings to sell real estate assets do not prevent the Group from leasing those assets.

2.1.9 FINANCIAL INSTRUMENTS

At 31 December 2022, the following hedges were in place:

	Maturity profile				
	2023	**2024**	**2025**	**2026**	**2027**
Average notional amount *(in millions of euros)*	2,012	2,315	1,796	355	48

The derivatives portfolio is part of the Company's strategy to hedge against the risk of increases in interest rates on floating-rate debt. At 31 December 2022, the portfolio included:

- fixed-for-floating interest rate swaps;
- interest rate caps enabling the Company to cap the interest rate on its floating-rate debt at a contractually fixed rate.

2.1.10 OTHER LIABILITIES

Accrued expenses

Accrued expenses can be analysed as follows:

	31 Dec. 2022	31 Dec. 2021
Borrowings and other debt	39,583	38,145
Trade payables	56,243	45,718
Employees	48,518	27,631
Payroll liabilities	20,760	12,348
Tax liabilities	59,236	3,265
TOTAL	**224,339**	**127,107**

Accrued expenses relating to trade payables (invoices not received at the balance sheet date) increased by more than €11 million due to the costs related to the various assignments entrusted by the Company to its advisers concerning the complaints filed against named persons and the Group's valuation in connection with the refinancing described in Note 4.1.7.

Accrued expenses relating to tax liabilities amounted to €59 million at 31 December 2022, of which €55.8 million corresponds to sums included in the formal notice issued by the CNSA on the basis of the findings of the IGAS-IGF investigation.

Accrued income

Accrued income can be analysed as follows:

	31 Dec. 2022	31 Dec. 2021
Financial receivables	-	111
Trade receivables	14,067	28,767
Other receivables	17,087	23,713
TOTAL	**31,154**	**52,591**

Accrued income relating to trade receivables (invoices not issued at the balance sheet date) mainly concern head office expenses invoiced to the Company's various subsidiaries.

Prepaid expenses

Prepaid expenses can be analysed as follows:

	31 Dec. 2022	31 Dec. 2021
Operating	6,857	5,585
Financial[1]	-	21,277
Non-recurring	-	-
TOTAL	**6,857**	**26,862**

(1) At 31 December 2022, prepaid financial expenses were reclassified to "Debt issuance costs". At that date, debt issuance costs totalled €44.7 million, representing a year-on-year increase of more than €23 million due to the capitalisation of borrowing costs related to the Company's first refinancing that took place in June 2022.

Prepaid income

	31 Dec. 2022	31 Dec. 2021
Operating	18,004	23,696
Financial	18,622	-
Non-recurring	-	-
TOTAL	**36,627**	**23,696**

Prepaid income – which totalled €36.6 million at 31 December 2022 – includes amounts received during the year for which the generating event will occur in future years.

Prepaid financial income included in the table above for 2022 corresponds to income arising from the early termination of a number of hedging contracts. This income is spread over the residual term of the hedged borrowings, in accordance with the symmetry principle provided for in hedge accounting.

Accruals

Accruals recognised on the assets and liabilities sides of the balance sheet at 31 December 2022 break down as follows:

	Assets	Liabilities
Unrealised foreign currency losses/gains	2,768	20,969
Debt issuance costs	44,739	-
Bond redemption premiums	7,068	-
TOTAL	**54,575**	**20,969**

Unrealised foreign currency losses and gains relate to the Company's receivables and payables with subsidiaries whose functional currency is not the euro.

For unrealised foreign currency losses, a provision is also recorded in the same amount under "Provisions for liabilities and charges".

2.1.11 RELATED-PARTY DISCLOSURES

Entities	Other receivables	Other payables	Other financial income	Financial expense
Wholly-owned Group subsidiaries	4,605,232	602,013	131,065	(19,878)
Other companies	204,151	-	1,377	(2)
TOTAL	**4,809,383**	**602,013**	**132,442**	**(19,880)**

2.2 INCOME STATEMENT

2.2.1 REVENUE

	2022	2021
Operation of nursing homes	1,043,837	1,023,147
Disposals of properties	2,062	3,579
TOTAL	**1,045,899**	**1,026,727**

The Company's revenue totalled €1,046 million in 2022, compared with €1,027 million in 2021, representing an increase of 1.9% in a persistently difficult environment for ORPEA's nursing homes, with an average occupancy rate of 86%, well below its historical level.

2.2.2 OPERATING INCOME

	2022	2021
Operation of nursing homes	1,043,837	1,023,147
Revenue from core business	**1,043,837**	**1,023,147**
Disposals of properties	2,062	3,579
Capitalised production of properties	-	1,014
Production transferred to inventories	(4,694)	(3,639)
Income from property activities	**(2,632)**	**954**
Other capitalised production	8,359	5,628
Operating subsidies	(204)	15,625
Reversals of provisions and expense transfers	74,089	37,996
Other income	89	16,354
Other operating income	**82,333**	**75,603**
TOTAL OPERATING INCOME	**1,123,538**	**1,099,704**

Over 92% of operating income corresponds to revenue generated by the Company's core business of providing accommodation for elderly and/or dependent people, which rose by 1.9% on the previous year.

Other operating income mainly comprises reversals of provisions and expense transfers, as detailed below.

2.2.3 EXPENSE TRANSFERS

	2022	2021
Capitalised expenses	67	5,658
Borrowing costs	36,945	9,376
Costs related to the public health crisis	(162)	4,345
Personnel costs	1,239	-
Insurance payments	1,011	1,586
Provident fund payouts	6,531	6,516
Training refunds	508	111
Sickness payouts	189	177
Capitalised borrowing costs on property projects	711	514
Miscellaneous	4	29
TOTAL	**47,043**	**28,312**

Debt issuance costs are reclassified to assets through expense transfers and are spread over the term of the corresponding borrowings. The almost €19 million increase in overall expense transfers in 2022 was mainly due to the costs capitalised on the Company's refinancing in May 2022 at the end of the first conciliation period.

2.2.4 OPERATING EXPENSES

Operating expenses totalled €1,452 million, representing a year-on-year increase of €264 million, which was mainly due to:

- a 42.1% rise in purchases used and other external costs, from €458.8 million to €651.8 million, reflecting the fees paid to the various firms commissioned to investigate the allegations concerning the Group's practices;
- an 18.7% increase in personnel costs, from €541.9 million to €643.3 million, due to recruitment carried out in the second half of the year to improve staffing levels at facilities; and
- to a lesser extent, the rise in energy costs linked to the Russian-Ukrainian conflict (up €22 million) and bank charges related to the Company's refinancing (€27 million) which also contributed to the increase in overall operating expenses.

2.2.5 FINANCIAL INCOME AND EXPENSES

	2022	2021
Interest on bank borrowings and other financial expenses	(158,345)	(92,831)
Net expense on financial instruments	(18,969)	(31,296)
Foreign currency losses	(15,985)	(11,316)
Provisions for impairment losses on securities and current accounts	(2,751,299)	(7,224)
Provisions for unrealised foreign currency losses	(3,074)	-
Provisions for negative net worth	(19,388)	-
Merger losses	(3)	-
Provisions for impairment losses on treasury shares	(1,593)	-
Intra-group financial expenses	(19,881)	(19,667)
Amortisation of bond redemption premiums	(1,236)	(956)
Other expenses	(218)	(365)
Financial expense	**(2,989,990)**	**(163,656)**
Income from investments	35,824	50,066
Gains on intra-group current accounts	132,443	129,625
Capitalised borrowing costs	711	514
Net income from sales of short-term investments	272	482
Reversals of provisions for financial items	2,000	7,751
Net income from financial instruments	6,413	-
Foreign currency gains	5,347	8,941
Merger gains	-	2,949
Other income	2,588	1,450
Financial income	**185,598**	**201,777**
NET FINANCIAL INCOME/(EXPENSE)	**(2,804,392)**	**38,122**

The very sharp negative swing in financial income and expense, which represented a net expense of €2,804.4 million in 2022, was mainly due to the impairment provisions recognised following the annual impairment tests on:

- investments in subsidiaries (€1.2 billion);
- current accounts corresponding to advances granted to the Company's subsidiaries (€1.5 billion).

Interest on bank borrowings rose from €92.8 million to €158.3 million, mainly due to the refinancing negotiated by the Company in June 2022, which led to (i) an increase in the amounts outstanding and (ii) an increase in the average interest rate in line with the higher interest rate charged by the Company's financial partners under the new financing arrangement.

2.2.6 NON-RECURRING INCOME AND EXPENSE

	2022	2021
Non-recurring expenses on management transactions	(62,002)	(13,298)
Disposals of real estate assets	(14,056)	(88,688)
Disposals of financial assets	(209,806)	(604)
Losses on purchases of treasury shares	(4,424)	(2,047)
Accelerated tax depreciation/amortisation	(1,558)	(234)
Exceptional additions to provisions	(291,775)	(8,278)
Other non-recurring expenses	(1,422)	(378)
Non-recurring expense	**(585,042)**	**(113,528)**
Non-recurring income from management transactions	630	656
Proceeds from disposals of real estate assets	9,801	88,109
Proceeds from disposals of shares	206,389	133
Gains on purchases of treasury shares	761	1,311
Exceptional provision reversals	3,314	2,554
Reversals of accelerated tax depreciation/amortisation	-	200
Other non-recurring income	13	2
Non-recurring income	**220,908**	**92,964**
NET NON-RECURRING EXPENSE	**(364,134)**	**(20,563)**

Net non-recurring expense for 2022 mainly includes:

- income and expenses relating to the transfer of shares in CLINEA SAS to ORESC 25, a subsidiary incorporated under Luxembourg law, for their book value of €203 million. This share transfer, in the form of an in-kind contribution to ORESC 25, was carried out as part of the enforcement of the securities provided for in the 2022 Existing Loan Agreement (see section 4.1.7);
- €150 million in additions to provisions for receivables, recognised following management's review of the recoverability of receivables from certain related parties.

2.2.7 INCOME TAX

As the head company of the ORPEA tax consolidation group, ORPEA SA calculates its consolidated subsidiaries' taxable income.

In 2022, the ORPEA tax consolidation group's aggregate tax loss was €2,553,377, including ORPEA SA's tax loss of €2,268,417 in its capacity as a member company.

As provided for under the group tax consolidation agreement, each subsidiary is responsible individually for paying its own income tax and contributions due on taxable income and capital gains, less any tax credits arising on tax loss carryforwards.

The €20,077 thousand income tax benefit shown in ORPEA SA's financial statements breaks down as follows:

- group relief of €18,789 thousand, corresponding to ORPEA SA's share of the tax savings realised at the level of the tax consolidation group;
- €275 thousand from the carry-back of losses;
- a family tax credit of €364 thousand;
- a sponsorship tax reduction of €649 thousand.

Timing differences between the tax treatment and accounting treatment of various transactions are likely to affect the future tax liability as follows:

- add-backs to be made in future financial years:
  - unrealised gains on business goodwill subject to a tax deferral as a result of mergers: €80,808 thousand,
  - unrealised gains on securities subject to a tax deferral as a result of mergers: €24,419 thousand;
- deductions to be made in future financial years:
  - corporate social solidarity contribution: €1,680 thousand;
  - exchange differences: €20,969 thousand;
  - unrealised gains on UCITS: €610 thousand.

3. Financial commitments and other disclosures

3.1 OFF-BALANCE SHEET COMMITMENTS

DEBT-RELATED COMMITMENTS

Pledges, mortgages, security deposits and other collateral account for most of the debt-related commitments given in relation to the Group's financing:

Debt-related commitments	31 Dec. 2022
Pledged shares	3,227,447
Sureties and bank guarantees	803,637
Comfort letters	757,365
Guarantees granted to partners	239,513
Options on share sales/purchases	225,170
Real estate mortgages	61,190
TOTAL	**5,314,322**

The main commitments given and received by the ORPEA Group under the conciliation protocol signed with its main banking partners in December 2022 are as follows:

- Provision of the Loans by the banking partners.

  In particular, the Lenders have undertaken to finance the Group's cash requirements by making the A1, A2/A3, A4, B and C Loans available under a syndicated loan agreement (together, the "**Loans**").
- ORPEA's main undertakings.

ORPEA has given the following main undertakings:

- relating to the disposal of operating and real estate assets;
- relating to the allocation of certain net proceeds from disposals and subscriptions to repay the Loans;
- to grant collateral to secure Loan repayment obligations.

To ensure that the Loan amounts due are repaid *pari passu*, ORPEA has granted the following security interests from the first drawdown of one of the Loans:

- A *Dailly* assignment of intra-Group loans financed by Loan drawdowns.
- First-ranking pledges over:
  - 100% of the shares of CEECSH (the "CEECSH Pledge"), and
  - 100% of the shares of ORESC 25 SARL ("ORESC") to which the Company will contribute, at the latest on the date of the second drawdown on the Loans i.e., excluding the first drawdown of a maximum amount of €250,000,000 under the A1 Loan) 100% of the shares of its subsidiary CLINEA (the "ORESC Pledge", and together with the CEECSH Pledge, the "Pledges") (the pledged assets represent 24.5% and 32.5% of Group revenue, respectively). Following certain reorganisations to be carried out within the Group, the pledges will be over shares in CLINEA France and the Group's business in Germany, representing 23.5% and 16% of consolidated revenue, respectively.

COMMITMENTS RELATING TO THE GROUP'S OPERATING ACTIVITIES

France

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	*Put/call options*
France	Immobilière de Santé	The following commitment has been given as regards the potential acquisition of a 100% interest in 50.01%-held Immobilière de Santé (France): ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner) which may be exercised between 1 January 2024 and 31 December 2024 (inclusive)
France	SCI des Boucles de la Moselle	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI des Boucles de la Moselle (France) or (ii) the property finance lease or (iii) the property it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI d'Yvetot	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI d'Yvetot (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI Clinique du Campus	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Clinique du Campus (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI de Chatillon	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de Chatillon (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SAS du Champ de Gretz	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SAS du Champ de Gretz (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI du Virval	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI du Virval (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI de l'Epinoy	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI de l'Epinoy (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038
France	SCI Les Oyats	The following respective commitments have been given concerning the potential acquisition of a 100% interest, if the parties so choose, in (i) 100%-held SCI Les Oyats (France) or (ii) the property finance lease or (iii) the building it owns: ▪ promise to buy granted by ORPEA SA (i.e., put option for the partner), which may be exercised until 16 July 2035 ▪ call option for ORPEA SA (i.e., promise to sell by the partner), which may be exercised between 17 July 2035 and 16 July 2038

International

The main commitments arising from the Group's operating activities relate to commitments given and received in connection with business combinations:

Country	Companies controlled/ accounted for using the equity method	*Put/call options*
Russia	ORPEA Rus	The following respective commitments have been given concerning the potential acquisition of a 100% interest in 89.09%-held ORPEA Rus (Russia): ▪ promise to buy granted by the ORPEA Group (i.e., put option for minority shareholders), which may be exercised between 27 December 2025 and 27 December 2029 (and at any time in the cases listed in Article 3.1.2 of the Deed of Covenant (in particular if no project has been approved within 18 months of the initial investment)) ▪ call option for the ORPEA Group (i.e., promise to sell by minority shareholders), which may be exercised between 27 December 2025 and 27 December 2028 (and at any time in the cases listed in Article 4.1.2 of the Deed of Covenant (in particular if no project has been approved within the 18 months following the initial investment)). If ORPEA SA fails to meet its obligations relating to the call option for the benefit of the ORPEA Group (e.g., non-payment), reverse call option (i.e., promise to sell by ORPEA) for the minority shareholders
Switzerland	Gevea Seniors SA	Concerning 49%-held Gevea Seniors SA (Switzerland), the ORPEA Group has a call option in respect of its partner for the remaining 51%, which may be exercised from 1 January 2025 to 31 January 2025

Leases

	Property finance leases	Equipment finance leases
Value at inception of lease	23,773	296,659
Lease payments during the financial year	2,584	73,484
Total lease payments in previous financial years	17,369	150,548
Theoretical depreciation for the financial year	649	32,988
Accumulated depreciation in previous financial years	5,578	94,073
Outstanding lease payments – due in 1 year or less	1,947	58,875
Outstanding lease payments – due in more than 1 year but less than 5 years	3,865	92,625
Outstanding lease payments – due in more than 5 years	-	-
Buyout value	4,860	149

COMMITMENTS TO EMPLOYEES

The Company's obligations for lump-sum benefits payable upon retirement calculated using the projected unit credit method totalled €17,153 thousand at 31 December 2022, compared with €20,027 thousand at end-2021.

The main actuarial assumptions used at 31 December 2022 are as follows:

- salary increase rate: 2.5% including inflation;
- discount rate: 3.77%;
- retirement age: 62;
- social security contribution rate: 42.7%.

The amount paid by the Company in lump-sum retirement benefits amounted to €1,333 thousand in 2022.

There were no material commitments in respect of long-service awards.

CONTINGENT LIABILITIES

Overall, management believes that the provisions recognised in the balance sheet for disputes involving the Group of which it is aware should be sufficient to cover its exposure to risks.

Since April 2022, lawyers claiming to represent the families of residents and patients in the Group's facilities have announced that they have filed several criminal complaints alleging various personal injury offences. Other civil or criminal proceedings, either related or unrelated to the allegations of wrongdoing, could result in civil or criminal liability of the Group, its managers and/or current or former employees. Except for the risks that are the subject of a provision detailed in Note 2.1.7 "Provisions", at this stage the Group considers that these proceedings are not likely to have a material adverse impact on its financial position or profitability. However, since the outcome of any proceedings is inherently unpredictable, proceedings in progress could represent contingent liabilities.

In April 2022, the Group also filed a complaint against unnamed persons with the public prosecutor for past transactions and events – wholly unrelated to the accommodation and care conditions for residents – that could raise questions with regard to ORPEA's best interests and which were discovered following internal investigations that revealed a number of potentially fraudulent activities of which the Company or its subsidiaries may have been victims. The Company has not currently identified any material adverse impact on its cash flow or real estate assets resulting from the reported fraudulent activities. Nevertheless, the proceedings that may be initiated in this respect, which are inherently unpredictable, could represent contingent liabilities.

3.2 HEADCOUNT

At 31 December 2022, ORPEA SA's headcount on a full-time equivalent basis was as follows:

	2022	2021
Managers (*cadres*)	1,344	1,278
Other employees	11,724	11,146
AVERAGE HEADCOUNT	**13,068**	**12,424**

3.3 BENEFITS GRANTED TO CORPORATE OFFICERS

The total amount of gross remuneration, fees (excluding all taxes) and benefits paid during 2022 to ORPEA SA's corporate officers was €1,655 thousand, including €674 thousand in remuneration allocated to directors.

3.4 TABLE OF SUBSIDIARIES AND INVESTMENTS

Company	2022 revenue *(in thousands of euros)*	Share capital *(in thousands of euros)*	Percentage ownership	Shares held *(in thousands of euros)*	Profit or loss for the last financial year	Equity excluding 2022 net profit/(loss)	Carrying amount of investments at 31 Dec. 2022 (shares and related receivables)		
							Gross	Provisions	Net
CEECSH	545	438,064	100%	438,064	(12,588)	424,262	497,491	-	497,491
SARL 94 Niort	16,365	231,000	100%	231,000	(381,220)	88,773	230,992	(29,573)	201,419
ORESC 25 (Clinea SAS)	-	203,868	100%	203,868	(111)	203,864	203,868	-	203,868
ORPEA Ibérica SAU	10,140	31,000	100%	31,000	(10,963)	152,984	197,339	(197,339)	-
ORPEA Latam	-	14,455	100%	14,455	30	127,474	127,502	(127,502)	-
SA ORPEA Belgium	10,643	131,500	99.9%	131,369	(106,837)	247,043	115,479	(115,479)	-
SRL ORPEA Italia	30,204	3,350	79%	2,660	(89,529)	59,623	110,087	(110,087)	-
Medi-Système (ORPEA Polska)	23,941	354	100%	354	(47,252)	84,269	106,916	(106,916)	-
SIS Portugal	-	20	100%	20	(681)	(1,503)	91,750	(91,750)	-
Atirual Inmobiliaria SLU	5,680	30,000	100%	30,000	(54,413)	92,718	90,320	(90,320)	-
ORPEA Suisse SA	11,305	87	100%	87	(3,468)	55,918	63,994	(63,994)	-
SIS Brasil	-	19	100%	19	(7)	(30)	45,125	(45,125)	-
SCI Fauriel	5,521	36,200	99%	35,838	(11,057)	34,033	37,455	-	37,455
SARL Domidom	17,377	19,970	100%	19,970	(1,616)	8,916	27,544	(27,544)	-
SCI Le Vallon	9,364	12,000	100%	12,000	1,945	9,971	27,386	-	27,386
SAS SFI France	-	4,000	51%	2,040	(266)	133	23,306	(12,636)	10,670
SARL 96	4,637	7,084	100%	7,084	(1,253)	16,021	20,976	(20,976)	-
Portexploit Unipesoal	863	4,000	100%	4,000	(5,279)	8,452	20,669	(20,669)	-
SAS Familisanté	2,976	4,851	100%	4,851	18	4,632	18,772	(18,772)	-
SARL Les Matines	5,273	18,500	100%	18,500	1,713	21,221	18,500	-	18,500
SRL Casa Mia Immobiliare (LTC Invest)	2,216	20,000	100%	20,000	(45,373)	64,041	67,589	(67,589)	-
SCI Brest Le Lys Blanc	8,510	16,000	99%	15,840	2,256	698	15,840	-	15,840
SCI Abbaye	4,193	6,000	100%	6,000	1,856	7,245	15,290	-	15,290
SCI 115 Rue de la Santé	6,075	3,300	100%	3,300	3,611	18,199	14,693	-	14,693
China Co.	499	35,750	51%	18,233	(783)	24,015	22,217	(17,896)	4,321
Immobilière de Santé	-	-	50%	-	-	-	13,210	-	13,210
SA Domaine de Churchill	283	815	100%	815	(532)	14,893	12,136	(12,136)	-

Company	2022 revenue *(in thousands of euros)*	Share capital *(in thousands of euros)*	Percentage ownership	Shares held *(in thousands of euros)*	Profit or loss for the last financial year	Equity excluding 2022 net profit/ (loss)	Carrying amount of investments at 31 Dec. 2022 (shares and related receivables)		
							Gross	Provisions	Net
SA China Holding	-	10,000	100%	10,000	(492)	8,141	10,000	(10,000)	-
SCI Val de Seine	3,077	6,300	100%	6,300	(447)	(4,245)	6,947	-	6,947
SCI Âge d'Or	1,370	2,549	100%	2,549	564	13,117	6,235	-	6,235
SAS La Saharienne	692	1,365	100%	1,365	(362)	(2,609)	5,709	(5,709)	-
SNC Les Jardins d'Escudie	202	4,800	100%	4,800	(826)	(283)	5,524	(5,524)	-
Reine Bellevue	4,045	5,520	100%	5,520	(1,819)	(12,968)	5,514	(5,514)	-
SCI Castelviel	1,826	-	100%	-	(6,618)	(3,789)	5,192	(5,192)	-
SA Le Clos Saint-Grégoire	-	38	100%	38	(63)	1,773	4,677	(4,677)	-
SCI Les Magnolias	1,880	4,477	100%	4,477	1,138	471	4,474	-	4,474
SARL Maison de Mathis	-	4,425	100%	4,425	(46)	328	4,425	(4,425)	-
SARL Vivrea	-	4,050	100%	4,050	(87)	(804)	4,050	(4,050)	-
SARL Maison de Lucile	5	3,900	100%	3,900	(28)	270	3,893	(3,893)	-
SA RS Domaine de Churchill	2,108	265	100%	265	-	-	3,075	(3,075)	-
SAS Résidence Saint-Luc	150	37	100%	37	(1,955)	(4,992)	2,644	(2,644)	-
SARL Maison de Louise	-	2,625	100%	2,625	(23)	270	2,625	(2,625)	-
SCI Les Treilles	120	15	100%	15	73	2,563	2,364	(2,006)	358
SCI Douarnenez	2,229	2,000	100%	2,000	(11)	(1,126)	1,980	-	1,980
Transac Consulting Corporation	-	-	100%	-	-	-	1,823	(1,823)	-
SCI Château d'Angleterre	-	2	100%	2	(3,122)	9,405	1,764	-	1,764
SNC Les Acanthes	-	8	100%	8	(21)	(480)	1,468	(1,468)	-
SA Domaine de Longchamp	1,530	65	100%	65	-	-	1,414	(1,414)	-
SNC des Parrans	-	8	100%	8	(12)	(976)	1,400	(1,400)	-
SCI Tour Pujols (La Talaudière)	440	2	100%	2	462	3,829	1,365	-	1,365
SCI du Château	-	2	100%	2	201	8,765	1,353	-	1,353
SCI Montchenot	1,013	2	100%	2	(1,561)	12,477	1,287	-	1,287
SCI Bosguerard	567	2	100%	2	446	1,529	1,274	-	1,274
SARL La Doyenne de Santé	151	8	100%	8	4	896	1,267	(1,267)	-
SCI Les Rives d'Or	450	2	100%	2	330	2,003	934	-	934
SCI Jem II	-	-	100%	-	(21)	453	884	(884)	-
SARL Bel Air	466	1,265	100%	1,265	299	4,827	841	-	841
SARL L'Ombrière	-	8	100%	8	(96)	(1,054)	822	(822)	-
SA Brige	-	9,200	100%	9,200	(21,018)	5,929	670	(8,670)	(8,000)
SA Longchamps Libertas	9,817	1,740	100%	1,740	(6,848)	(13,806)	555	(555)	-
SCI Super Aix	-	229	100%	229	(77)	1,592	4,067	(4,067)	-
Gevea Immo	-	-	100%	-	-	-	407	(407)	-
SCI Bel Air	-	2	100%	2	(3,211)	(715)	336	(336)	-
SCI Route des Écluses	205	303	100%	303	199	3,269	303	-	303
SARL Benian	-	-	100%	-	-	-	300	(300)	-
SCI Larry	-	150	100%	150	5	3,483	151	(51)	100
SCI Parc Saint-Loup	-	150	100%	150	(29)	(601)	149	(149)	-
SIS Portugal Exploit	-	19	100%	19	(7)	(30)	125	(125)	-
SCI du 12 rue Fauvet	2,135	3,600	100%	3,600	(546)	(4,298)	104	(104)	-
SARL Domea	159	100	100%	100	(36)	152	100	(100)	-
SARL ORPEA Dev	-	100	100%	100	(1)	868	100	-	100
Niorpea	-	100	100%	100	(6,171)	(20,553)	100	(100)	-
SCI Les Maraîchers	1,070	2	100%	2	971	3,717	100	-	100
SCI Kod's	-	23	100%	23	169	406	68	(332)	(264)

Company	2022 revenue (in thousands of euros)	Share capital (in thousands of euros)	Percentage ownership	Shares held (in thousands of euros)	Profit or loss for the last financial year	Equity excluding 2022 net profit/(loss)	Carrying amount of investments at 31 Dec. 2022 (shares and related receivables) Gross	Provisions	Net
SC Les Praticiens	-	88	100%	88	1	72	67	(67)	-
SCI Port Thureau	260	2	100%	2	12	1,004	64	-	64
SCI La Drone	390	1	100%	1	227	940	61	-	61
ORPEA Russia	-	354	100%	354	(117)	(491)	50	(50)	-
SCI La Cerisaie (Rives de Seine)	440	2	100%	2	333	2,479	47	-	47
SCI Ansi	80	23	100%	23	(179)	5,879	41	-	41
SARL La Bretagne	150	277	100%	277	(575)	(1,191)	41	(41)	-
SCI Beaulieu	-	3	100%	3	(24)	(193)	30	(30)	-
GCS	-	-	100%	-	-	-	23	(23)	-
SARL Primavera Saint-Marc	2,683	100	100%	100	(77)	(6,296)	18	(18)	-
OREL – ex-936/8936	-	125,013	100%	125,013	(35,408)	161,142	12	(12)	-
SARL Résidence Parc de Royat (AFPS)	475	10	100%	10	(199)	(614)	10	(10)	-
SARL Résidence Saint-Martial	-	10	100%	10	-	8	10	(10)	-
SARL Résidence Marquisat	4	10	100%	10	(25)	(16)	10	-	10
SARL Résidence Parc des Noues	-	10	100%	10	-	9	10	(10)	-
SARL Résidence du Lac	194	10	100%	10	(121)	28	10	(10)	-
SARL Résidence Saint-Honorat	-	10	100%	10	-	9	10	(10)	-
SARL Résidence L'Atrium	-	-	100%	-	-	-	10	(10)	-
SARL Les Jardins d'Aurillac	-	-	100%	-	-	-	10	(10)	-
SAS Valdoisiens	-	10	100%	10	(22)	(2)	10	(10)	-
ORPEA Le Clos Saint-Louis	-	10	100%	10	(25)	(3)	10	(10)	-
Rives Cabessut	-	10	100%	10	(2,352)	(4)	10	(10)	-
SAS Grandes Platières	-	10	100%	10	(164)	9	10	-	10
Terrasses Lilas	1,166	10	100%	10	(457)	(2)	10	(10)	-
Saint-Bonnet	-	10	100%	10	-	10	10	(10)	-
ORPEA Assomption	-	10	100%	10	(519)	(2)	10	(10)	-
jardins de jouvences	-	10	100%	10	(397)	(12)	10	-	10
Hauts de Crosne	-	10	100%	10	(12)	(2)	10	(10)	-
Saint-Fiacre	-	10	100%	10	(1)	10	10	(10)	-
Les Jardins de Villeneuve	-	10	100%	10	(2)	10	10	(10)	-
ORPEA Vilgenis	-	10	100%	10	(159)	(183)	10	(10)	-
SAS Résidence Gambetta	-	10	100%	10	(12)	(1)	10	(10)	-
Résid des Bûchers	-	10	100%	10	(12)	(1)	10	(10)	-
SAS Launaguet	-	10	100%	10	(196)	(230)	10	-	10
ORPEA Defrance	-	10	100%	10	(285)	(36)	10	(10)	-
Aix Trinité	-	10	100%	10	(12)	(6)	10	(10)	-
Honfleur Immo	-	10	100%	10	(12)	(6)	10	(10)	-
Les Hautes de Suresnes	-	10	100%	10	(1)	10	10	(10)	-
Affieux	-	10	100%	10	(1)	10	10	(10)	-
Verdun Saint-Mihiel	-	10	100%	10	(1)	10	10	(10)	-
Holding Dom	-	10	100%	10	(110)	(58)	10	(10)	-
SARL 95	-	8	100%	8	(76)	(940)	8	(8)	-
SARL Amarmau	450	8	100%	8	280	(1,299)	8	(8)	-
SAS Immo Nevers	-	5	100%	5	(2,579)	4,435	5	-	5
SCI Lautréamont Loos	-	-	100%	-	10	359	3	-	3
SCI Les Ânes	855	2,000	100%	2,000	(799)	(725)	2	-	2
SCI Slim	-	1	100%	1	(1)	791	2	(2)	-

Company	2022 revenue *(in thousands of euros)*	Share capital *(in thousands of euros)*	Percentage ownership	Shares held *(in thousands of euros)*	Profit or loss for the last financial year	Equity excluding 2022 net profit/(loss)	Carrying amount of investments at 31 Dec. 2022 (shares and related receivables)		
							Gross	Provisions	Net
SCI Sainte-Brigitte	-	2	100%	2	(33)	(841)	2	(2)	-
SCI Gambetta	100	2	100%	2	(7,798)	5,466	2	-	2
SCI Croix-Rousse	1,996	2	100%	2	799	7,545	2	-	2
SCI Passage Victor-Marchand	5,176	2	100%	2	519	(6,525)	2	-	2
SCI de l'Abbaye	600	2	100%	2	542	1,786	2	-	2
SCI Cliscouet	910	2	100%	2	857	4,115	1	-	1
SCI Les Dornets	190	2	100%	2	112	1,386	1	-	1
SCI Les Tamaris	2,346	2	100%	2	285	3,412	1	-	1
SCI Mediter Foncier	-	1	100%	1	(2)	(58)	1	(1)	-
SCI Le Barbaras	40	183	100%	183	(517)	7,420	1	-	1
SCI La Lorraine	630	10	100%	10	(402)	(982)	-	-	-
SCI Barbacane	210	2	100%	2	152	1,095	-	-	-
SCI Saintes BA	1,202	2	100%	2	(156)	5,918	-	-	-
SCI Selika	-	11	100%	11	(2,829)	5,701	-	-	-
Foncière Clinipsy 1	-	10	100%	10	(26)	(19)	-	-	-
Foncière Clinipsy 2	-	10	100%	10	(17)	(24)	-	-	-
Sancellemoz	12,841	500	97%	487	(1,313)	3,253	-	-	-
TOTAL							**2,342,100**	**(1,260,533)**	**1,081,567**

6.4 Statutory Auditors' report on the individual financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 December 2022

To the shareholders of ORPEA,

OPINION

In accordance with our appointment as Statutory Auditors by your Annual General Meetings, we have audited the accompanying individual financial statements of ORPEA for the year ended 31 December 2022.

In our opinion, the individual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

AUDIT

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are described in the "Responsibilities of the Statutory Auditors relating to the audit of the individual financial statements" section of this report.

INDEPENDENCE

We conducted our audit in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2022 to the date of our report, and, in particular, we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to Notes 1.1.1 "Liquidity risk and going concern" and 1.5 "Subsequent events" to the individual financial statements, which describe the information used by management for applying the going concern principle, as well as the Company's liquidity position.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

LIQUIDITY RISK AND GOING CONCERN

Notes 1.1.1 and 1.5 to the individual financial statements

RISKS IDENTIFIED

Note 1.1. "Liquidity risk and going concern" states that the Company's total gross debt amounted to €7,172 million at 31 December 2022 and that it had available cash of €224.7 million at that date as well as €250 million in marketable securities readily convertible into cash.

The amount of debt contractually maturing in 2023, 2024 and 2025 (in the absence of default) is €1.4 billion, €0.7 billion and €1.4 billion respectively. In view of the Company's cash position at 31 December 2022 and the 2023-2025 business plan drawn up as part of the Refoundation Plan presented on 15 November 2022, including in particular the value of investments planned for the period, the Company was not in a position to meet its repayment obligations.

In this context, the Company began discussions with its creditors in October 2022 with a view to reaching an agreement on its financial restructuring with its main unsecured financial creditors and its shareholders. As mentioned in Notes 1.1.1 and 1.5, the Company has entered into the following agreements:

- A term sheet on a financial restructuring plan (the "Term Sheet"), signed on 1 February 2023 with (i) a group of long-term French investors including Caisse des Dépôts, CNP Assurances, MAIF and MACSF (together the "Groupement") and (ii) five institutions holding unsecured debt of the Company amounting to nearly €1.9 billion (the "SteerCo"). Under this agreement, the parties have agreed on the principles of the financial restructuring plan, which includes:
  - **i.** the conversion into capital of all of the Company's unsecured debt, corresponding to a reduction in the Company's gross debt of approximately €3.8 billion;
  - **ii.** an equity injection in cash (new money equity) of €1.55 billion, via capital increases for which the Groupement has undertaken to subscribe for a total of 1,355 million, with a backstop for the balance of up to €195 million provided by the SteerCo;
  - **iii.** €600 million in additional financing to be provided by the Company's main banking partners. This additional financing will be carried by two of the Group's property subsidiaries (Niort 94 and Niort 95).
- A lock-up agreement (the "Lock-Up Agreement"), entered into on 14 February 2023 with the Groupement and the SteerCo, formalising the commitment of the parties to the Term Sheet to support and carry out all of the steps and actions required to implement the financial restructuring.
- An agreement protocol (the "Agreement Protocol"), entered into on 20 March 2023 with the Company's main banking partners, setting out the terms and conditions for the provision of additional financing (new money debt) and amendments to the Existing Loan Agreement which will come into effect on the date the financial restructuring is completed.

These agreements will be implemented as part of the accelerated safeguard procedure opened on 24 March 2023 by the Nanterre Specialised Commercial Court. The Company expects to implement them over a period extending to the fourth quarter of 2023. They remain subject to:

- a two-thirds majority vote in favour by the classes of affected parties (including in particular the class of affected shareholder parties) or the cross-class cram down of the plan ordered by the Commercial Court;
- approval of the Safeguard Plan by the Nanterre Commercial Court;
- approval by the AMF (*Autorité des marchés financiers*) of the prospectuses relating to the planned capital increases;
- obtaining any other necessary regulatory approvals;
- and, if required, the release, waiver or withdrawal of any claims.

Given the Company's liquidity position and the risks related to the implementation of the financial restructuring plan, in particular the lifting of the conditions precedent attached to the plan – which was in progress at the date of signature of our report – we considered the assessment of liquidity risk and the application of the going concern principle by management to be a key audit matter.

This assessment also requires management to exercise judgement and use estimates in preparing the cash flow forecasts used to determine the Company's liquidity requirements in order to meet its estimated debt repayments over the next twelve months.

OUR RESPONSE

We reviewed the documents relating to the Term Sheet, the Lock-Up Agreement and the Agreement Protocol entered into between the Company, the Groupement and its main creditors, and we examined the conditions precedent, as well as the risk of their non-fulfilment, particularly through the following audit procedures:

- We met on several occasions with the Company's management, the court-appointed administrators and the Company's main advisers in order to gain an understanding of:
  - the various steps of the accelerated safeguard procedure,
  - the assumptions used for preparing the Refoundation Plan, particularly in terms of debt drawdowns and repayments and capital increases,
  - their assessment of the risk of the financial restructuring plan not being implemented and the risks relating to (i) the conditions precedent to the above-mentioned agreements, (ii) third party claims, and (iii) obtaining the various regulatory authorisations and exemptions required.
  - their assessment of the consequences of any delay in implementing the financial restructuring plan in the above-described context.
- We analysed the cash flow plan on the basis of which the Company believes it will be able to meet its estimated cash requirements over the next twelve months, taking into account its available resources, the payment freeze on liabilities and the conditions for drawing down the new money debt. We reviewed the procedures and the main assumptions used to prepare the plan. We assessed its consistency with the forecast information in the latest strategic plan and how this information is monitored.
- On this basis, we assessed the proper application of the going concern principle as described in Note 1.1.1 to the individual financial statements and we also verified the appropriateness of the information relating to:
  - liquidity risk, as described in Note 1.1.1 to the individual financial statements;
  - the various agreements signed in relation to the Company's financial restructuring plan, detailed in Note 1.5 to the individual financial statements;
  - borrowings and financial liabilities, as described in Note 2.1.8 to the individual financial statements.

IMPAIRMENT TESTS ON INVESTMENTS IN SUBSIDIARIES, RELATED RECEIVABLES AND CURRENT ACCOUNTS

Notes 1.4.5, 1.2.3, 2.1.1 and 2.1.4 to the individual financial statements

RISKS IDENTIFIED

Investments in subsidiaries including the associated technical merger losses and related receivables are recognised in the balance sheet at 31 December 2022 in a net amount of €1,081 million and represent one of the largest balance sheet items. Current accounts with subsidiaries totalled €3,100 million at end-2022.

As stated in Note 1.2.3 "Investments in subsidiaries, long-term investments and related receivables" to the individual financial statements, the Company records a provision for impairment when the value in use of investments in subsidiaries and related merger losses is less than their net carrying amount.

Value in use is determined according to the investee's equity value or an enterprise value calculated on the basis of:

- either the present value of future cash flows expected to be generated by its continued operation (which is then adjusted by the amount of net debt to determine the equity value);
- or realisable value net of selling costs.

Impairment losses are also recognised where required in respect of any related receivables and current accounts with subsidiaries based on the same measurement methods.

As stated in the "Financial assets" section of Note 2.1.1 and Note 2.1.4, "Trade and other receivables" to the individual financial statements, the measurement carried out at 31 December 2022 led to the recognition of impairment losses of €1,233 million on investments in subsidiaries and €1,518 million on current accounts for the year then ended.

We considered the measurement of investments in subsidiaries, related receivables and current accounts to be a key audit matter, given the significance of these assets in the Company's individual financial statements, and in view of the judgement and estimates required by management in order to prepare the discounted expected future cash flows used to determine their value in use.

OUR RESPONSE

We assessed the methods used to perform these impairment tests. Our work consisted in particular of:

- analysing, in the specific context of the crisis the Group is experiencing, the assumptions on which the estimates used by management for cash flow projections were based;
- comparing the projected data used to calculate values in use with the business plans for each facility, prepared by the Company's advisers and used to draw up the 2022-2025 strategic plan presented to the market on 15 November 2022;
- obtaining the Company's advisers' review of the impairment tests and ensuring, with the help of the valuation specialists on our audit team, that appropriate methodology and assumptions were used;
- assessing the growth rate and discount rate assumptions by country used by the Company in light of the rates recalculated by our specialists;
- verifying the appropriateness of the information provided in Notes 1.4.5 "Findings of the asset review" and 2.1.1 "Non-current assets" to the individual financial statements.

MEASUREMENT OF THE RECOVERABLE AMOUNT OF DEVELOPMENT-RELATED RECEIVABLES AND CURRENT ACCOUNTS WITH ASSOCIATES

Notes 1.4.5, 2.1.4 and 3.1 to the individual financial statements

RISKS IDENTIFIED

As part of its business development in France and internationally, the Company has worked with partners to prospect and build facilities. Historically, the Company has financed the construction of the facilities, which are then operated by the Company and its subsidiaries, which generally pay rent to occupy the premises.

Development-related receivables consist mainly of receivables arising from advances paid to partners in connection with future acquisitions of operating companies (e.g., acquisition of operating licences) and property developments. Current accounts consist mainly of amounts paid to associates, i.e., companies controlled by the partners but in which the Company holds an interest.

The Company has entered into negotiations with its partners with a view to unwinding the partnerships and recovering its real estate assets in exchange for receivables. In this context, the analysis of financial receivables relating to partnerships led to the recognition of a €39 million impairment loss on development-related receivables and a €111 million impairment loss on current accounts with associates, representing a total amount of €150 million recorded in net non-recurring expense for 2022. These impairment losses were measured on the basis of a detailed analysis of the partnerships' positions and the status of ongoing negotiations.

Given the large amount of impairment losses recognised by the Company and the significant estimates that management was required to make, we considered the measurement of the recoverable amount of development-related receivables and current accounts with associates to be a key audit matter.

OUR RESPONSE

We reviewed the procedures implemented by management to identify and list all risks relating to its exposure to partners, in particular on the basis of the investigation reports prepared by Grant Thornton, Alvarez & Marsal and ADIT, the consultants appointed by the Company.

In order to assess the reasonableness of the estimate of the impairment losses recognised in respect of the risks identified by the Company, our work consisted of:

- talking to the Company's management, in particular the Legal department, and its advisers, to understand the progress and nature of its discussions with its partners;
- analysing the available legal documentation.

We also verified the appropriateness of the information disclosed in the Notes to the individual financial statements, in particular Notes 1.4.5 "Findings of the asset review", 2.1.4 "Trade and other receivables" and 3.1 "Off-balance sheet commitments".

SPECIFIC VERIFICATIONS

We also performed the specific verifications required by statutory and regulatory provisions, in accordance with the professional standards applicable in France.

INFORMATION PROVIDED IN THE MANAGEMENT REPORT AND IN OTHER DOCUMENTS CONCERNING THE COMPANY'S FINANCIAL POSITION AND THE INDIVIDUAL FINANCIAL STATEMENTS ADDRESSED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the Company's financial position and the individual financial statements addressed to the shareholders.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We confirm that the information required pursuant to articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code is contained in the report of the Board of Directors on corporate governance.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to the remuneration and benefits received by or granted to the corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare the financial statements and, where applicable, with the information obtained by the Company from companies that are controlled by it and are included in the consolidation scope. Based on this work, we confirm that this information is accurate and fairly presented.

For the information regarding the factors that your Company considered likely to have an impact in the event of a takeover bid or public exchange offer, provided pursuant to the provisions of Article L.22-10-11 of the French Commercial Code, we have verified their consistency with the documents from which they were produced and which were provided to us. Based on our audit, we have no matters to report concerning these disclosures.

OTHER INFORMATION

In accordance with French law, we verified that the required information concerning the identity of the shareholders or the holders of voting rights has been properly disclosed in the management report.

OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

PRESENTATION OF THE INDIVIDUAL FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

In accordance with professional standards applicable to the Statutory Auditors' procedures for individual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have verified that the presentation of the individual financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

APPOINTMENT OF THE STATUTORY AUDITORS

Deloitte et Associés was appointed as Statutory Auditor of ORPEA by the Annual General Meeting of 29 June 2006, Saint-Honoré BK&A by the Annual General Meeting of 27 June 2008 and Mazars by the Annual General Meeting of 28 July 2022.

At 31 December 2022, Deloitte & Associés was in its 17th year of uninterrupted engagement, Saint-Honoré BK&A in its 15th year and Mazars in its 1st year.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE IN RELATION TO THE INDIVIDUAL FINANCIAL STATEMENTS

Management is responsible for preparing individual financial statements that present a true and fair view, in accordance with generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing individual financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those financial statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The individual financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE INDIVIDUAL FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND PROCEDURE

Our responsibility is to prepare a report on the individual financial statements. Our objective is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L. 823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgement throughout the audit. In addition:

- they identify and assess the risks that the individual financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks, and obtain audit evidence that they regard as sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- they obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- they evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- they assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be noted that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- they assess the overall presentation of the individual financial statements and assess whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Paris and Paris-La Défense, France, 1 June 2023

The Statutory Auditors

Mazars	Deloitte & Associés	Saint-Honoré BK&A
Gaël Lamant	Damien Leurent	Xavier Groslin

CHAPTER 7
SHARE CAPITAL AND OWNERSHIP STRUCTURE

Share capital and ownership structure

7

7.1 Share capital

7.1.1 CHANGES IN SHARE CAPITAL OVER THE PAST THREE YEARS

The table below shows changes in the share capital, voting rights and their ownership between 31 December 2020 and the date of this Universal Registration Document.

Transaction date	Type of transaction	Amount of share capital before the transaction	Number of shares issued	Amount of the share capital increase	Amount of share capital after the transaction
13 Dec. 2020	Free shares awarded to certain key managers of the Company	€80,769,796.25	15,250	€19,062.50	€80,788,858.75
23 Dec. 2020	Free shares awarded to certain key managers of the Company	€80,788,858.75	238	€297.50	€80,789,156.25
13 Dec. 2021	Free shares awarded to certain key managers of the Company	€80,789,156.25	8,750	€10,937.50	€80,800,093.75
2 May 2022	Free shares awarded to certain key managers of the Company	€80,800,093.75	53,317	€66,646.25	€80,866,740.00
1 Sept. 2022	Free shares awarded to certain key managers of the Company	€80,866,740.00	459	€573.75	€80,867,313.75

7.1.2 OWNERSHIP OF THE SHARE CAPITAL AND VOTING RIGHTS

At 31 December 2022, the Company's share capital stood at €80,867,313.75; it consisted of 64,693,851 shares with a par value of €1.25, fully paid up and belonging to the same class. The total gross number of voting rights was 77,677,577 and the number of exercisable voting rights was 77,603,014. Shares may be held in either registered or bearer form, at the shareholder's discretion.

The difference between the number of shares and the number of voting rights is due to the fact that some shares have double voting rights and treasury shares have no voting rights.

Pursuant to Article 223-11 of the AMF General Regulation (*Règlement général*), voting rights are presented according to their "theoretical" calculation, based on the total number of shares to which a voting right is attached, including shares stripped of voting rights (treasury shares). The theoretical voting rights are used to calculate the shareholding disclosure thresholds.

OWNERSHIP OF THE SHARE CAPITAL AND VOTING RIGHTS OVER THE PAST THREE YEARS

The table below shows changes in the share capital, voting rights and their ownership between 31 December 2020 and 31 December 2022.

	31 December 2020[1]				31 December 2021[2]				31 December 2022[3]					
Shareholders	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of shares	% of the share capital	Number of theoretical voting rights	% of theoretical voting rights	Number of exercisable voting rights	% of exercisable voting rights
CPPIB[4]	9,374,186	14.51%	18,748,372	24.15%	9,374,186	14.50%	18,748,372	24.15%	9,374,188	14.49%	18,748,374	24.13%	18,748,374	24.16%
Peugeot Invest Assets	3,261,353	5.05%	6,522,706	8.40%	3,261,353	5.05%	6,522,706	8.40%	3,261,353	5.04%	6,522,706	8.40%	6,522,706	8.40%
Treasury shares	45,142	0.07%	-	-	52,553	0.08%	52,553	0.07%	74,563	0.12%	74,563	0.10%	-	-
Free float	51,950,644	80.38%	52,347,057	67.45%	51,951,983	80.37%	52,316,485	67.38%	51,983,747	80.35%	52,331,934	67.37%	52,331,934	67.44%
TOTAL	**64,631,325**	**100.00%**	**77,618,135**	**100.00%**	**64,640,075**	**100.00%**	**77,640,116**	**100.00%**	**64,693,851**	**100.00%**	**77,677,577**	**100.00%**	**77,603,014**	**100.00%**

(1) *In 2020, the Company's share capital was increased by €19,360 through the issue of 15,488 new shares following the vesting of free shares awarded to certain key managers of the Company.*

(2) *In 2021, the Company's share capital was increased by €10,937.50 through the issue of 8,750 new shares following the vesting of free shares awarded to certain key managers of the Company.*

(3) *In 2022, the Company's share capital was increased by €67,220 through the issue of 53,776 new shares following the vesting of free shares awarded to certain key managers of the Company.*

(4) *Between 2 and 8 February 2023, the Canadian Pension Plan Investment Board (CPPIB) lowered its interest to below the legal disclosure thresholds of (i) 20% and 15% of the voting rights and (ii) 10% and 5% of the share capital and voting rights, following the sale of all its ORPEA shares.*

On 27 October 2022, Nextstone Capital and Mat Immo Beaune, acting in concert, disclosed that on 26 October 2022 they had raised their interest to above the disclosure threshold of 5% of the Company's share capital and held 3,570,621 ORPEA shares, representing 5.52% of the share capital and 4.60% of the voting rights. Pursuant to Article L. 233-9-1 of the French Commercial Code (*Code de commerce*) and Article 223-11 of the AMF General Regulation, 1,504,376 ORPEA shares were taken into account for the purposes of calculating the aforementioned interest, which represented 2.32% of the share capital out of the disclosed 5.52% and 1.94% of the disclosed voting rights.

On 17 April 2023, the ORPEA Minority Shareholders Association (*Association des actionnaires minoritaires d'ORPEA* – A.D.A.M.O.) disclosed that on 11 April 2023 it had raised its interest to above the disclosure thresholds of 5% of the Company's share capital and voting rights and held 3,570,733 ORPEA shares, representing 5.52% of the share capital and 5.23% of the voting rights.

At the date of this Universal Registration Document, no shareholders other than those listed above disclosed that they held, directly or indirectly, alone or in concert, more than 5% of the Company's share capital or voting rights.

On 2 November 2022, ORPEA acknowledged the main clauses of the agreement constituting the concerted action of Nextstone Capital and Mat Immo Beaune with regard to the Company (see AMF Declaration no. 222C2440 of 2 November 2022).

To the best of the Company's knowledge, there were no other shareholder agreements or agreements relating to the share capital in place at the date of this Universal Registration Document.

Between 2 and 8 February 2023, the Canadian Pension Plan Investment Board (CPPIB) disclosed that its interest had fallen below the legal disclosure thresholds of (i) 20% and 15% of the voting rights and (ii) 10% and 5% of the share capital and voting rights, following the sale of all its ORPEA shares.

To the best of the Company's knowledge, there have been no other significant changes in ownership of the share capital and voting rights since 31 December 2022.

7.1.3 LEGAL DISCLOSURE THRESHOLDS

Since 1 January 2022, the following thresholds have been crossed and disclosed to the French Financial Markets Authority (*Autorité des marchés financiers* – AMF):

Name of the shareholder	Transaction date	AMF reference	Threshold crossing (above/below)
BlackRock Inc.	8 February 2022	222C0333	Above the threshold of 5% of the share capital
BlackRock Inc.	9 February 2022	222C0348	Below the threshold of 5% of the share capital
BlackRock Inc.	18 March 2022	222C0656	Above the threshold of 5% of the share capital
BlackRock Inc.	21 March 2022	222C0669	Below the threshold of 5% of the share capital
BlackRock Inc.	23 May 2022	222C1252	Above the threshold of 5% of the share capital
BlackRock Inc.	24 May 2022	222C1265	Below the threshold of 5% of the share capital
JP Morgan Chase & Co.	3 October 2022	222C2318	Above the threshold of 5% of the share capital and voting rights
JP Morgan Chase & Co.	19 October 2022	222C2380	Below the threshold of 5% of the share capital and voting rights
Nextstone Capital and Mat Immo Beaune (acting in concert)	26 October 2022	222C2415	Above the threshold of 5% of the share capital
The Goldman Sachs Group Inc.	23 January 2023	223C0175	Above the threshold of 5% of the share capital and voting rights
Canada Pension Plan Investment Board, Crown Corporation	2 February 2023	223C0279	Below the threshold of 20% of the voting rights
Canada Pension Plan Investment Board, Crown Corporation	3 February 2023	223C0279	Below the threshold of 15% of the voting rights and 10% of the share capital
Canada Pension Plan Investment Board, Crown Corporation	6 February 2023	223C0279	Below the threshold of 10% of the voting rights
Canada Pension Plan Investment Board, Crown Corporation	7 February 2023	223C0279	Below the threshold of 5% of the share capital
The Goldman Sachs Group Inc.	7 February 2023	223C0289	Below the threshold of 5% of the share capital and voting rights
Canada Pension Plan Investment Board, Crown Corporation	8 February 2023	223C0310	Below the threshold of 5% of the voting rights
The Goldman Sachs Group Inc.	16 March 2023	223C0474	Above the threshold of 5% of the share capital and voting rights
The Goldman Sachs Group Inc.	30 March 2023	223C0534	Below the threshold of 5% of the share capital and voting rights
The Goldman Sachs Group Inc.	3 April 2023	223C0550	Above the threshold of 5% of the share capital and voting rights
The Goldman Sachs Group Inc.	4 April 2023	223C0560	Below the threshold of 5% of the share capital and voting rights
The Minority Shareholders Association (A.D.A.M.O.)	11 April 2023	223C0583	Above the threshold of 5% of the share capital and voting rights

7.1.4 SUMMARY OF CORPORATE OFFICERS' TRANSACTIONS IN ORPEA SECURITIES SINCE 1 JANUARY 2022

To the best of the Company's knowledge, only the following corporate officers effected transactions in ORPEA securities during the year ended 31 December 2022.

- **Summary of corporate officers' transactions in ORPEA shares in 2022**

Name of the executive and/or the person provided for in Article L. 621-18-2 of the French Monetary and Financial Code *(Code monétaire et financier)*[1][2]	Acquisitions		Disposals	
	Number of shares	Average price per share	Number of shares	Average price per share
Laure Baume[3]	33	€76.50	-	-
Isabelle Calvez	800	€24.69	-	-
Olivier Lecomte	800	€23.47	-	-
Guillaume Pepy	1	€6.91	-	-
Laurent Serris	20	€24.34	-	-

(1) Pursuant to the 2022 remuneration policy applicable to the Chairman and Chief Executive Officer and the components of Philippe Charrier's 2022 remuneration approved by the Annual General Meeting of 28 July 2022, the Board of Directors decided, at its meeting of the same date, in recognition of his exceptional commitment, to pay exceptional remuneration to Philippe Charrier, who held the position of Chairman and Chief Executive Officer from 30 January to 30 June 2022, in the form of 13,755 existing ORPEA shares (valued at €319,666.20 at 30 June 2022, based on a stock market price of €23.24 per share), representing 100% of his annual fixed remuneration in his capacity as Chairman and Chief Executive Officer, calculated on a pro rata basis.

It should be noted that Philippe Charrier resigned as Chairman of the Board of Directors and director at the close of the above-mentioned Annual General Meeting.

(2) Since 1 January 2023, (i) David Hale has acquired ten shares at an average price per share of $2.90 and (ii) John Glen has acquired five shares at an average price per share of €2.35.

(3) On 28 September 2022, Laure Baume resigned as a director.

7.1.5 SHARE BUYBACK PROGRAMME AND LIQUIDITY AGREEMENT

SHARE BUYBACK PROGRAMME

The Annual General Meeting of 28 July 2022 renewed the authorisation for the Board of Directors to trade in ORPEA shares. The following table sets out the arrangements and objectives for the Company's new programme to buy back its own shares.

Shares concerned	Ordinary shares
Maximum percentage of the share capital that may be bought back pursuant to the Annual General Meeting's authorisation	10% of the total number of shares forming the share capital of the Company at any time
Maximum buyback price	€100 per share
Maximum amount of funds available for share buybacks	€646,400,750
Objectives of the programme	▪ To award, directly or indirectly, some or all of the bought back shares to employees and/or corporate officers of the Company and/or the Group under the terms and conditions set out by law, including under profit-sharing plans, stock option plans, free share plans or employee share ownership plans ▪ To deliver shares upon the exercise of rights attached to securities carrying entitlement by way of conversion, exercise, redemption, exchange, or any other means to the award of Company shares in accordance with stock market regulations ▪ To cancel the shares by reducing the capital under the conditions provided for in the French Commercial Code ▪ To keep some or all of the bought back shares for subsequent remittance in exchange for or as consideration in connection with any growth-related transactions or any other transaction authorised pursuant to the regulations in force ▪ To implement any market practices that are permitted by law or by the AMF ▪ To make a market in or ensure the liquidity of the shares through an independent investment services provider acting under a liquidity agreement that complies with the Code of Conduct approved by the AMF
Share buyback terms and conditions	These shares may be purchased, sold, transferred or exchanged and paid for by any means on the regulated markets or multilateral trading systems, including under a liquidity agreement entered into by the Company with an investment service provider, subject to compliance with the regulations in force, including over-the-counter and block trades, the use of derivative financial instruments, the implementation of option strategies (purchase and sale of call and put options, and any combinations thereof in accordance with the applicable regulations) at the times that the Board of Directors or, where appropriate, the person to whom the Board of Directors delegates its powers, sees fit. There are no restrictions limiting the portion of the share buyback programme that may take place through block trades.
Duration of the programme	18 months from the Annual General Meeting of 28 July 2022, i.e., until 27 January 2024

The Company has not used any derivatives in connection with this share buyback programme or the previous one, and does not have any open positions.

LIQUIDITY AGREEMENT

On 30 November 2022, the Company terminated the liquidity agreement entered into on 4 August 2005 with Gilbert Dupont and effective 1 December 2022, entrusted NATIXIS-ODDO BHF with the implementation of a one-year liquidity and market watch agreement relating to its ordinary shares, renewable by tacit agreement.

This agreement was drawn up in accordance with the regulations in force, in particular AMF Decision no. 2021-01 of 22 June 2021. It complies with the Code of Ethics of the French financial markets association (*Association française des marchés financiers* – AMAFI). The main purpose of this agreement is for NATIXIS-ODDO BHF to promote the liquidity of the ORPEA share on the Euronext Paris regulated market.

The assets and funds held in the liquidity account at 31 December 2022 for the purposes of the NATIXIS-ODDO BHF liquidity agreement were as follows:

- number of shares: 68,000;
- cash balance held in the liquidity account: €415,560.44.

ORPEA suspended trading under the market liquidity agreement signed with NATIXIS-ODDO BHF at the close of trading on 1 December 2022, for the duration of the Group's financial restructuring.

On 17 May 2023, the Company signed a first addendum to the liquidity and market watch agreement signed on 30 November 2022 with NATIXIS-ODDO BHF, reducing the resources allocated to the liquidity agreement by 21,186 ORPEA shares, in order to distribute ORPEA shares to its employees under the free share plan dated 1 February 2020.

Further to this reduction, the liquidity account held:

- 46,814 ORPEA shares;
- €415,560.

7.1.6 FINANCIAL INSTRUMENTS CARRYING RIGHTS TO THE SHARE CAPITAL

At the date of this Universal Registration Document, the total number of ordinary shares that could be created on the exercise in full or on the vesting, as applicable, of all the negotiable securities carrying rights to the share capital and financial instruments issued by the Company to date stood at 3,746,059 shares, corresponding to a maximum dilution of around 5.79% based on the share capital at the date of this Universal Registration Document and of around 5.47% based on fully-diluted share capital.

The table below summarises all the existing dilutive instruments and corresponding potential dilution at the date of this Universal Registration Document.

Dilutive instruments	The maximum number of shares that can be issued[1]	Maximum potential dilution *(as a % of the share capital)*[2]
Convertible bonds and/or bonds with warrants for new or existing shares	3,481,228	5.38%
Stock purchase or subscription options	-	0.00%
Free share awards	264,831	0.41%
TOTAL	**3,746,059**	**5.79%**

(1) If only new shares were awarded rather than a combination of new and existing shares.
(2) On the basis of share capital made up of 64,693,851 shares.

CONVERTIBLE BONDS AND/OR BONDS WITH WARRANTS FOR NEW OR EXISTING SHARES

As part of a private placement with institutional investors on 17 May 2019, the Company issued 3,412,969 convertible bonds and/or bonds with warrants for new or existing Company shares (**OCEANEs**) for a total amount of €499,999,958.50. The nominal per-unit value of the OCEANEs was set at €146.50 on the basis of a 47.5% premium at issue compared to the Company's reference share price. The OCEANEs are traded on Euronext Access (the free market of Euronext in Paris) using the ISIN code FR0013418795.

The OCEANEs carry entitlement to new and/or existing Company shares at the exchange ratio of 1.020 shares for 1 OCEANE (according to the 9 July 2021 allotment ratio adjustment made as stipulated and provided for by Article 2.6.B.10 of the Terms and Conditions of the OCEANEs).

Under certain conditions, the OCEANEs are callable for early redemption at the Company's discretion. If they have not been converted, exchanged, redeemed or bought back and cancelled, the OCEANEs will be redeemed at par value on 17 May 2027.

The conversion of all the OCEANEs could lead to the issue of a maximum of 3,481,228 new shares if the Company decides to only award new shares.

STOCK OPTIONS, FREE SHARE AWARDS AND EMPLOYEE SHARE OWNERSHIP

Over the past four years, the Board of Directors has approved the introduction of several free share plans for the executive corporate officers as well as for some members of the Executive Management team.

Free share awards are contingent on meeting demanding performance conditions and aim to reward a high level of performance, retain the loyalty of key managers and align the interests of Executive Management with those of shareholders.

The table below shows the main features of these plans.

Information on free share awards[1]	Plan no. 7	Plan no. 8	Plan no. 9	Plan no. 10	Plan no. 11
Date of Annual General Meeting	28/6/2018	28/6/2018	28/6/2018	28/6/2018	28/6/2018
Date of Board of Directors' meeting	28/6/2018	28/6/2018	27/6/2019	28/6/2018	28/6/2018
Decisions by the Chief Executive Officer	1/2/2019	1/2/2019	N/A	1/2/2020	1/2/2020
Maximum total number of free shares that may be awarded	66,105	1,025	45,279	70,315	540
Vesting date of the shares	2/5/2022	2/5/2022	27/6/2022	2/5/2023	2/5/2023
End date of lock-up period	2/5/2022	2/5/2022	N/A	2/5/2023	2/5/2023
Performance conditions	Change in revenue and net operating profit[2]	Total shareholder return (increase in ORPEA share price + dividend[3]	Total shareholder return (increase in ORPEA share price + dividend[3]	Change in revenue and net operating profit[4]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys[5]
Number of shares acquired at the date of this Universal Registration Document	53,894	N/A	N/A	27,869	N/A
Total number of shares cancelled or lapsed	12,211	1,025	45,279[12]	42,446	540
Free shares not yet vested at the date of this Universal Registration Document	N/A	N/A	N/A	N/A	N/A

(1) Information relating to Plans no. 1, 5 and 6 can be found in the 2017 Registration Document (pages 249 and 156); information relating to Plan no. 2 can be found in the 2018 Registration Document (page 271); information on Plan no. 3 can be found in the 2019 Universal Registration Document (page 271); information relating to Plan no. 4 can be found in the 2020 Universal Registration Document (page 309).

(2) The performance conditions of Plan no. 7 are detailed in the 2019 Universal Registration Document (page 271).

(3) The performance conditions of Plans no. 8 and 9 are detailed in the 2018 Universal Registration Document (page 182).

(4) The performance conditions of Plan no. 10 are detailed in the 2020 Universal Registration Document (page 309).

(5) The performance conditions of Plan no. 11 are detailed in the 2020 Universal Registration Document (page 198).

(6) The performance conditions of Plan no. 12 are detailed in the 2020 Universal Registration Document (page 198).

(7) Annual growth in revenue and net operating profit over the period from 1 October 2020 to 30 September 2023 of the scope for which the grantee is responsible (two-thirds of the shares) and of the scope of which the grantee is part (one-third of the shares).

(8) The performance conditions of Plan no. 14 are detailed in the 2021 Universal Registration Document (page 209).

(9) The performance conditions of Plan no. 15 are detailed in the 2021 Universal Registration Document (page 209).

(10) The performance conditions of Plan no. 16 are detailed in this Universal Registration Document (page 423).

(11) The performance conditions of Plan no. 17 are detailed in this Universal Registration Document (page 229).

(12) In accordance with the remuneration policy approved by the Annual General Meeting of 27 June 2019, Jean-Claude Brdenk was awarded 20,699 free shares subject to performance conditions.

On 2 November 2020, given the seniority of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting of 24 June 2021 to lift the service condition required under the free share plan of 27 June 2019, by applying a pro rata provision. Thus, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete, non-solicitation and non-disparagement commitments, Jean-Claude Brdenk could be awarded 13,799 free shares (instead of the 20,699 shares cited in the previous paragraph – two-thirds on a pro rata basis) subject to performance conditions. However, the 6,900 additional shares he was initially entitled to lapsed as a result of his departure. As the stock market performance condition was not met, the Board of Directors noted at its meeting on 28 April 2022 that no shares will have vested for Jean-Claude Brdenk pursuant to this free share plan.

As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 27 June 2019 was not met. Therefore, the 24,580 free shares awarded to Yves Le Masne on that date have lapsed and will never vest.

	Plan no. 12	Plan no. 13	Plan no. 14	Plan no. 15	Plan no. 16	Plan no. 17
	23/6/2020	23/6/2020	23/6/2020	23/6/2020	23/6/2020	28/7/2022
	23/6/2020	N/A	N/A	24/06/2021	13/6/2022	28/7/2022
	N/A	1/2/2021	1/2/2021	N/A	17/6/2022	N/A
	28,374	84,543	840	13,271	193,906	27,676
	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
	23/6/2023	2/5/2024	2/5/2024	24/6/2024	17/6/2025	28/7/2025
	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and employee satisfaction surveys[6]	Change in revenue and net operating profit[7]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[8]	Total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share and achievement of five objectives of the 2023 CSR roadmap[9]	Reduction in the frequency of work-related accidents, reduction in employee turnover, international certification of facilities, EBITDAR[10]	Achievement of six CSR roadmap targets, total shareholder return (increase in ORPEA share price + dividend), growth in earnings per share[11]
	N/A	N/A	N/A	N/A	N/A	N/A
	24,050[13]	27,767	840	13,271[14]	17,351	N/A
	4,324	56,276	N/A	N/A	176,555	27,676

(13) In accordance with the remuneration policy approved by the Annual General Meeting of 23 June 2020, Jean-Claude Brdenk was awarded 12,971 free shares subject to performance conditions.

On 2 November 2020, given the length of service of Jean-Claude Brdenk, his contribution to the Group's expansion, the circumstances of his departure and the non-compete and non-solicitation commitments he made to the Group when he left office, further to the Board of Directors' recommendation, it was decided at the Annual General Meeting of 24 June 2021 to lift the service condition required under the free share plan of 23 June 2020, by applying a pro rata provision. Thus, subject to Jean-Claude Brdenk's compliance with the aforementioned non-compete, non-solicitation and non-disparagement commitments, Jean-Claude Brdenk could be awarded 4,324 free shares (instead of the 12,971 shares cited in the previous paragraph – one-third on a pro rata basis) subject to performance conditions. However, the 8,647 additional shares he was initially entitled to lapsed as a result of his departure.

As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 23 June 2020 cannot be met. Therefore, the 15,403 free shares awarded to Yves Le Masne on that date have lapsed and will never vest.

(14) As the Board of Directors terminated Yves Le Masne's duties as Chief Executive Officer on 30 January 2022, the service condition applicable to the free shares awarded to him on 24 June 2021 cannot be met. Therefore, the 13,271 free shares awarded to Yves Le Masne on that date have lapsed and will never vest.

There are no stock option plans or Group savings plans (or similar plans) that would allow ORPEA to know the exact number of shares held by employees.

7.2 Communication with investors

7.2.1 INTERACTIONS BETWEEN THE COMPANY AND ITS INVESTORS

Throughout the year, ORPEA's Investor Relations department coordinates the Group's financial communications and its relations with institutional investors and financial analysts regarding the Group's strategy, operations, significant developments and outlook, especially on publication of the annual and half-year results and quarterly revenue figures. In 2022, investor relations were impacted in particular by the publication of the book *Les fossoyeurs* and by the funding crisis, which generated a large number of contacts initially, followed by a drop in solicitations from institutional investors starting in late September 2022.

In 2022, the Investor Relations department took into consideration the expectations that were expressed with regard to the crisis affecting its operations in France and met with a group of institutional investors that were particularly impacted by the situation. The Group also organised a roadshow ahead of the Annual General Meeting of 28 July 2022.

On 15 November 2022, the Group held an event with a large number of investors, analysts and creditors to unveil its Refoundation Plan. Key members of the Executive Management team presented the Group's strategy to restore stakeholder confidence, improve profitability and achieve a sustainable financial structure. Following this event, the Company also held three web conferences for ORPEA SA's unsecured creditors as part of the amicable conciliation procedure opened on 25 October 2022.

7.2.2 INVESTOR RELATIONS CONTACTS

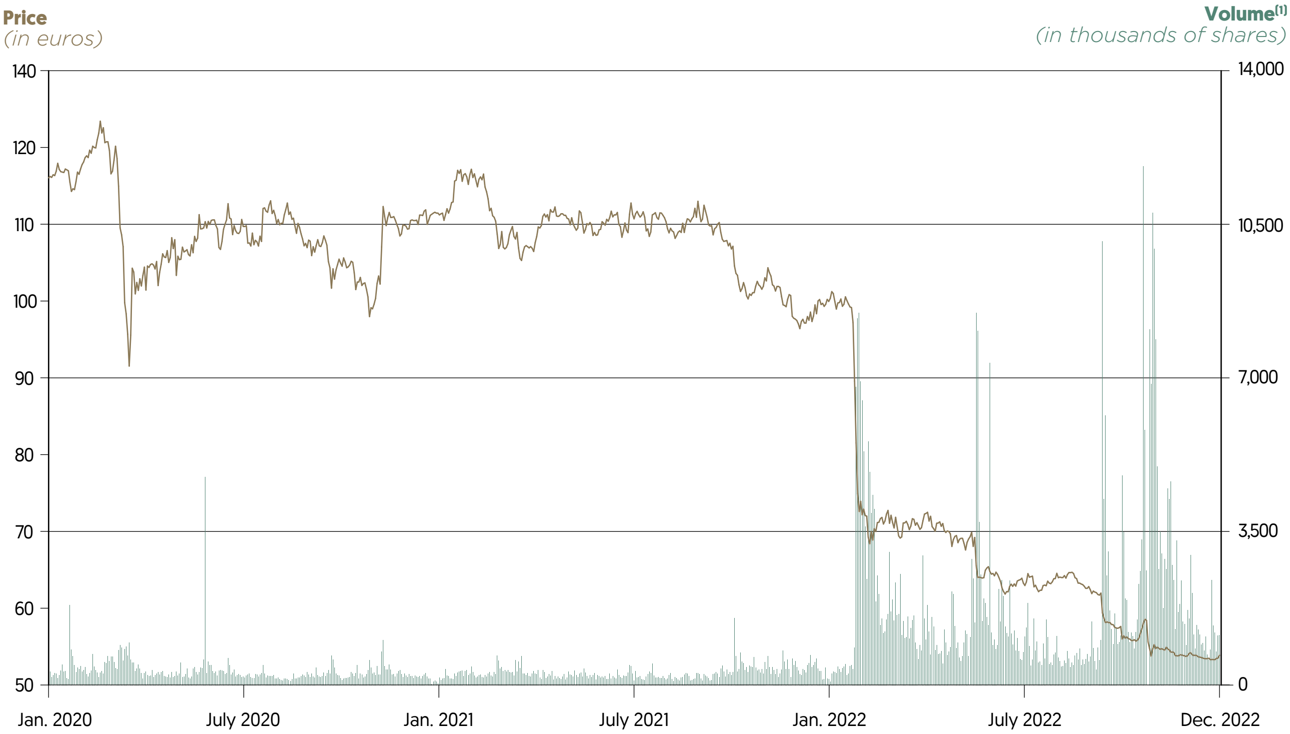
ORPEA

Investor Relations contact: financegroupe@orpea.net

Toll-free number for shareholders (in France): 0 805 480 480

7.3 Share data

SHARE PRICE PERFORMANCE AND VOLUMES[1] OVER THREE YEARS



(1) Volumes including Euronext and the alternative platforms (Chi-X, Turquoise and Bats).

INDICES

- Compartment A of Euronext Paris.
- Included in the CAC Mid 60, SBF 120 and MSCI Small Cap Europe indices.
- Eligible for the deferred settlement service (DSS).

HISTORICAL ANNUAL PERFORMANCE DATA

	2020	2021	2022
Closing price at 31 Dec.	€107.55	€88.10	€6.17
12-month closing high	€128.50	€117.55	€89.66
12-month closing low	€72.70	€81.22	€5.79
Number of shares at 31 Dec.	64,631,325	64,631,325	64,693,851
Market capitalisation at 31 Dec.	€6,951 million	€5,694 million	€399 million
Year-on-year share price performance	-5.9%	-18.1%	-93%
Average daily trading volume* *(in number of shares)*	322,679	281,047	1,878,964
Average daily trading volume*	€33 million	€28 million	€44 million
12-month turnover	128%	112%	741%

* *Volumes including Euronext and the alternative platforms (Chi-X, Turquoise and Bats).*

CHAPTER 8
ADDITIONAL INFORMATION

Additional information

8

8.1 Key provisions of the Articles of Association

The following section presents the operating procedures and the rights attached to the shares of ORPEA (hereinafter referred to as the "**Company**"), a public limited company (*société anonyme*) with a Board of Directors governed by the French Commercial Code (*Code de commerce*) and its implementing decrees, and by its Articles of Association.

The Company's Articles of Association have been updated with the resolutions of the Annual General Meeting of 28 July 2022 and the decisions of the Company's Chief Executive Officer dated 1 September 2022, amending Articles 6 (Share capital), 13 (Method for exercising Executive Management), 14 (Board of Directors), 15 (Directors representing employees), 17 (Decisions of the Board) and 23 (Statutory Auditors).

The Articles of Association are available on request from the Company's registered office.

The Company was incorporated on 22 May 1995 with a term of 99 years. It was registered in Paris on 22 June 1995 under no. 113-6-3-358. The Company's registered office is located at 12, rue Jean-Jaurès, 92813 Puteaux Cedex, France (tel.: +33 (0)1 47 75 78 07). The Company's unique identification code (LEI number) is 969500LHIH3NT7PK1V89.

8.1.1 REGISTERED OFFICE

ARTICLE 4 OF THE ARTICLES OF ASSOCIATION – REGISTERED OFFICE

The registered office is set up at 12, rue Jean-Jaurès, 92813 Puteaux Cedex.

The Board of Directors may decide to transfer the registered office anywhere in French territory subject to approval of the decision by the next Ordinary General Meeting. In case a transfer is resolved upon by the Board of Directors, the latter is authorised to amend these Memorandum and Articles of Association accordingly, provided that the next Extraordinary General Meeting ratifies the corresponding amendments.

8.1.2 CORPORATE PURPOSE

ARTICLE 2 OF THE ARTICLES OF ASSOCIATION – PURPOSE

The Company's purpose is:

- the direct or indirect creation, realisation, acquisition, management and operation of all care facilities, medical/social facilities, residential facilities of all types for the elderly, residential facilities of all types for persons with disabilities with no age limits, hotel-type accommodation facilities, serviced holiday accommodation facilities and leisure facilities;
- technical, commercial, administrative and financial assistance to all companies whose activity relates directly or indirectly to the activities listed above;
- the acquisition, subscription, holding, management, sale or contribution of shares and other equity rights in all companies existing now or in future and the management of all equity investments;
- the creation of any surety, endorsement or guarantee to the benefit of any group company in the course of the ordinary activities of all the companies of the group;
- on an ancillary basis, the purchase, marketing, exchange and sale after division and/or construction work where applicable, of any property owned by the Company;

And generally all commercial, industrial or financial operations, relating to transferable securities or real estate, associated directly or indirectly with its activities or to any ancillary or related activities, or likely to further their development.

8.1.3 RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

ARTICLE 6 OF THE ARTICLES OF ASSOCIATION – SHARE CAPITAL

The share capital is set at the sum of eighty million, eight hundred sixty-seven thousand, three hundred thirteen euros and seventy five cents (€80,867,313.75).

It is divided into 64,693,851 shares of €1.25 each, all of the same class, fully paid up.

A double voting right is allocated to all fully paid up shares which can be shown to have been registered for at least two years in the same shareholder's name, in accordance with and within the limitations of Article L. 225-123 of the French Commercial Code.

In the event that the share capital is increased by capitalisation of reserves, profits or issue premiums, the double voting right shall be attributed, from the time of issue, to new shares allocated free of charge to a shareholder on the basis of old shares in respect of which he/she already benefits from this right.

ARTICLE 10 OF THE ARTICLES OF ASSOCIATION – FORM OF SHARES

I. Shares are registered or bearer, as chosen by the shareholder, except in certain circumstances where statutory or regulatory provisions require them to be registered.

II. Irrespective of their form, shares are registered in accounts held in accordance with the conditions and formalities prescribed by law.

The ownership of shares is established by registration in the account:

- with the authorised intermediary of their choice for bearer securities;
- with the Company and, if they wish, with the authorised intermediary of their choice for registered securities.

ARTICLE 11 OF THE ARTICLES OF ASSOCIATION – TRANSMISSION OF SHARES

Any transmission or transfer of shares, in either registered or bearer form, shall be made by transfer from one account to another.

ARTICLE 12 OF THE ARTICLES OF ASSOCIATION – OWNERSHIP OF SHARE CAPITAL

Each shareholder must meet the statutory information requirements, in the event that, acting alone or collectively, he/she comes to own or ceases to own a fraction of the share capital or of the voting rights defined by the French Commercial Code.

If they have not been lawfully declared, shares exceeding the fraction subject to declaration shall have no voting right, for any Meeting taking place up to expiry of a period of two years following the date when the notification is rectified. Under the same conditions, the voting rights attached to these shares and which have not been lawfully declared, cannot be exercised or delegated by the defaulting shareholder.

ARTICLE 30 OF THE ARTICLES OF ASSOCIATION – PROFITS AND LOSSES

From the net profit for each financial year, less previous losses where applicable, an initial deduction of at least one twentieth shall be made to set up the statutory reserve fund; this deduction shall cease to be mandatory when that fund reaches a sum equal to one tenth of the share capital; it shall be resumed when, for any reason, the statutory reserve has fallen below this proportion.

The surplus plus retained earnings where applicable shall constitute the distributable profit.

This profit shall be available to the General Meeting which shall decide in its discretion how to appropriate it. Accordingly, it may appropriate it, fully or in part, to the constitution of any general or special reserves, carry it forward or distribute it amongst shareholders in the form of dividends. Additionally, the General Meeting may decide to distribute sums deducted from reserves which it has available, either to fund or supplement a dividend, or by way of exceptional distribution; in this case, the decision shall expressly state the reserve items from which the deductions are to be made.

Nevertheless, no distribution can be made if it has the effect of reducing the net assets to an amount below that of the share capital plus the reserves which cannot be distributed.

The General Meeting has the option of offering shareholders a choice between a payment in cash and/or in Company shares, of all or part of the advances on dividends or of the dividends, under the statutory and regulatory conditions.

Following approval of the financial statements by the General Meeting, any losses are registered in a special account to be offset against the profit for subsequent years until they are used up.

8.2 Person responsible for the Universal Registration Document

8.2.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Laurent Guillot, Chief Executive Officer.

8.2.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I hereby declare that, to the best of my knowledge, all of the information contained in this Universal Registration Document is in accordance with the facts and contains no omissions likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all consolidated companies, and that the management report on page 268 *et seq.* presents a true and fair view of the business trends, results and financial position of the Company and all consolidated companies and that it describes the main risks and uncertainties to which they are exposed.

Puteaux, 7 June 2023

8.3 Statutory Auditors

8.3.1 PRINCIPAL STATUTORY AUDITORS

SAINT-HONORÉ BK&A

Represented by Xavier Groslin

140, rue du Faubourg-Saint-Honoré – 75008 Paris, France

Saint-Honoré BK&A was first appointed at the Annual General Meeting of 27 June 2008 for a six-year term and, for a second six-year term, by the Annual General Meeting of 25 June 2014.

Its appointment was renewed at the Annual General Meeting of 23 June 2020 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2025.

DELOITTE & ASSOCIÉS

Represented by Damien Leurent

Tour Majunga, 6 place de la Pyramide 92908 Paris La Défense Cedex, France

Deloitte & Associés was first appointed for a four-year term at the Annual General Meeting of 29 June 2006, replacing Vade Mecum, which stood down for personal reasons. It was appointed a second time at the Annual General Meeting of 23 June 2016 for a six-year term.

Its appointment was renewed at the Annual General Meeting of 28 July 2022 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2027.

MAZARS

Represented by Gaël Lamant

Tour Exaltis, 61, rue Henri Regnault – 92400 Courbevoie, France

Mazars was first appointed at the Annual General Meeting of 28 July 2022 for a six-year term ending at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2027.

8.3.2 ALTERNATE STATUTORY AUDITOR

The appointment of BEAS as alternate Statutory Auditor was not renewed by the Annual General Meeting of 28 July 2022, pursuant to the provisions of Article L. 823-1 paragraph 2 of the French Commercial Code.

Furthermore, in view of the non-renewal of the appointment of Saint-Honoré SEREG as alternate Statutory Auditor on 23 June 2020, in accordance with the same provisions, the Company no longer has an alternate Statutory Auditor.

8.4 Publicly available documents

This Universal Registration Document is published on the Company's website (https://www.orpea-group.com/en/shareholders-investors/documentation/universal-registration-document/) and the AMF's website (www.amf-france.org). Upon request, copies of this Universal Registration Document are available from the Company at no charge.

During the period of validity of this Universal Registration Document, the Company's Articles of Association, its individual and consolidated financial statements, and its press releases on financial and regulatory matters are available on the Company's website.

The legal and financial documents relating to ORPEA that must be made available to shareholders in accordance with the regulations in force may be viewed either on the Company's website or at the Company's registered office.

8.5 Cross-reference tables

8.5.1 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

The following cross-reference table highlights the key information required by Annexes 1 and 2 of the Commission Delegated European Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) no. 809/2004, and references the pages of this Universal Registration Document.

Heading		Chapter(s)	Page(s)
7	**Operating and financial review**		
7.1	Financial condition	5	273-277
7.1.1	Development and performance of activities for each year covered by the historical financial information, to the extent necessary including both financial and, where appropriate, non-financial key performance indicators	5	273-277
7.1.2	Likely future development and activities in the field of research and development	N/A	N/A
7.2	Operating results	5	273-277
7.2.1	Significant factors materially affecting income from operations, and indication of the impact	2	60-62
7.2.2	Narrative discussion of the reasons for material changes in net sales or revenues in the historical financial information	N/A	N/A
8	**Capital resources**		
8.1	Information concerning the issuer's capital resources	6; 7	295; 418-423
8.2	Issuer's cash flows	5; 6	277; 294
8.3	Information on borrowing requirements and funding structure	5; 6	276-277; 323-329
8.4	Information regarding any restrictions on the use of capital resources with a material effect on the issuer's operations	N/A	N/A
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	6	339-344
9	**Regulatory environment**	1	40
10	**Trend information**		
10.1	Most significant trends that have affected the Group since 1 January 2023	5	283
10.2	Key commitments or events likely to have a material effect on the Group's prospects	5	285-288
11	**Profit forecasts or estimates**		
11.1	Where the issuer has published a profit forecast or estimate (which is still outstanding and valid), include it and, as applicable, indicate whether it has changed or is no longer valid	N/A	N/A
11.2	Where an issuer chooses to include a new profit forecast or estimate or a profit forecast or estimate pursuant to item 11.1, state the principal assumptions upon which the forecast or estimate is based	N/A	N/A
11.3	Statement of comparability with historical financial information and consistency with accounting policies	N/A	N/A
12	**Administrative, management and supervisory bodies, and Executive Management**		
12.1	Members of the Board of Directors and Executive Management	4	191; 194-195
12.2	Administrative, management body, supervisory body and Executive Management conflicts of interest	4	201-202
13	**Remuneration and benefits**		
13.1	Amount of remuneration paid and benefits in kind granted	4	219-246
13.2	Total amounts set aside or accrued to provide for pension, retirement or similar benefits	6	322
14	**Board practices**		
14.1	Date of expiry of the current terms of office and period served	4	194-195
14.2	Service contracts providing for benefits	N/A	N/A
14.3	Information on Board Committees	4	209-217
14.4	Statement of compliance with the corporate governance regime applicable in France	4	190
14.5	Potential material impacts on corporate governance	N/A	N/A
15	**Employees**		
15.1	Number of employees at the end of the period for each financial year covered by the historical financial information	5	289
15.2	Shareholdings and stock options of executive corporate officers	4	241
15.3	Arrangements for involving employees in the capital	N/A	N/A
16	**Major shareholders**		
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16.2	Existence of different voting rights	8	428
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8.5.2 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

The cross-reference below table highlights the information required pursuant to Article 222-3 of the AMF General Regulation relating to the annual financial report, also referred to in Article L. 451-1-2, I of the Monetary and Financial Code.

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6	**Statutory Auditors' report on the individual financial statements**	6	409-414
7	**Management report**	1; 2; 3; 4; 5; 7 and 8	See cross-reference table for the management report below.

8.5.3 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

The cross-reference table below highlights the information constituting the management report drafted in accordance with Article L. 232-1 of the French Commercial Code and references the pages of this Universal Registration Document.

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