



Seguros de tu éxito

The year '2022' is written in a large, white, outlined font. To the right of the '2's, there is a graphic consisting of a globe outline with several leaves sprouting from it, symbolizing sustainability or environmental impact.

2022

**Annual Integrated
Report**

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Fernando Salazar Palma

Executive Chairman of Cesce



Dear colleagues and friends of Cesce:

I am pleased to present to you the Integrated Annual Report for 2022, which includes financial and business information as well as the main lines of the Corporate Social Responsibility Policy that guide our company. This integration is in line with our work philosophy, where business success and sustainability are equally important objectives in order to achieve long-term success and to combine our own needs with those of society and the planet to which we belong.

For more than fifty years now, Cesce has been providing trade security, first as a Spanish Export Credit Agency (ECA) and later also as an insurer on its own account. It is precisely our extensive experience, acquired over more than half a century of history, that is one of the aspects most valued by our insured companies. Constantly evolving, we are currently in a process of transformation to adapt to the changing needs of our customers to help them cope with the new reality we live in, marked by economic uncertainty, geopolitical risk and environmental challenges.

The roadmap drawn up to implement our Strategic Plan 2021-2024, 'Transforming ourselves in the face of a new reality', made it possible for 2022 to become year zero of a true cultural revolution, where the reorganisation of processes and the creation of a series of innovative ecosystems have allowed us to approach the market in a disruptive, differential and value-laden way. Far from standing still, we continue to work to go further and offer agile and customised digital business solutions that provide our clients with the necessary support at every stage of their projects.

Thanks to the commendable efforts of our team, we have exceeded 59% of the identified projects and almost all the KPIs that were established in the framework of the Strategic Plan. These excellent results, paired with our enormous ambition, have led to the revision of the Plan with the intention of generating value for all stakeholders, including shareholders, customers and employees, as well as positive impacts on the economic and business fabric. Its name, moreover, is a declaration of intent: Impulsa Cesce 2025 Plan

Taking a disruptive approach and adapted to the constant changes in the market, the objective of the Impulsa Cesce 2025 Plan is to continue to advance our business model and fulfil its mission through three priority goals: growth, efficiency and customer focus. We will focus on increasing profitability in the credit and surety segments, strengthening our presence abroad, managing and promoting new coverages such as ECA and maintaining our leadership in terms of digital transformation of the insurance sector through innovative solutions and unique experiences.

In line with these business aspirations, at Cesce we maintain our commitment to the environment through a new Climate Change Policy to strengthen our support for projects that limit their negative impact and promote a green economy. A good example of this is our Green Export and Investment Policies, respectively, two new products that constitute one of the sector's major contributions to progress in sustainability and which are aimed at Spanish companies that participate in projects that contribute to preserving the planet.

In line with our sustainable philosophy, I would also like to highlight our progress in the total refurbishment of our corporate headquarters, which is linked to a cultural and organisational change of the company. The promotion of open and shared spaces, in fact, is already having a very positive impact on both group dynamics and energy consumption results. In this last aspect, the change of our façade aims to be more energy efficient and to seek improvements in several areas, such as a greater presence of natural light, reducing consumption for lighting and aspiring to obtain 100% renewable origin of our electricity supply. Thanks to this refurbishment, which will result in energy savings of 20%, Cesce's corporate headquarters will be positioned at the forefront of eco-efficient buildings.

On the other hand, I would like to take this opportunity to thank the entire Cesce staff once again for signing up to this environmental and social commitment. Under a participatory CSR model, the proposals of our own employees are the real protagonists of the different lines of development and the different social projects that have been carried out in 2022: some 33 initiatives with both national and international impact and the dedication of almost 300 hours of volunteering supported by the company as a demonstration of its values in social and environmental matters.

Over the past year, we have once again joined forces to support initiatives in favour of the sick and their families, together with associations that fight against cancer, heart disease and rare diseases. Beyond our borders we have also had the opportunity to send our love and support, in the form of humanitarian aid, to those families who are still suffering the consequences of the invasion of Ukraine.

People are, ultimately, the most important asset of the Cesce Group. For this reason, we have established egalitarian and healthy conditions and environments, based on active listening to the Board, which has re-

sulted in the creation of the C50 Group, with which we want to strengthen the ties between our professionals. We have also launched the 'Welcome and Integration Plan', with which we want to welcome new recruits in a close and personalised way. We also want to support the professional development of all our employees, which is why we are constantly improving our online training offer, so that they can continue to grow with us from wherever they may be.

The effort and commitment of our entire team to achieve business excellence has made it possible for us to report excellent financial results for yet another year. Cesce's net profit rose to 75.1 million euros, up from 73.1 million euros the previous year. But that's not all: we have also significantly increased our market share, exceeded the targets set in the main indicators of insured business and increased the number of policyholders and policies in force, thus improving our levels of quality and customer satisfaction. All these achievements are undoubtedly the result of hard and dedicated work.

"Under a participatory CSR model, the proposals of our own employees are the real protagonists of the different lines of development and the different social projects".



Now, our successes should not distract us from our responsibility for the security of companies and the promotion of their growth. At Cesce we are particularly involved in the sound development of SMEs, which is why during 2022 we have promoted Póliza Fácil, a solution designed to protect SMEs against the risk of non-payment without administrative complications and with a fixed fee of just €1.

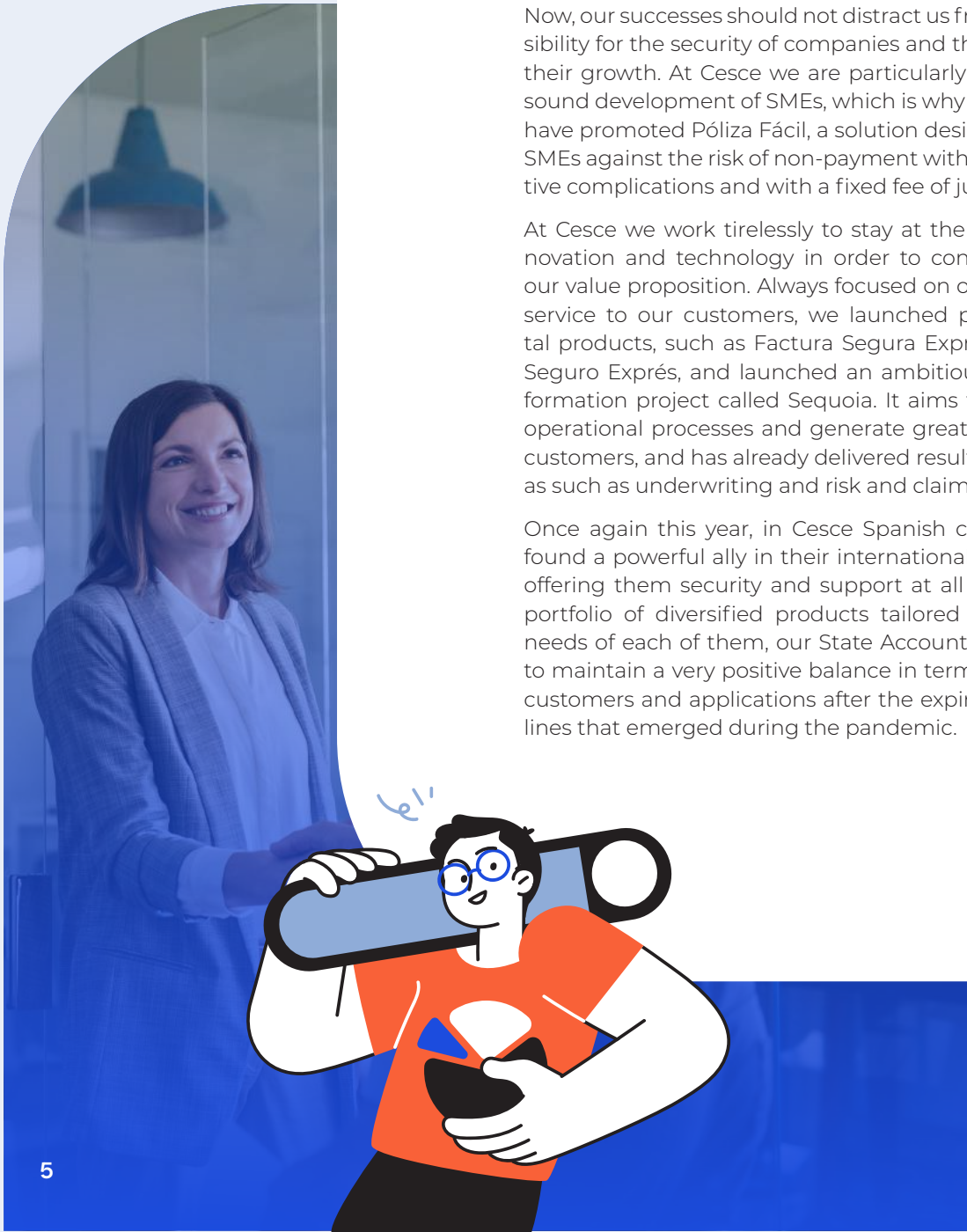
At Cesce we work tirelessly to stay at the forefront of innovation and technology in order to continue to evolve our value proposition. Always focused on offering the best service to our customers, we launched pioneering digital products, such as Factura Segura Exprés and Deudor Seguro Exprés, and launched an ambitious digital transformation project called Sequoia. It aims to optimise our operational processes and generate greater value for our customers, and has already delivered results in critical areas such as underwriting and risk and claims underwriting.

Once again this year, in Cesce Spanish companies have found a powerful ally in their internationalisation process, offering them security and support at all times. Under a portfolio of diversified products tailored to the specific needs of each of them, our State Account area continues to maintain a very positive balance in terms of number of customers and applications after the expiry of the special lines that emerged during the pandemic.

In this report you will find some examples of the success achieved and the most important operations that have been carried out over the last year, which have also meant the consolidation of the programme to cover the risks of electricity-intensive consumers.

I would not like to end this brief review of our business in 2022 without reminding you that every advance and every success achieved would not have been possible without our professionals, our customers and our partners. Together with them we have had the possibility to grow, and thanks to them we are confident that we will continue to do so in the years to come. I therefore invite you to celebrate every achievement reflected in this report.

Thank you for being part of our success.





Cesce: innovation and protection for your company

- 2.1** Your strategic business partners
- 2.2** Improving year on year
- 2.3** Our model
- 2.4** Our business

02

2.1 Your strategic business partners

Cesce leads a multinational group dedicated to promoting business development through business risk management, technology and information in Europe and Latin America. It also acts as the Spanish Export Credit Agency (ECA), administering export credit insurance and medium- and long-term risk cover for electro-intensive consumers on behalf of the State.



+ 50 years

In 2022, Cesce celebrated 50 years in the market, during which time it has proven to be a stable group and the most solvent insurer among the main Spanish and European companies in the credit and surety insurance business, with a solvency ratio of 265% at the end of the 2021 financial year.

Solvency

A- with stable outlook
(Standard & Poor's)

A3 with stable
outlook (Moody's)

1.7 million

in risk limits in place on our own account

2,902 million

euros in insurance issued on behalf of the State

INFORMA

+30 years

Leader in commercial, financial, sectorial and marketing information for companies.

Over 95% of financial institutions in Spain use their databases for risk decision-making.

500 million

of companies in the world

7 million

of Spanish economic agents

375 million

of data updated on a daily basis

26 years

in benefits

CTiSoluciones

+65 years

Technology and business management services specialised in payments and Data Management.

Specialists in technological solutions applied to payment services, IT and BPO.

98%

of financial institutions in Spain

1.7 million

of transactions handled on a daily basis

15%

of all national payments processed

200

interconnected public bodies

Large Magnitudes

*Cesce Group data



+71M
net profit in euros



1,411
employees



+1,000
outlets



+123,000
multinational customers



Profile of Cesce

Name	Compañía Española de Seguros de Crédito a la Exportación S.A. Compañía de Seguros y Reaseguros S.M.E.		
Address	Velázquez 74, Madrid	Capital stock	€9,200,000
Telephone	900 115 000	Number of shares	4,000
Website	www.cesce.es	Nominal value	€2,300
Line of business	Commercial insurer and Export Credit Agency on behalf of the Spanish State.		
Markets	Spain, Portugal, Brazil, Chile, Colombia, Mexico and Peru.		

Non-financial key figures



Company

- **0.7% net profit** for Social Action
- **+46 social** and environmental projects
- **+21 million** of accrued taxes



Customers

- **92% customer retention rate** in 2022
- Spain's 2nd largest **source of short-term funding**
- **127 events**
- **42 Country Risk reports**
- **2 blogs**



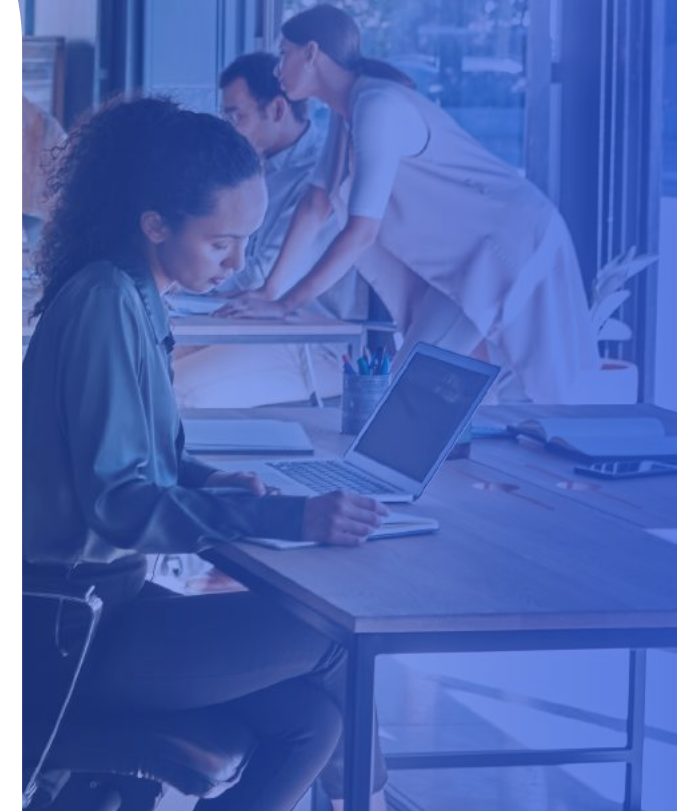
Employees

- **414 people** (1,411 across the Group)
- **60% women** in the workforce
- **42% women** on the Board of Directors
- **8 people** with disabilities



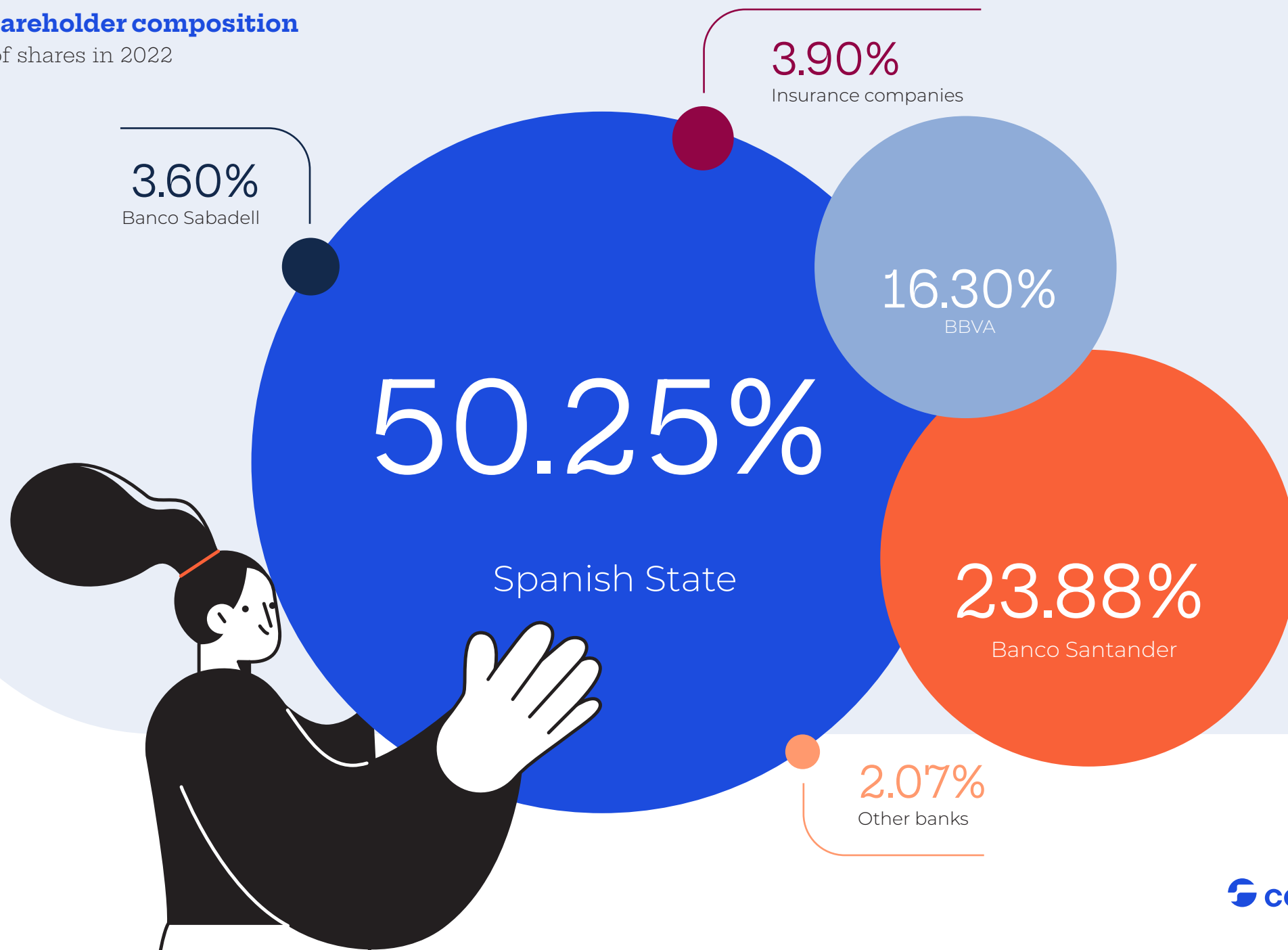
Environment

- **100%** of electricity from renewable energy sources
- Measuring the **environmental footprint** since 2016
- **3 OECC environmental seals**: calculate, reduce, compensate



Shareholder composition

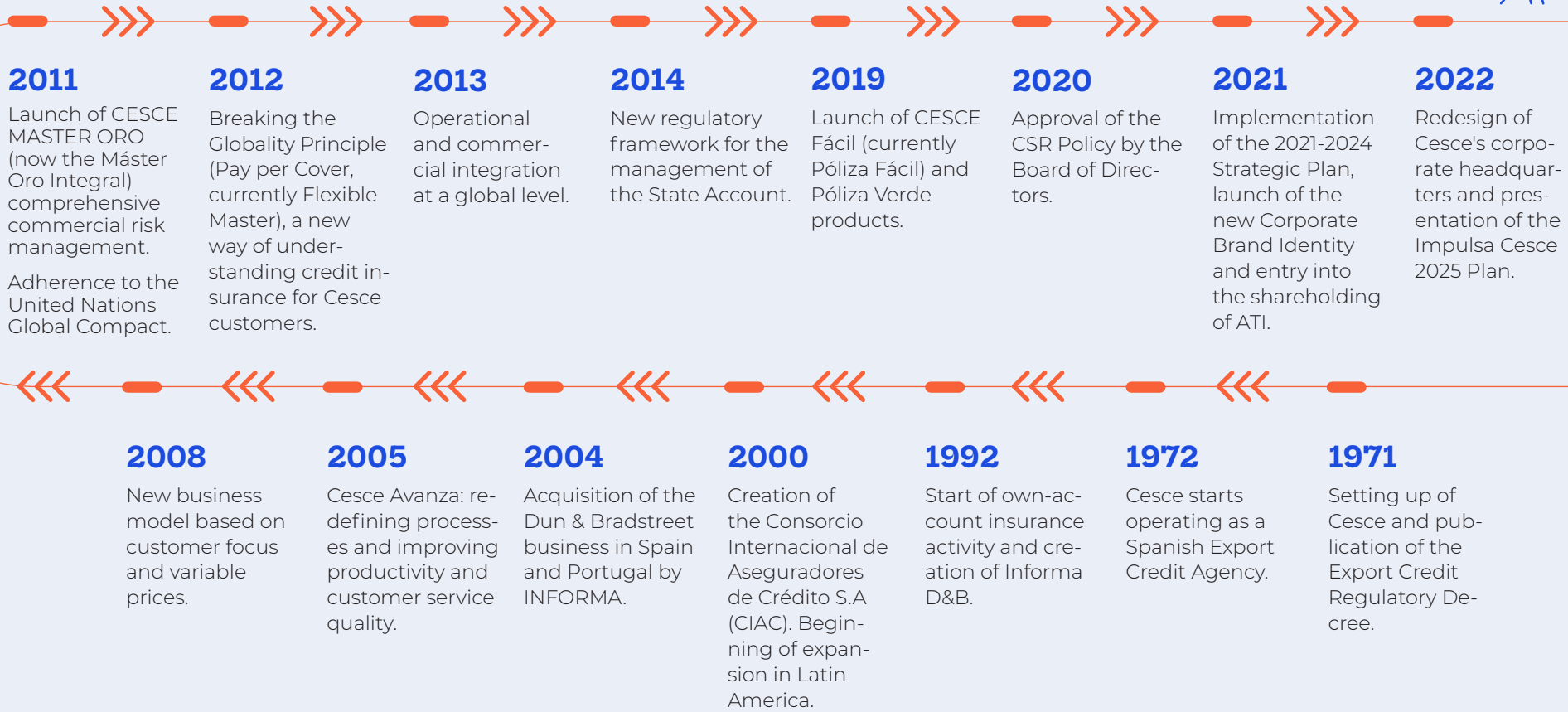
% of shares in 2022



2.2 Improving year on year



2.2.1. Chronology



2.2.2. Our presence worldwide



2.2.3. Celebrations marking 50 years of history



Cesce has been ensuring the success of its customers for 50 years. To celebrate this milestone, a number of commemorative activities have been organised during 2022.



Cesce Museum

An emotional journey through the 50 years of Cesce's history. The exhibition brought together a wide selection of photographs and testimonials from different members of the team, who shared their most important experiences and memories. For its organisation, documents and materials related to the daily activity of the company since its beginnings, a large collection of antique objects, acknowledgements of Cesce's social work, a tour of its campaigns and advertising pieces, among others, were collected. A detailed explanation of the company's trajectory since its foundation was also presented, accompanied by the evolution of its logo design to the current corporate identity. This project was made possible thanks to the collaboration of all employees, who donated their materials.



Audiovisual exhibition - Cesce 50 years

Through this digital exhibition, the lobby of Cesce's headquarters was transformed into a vibrant space full of history. Several large monitors were interconnected to show the evolution of the company and its most important milestones over the last 50 years, in parallel with the most important events in Spain and the world that took place at that time. The exhibition provided an overview of the impact Cesce has had on society, on the business sector and specifically in the area of credit insurance throughout its long history.



Celebration at the Teatro Real

Cesce commemorated its 50th anniversary with a celebration at the prestigious Teatro Real in Madrid. The event brought together executives, sales team and mediators of the Cesce Group in Spain, as well as members of the company in Portugal and Latin American subsidiaries, who enjoyed an exclusive concert by Mexican tenor Javier Camarena and Spanish soprano Marina Monzó. The artists were accompanied by the symphony orchestra of Castilla y León, conducted by Virginia Martínez, a young orchestra conductor of international renown.

2.3 Our model

Cesce focuses its business model on safeguarding, promoting and guaranteeing the business of its customers through innovative insurance solutions, based on the exhaustive use of data and analytical information. This unique perspective rests on five key pillars, making it one of the world's leading commercial insurance conglomerates.



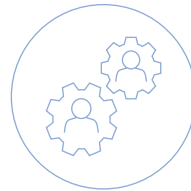
Customer focus

The customer is at the heart of Cesce's insurance activity, which anticipates, detects and covers their needs thanks to analytical, digital and predictive knowledge. To exceed customer expectations, it employs a Customer Relationship Management (CRM) tool, continues to advance its active listening programme and offers an omni-channel experience.



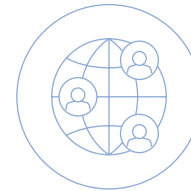
Disruptive innovation

It applies intelligence to commercial risk management through the automatic processing of millions of pieces of data on hundreds of thousands of companies to predict default risks, control claims, evaluate lines of financing, analyse portfolio quality and guide the search for potential customers. Cesce relies on cloud provisioning to launch new projects easily and with significant savings in operational costs.



Operational excellence

Cesce has a global and digital operating system, based on the intensive use of new information technologies. The company's key processes are modelled and automated, which improves their efficiency and reduces costs, while customers see waiting and payment times cut.



Internationalisation

The company is present in seven countries and is open to markets with high growth potential and interest for Spanish companies. With its headquarters in Spain, it has a branch in Portugal and subsidiaries in Brazil, Chile, Colombia, Mexico and Peru. Its presence in Latin America is channelled through CIAC, in which Cesce has a majority stake.



Technical and financial soundness

Cesce follows international best practices in business risk analysis, measurement and management. Its ability to predict future risks, as well as its method for scheduling payments and recoveries used to calculate them, mean that year after year, the technical provisions for claims are sufficient to meet claims payments at a reasonable level of caution.

2.4 Our business

2.4.1. Credit insurance

Cesce provides security to companies and supports them on their way to success with a wide range of products and services. Its varied offer goes beyond compensation for non-payment, including information on debtors' risk, advice on collection management and access to financing, among other services.

Each company has unique and specific coverage needs, from small and medium-sized companies that require specific coverage, to large corporations that require complex and advanced default management. For this reason, Cesce has a broad portfolio of products and services designed to adapt to the demands of all companies, regardless of their size or sector. This means each customer can find the solution that best suits their requirements and business objectives, and can count on the security and peace of mind offered by Cesce's support in their risk management.

Credit insurance products

Cesce provides comprehensive solutions for the prevention and coverage of companies' default risk, which also include additional services to help them obtain financing and market research, among others. In 2022, the company reinforced its support for SMEs by promoting the Póliza Fácil product.

Cesce products

Integral Gold Master

A global solution for non-payment risks that allows the entire customer portfolio to be monitored and sales to be secured. It gives access to tools at every stage of the business cycle and has the permanent advice of the Cesce team.

Industrial Policy

Comprehensive cover for companies with specific contracts for the supply of capital goods, industrial facilities or the provision of services. It allows for the insurance of one-off transactions that cannot be covered by global policies. It offers a triple guarantee through coverage of termination risk, default risk and political risk.

Emprende Policy

An instrument to support business activity through project coverage for start-ups in the management of commercial credit. It offers special conditions that allow you to start a business safely, with no commitment of permanence, as well as exceptional discounts for the entrepreneur.

Classic Policy

An efficient and transparent instrument of prevention and protection against the risk of non-payment. A credit insurance that ensures the entire customer portfolio at a fixed rate and offers the broadest coverage with a 4-month indemnity term. Coverage also extends to national and international sales.

Máster Flexible

This is the solution that revolutionised credit insurance. It allows you to decide which customers to insure without the need to cover an entire portfolio. It allows access to all Cesce services.

Póliza Verde

The evolution of Cesce solutions, designed exclusively for new customers in sectors linked to environmental protection and conservation.

Póliza Fácil

A credit insurance product designed to protect SMEs against the risk of non-payment, without administrative formalities and with a fixed premium adjusted to their turnover. It is an agile solution, with easy and secure contracting through electronic signature.

Quantum Services

A digital product for SMEs that offers à la carte services for the management of commercial credit and allows you to choose the services to be contracted and their duration. The insured will be able to choose those customers they require more information about and, with a single click, decide if they want to insure them and for how long, with no commitment of permanence. It also makes it easier to obtain financing on insured invoices.

Póliza Fácil, support for SMEs

- Cesce is a company committed to fostering the solid growth of companies, especially SMEs. To this end, it has designed various products that allow them to mitigate risks and facilitate access to finance. The company has also established increased support for SMEs as one of the cornerstones of its Strategic Plan.
- Póliza Fácil is an example of this, a streamlined, transparent and easy-to-use credit insurance that simplifies policy management and enables companies to focus on what really matters: growing their business.
- It is a product aimed at SMEs with a turnover of up to 5 million euros and offers coverage for both domestic sales and exports to 32 countries. It has a fixed premium, which is adjusted to the volume of turnover, so the company does not have to worry about readjustments. In addition, the flat rate for debtor analysis costs and the simple online contracting further facilitate the management of the insurance.
- Póliza Fácil also offers SMEs the possibility of designating their financial institution as the beneficiary of the insurance, which helps them to obtain financing and liquidity. It also includes a debt recovery service. All this without any administrative burden for the company, as there is no need to make sales declarations or collections.



More facilities for SMEs

In February 2022, Cesce launched a promotion for new customers who take out its Póliza Fácil, setting the Debtors' Analysis Expenses fee at €1 for all insurable sales brackets during the first year of the insurance policy. This offer has been extended for the whole of 2022.

Services associated with credit insurance

Cesce customers will have a wide variety of services at their disposal associated with the type of product contracted. These services are essential to provide confidence and to improve the liquidity raising needed during the business development process.

Our services

1 Risk Monitoring

2 Invoice Imprest Fund

3 Prospecting

4 Country Risk

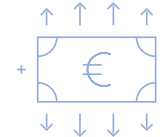
5 Api Market

6 Financing



Risk Monitoring

Risk Monitoring is a service that allows policyholders to know the updated classification of their customers in real time. This tool provides the insured company with relevant information to make informed decisions on who to sell to.



Funding Support

Obtaining liquidity is one of the most common needs of companies. Therefore, Cesce offers its customers various bank and non-bank financing solutions. On the one hand, it provides them with a non-bank channel for obtaining working capital called the Invoice Advance Fund. It also facilitates the flow of bank credit for its customers through three financing solutions: Express Financing, Certificates of Insurance and Liquidity Securities.

Non-bank financing: Invoice Imprest Fund

This is a non-bank financing channel based on the sale of commercial invoices in the form of *non-recourse* factoring. In recent years, Cesce's Non-Bank Financing has become the second largest source of non-bank financing in Spain, closing a new record in 2022 with more than 400 million euros of financing to its customers. Since the creation of the Invoice Advance Fund in 2013 (formerly known as the Cesce Fondo Apoyo a Empresas), the insurer has helped finance invoices worth close to €2 billion.

Its success lies in the fact that it offers economic conditions, close to those of banks, for invoices issued by domestic debtors and improves banking conditions for invoices issued by international debtors with the agility of non-banking *fintech*, with an average payment period of less than one day. Moreover, it does not require additional guarantees, as these loans are insured by Cesce and, above all, do not appear in the CIRBE.

Bank financing

Cesce also provides solutions to facilitate access to bank financing and the Alternative Fixed Income Market (MARF). The amount of this financing exceeds 1 billion euros per year in the last two financial years, which amounts to more than 6 billion euros since the beginning of the activity.



Express Finance

Online service that allows customers to finance their outstanding invoices by designating their financial institution as the beneficiary of the insurance. To access this service, customers must provide information on their debtors' payments.



Certificates of insurance

Documents confirming the existence of coverage of specific invoices by an insurance policy. Customers have the option of requesting from Cesce a certification of invoices that have been declared in the insurance for credits issued to debtors anywhere in the world. They can also select the financial institution of their choice as the beneficiary of the compensation in the event of non-payment.



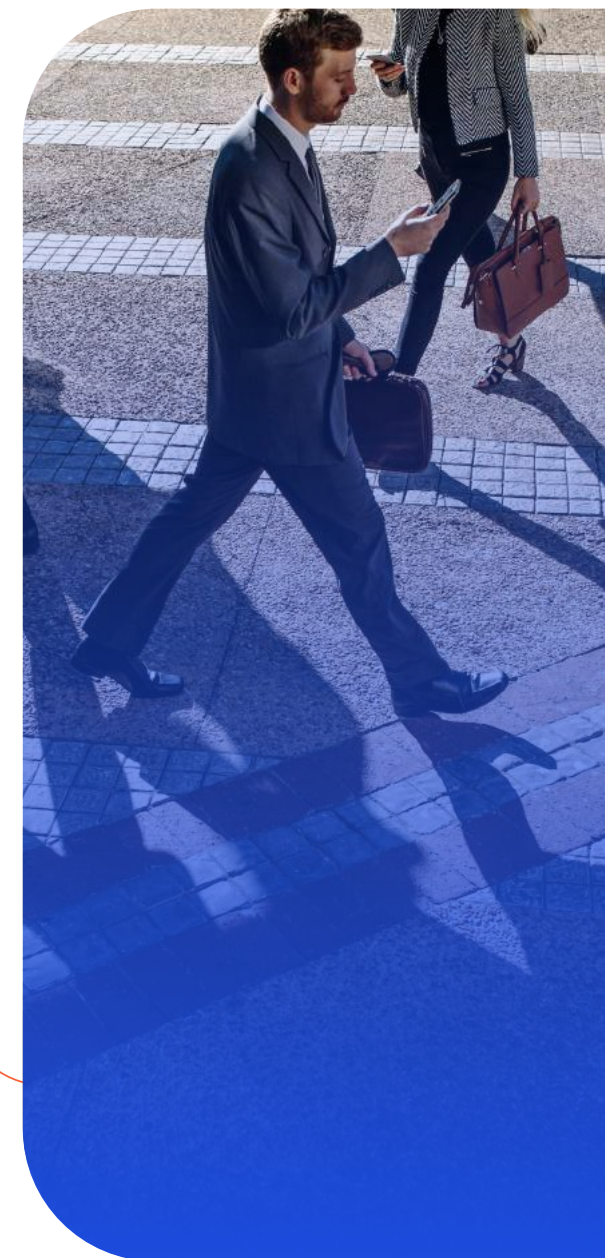
Liquidity Securities

Documents validated by the Bank of Spain as a Cesce Personal Guarantee. These securities are very useful, as they allow access to bank financing for the advance payment of commercial credits included in the Cesce insurance, in the form of non-recourse factoring. In this way, customers can obtain the necessary liquidity for their business quickly and easily.

Cesce also provides a specialised *factoring* policy for financial institutions to facilitate access to financing for the bank's customers. In this sector, Cesce partners with Asofactoring (Asociación Colombiana de Factoring) and AEF (Asociación Española de Factoring) together with the main banking institutions to offer effective financing solutions adapted to the needs of customers.

Other services

Cesce customers also benefit exclusively from various services that bring peace of mind to their business relationships. This is the case of **Country Risk**, which offers the necessary information to avoid the risks derived from the economic situation in international markets, and **Prospection**, an Informa D&B service that enables the identification and contact with potential new customers and online access to key default files. **Api Market** also allows customers to integrate Cesce's services and functionalities into their own environment, facilitating the management of commercial risk.



2.4.2. Surety insurance

Cesce offers companies and individuals surety insurance, also known as surety bonds, guarantees or performance policies, according to the legislation of the country concerned. Under this scheme, the company holds the policyholder harmless before the different administrations or the private sector for the economic responsibilities that may be demanded of it as a consequence of the breach of its secured obligations derived either from a contract (work, supply or provision of services) or from a legal provision.

The main types of surety offered by Cesce in Spain and Latin America are:

- **Public tender** (maintenance of bid).
- **Definitive** (contract performance).
- **Advance payments, payments upon collection and prepayments.**
- **Employment obligations.**
- **Maintenance, quality of goods and services, and stability of construction work.**
- **Customs obligations.**
- **Purchasing of advertising time** on television.

In Spain, in 2022 Cesce was one of the fastest growing companies in the Spanish bond market, consolidating the positive trend it had been showing and increasing its market share to around 8%. Cesce managed to increase its client portfolio with a remarkable 26.91% increase in the volume of premiums written. In Spain, the customer portfolio corresponds both to companies with proven experience over several years and to companies that also show technical and financial solvency in the business and operations they guarantee, and which form part of their underwriting portfolio.

In Latin America, Cesce is among the leading groups offering surety coverage in the region, with a significant presence of around 8,000 surety holders. In a context of global growth of the surety business in Latin America, the Group's subsidiaries consolidated their growth by registering a 6% increase in premiums acquired and have made progress in strengthening sales channels, underwriting efficiency and after-sales services. In addition, strategic alliances were maintained with other operators that

allowed us to enter into new businesses, mainly in Colombia, Chile and Peru.

At the functional level, considering the acceptance of risks and their active management, the procedures of all subsidiary companies were reinforced, updating and unifying the underwriting policies that must be considered in decision-making to ensure that risk and business strategies are aligned, all on the basis of a strong solvency analysis, as well as the analysis of the risk involved in the particular obligation secured.

Likewise, considering the profile of the risks in the portfolio, the risk monitoring and standardisation policies have been strengthened, with the implementation of risk identification, measurement, control and monitoring systems, which aim to prevent or predict possible defaults by holders and seek to avoid the execution of sureties or guarantees.

SISNET

SISNET is a tool designed to facilitate the management of queries by surety customers. Originally conceived as an integrated platform within Cesnet, it is now used independently and offers a wide range of functions.

Through SISNET, customers can access all data concerning their status, intervening parties, brokers, rates, cancelled guarantees and policy status in the event of a renewal or extension of the ceiling. The tool also allows you to control all surety management by means of a surety report that filters in detail the status of each of the sureties according to their latest update.

With SISNET, the user experience is significantly improved, as the tool offers an environment designed exclusively to meet the needs of the surety customer.

2.4.3. Insurance for the internationalisation and coverage of electro-intensive industries, on behalf of the State.

Cesce is mandated by law to manage a hedging programme whose purpose is to support exports, thus fulfilling the mission of the Spanish Export Credit Agency (ECA). As an ECA, it complies with strict national and international regulations, aligned with the company's philosophy and the State's commitments.

The General State Budget annually sets the limit for coverage, which in 2022 was 9 billion euros. This instrument is also backed by a state-owned Internationalisation Risk Reserve Fund endowed with the resources generated by the insurance activity itself.

At the national level, it is governed by Law 8/2014 of 22 April on coverage on behalf of the State of the risks of the internationalisation of the Spanish economy, by Royal Decree 1006/2014 of 5 December, which implements this law, by private insurance legislation and by the other rules of private law. At the international level, it follows the guidelines of the World Trade Organisation, the recommendations and agreements of the OECD, in particular the so-called OECD Consensus, as well as European Union law.

The company also fulfils the role of managing agent for the hedging of risks derived from the purchase of electricity - in the medium and long term - by electricity-intensive consumers. This hedging programme was launched in 2021 and started to be consolidated in 2022. Their work gives stability and confidence to both the energy contractor and the energy supplier by setting a predictable price over time for the energy essential to their activity.



Forms of insurance on behalf of the State



Revolving Credit

It offers coverage to the bank that grants a credit to a Spanish company, with the objective of financing the execution of export or internationalisation contracts.



Buyer Credit

Coverage for financial institutions that grant credit to a foreign company for the purchase of Spanish goods and services.



Supplier Credit

Risk cover for the exporter. Covers non-payment or termination of a contract by the foreign customer.



Documentary Credits, Open Policy

Coverage designed for the financial institution accepting designation or confirmation of recurring documentary credits issued by foreign banks, or the direct issuance of documentary credits on behalf of foreign banks.



Documentary Credits, Individual Policy

Coverage designed for the financial institution accepting the nomination or confirmation of a documentary credit issued by a foreign bank, or directly issuing a documentary credit on the order of a foreign bank.



Enforcement of Guarantees

Provides cover for financial institutions that issue a guarantee on behalf of the Spanish exporter.



Export Bonds

Coverage for Spanish exporters in international operations in which they provide guarantees to a foreign buyer or the authorities of the country of destination. Covers wrongful execution.



Financing strategic investments

Support for investment in Spain in priority areas with a verifiable link to exports (e.g., green hydrogen, batteries, electric vehicles, renewable energies, etc.).



Investments / Financiers

Protection for banks financing a Spanish investment abroad against political risks that may affect repayment of the loan.



Investments / Investors

Protection for Spanish investors against political risks that may affect their overseas investments.



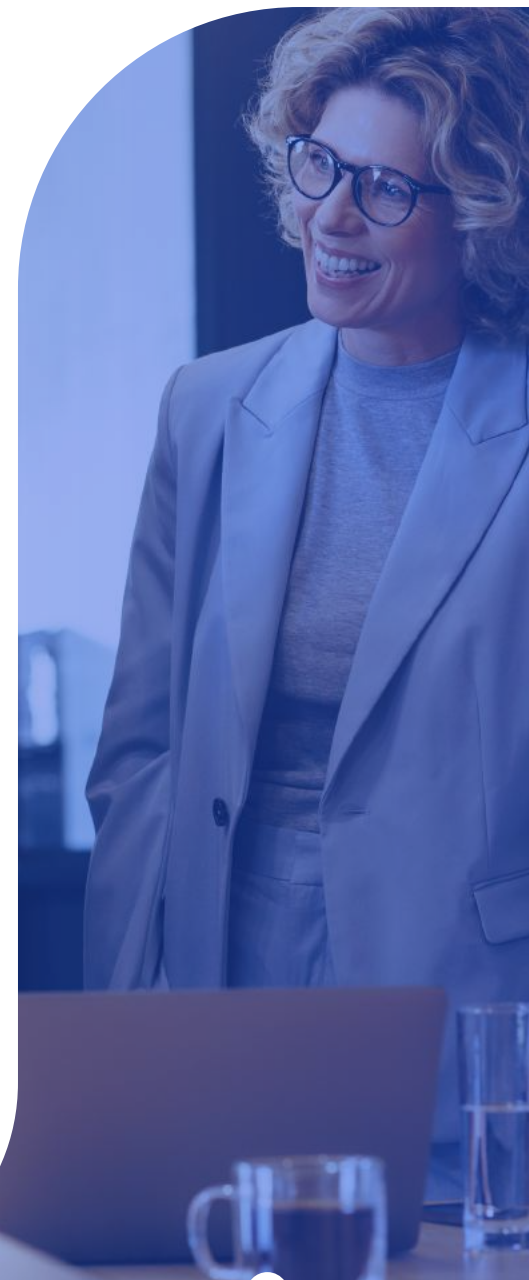
Green Investment Policy

Coverage for financial institutions that grant a loan to a foreign company, a subsidiary of a Spanish company, or to a project whose corporate purpose is linked to environmental protection.



Works

Coverage for Spanish companies operating abroad that carry out construction, works or assembly contracts, among other activities. Covers, among other things, the risk of non-payment or termination of the contract.





Launching of the Strategic Investment Policy

In 2022, Cesce presented the Strategic Investment Policy, aimed for the first time at investments made in Spain, in projects oriented towards research and development of high added value technologies, with a special focus on renewable energies, electric mobility and the production of green hydrogen, as well as activities that contribute to the fight against climate change with a clear export potential.

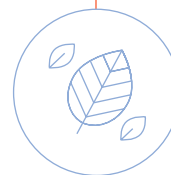
Although the financing does not need to be linked to an ongoing export contract, there are eligibility requirements linked to the historical or planned export of the debtor or the investment project.



First applications for the Certificate of Coverage

In 2022, the issuance of Coverage Certificates, a Cesce service that enhances the Supplier Credit product, began to be consolidated. During the year, the first applications were received for this cover which, in addition to insuring a company against the possible non-payment of its foreign customer, can be used by the exporter to obtain liquidity by discounting its insured receivables, designating the bank as beneficiary of the policy.

This Certificate minimises, on the one hand, the risk derived from the debtor claiming a commercial dispute to avoid paying the collection right discounted by the bank and, on the other hand, Cesce certifies to the financial entity that the policy of which it is the beneficiary complies with the coverage conditions on a specific date.



Signing of the Green Investment Policy

Another important development carried out in 2022 by the State Account team was the strengthening of the Green Investment Policies, which received a high volume of applications during these months and have celebrated their first signatures.

This cover takes into account the risk of non-payment of loans granted to foreign subsidiaries of Spanish companies, and covers both political and commercial risks, in a form not linked to exports.

2.4.4. Digital Business, a commitment to the future

Digital transformation has become a crucial factor in today's business world, and the insurance industry is no exception. The industry must adapt to the growing demand for customer convenience that only digitalisation can offer.

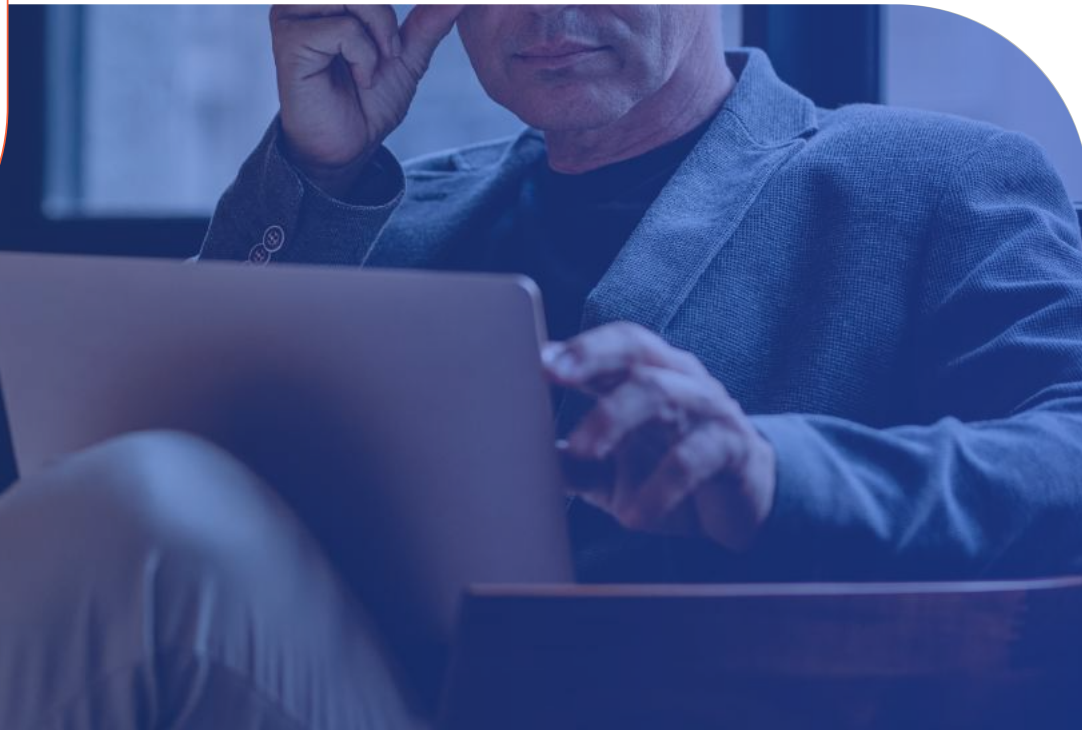


In this context, it is essential that companies focus on emerging trends and pay special attention to re-engineering their processes. It is also important to drive cultural change and ensure that new technological tools generate real business opportunities.

The digital transformation carried out by Cesce is the result of its commitment to integrate technology and digitalisation into its DNA and to facilitate its customers' management. The company strives to of-

fer its policyholders services that enhance their business and take advantage of the opportunities offered by technology.

Cesce's goal is to build new ways to maximise the value of its business, which has led the company to adopt a digital business model that has revolutionised the way its products are offered to the market.





Factura Segura Exprés

This is an innovative digital solution that addresses the problem of non-payment of credit sales on individual invoices financed on financing platforms. 100% online, it covers the risk of non-payment of credit sales for invoices of up to 30,000 euros, which are not due within 30 days of the request and with a payment term of no more than 180 days.

This revolutionary credit insurance is marketed through funding platforms, without the need for analysis or valuation of the rest of the portfolio. Quick and easy, with a single premium applied to the financed amount of the invoice, the cover is integrated with Cesce's systems and the financing platform, allowing applicants to obtain liquidity within a maximum of 24 hours.



Cesnet Integral

At the end of 2021, Cesce made a partial launch of this application designed to improve the performance and functionalities of the Cesnet platform. In 2022, the tool continued to evolve to facilitate the day-to-day life of customers.

Its services include the ability to produce detailed analysis and integrated analytical reports with multi-criteria data filtering, the ability to create alerts and monitor the collection of invoices while controlling the risk exposure of the customer portfolio, whether insured or uninsured. All this in a customisable, multi-user environment.

Users can collect changes in the status of each client in the portfolio, update credit limits, extensions, uninsured risks, etc. and generate specific alerts on surveillance, protocol, insurance and delays.



Deudor Seguro Exprés

This new product is the result of Cesce's transformation strategy towards digital insurance products. INFORMA customers with credit sales can take out credit insurance to prevent non-payment by national debtors while they consult commercial reports on their current or potential clients on the INFORMA website.

The activation of this service only requires the signature of a prior framework agreement and, from that moment on, you can ensure the debtors you wish without the obligation to cover the entire portfolio.



Api Market

Cesce has designed an Open API that brings agility to the procedures related to credit insurance. This API gives autonomous access to Cesce services and functionalities.

The integration of Cesce's APIs in the client's systems optimises the management processes of credit insurance policies and enables the automation of numerous processes, reducing errors and management times, and streamlining the company's processes.

Detailed descriptions of features, including sales and default, insurance and financing, can be found in the Cesce API Product catalogue.

2.4.5. Information and services

INFORMA

Una compañía Cesce

Informa D&B is the leading company in the supply of Commercial, Financial, Sectorial and Marketing Information. A total of 4.46 million users -through its INFORMA, eInforma and DBK brands-, 89% of Ibx 35 companies and more than 95% of financial institutions use its information to make risk decisions.

Informa D&B was the first company in Europe and the second in the world to market business information over the Internet. Created in 1992 by Cesce with the aim of establishing a company information server centre in Spain, it focuses its strategy on the exhaustive processing of all available sources of information, as well as on innovation and continuous improvement. Every year it invests more than 12 million euros in the purchase and processing of information.

At the end of 2022, it approved an extension of its Strategic Plan until 2025, continuing with the four essential projects derived from the current plan, defining indicators for their monitoring and establishing another six focus programmes on which to focus its projects.

Despite the complexity of the business situation, in 2022 Informa D&B was able to achieve most of the objectives of its strategic lines, reaching sales of 65 million euros at individual level and 94.9 million euros at Group level.

Milestones for Informa D&B in 2022



Anniversary: 30 years since INFORMA was founded, during which time it has become a leader and a reference in its sector.



Extension of the current Strategic Plan until 2025, adding new blocks of action.



Study and adaptation of measures in all installations to comply with the Energy Saving and Efficiency Plan approved by the Council of Ministers for the General State Administration and state public sector entities.



INFORMA is awarded one of the CRIS 2022 'Together for Research' Awards, from the Cris Cancer Foundation, in recognition of its commitment to research since 2017.



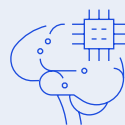
Participation, together with The Logic Value, in the first ECB Green Stress Test for Spanish financial institutions.



Launch of the EQS Whistleblower Channel in partnership with EQS Group, a RegTech provider and a benchmark in compliance and investor relations.



INFORMA becomes a Digital Agent of the Digital Kit Programme of the Spanish Ministry of Economic Affairs and Digital Transformation, to help SMEs and self-employed beneficiaries of the aid to advance in the digitisation of their businesses.



Launch of D&B Finance Analytics, a Credit Intelligence tool based on Artificial Intelligence techniques to optimise the credit management of internationalised companies.



Launch of a new business line, INFORMA ESG Intelligence, a complete range of products and services to help companies manage and control their ESG activity (environmental, social and governance), as well as that of their suppliers and customers.



Agreement with Moody's Analytics to supply data for national and international financial analysis and marketing products in Spain, Portugal and Colombia. INFORMA and Bureau Van Dijk (BVD), part of Moody's Analytics business line, have been collaborating since 1993 and the renewal of this agreement includes the exclusive marketing by INFORMA of the new version of SABI Spain and Portugal.



Launch together with Cesce of the product Deudor Seguro Exprés, a digital credit insurance exclusively for customers of Informes Comerciales.



Agreement with Kyndryl, one of the world's largest technology service providers, for the transformation and modernisation of INFORMA's technological architecture and infrastructure in a hybrid cloud model, providing the service from two data centres in active mode.



CTiSoluciones

CTI Soluciones focuses its activity on Business Process Outsourcing (BPO), technological solutions with a high specialisation in information processing and payment systems, commercial credit management and Data Management, through standardisation and information enrichment platforms.

Created in 1955, CTI is a benchmark in the banking sector and offers services to almost all financial institutions operating in Spain. It currently processes 15% of all national payments and is interconnected with more than 200 public bodies (TGSS, DGP, CGPJ, regional treasuries, local councils, etc.).

CTI Solutions milestones in 2022

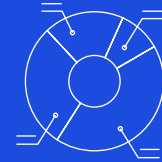


Evolution of the Geocode service, a leading standardisation and enrichment platform, as the basis for the new line of Data Management services. The solution has incorporated new socio-economic, socio-demographic and default risk indicators.



Evolution of payment solutions to new business models and new "players":

- First Fintech (Electronic Money Institution) connected to the National Payment System. With this, CTI has become the only platform to provide this service in the Spanish market.
- Migration of the SWIFT international payments platform to the new Alliance Cloud model in the cloud.



New version of the Strategic Plan with the extension of its validity for one more year, 2021-2025 period, with the following changes:

- Incorporation of more fraud prevention services for risk departments based on the creation of prevention indicators, as well as obtaining documents from official electronic sites in *onboarding* processes.
- Transformation of business process outsourcing services by incorporating Natural Language Processing techniques for the extraction of information from unstructured documents and the use of robots as a means of automating repetitive tasks (process automation and robotisation).



A year of achievements and challenges

- 3.1** Economic environment
- 3.2** Milestones in 2022
- 3.3** 2022 in figures
- 3.4** Evolution of the 2021-2024 Strategic Plan
- 3.5** Impulsa Cesce 2025 Plan

03

3.1 Economic environment

3.1.1. International economic situation

The succession of unexpected events that have shaken the world in recent years, from the Covid pandemic in 2020 to the war in Ukraine in 2022, have had an enormous socio-economic impact and generated a persistent climate of instability and insecurity that has led some analysts to speak of a state of perpetual crisis.

In 2022 alone, we have simultaneously witnessed the return of war to European soil; the shutdown of the Chinese economy for months as it struggles with the pandemic; the threat of an energy crisis in Europe; and the rise of inflation to levels not seen in four decades. All this against the backdrop of escalating strategic rivalry between the United States and China, which is shaping an increasingly polarised scenario in international relations.

Russia's invasion of Ukraine, which was one year old in February 2023, has provoked the largest war on European soil since the end of World War II and the greatest risk of nuclear escalation since the Cuban missile crisis, and triggered the imposition of the most comprehensive sanctions regime since the 1930s. On the other hand, disruptions in energy and commodity markets resulting from the conflict sent global food, metals and fuel prices soaring, with severe consequences for importing economies.

Throughout 2022, crude oil prices were extremely volatile, with prices approaching highs not seen since 2008 in the spring and summer months. In the second half of the year, the fall in global demand due to the poor economic outlook and China's slowdown as a result of its zero-tolerance policy on Covid, which it maintained until last December, held back prices; since the end of 2022, Brent crude has been trading around \$80-85 per barrel. However, they are likely to increase again in the second half of 2023, due to the OPEC+ decision, joined by Russia, to cut production from May until the end of 2023. It is estimated that the effective supply withdrawal could be around 700,000 barrels per day, which could push prices up to 95 \$/b.

As for the EU, the war has painfully exposed one of its main vulnerabilities: its high energy dependence on Russia. In response to the sanctions, the Kremlin gradually cut off gas pipelines transporting gas to the bloc (Russia was the supplier of 40 per cent of the gas consumed in Europe); disruptions in the energy market were passed on to prices, which broke all records in the summer months of 2022. Reduced supply and rising prices plunged Europe into a major energy crisis, even raising fears that rationing would be necessary in the winter months.

In response, the EU has taken coordinated measures to both reduce demand and limit prices, and has replaced supplies from Russia with imports of liquefied natural gas, mainly from the US, Qatar and Algeria. This rapid adaptation, together with exceptionally high temperatures for the winter months, allowed to reduce the combined European demand for gas during the winter season and to maintain inventories above the average of the last five years. Thus, in the end, the feared energy supply crisis did not materialise, and the current scenario is more favourable than a year ago. But the energy crisis cannot be considered over, as the price environment remains high and subject to high volatility. For the time being, the EU has extended the measures agreed last year (90% inventories by November and a 15% reduction in gas demand) to 2023.

The energy shock is not the only factor behind the inflationary surge in the world economy, but it has certainly accelerated it. In the first few months of 2022, records shattered all forecasts, forcing central banks to adopt a radical change of tone in monetary policy, rather than a gradual approach. In barely six months, monetary policy went from ultra-expansionary (remember that we were coming from a decade of very low interest rates, and that in order to favour the recovery after the pandemic, extensive stimulus programmes were deployed) to restrictive, with interest rates at levels not seen since before the 2008 financial crisis. Today, central banks are trying to maintain a balance between containing price pressures and avoiding overly penalising economic activity. Likewise, in the midst of a cost-of-living crisis, governments must articulate some form of fiscal consolidation, or at least convince the market that they have a roadmap for it, in order to prevent risk premiums from soaring as international financing costs rise.

In the United States, inflation started to rise at the end of 2021, and initially behaved much more persistently than in Europe, associated with expanding demand and full employment, but it spiked in the wake of the war in Ukraine, reaching a peak of 9.1% in June 2022, the highest level in four decades. The Federal Reserve (Fed) has already implemented ten rate hikes, the last



one in early May 2023 (rates currently stand at 5%). The Fed's monetary policy is proving effective in easing price pressures, which have been on a downward trend since mid-2022, even though the labour market remains very tight. In the case of the Eurozone, price increases were initially mainly due to supply-side pressures generated by higher energy and food prices, while core inflation remained close to the European Central Bank's (ECB) target. However, once energy prices have moderated and with them the headline inflation rate has declined, the resilience of core inflation has become palpable and continued to rise, standing at around 5.7% at the end of the first quarter of 2023. This suggests that the impact of monetary policy on



Inflation hits highest level in four decades

inflation control is relatively small, and increases the risk that the current inflationary episode will persist over time and trigger second-round and spillover effects. At the time of writing, the ECB has raised rates seven times, the last one also at the beginning of May 2023 (to 3.75%), and the tightening of monetary policy is likely to continue as long as underlying inflation does not react. Thus, while a turning point may have been reached in the US, and rates are expected to stabilise at current levels and may even fall in 2024, the ECB is likely to continue to raise rates.

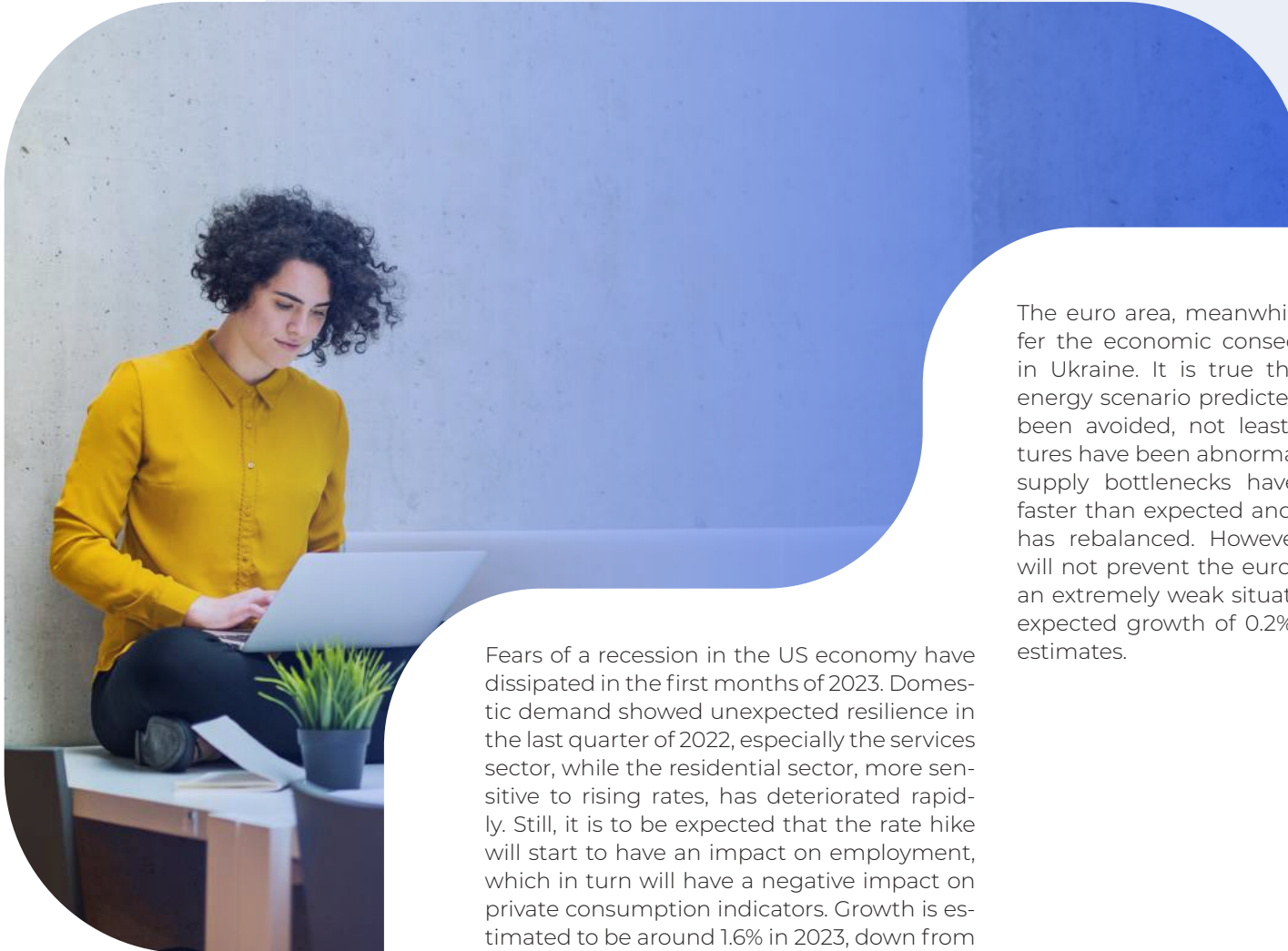
At the global level, inflation is receding partly due to lower international prices for fuels and other commodities as a result of cooling demand; to the unwinding of distortions in global supply chains; and to the tightening of monetary policy. Even so, the deflation process will take time. Global inflation is projected to decline only slightly from an average of 8.7% in 2022 to 7% in 2023 and 4.9% in 2024, still higher than in the two years before the pandemic (around 3.5%).

In the end, the performance of the global economy in 2022 turned out better than expected. During the first half of the year, the war, rising inflation, deteriorating financial conditions and China's slowdown all painted a very unfavourable picture. However, both the US and European economies showed greater than expected dynamism, especially in the third quarter, and managed to avoid an economic recession. As a result, global economic activity recorded an increase of 3.4% for 2022 as a whole, according to IMF data.

Forecasts for 2023 point to a scenario of low growth and high inflation. Global economic growth is expected to slow to 2.8%, well below the average of recent years, as a result of the impact of monetary policy tightening to contain inflation and the continuing uncertainty generated by the Ukraine crisis and geo-economic tensions. If the financial turbulence that has occurred in recent months is repeated, this could add an additional stress factor. Advanced economies will feel the slowdown the most, with GDP ex-

panding by just 1.3%, while emerging and developing economies will experience a similar performance this year as in 2022 (3.9%).

Global economic activity recorded an increase of 3.4% for 2022 as a whole.



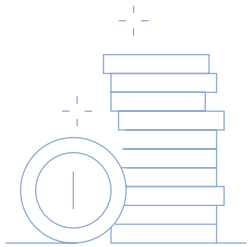
Fears of a recession in the US economy have dissipated in the first months of 2023. Domestic demand showed unexpected resilience in the last quarter of 2022, especially the services sector, while the residential sector, more sensitive to rising rates, has deteriorated rapidly. Still, it is to be expected that the rate hike will start to have an impact on employment, which in turn will have a negative impact on private consumption indicators. Growth is estimated to be around 1.6% in 2023, down from 2.1% last year.

The euro area, meanwhile, continues to suffer the economic consequences of the war in Ukraine. It is true that the catastrophic energy scenario predicted for last winter has been avoided, not least because temperatures have been abnormally high. In addition, supply bottlenecks have eased somewhat faster than expected and the energy market has rebalanced. However, all these factors will not prevent the euro area from being in an extremely weak situation in 2023, with an expected growth of 0.2%-0.8%, according to estimates.



China's economy closed 2022 with an expansion of 3%, a completely anomalous level for the world's largest emerging economy. The lifting of the Covid Zero policy restrictions removes doubts about the near-term future of the Chinese economy. Activity is expected to rebound to 5.2% in 2023. The recovery of domestic demand, stimulated by record savings levels, tourism flows and the package of measures aimed at supporting the real estate sector are the elements underpinning the recovery of the economy.

Thus, the revival of the Chinese economy, following the end of the isolation measures stemming from the zero covid policy, and the reduction of inflationary pressures at the global level are the two main factors working in favour of higher growth in 2023, which would allow a "soft landing" of the global economy. However, this forecast is subject to numerous risks, notably the eventual impact of tight monetary policy, the uncertainty surrounding the conflict in Ukraine and the geopolitical confrontation between the US and China.



Chinese activity is expected to rebound to 5.2% in 2023.

Real GDP growth (%)

Year	2021	2022e	2023p	2024p
Worldwide	6.2	3.4	2.8	3.0
Developed countries	5.4	2.7	1.3	1.4
United States	5.9	2.1	1.6	1.1
Eurozone	5.3	3.5	0.8	1.4
Emerging countries	6.7	4.0	3.9	4.2
China	8.4	3.0	5.2	4.5
Latin America	7.0	4.0	1.6	2.2
MENA	4.1	5.3	3.1	3.4
Sub-Saharan Africa	4.7	3.9	3.6	4.2

Source: IMF – World Economic Outlook, April 2023

3.1.2. The Spanish economy

The evolution of the Spanish economy in 2022 was affected by the disruptions and shocks discussed for the European Union, but has shown considerable resilience and, on balance, performed better than initially expected. This is largely due to the ability of the Spanish economy, as well as the European economy, to cope with stresses in the gas market and the increase in energy prices in general that were triggered at the beginning of the year as a result of the war in Ukraine. This is coupled with the gradual disappearance of bottlenecks that affected global supply chains, and the virtual normalisation of tourism figures, which had not fully recovered by 2021. Finally, on the domestic side, the use of savings accumulated during the pandemic has also contributed to sustaining domestic demand.



**Social Security
affiliation grew by 3.8%
for the whole of 2022**

In the final months of the year, reflecting the impact of inflation on spending and tighter credit conditions, growth weakened. However, as with the Eurozone, fears of a possible recession by the end of 2022 and perhaps the beginning of this year have not materialised. For 2022 as a whole, growth reached almost 5.5%, according to IMF estimates, very similar to the figure for 2021. GDP is now only slightly below the pre-pandemic level.

The upward price trend started in Spain in mid-2021 and peaked in the summer months of 2022 at around 10.8%, a level not seen for 40 years. Since then, it has been declining, but this has been mainly due to falling energy prices, while core inflation has been more resistant to decline and remains close to 6%. Thus, the performance of inflation in recent months is having a more favourable impact on industrial costs, due to the fall in energy and other raw material prices, while it continues to weigh on household economies, where the cost of food, which continues to rise, has a significant weight.

The labour market continues to show the positive performance that started in 2021. Social Security enrolment grew by 3.8% for 2022 as a whole; the latest data, for April 2023, show a record 20.6 million members.

In the first months of 2023, the performance of the Spanish economy has followed a similar path: positive growth, driven mainly by business activity and investment and less by household spending, something that is directly related to the trajectory of inflation, in which the share of energy costs has fallen sharply, while that of food remains very high. The contribution of the external sector is also positive, thanks to the dynamism of exports and tourism. Growth this year is expected to be significantly lower than in 2022 (1.5-1.6%, according to estimates), but should pick up in the course of the year, in parallel with the improvement in the global environment, which should reflect the easing of inflationary pressures and the recovery

of the Chinese economy. If these projections are realised, growth will accelerate to above 2.5% by 2024.



3.2 Milestones in 2022

1

Launch of the **Strategic Investments Financing Policy** on behalf of the State

2

Cesce **50th Anniversary** Celebration

3

Boos to the **Sequoia** project

4

Launch of **new digital products** Factura Segura Exprés and Deudor Seguro Exprés



5

Redesign of Cesce's corporate headquarters

6

Setting up of the **C50 Group**

7

New Climate Change Policy on behalf of the State

8

Presentation of the new **Impulsa Cesce 2025 Plan**

3.3 2022 in figures

The Cesce Group continued its strong performance in 2022. Despite a 25% decline, it has managed to maintain its profits at around 70 million. This result shows the Group's ability to respond to the needs of its customers.

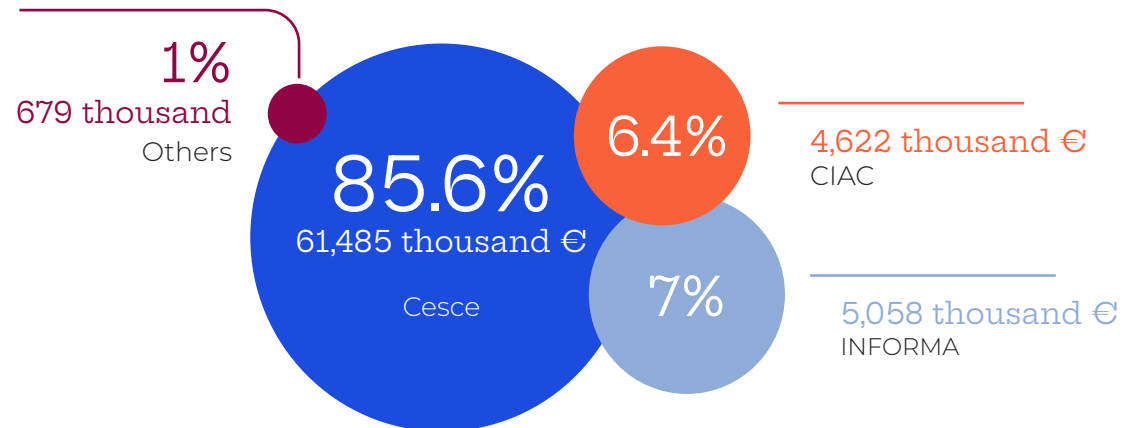
Cesce has outperformed its targets and profitability in 2022 thanks, on the one hand, to the good performance of own-account business, driven by economic uncertainty and inflation, and, on the other hand, to the favourable evolution of state-account business, with an increase in beneficiary intake and in the number of applications.

3.3.1. Cesce Group

Net profit attributable to the Cesce Group (millions of euros)



Contribution of the companies to the consolidated result



3.3.2. Key individual financial figures

Balance sheet and profit and loss statement (in millions of euros)

Net profit



Pre-tax profit and loss



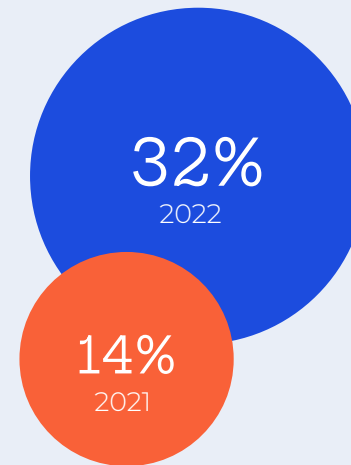
Technical results



Net equity

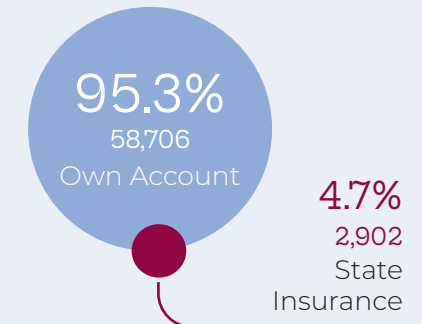


Claims rate

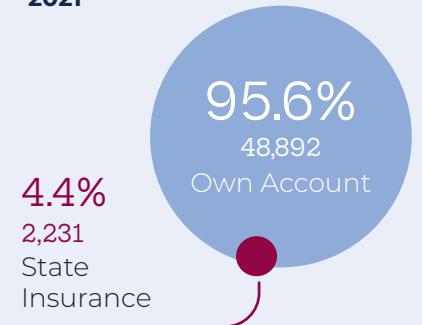


Insurance written (in millions of euros)

2022



2021



3.4 Evolution of the 2021-2024 Strategic Plan

Cesce has continued with the implementation of the 2021-2024 Strategic Plan, 'Transforming ourselves in the face of a new reality', initiated last year to meet the new needs generated by the pandemic: digital, agile and personalised commercial solutions that support customers in their business and accompany them at every stage of the project.

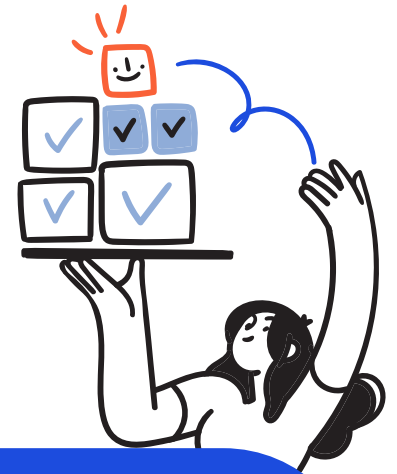
This roadmap sets out the company's medium-term objectives and the procedures for achieving them in order to maximise the value created by Cesce. Its development has involved a cultural transformation, a reorganisation of processes and the generation of a series of innovative ecosystems that enable a disruptive approach to the market on the part of the company.

Taking advantage of the halfway point of the Plan, at the end of 2022 Cesce has reviewed the actions and results obtained up to that point, to consolidate the lessons learned and make the necessary adjustments to maximise the achievable objectives in the second half of the Plan.

Strong market performance, combined with the success of the strategic lines, has enabled Cesce

to significantly exceed the revenue and productivity targets set for 2022. Thanks to this market situation and that of the company itself, an ambitious review of the Plan has been undertaken to boost Cesce's business and generate value for all stakeholders: shareholders, customers and employees, as well as positive impacts on the economic and business fabric.

In its quest to ensure business sustainability and drive continuous improvement, Cesce is facing new challenges that imply the need to reinforce key areas in order to obtain a positive return by 2025. As a result, the company has revised the current Strategic Plan 2021-2024 and presented the Impulsa Cesce 2025 Plan.



Main achievements

140 projects undertaken

(59% of the projects identified)

Significant progress in digital transformation and efficiency projects

All identified KPIs greatly exceeded

Approval of the Security Master Plan 2023-2025

CSR in Cesce's strategy

The company's social and environmental commitment has been integrated into its strategy since the 2017-2020 Plan, which placed Corporate Social Responsibility (CSR) as a strategic axis that cuts across different areas of management, focusing on the company (governance), people and the planet.



This commitment is further strengthened in the Cesce Strategic Plan 2021-2024, where CSR is defined as a "social commitment" and is integrated into the company as a key element for its empowerment. The Plan focuses on maintaining a commitment to social responsibility, developing sustainable products and implementing a culture based on sustainability.

In 2022, Cesce continued to consolidate its commitment to Corporate Social Responsibility by promoting the Corporate Volunteering Policy, launched in the previous year. This policy provides an ideal framework for the volunteer actions carried out by the company's staff, channelling the talent, skills and knowledge of the volunteers for the benefit of the company's stakeholders.

The main objectives of Cesce's corporate volunteering are, among others, the contribution to the improvement of society, the facilitation of participation, communication and the promotion of pride of belonging among employees, as well as the consolidation of the differential brand image as a company committed to its community, thus increasing its reputational value.

Furthermore, by the end of 2022 and in line with the new existing and expected future regulatory requirements, the need for a broader reformulation of Cesce's existing Social Responsibility Policy had been identified. In this regard, a call for tenders has been launched to develop a Sustainability Master Plan for 2023, which will include a comprehensive materiality analysis and a stronger link with the company's business and investments.

Campus Cesce Training Plan

Through different educational bodies, Cesce integrates courses, technical knowledge, digital transformation, competencies and skills, and leadership development to achieve different objectives and values included in the 2021-2024 Strategic Plan:

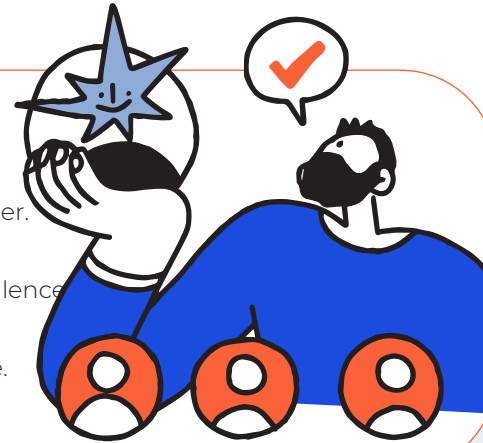
- **Customer focus.** Build customer loyalty through the best customer experience, with more innovative and tailored products.
- **Digital transformation.** Supporting a culture of digital transformation of products, services and processes.
- **Efficiency and processes.** Updating of technical knowledge of the business and staff areas, in order to respond to the specificities of the positions in the interests of excellence and continuous improvement in professional development.
- **Development of talent transparency and commitment.** To increase the potential of professionals, promote a culture of healthy habits and develop initiatives to ensure gender equality, work-life balance, CSR and commitment to the Global Compact.

3.5 Impulsa Cesce 2025 Plan

The main objectives of the Strategic Plan seek to drive the business forward and fulfil its mission through a combination of three key goals: growth, efficiency and profitability.

Goals of the Strategic Plan

- **Growth**
To grow in a sustained and sustainable manner.
- **Efficiency**
Improving efficiency without sacrificing excellence.
- **Customer focus**
Build loyalty by providing the best experience.



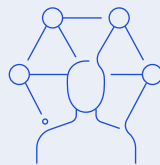
The changing context and the good results offer Cesce the unique opportunity to push the company to another level through new initiatives applied to the six priority lines of action already defined in the 2021-2024 Strategic Plan.

Lines of action



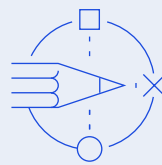
The most innovative products tailored to customer needs.

1



Commitment to new non-expert and digital channels, consolidating traditional ones.

2



Digital transformation of product, service and processes.

3



Technical and operational excellence: achieving quality with efficiency.

4



ECA more flexible, proactive and known.

5



Strengthening our international presence in order to grow and support customers.

6



Strengthened initiatives

Own Account

Surety

Sustaining business growth and taking advantage of new opportunities

International development

Boosting Cesce's international presence

Credit

Improving the distribution and service capacity of Cesce

State Insurance

Developing, publicising and promoting current and new coverages

Digital Business

Exploiting new and traditional products through the digital channel



Business requirements

New legal and business requirements call for new lines of action.

Security

Increase maturity in cyber security issues.

Sustainability

Design and draw up the Cesce Sustainability Master Plan.

Revision of the Solvency II directive and other guidelines

Adapt to the updated version of Solvency.

IFRS9/17

Conform to the new IFRS 17 standard, which has accounting, operational and business impacts.

Performance of the own account insurance business

4.1 Business in Spain

4.2 Business in Latam

04

4.1 Business in Spain

In the aftermath of the pandemic, economic uncertainty and inflation have continued to drive credit market growth.

A higher perception of risk, as a consequence of the crisis generated mainly by Covid and high inflation in the economies of the region, has increased the value of insured sales during 2022.

Cesce has grown ahead of the market thanks to the soundness of the business model and the route outlined by the 2021-2024 Strategic Plan, which boosted the growth of its net result from 73.1 million euros in 2021 to 75.1 million euros in 2022, with a ratio of direct insurance premiums earned of 42%.



Cesce's individual profit and loss (in millions of euros)

Net profit

2022	75.1
2021	73.1

Pre-tax profit and loss

2022	95.0
2021	94.6

Technical results

2022	77.6
2021	82.9

4.1.1. Economic performance

Cesce has once again demonstrated the robustness of its business model and the effectiveness of its new strategy to provide stability to companies in difficult times.

As a result, the main business indicators have significantly exceeded the targets set:

- **The combined ratio of direct insurance**, net of assignments to reinsurance - an indicator measuring the technical profitability of non-life insurance - stood at 59%, well below the target threshold (94%).
- **The number of policies in force** continued to exceed market expectations. This growth is due to the push for digital contracting, with the incorporation of new products and channels, as well as the hard work of the agent network and the increased awareness of companies, which are more likely to insure themselves in times of uncertainty.
- **The extraordinarily low claims rate** recorded in 2021 (14%), largely due to the public support measures implemented as well as internal company measures, has returned to values more in line with the actual situation over the course of 2022 (32%), as a consequence of the disappearance of these stimuli.

The calculation of all these parameters resulted in Cesce's income statement showing a positive technical profit and loss of 77.6 million euros, slightly lower than the 82.9 million euros for the financial year 2021.



Cesce's profit and loss account showed a positive technical profit and loss of 77.6 million euros.



Revenue

Premiums earned on sales and guarantees insured in direct insurance amounted to EUR 181.9 million (+5.3%). Of this amount, 61.5% corresponds to income from domestic credit insurance, 25.3% to export credit, 6% to premiums sold in the Portuguese branch and 7.2% to surety.

In absolute terms, domestic credit premiums amounted to 111.8 million euro (+3.9 %), premiums linked to export risk credit amounted to 45.9 million euro (+5.6 %), direct insurance revenues signed from the Portuguese branch amounted to 10.9 million euro, while premiums earned on surety business amounted to 13.3 million euro.

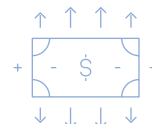
After the corresponding accruals of earned premiums, through provisions for unearned premiums and premiums receivable, premiums earned in 2022 in direct insurance amounted to EUR 180.5 million, an increase of 7.1% over the previous year. In 2022, EUR 16.5 million of acquired premiums came from accepted re-insurance.

In addition to this income, other technical income, such as income from risk management on behalf of the State or from the cost of studying operations and risk classification, amounted to 50.9 million euros, 23.5 million more than in 2021.

Net operating expenses amounted to 66.4 million euros, net of commissions and participations received from reinsurers as reimbursement of expenses on ceded risks, an increase of 16.6% over the previous year. The ratio of total operating expenses, net of other technical income, to earned premiums was 18.3%.



95 million euro
profit before
tax



Income and expenditure on fixed assets and investments

Total income from property, plant and equipment and investments amounted to 23.1 million euros, while expenditure on investments amounted to 1 million euros.

The results of the technical account, together with income and expenses from property, plant and equipment and non-technical investments, as well as other non-technical income and expenses, make up the pre-tax result, which in 2022 results in a profit of EUR 95 million compared to EUR 94.6 million in 2021.

4.1.2. Consolidating the evolution towards an Innovative and Digital Company

Cesce's determination to build for the future continues to materialise with a list of ambitious projects in addition to those carried out in previous years. Projects with the clear purpose of developing Cesce's activity to continue building the future of the credit insurance world.

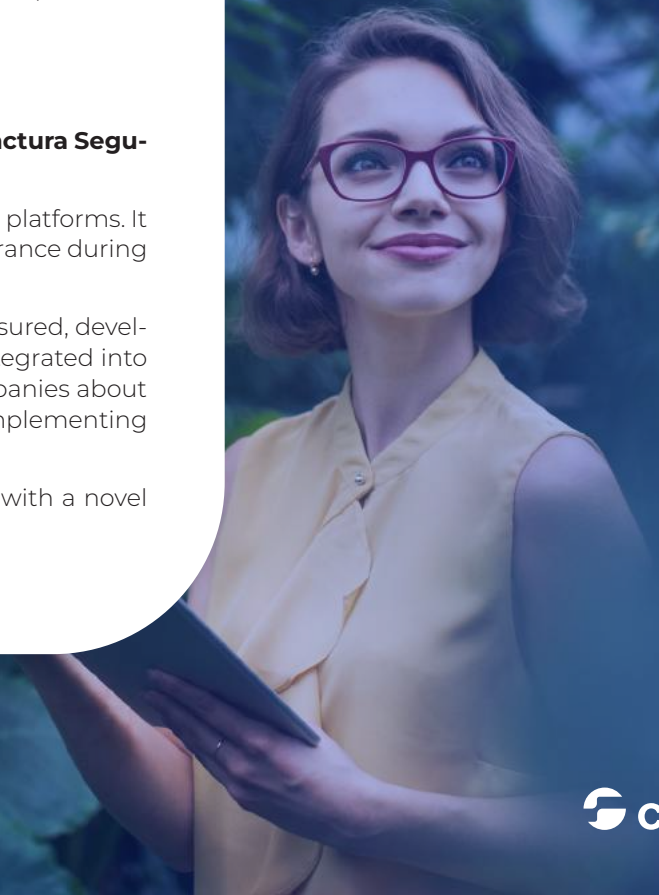
This approach allows the company to grow, to develop its value proposition, its processes and its relationship models with customers and mediators.

New digital value propositions

To ensure the evolution of its value proposition, in 2022, Cesce launched two pioneering digital products, **Factura Segura Exprés** and **Deudor Seguro Exprés**.

- **Factura Segura Exprés:** a disruptive individual coverage product integrated into transactional Fintech platforms. It complements the value proposition of factoring companies by offering the end customer invoice insurance during the financing process. It was launched commercially during 2022 through Borrox and Crealsa.
- **Deudor Seguro Exprés:** a pioneering insurance product with discretionary choice of debtors to be insured, developed and launched for the first time for INFORMA customers, in which the contracting process is integrated into the transactional process. It allows its customers to take out credit insurance to cover the risk of companies about which it consults commercial information. It responds to a latent need of INFORMA customers, complementing their respective value propositions.

Deudor Seguro Exprés is a unique example of the impact of intra-group synergy and collaboration, with a novel impact on the market.





Internal evolution through orderly digital transformation

The evolution of a company involves changing and developing what it does, but also how it does it.

In 2022, the Cesce team launched the Sequoia project, an ambitious initiative aimed at driving Cesce's digital transformation.

Sequoia promotes and directs Cesce's digital metamorphosis, linking it to a re-engineering of operational processes, which helps to optimise operational efficiency, with a direct contribution of value to the customer.

In 2022, within the framework of this project, critical and relevant processes, among others, have been addressed. The first of a wide-ranging relationship that will mark the digital evolution of the company in business lines such as surety and at the level of internal processes for risk underwriting, claims, contracting, etc.

Digital transformation Mediators

Cesce's digital transformation is not limited exclusively to internal processes. In the 2022 financial year, Cesce launched a significant action to adjust the relationship models with its distribution network, based on the updating of management models that facilitate greater coordination to optimise the relationship between customer, mediator and Cesce.

Api Market customers Digital transformation

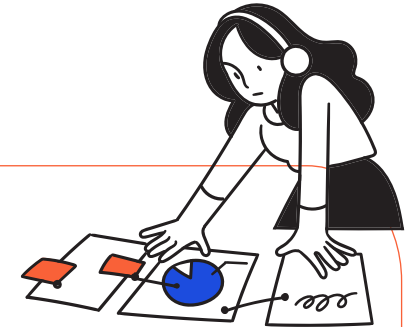
In the same vein, Cesce continues to drive the digital transformation of its ecosystem members, through its process-as-a-service showcase, with Cesce Api Market.

In 2022, to speed up the integration of Apis by customers, Cesce has reached agreements with reference integrators of the main ERPs in the market, for the development of connectors. The use of these connectors is set to simplify the integration of Apis de Cesce by its policyholders.

All these initiatives contribute to the structuring and 360° digital transformation of Cesce. The company drives the evolution of its value proposition in the market and optimises internal processes to improve customer service. It also seeks to improve operational efficiency and to transfer improvements in the relationship with its network. It also drives the automation and transformation of customer processes.

4.1.3. 2023 outlook

By 2023, Cesce aims to maintain sustained growth in its market share. This objective is presented in an uncertain economic context, characterised by high inflation and a global crisis, still inherited from the pandemic. As a result, a higher perception of risk is expected, which could drive an increase in the value of insured sales.



In addition, higher interest rates may trigger an increase in corporate defaults, which would increase the demand for credit insurance.

Against this backdrop, Cesce will continue to work on the lines of action set out in the Impulsa 2025 Plan:

- Improving profitability in credit and surety lines.
- Strengthening international presence.
- Promoting and manage new Cesce coverage as an ECA.
- Pioneering positioning in innovative digital products and experiences.

To meet the challenges set by the market, the implementation of new requirements, such as increasing maturity in cybersecurity issues, the development of a Sustainability Master Plan, and the adaptation to the new updated version of Solvency and the new IFRS17 standard, will be further developed.

Despite global uncertainty, rating agency Standard & Poor's maintained Cesce's rating at A- with a stable outlook in 2022. The agency highlighted among its main strengths the good position in credit insurance, surety and information services in both Spain and South America.

Moody's Investors Service has awarded Cesce an A3 rating with a stable outlook, highlighting the insurer's solid position in the Spanish market, the high level of diversification of its services that complement its commercial credit insurance business, as well as its strong level of capitalisation.



4.2 Business in Latam

In 2022, Latin America continued to be the focus of the Cesce Group's internationalisation strategy.

The region's total production of earned premiums, EUR 75 million, in 2022 was higher than estimated for that year, representing 30% of the Own Account which also considers Iberia's production.

Progress has been made in strengthening sales channels, underwriting efficiency, as well as after-sales services, with a focus on improving customer satisfaction levels, monitoring business profitability, serving more than nine thousand customers in the region.

In this sense, all the subsidiaries in the five countries (Mexico, Peru, Colombia, Brazil and Chile) use Cesce commercially, unifying the Group's brand, but maintaining their local corporate names, as in the case of Secrex in Peru and Segur-expo in Colombia.

Progress has been made in strengthening sales channels, underwriting efficiency and after-sales services.



Credit

In credit insurance, the contract portfolio increased by 7%, while earned premiums in this line grew by 21% compared to the previous year. Written business grew by 22% at the aggregate level.

Of particular note by country was Peru, which increased written business by 39%, 119% more than in the previous period, and Colombia, a traditional market where business grew by more than 30% in both written and earned premiums. Brazil saw a 16% growth in earned premiums in the line and Mexico also managed to increase written business by 11% over the previous year.



Surety

The surety business contributes 56% of the annual earned premiums generated by the international business developed in the region and maintained its growth in 2022, in contrast to the contribution of 61% in 2021, which shows that the business between the two lines is more balanced.

Written business grew by 11%, with an increase in earned premiums of 6%. Likewise, the number of policies in force increased by 17% while the number of customers in this line increased by 12%.

Chile exceeded the amount written in the previous period by 115%, increasing its earned premiums by 26%, although the loss experience of now unsold business has skewed the claims rate. Issues in Brazil (20%) and Peru (12%) grew, while Brazil, Colombia and Chile grew by 16%, 31% and 26% respectively. In other countries, growth has not been achieved due to external factors that reduced the expansion of large projects where our customers could participate.

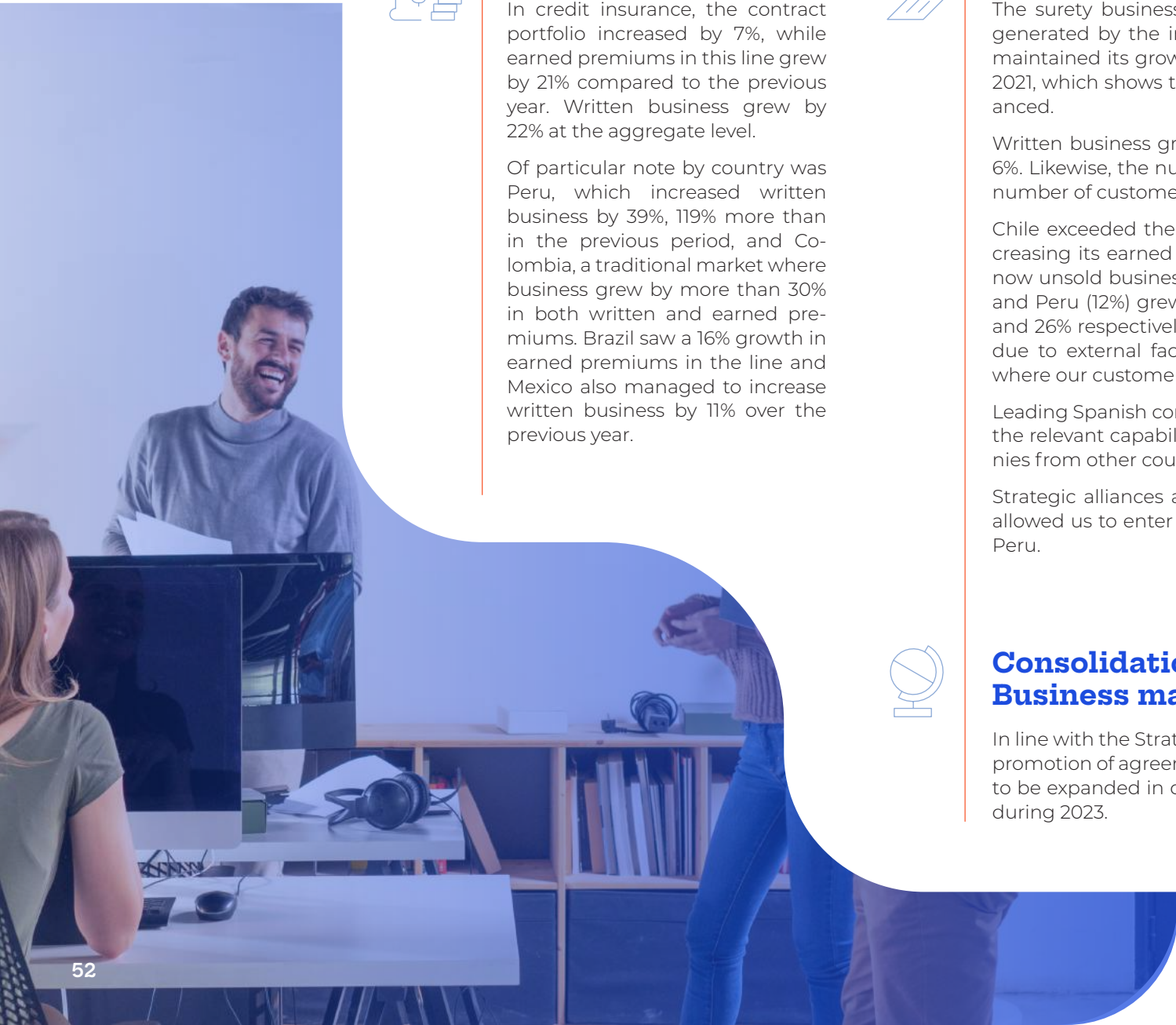
Leading Spanish construction and engineering companies benefit from the relevant capabilities we provide in the region, as do leading companies from other countries.

Strategic alliances are also maintained with other operators that have allowed us to enter into new businesses, mainly in Colombia, Chile and Peru.



Consolidation of the International Business management model

In line with the Strategic Plan, the Subsidiary Division has promoted the promotion of agreements and other alliances that allow Cesce's services to be expanded in other countries and regions. It is expected to evolve during 2023.





Coverage on behalf of the State

- 5.1** Growing together with our customers
- 5.2** 2022 protagonists
- 5.3** Development of openings in 2022
- 5.4** Conclusions
- 5.5** Statistics appendix

5.1 Growing together with our customers

As we finally begin to talk about the pandemic and its effects in the past, and after celebrating half a century of existence, Cesce begins the year facing new challenges and demanding more from its commitments.

Over these twelve months, the company has continued to offer many companies fundamental support, thanks to its coverage programme, especially focused on accompanying them in their international expansion. This work is essential in a globalised world, where Export Credit Agencies (ECAs) must guarantee a level playing field for their business fabric vis-à-vis other regions.

2022 was also the year of consolidation of the **credit risk hedging programme for electricity-intensive consumers**, a professional challenge that goes beyond the usual mandate of internationalisation in which Cesce has been immersed since its inception. This solution aims to provide medium and long-term stability to large industry and improve its competitiveness in the market.

In addition to supporting SMEs and large companies, Cesce, in its actions on behalf of the State, ensures compliance with national and international standards that guarantee an activity compatible with environmental protection, social welfare and sustainable economic development.

On balance for the year, **the figures show a gradual improvement** with an increase in customer acquisition and in the number of applications. Buyer Credit operations continue to account for the bulk of order intake and the outlook is very positive as the international environment is conducive to business development.

Cesce ensures compliance with the standards that guarantee an activity compatible with environmental protection, social welfare and sustainable economic development.

5.1.1. A year of commitments met

To achieve Cesce's objectives in each of the areas of commitment to the customer, to society and to the planet, all activities are carried out in compliance with conditions that are aligned with the company's purposes. For the State Account team, 2022 has been a year of moving forward and taking on new challenges.

Fighting climate change

By conviction and as part of the public machinery that has to comply with all the legal obligations and commitments acquired by Spain, Cesce is signing up to advances that mitigate the environmental impact of the portfolio of insured projects. Since the country's accession to an agreement at COP26 at the end of 2021, the company has been in contact with other signatories to define this commitment, implementing initiatives and actions that demonstrate its commitment to the fight against climate change.

In December 2022, a [Climate Change Policy](#) was approved on the basis of which Cesce strengthens its role as an instrument of the State to support companies involved in the energy transition. It is discussed in this chapter (*section 5.3.6*).

Green transformation of the portfolio

On this same path towards the development of a green economy, increasingly integrated in a common and international commitment, Cesce has launched a series of initiatives to promote green, sustainable projects aligned with the Paris Agreement (2016), offering more flexible conditions for their financing and specific advantages such as:

- Priority for analysis and greater flexibility.
- Bonus for study expenses once the policy has been signed.
- For transactions subject to the OECD Consensus, the premium will be subsidised by the maximum allowable discounts.
- Flexibility of national content, which should only represent 20% of the credit secured by Cesce.

To qualify for these more advantageous conditions, the project must be included in the EU Taxonomy, a classification system that establishes a list of environmentally sustainable economic activities, or in Appendix IV of the OECD Consensus. Examples of projects in this category include renewable energy, water operations, or climate change adaptation or mitigation.

Contributing to the modernisation of the international regulatory framework

The common rules for all exporters to compete on a level playing field are set out in the OECD Consensus, a set of rules that is progressively being adapted to market realities. Years of negotiations aimed at modernising the terms of the agreement to make them more flexible were completed throughout 2022 and early 2023. These strategic talks have taken place in international forums with the collaboration of Cesce, which has accompanied the representatives of the Secretary of State for Trade throughout the negotiations. In its role as ECA, the company has been involved in structuring a favourable framework for the economic development of companies while mitigating environmental costs as much as possible.





New Marketing and Communication Plan

One of the company's priority objectives during 2022 was to raise awareness of Cesce's role as a public service and support for exporters, so that as many companies as possible are aware of the risk solutions provided by the State and the help they can give in their internationalisation strategies. In this respect, campaigns have been carried out which have resulted in a significant increase in customers and applications. This has meant that, once the lines of action related to business support programmes in the context of the pandemic have been extinguished, business volumes have been maintained.

Important communication work has also been carried out outside Spain, thanks to which Cesce has crossed borders to make itself known to foreign customers, who are likely to become investors in important projects. In collaboration with the Network of Commercial Offices and ICEX, the company wants to bring Cesce's solutions for internationalisation to the public professionals who are in constant contact with local companies and our exporters. Cesce has also been participating in missions to priority countries such as the Philippines or Egypt organised by these professionals.



Technological boost

The state-owned business has continued to innovate, relying on digitalisation to improve and mechanise processes in order to reduce customer response times. To optimise customer service and make communication more efficient, Cesce on Behalf of the State has relied on its corporate tool, Cesnet, a system through which it currently receives more than half of all requests for coverage. The platform, in addition to providing the means for a unified and efficient management of the client portfolio and contracted coverage, encourages the use of electronic signatures, already available for all policies, and allows customers to follow the status of their operations in real time.



A unique look at international risks

In its role as ECA, Cesce has an invaluable ally for companies: the Country Risk Unit, one of the company's major assets, which is part of the State Account area. Its analysts boast significant expertise in macro-economic analysis and a deep knowledge of international relations and geopolitical trends. In addition to reports with analyses of countries of interest, available to customers through the Cesce website, they produce a weekly international news bulletin, 'Keys of the Week', which is published every Tuesday on their website in PDF format and, from September 2022, as a podcast on the main multimedia platforms. In addition, each year it publishes the 'Panorama' publication, which takes an in-depth look at the main challenges facing the international economy with a long-term perspective and which in 2022 took on special relevance due to the far-reaching changes that have shaken the international political and economic order.

5.1.2. Internationalisation tool

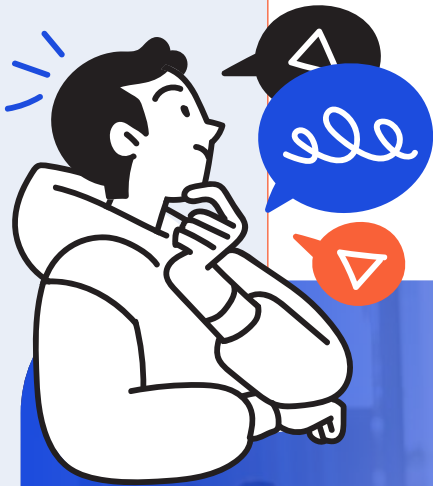


Innovation and progress

In 2022, new solutions were implemented in the catalogue of products managed on behalf of the State, linked to some of the most important operations. The year began with the launch of the Green Investment Policy, the first product not linked to exports -and therefore not subject to the OECD Consensus-, which is more flexible and will cover the risk of non-payment of credits granted to foreign subsidiaries of Spanish companies. This policy offers coverage for both political and commercial risks (de facto or legal insolvency of the debtor or guarantor).

One of the main operations signed under the umbrella of this coverage was formalised in November 2022, when Cesce backed a EUR 500 million syndicated loan to Iberdrola. The funds will be used to finance renewable wind and photovoltaic, battery and transmission grid projects in the UK, Ireland, Portugal and Poland. The agreement was signed at the Ministry of Industry, Trade and Tourism, and was attended by the Secretary of State for Trade, Xiana Méndez.

The first product covering investments in Spain was also created, the **Póliza de Financiación de Inversiones Estratégicas**, designed to facilitate domestic financing in strategic areas that may lead to increased internationalisation in the future, although it is not necessary for operations to be linked to an ongoing export contract. Projects aimed at research into high added-value technologies are considered eligible, with a special focus on innovation in renewable energies, the production of electric cars and the promotion of the green hydrogen economy, as well as initiatives contributing to the fight against climate change, among others.





In parallel with market trends

Cesce's coverages are adapted to the needs of each customer, but are also profiled according to market trends, which mark increasingly complex structures such as those that place a project, rather than a company or institution, as the debtor: Project Finance is a financing formula that is based on the cash flows generated by the business itself, rather than the firm backing it. Such technically complex and long maturing financing schemes are becoming increasingly common in Cesce's project portfolio.



Support for financing through the 'Certificate of Coverage'.

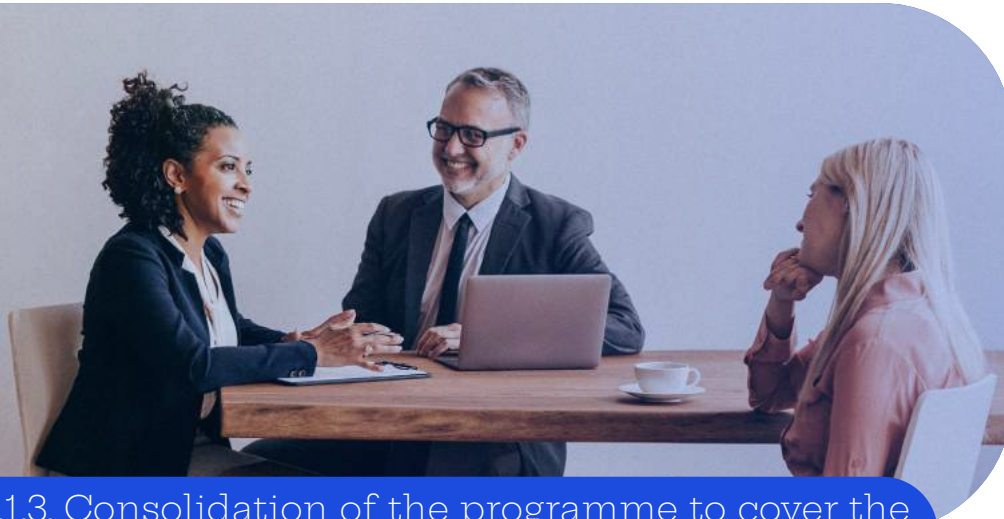
This service optimises coverage under the Supplier Credit policy, which insures a company against the possible default by its foreign customer, and can be used to obtain liquidity by discounting its insured receivables, designating the beneficiary bank of the policy. Cesce will carry out an agile process of validating compliance with the insurance conditions and verification of the commercial transaction that will conclude with the issue of the Certificate of Coverage in favour of the financial entity, minimising, on the one hand, the risk of the debtor claiming a commercial dispute to avoid paying the collection right discounted by the bank and, on the other, certifies to the financial entity that the policy it is the beneficiary of complies with the conditions of coverage on a specific date.



Growing weight in the portfolio of the so-called 'Spanish risk'.

The company's different coverages acquire the precise importance that the economic and political situation requires, to fully cover the needs of Spanish exporting companies. While in the past Cesce mainly covered foreign debtors, systems are in place where the risk rests with a Spanish company, an increasingly clear trend in the market. While this risk was virtually non-existent ten years ago, it now accounts for more than 20% of the company's business.





5.1.3. Consolidation of the programme to cover the risks of electricity-intensive consumers.

In 2020, the Council of Ministers approved the Electricity - intensive Consumers' Statute, which establishes a legal and economic framework to help businesses mitigate the adverse effects of high energy costs. In this context, Cesce is assigned the role of risk management agent on behalf of the State in the contracting of electricity by electricity-intensive consumers, for which the company is prepared to assume a risk of up to 600 million euros in the first three years of business.

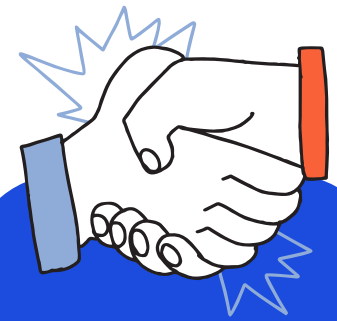
The insurer would thus cover the risk of electricity consumers defaulting on their payment obligations under medium- and long-term power purchase agreements (PPAs) with renewable producers or traders. To manage the flows of this hedging programme, the Spanish Guarantee Reserve Fund for Electricity-intensive Entities (FERGEI) was created.

The programme to cover the risks of electricity-intensive consumers **was officially launched in 2021**, with the design of two types of coverage that allow price stability and greater certainty in the income of renewable energy generating facilities: coverage on guarantees (insurance to the guarantor bank) and guarantee in favour of the seller (direct guarantee to the producer or marketer of the energy).

2022 has undoubtedly been the year of consolidation of this project. **On 7 April, representatives of the Ministry of Industry participated together with Cesce** in the presentation of credit risk coverage for electricity-intensive consumers in a digital meeting that brought together more than 300 attendees. At the presentation, Raúl Blanco, then Secretary General for Industry and Small and Medium-sized Enterprises (SMEs), spoke of Cesce's contribution to the institutional objective of protecting large companies and improving their competitiveness.

For his part, Juan Puyol, head of Cesce's Large Customers Unit on behalf of the State, explained the coverage offered by the company and the **requirements to be met by operations** that wish to access it:

- The electricity -intensive consumer must be certified as such by the Ministry of Industry.
- The payment obligations covered shall be set out in a power purchase agreement (PPA), with a minimum term of 5 years and a maximum term of 20 years, signed with a seller of electricity from renewable sources.
- Coverage may not be issued on debtors that meet the legal criteria to be considered as a firm in difficulty.



Alliances

In May, Cesce signed a **cooperation agreement with the Asociación de Empresas con Gran Consumo de Energía (AEGE)** with the aim of encouraging its members to contract electricity supply from renewable sources and to facilitate the purchase of electricity at a more competitive cost. Thanks to the coverage programme, synergies with the electricity sector are reinforced by the certainty of predictable pricing over time, an increasingly influential aspect in the stability of SMEs and large companies.

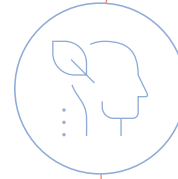
5.2 2022 protagonists



Boosting exports

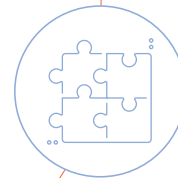
Throughout the pandemic, Cesce was a fundamental support for exporting companies through the Covid working capital lines, which allowed many companies to start or consolidate their international operations. In this first year of recovery, the company has underwritten a total of 411 policies, 378 without Covid policies, through which it has accompanied 217 exporting companies, 189 without Covid. These figures are considered a success after the expiry of the special programmes, as the flow of business has been maintained.

Along these lines, Cesce's coverages continue to be a fundamental instrument in the internationalisation of Spanish companies.



Environmental commitment

As reflected in the initiatives outlined throughout this report, Cesce remains firmly committed to supporting environmentally friendly projects in accordance with the standards set by official international institutions. In 2022, the company began to market the Green Investment Policy, its first product not expressly linked to exports, which insures banks that finance foreign subsidiaries of Spanish companies or groups whose purpose is finalist (green project according to EU requirements or Annex IV of the OECD Consensus) or corporate (subsidiary whose activity contributes to the environmental objectives set out in EU regulations, with at least 80% of ordinary income coming from green activities).



Unrestricted support

In its work of accompanying exporters, Cesce does not place size requirements on the projects it insures. Aware of the value of Spanish SMEs, with a strong presence in international markets, and of the importance of large companies that lead large transactions, the company has a diverse and valuable customer portfolio. In 2022, the smallest policy was a cover of 7,500 euros, insured under the documentary credit confirmation mode. The biggest in terms of volume amounted to 526.2 million, which is a Green Investment Policy.





Banking institutions

Cesce's support to Spanish companies is based on collaboration with financial institutions (the insured). It is the banks that issue the guarantees and grant the credits that, with their confidence, accompany exporters and investors, boosting their international competitiveness.

Entities involved in each of the main types of insurance

Buyer Credit

	Insured	No. operations	% of insurance issued
1	J.P. Morgan	1	28.6%
2	Banco Santander	4	16.5%
3	BBVA	2	12.6%
4	Bankinter	4	8.1%
5	Crédit Agricole	1	7.0%
6	Commerzbank	1	4.8%
7	Société Générale	2	4.7%
8	Caixabank	2	3.9%
9	UBS Switzerland	1	3.7%
10	DZ Bank	1	3.5%
11	Deutsche Bank	2	2.9%
12	Banco de Sabadell	1	2.0%
13	Instituto de Crédito Oficial	1	1.7%

Enforcement of guarantees to issuers

	Insured	No. operations	% of insurance issued
1	Banco Santander	25	37.5%
2	BBVA	15	16.9%
3	Caixabank	23	15.9%
4	Unicredit Bank Austria	2	7.6%
5	Instituto de Crédito Oficial	4	3.9%
6	Bankinter	12	3.8%
7	Deutsche bank	3	3.1%
8	Banco de Sabadell	13	2.4%
9	Kutxabank	1	1.8%
10	Société Générale	1	1.7%
11	HSBC Continental Europe Sucursal en España	1	1.7%
12	Unicaja Banco	11	1.0%
13	Abanca	4	0.9%
14	Cajamar	4	0.8%
15	Banca March	1	0.6%
16	Crédit Agricole	2	0.3%
17	Banco Cooperativo Español	7	0.1%

Revolving Credit (does not include Covid lines)

	Insured	No. operations	% of insurance issued
1	BBVA	4	47.4%
2	Banco Santander	4	36.9%
3	Caixabank	5	8.6%
4	Bankinter	8	3.5%
5	EBN Banco de Negocios	1	1.6%
6	Banco de Sabadell	2	1.3%
7	Deutsche Bank	1	0.7%



5.2.1. Success stories

Project:

Consultancy (*capacity building*) and engineering services, supply of rail track and emergency rehabilitation of 28 kilometres of the Kampala - Malaba railway line.

Country:

Uganda

Contract amounts:

≈29 million

Amount of guarantees:

≈4 million

Insured:

Caixabank SA

Importer/Buyer:

Uganda Railways Corporation

Debtor/Payer:

IMATHIA Construcción SL and Consultrans SA

Sector:

Rail transport



IMATHIA Construcción SL and Consultrans SA

Rehabilitation of railway line to improve freight transport in Uganda

Consultrans SA and IMATHIA Construction SL signed three contracts with Uganda Railways Corporation (100% public entity under the Ministry of Labour and Transport of Uganda) related to the urgent rehabilitation of 28 kilometres of the existing railway line in the section between the cities of Kampala and Malaba in Uganda, whose objective is to improve the freight transport connections between the capital and the eastern border of Uganda with Kenya.

These contracts, which are financed by the State Secretariat for Trade's Fund for the Internationalisation of Enterprise (FIEM), are part of a wider project in the African country to rebuild and modernise its railway network.



Cesce, a support for the internationalisation of Spanish SMEs

For years, the company has placed special emphasis on supporting the internationalisation of Spanish SMEs. To this end, it manages various lines that seek to facilitate the access of these companies to financing for working capital or contractual guarantees.

Issuer Insurance for Guarantee Enforcement Risk. In this project, Cesce insures Caixabank SA against the risk of non-payment by the ordering parties (Consultrans and IMATHIA Construction), in the event of execution of the advance payment and performance bonds issued in favour of the buyer, *Uganda Railways Corporation*.

"In this particular case, Cesce's coverage has facilitated the issuance of the advance payment and performance bonds required in the contracts signed with the Ugandan client by the Spanish financial institution Caixabank. We would like to highlight the excellent collaboration between Cesce and Caixabank and the effort made to significantly increase the percentage of coverage of the policies, which significantly reduces the consumption of the banking risk limit assigned by Caixabank to the Imathia Group".

Fernando Artaza,
Director of International Finance

IMATHIA Construcción mainly operates in the civil infrastructure sector, and also in other sectors (roads, hydraulics, environment and urban planning). IMATHIA Construction develops its main activity in the execution of civil works, with a high specialisation in railway.

In addition to having an active presence in Spain, IMATHIA Construction has a clear focus on export. In recent years, it has entered into partnerships with national, local and foreign companies and participated in tendering processes in various countries. For this, it relies on the creation of consortia and *joint-ventures* combines its knowledge and experience at a high technological level with the knowledge of local partners and the specialisation of international companies. Of particular note is the creation and coordination of the consortium awarded the Makkah - Madinah AVE in Saudi Arabia, a truly important project in which Cesce, Caixabank and other financial institutions were also involved.

Consultrans is a Spanish company with an international presence that has been developing engineering, architecture, strategic consultancy and information technology projects for the passenger and freight transport sector for more than thirty-five years.

As a differential element, Consultrans combines its knowledge of planning and engineering with its experience in technologies applied to Transport, offering *end-to-end* solutions that cover the entire life cycle of an infrastructure project, from demand forecasting and feasibility analyses to the project office and, of course, commissioning and maintenance.

Project:

Financing of renewable wind and photovoltaic projects, batteries and transmission networks in the UK, Portugal and Poland.

Countries:

United, Portugal and Poland

Amount of credit:

500 million euros

Insured:

Caixabank S.A, BNP Paribas S.A and BNP Paribas Fortis, S.A/N.V.

Sector:

Electric



IBERDROLA S.A.

First operation insured by Cesce under the new Green Investment Policy: the largest operation in 2022

Iberdrola Financiación S.A.U. has signed a EUR 500 million green corporate loan, granted by Caixabank and BNPP, to finance a portfolio of over fifty renewable projects - wind and photovoltaic, batteries and transmission networks - in the United Kingdom, Poland and Portugal, which are eligible for financing under the Iberdrola Group's green financing framework, as these investments meet a series of environmental and sustainable development criteria that are clearly defined in the framework.

The total renewable capacity financed will reach 650 MW and will allow, among other objectives, the renewal and development of the UK's transmission networks.



New Green Investment Policies

In this transaction, Cesce insures CaixaBank and BNP Paribas against the risk of non-payment of the loan granted to Iberdrola Financiación S.A.U. to finance a portfolio of renewable projects developed by foreign companies belonging to the Iberdrola Group. **This system is not linked to exports** and is the first operation under Cesce's new Green Investment Policy.

"The signing of this financing operation with Caixa Bank and BNP with Cesce's coverage allows us to continue with our strategy of diversification of financing sources and strengthen financing with Multilaterals, ECAs and Development Banking.

This is also the first operation under Cesce's new Green Investment Policies, opening up the market to other Spanish companies that can benefit from it.

This transaction reinforces the clear commitment we have at Iberdrola to explore new sources of financing and to open new horizons, thus maintaining our position as a benchmark not only for the energy sector but also for the business community as a whole".

Jesús Martínez Pérez,
Global Financing and Treasury
director of Iberdrola



Iberdrola is Europe's largest energy company by market capitalisation and one of the biggest two energy companies in the world, a leader in renewables, which is spearheading the energy transition towards a low-emission economy. The Group supplies energy to close to 100 million people in dozens of countries, and develops its renewable, grid and commercial activities in Europe (Spain, the United Kingdom, Portugal, France, Germany, Italy and Greece), the United States, Brazil, Mexico and Australia, and maintains as growth platforms markets such as Japan, Taiwan, Ireland, Sweden and Poland, among others.

With a workforce of 40,600 people and assets in excess of €154.6 billion, in 2022 it had revenues of almost €54 billion, net profit of €4.34 billion and a tax contribution of €7.5 billion in the countries where it operates. The company contributes to the maintenance of 400,000 jobs in its supply chain, with annual purchases of 17.8 billion euros in 2022. A leader in the fight against climate change, it has committed more than 130 billion euros over the last two decades to building a sustainable energy model based on sound environmental, social and governance (ESG) principles.

Project:

Sale of two A400 aircraft to the Indonesian Defence Ministry

Country:

Indonesia

Contract amounts:

< EUR 500 million

Insured:

Deutsche Bank, BBVA, Société Générale, Crédit Agricole CIB

Coverage:

Buyer Credit Policy

Importer:

Indonesian Ministry of Defence

Sector:

Transport - aircraft



Airbus Military SL

Partnership to strengthen Indonesia's air transport

On 17 December 2021, Airbus Military signed a contract with the Indonesian Ministry of Defence for the construction of two A400 aircraft for transport and in-flight refuelling, capable of operating on short and unprepared runways.

The contract includes maintenance and training of personnel, as well as a letter of intent for the future acquisition of 4 additional aircraft.

These new aircraft will strengthen the airlift capacity of Indonesia, a country with 17,000 islands, and enable its air forces to improve their response to, for example, natural disasters.

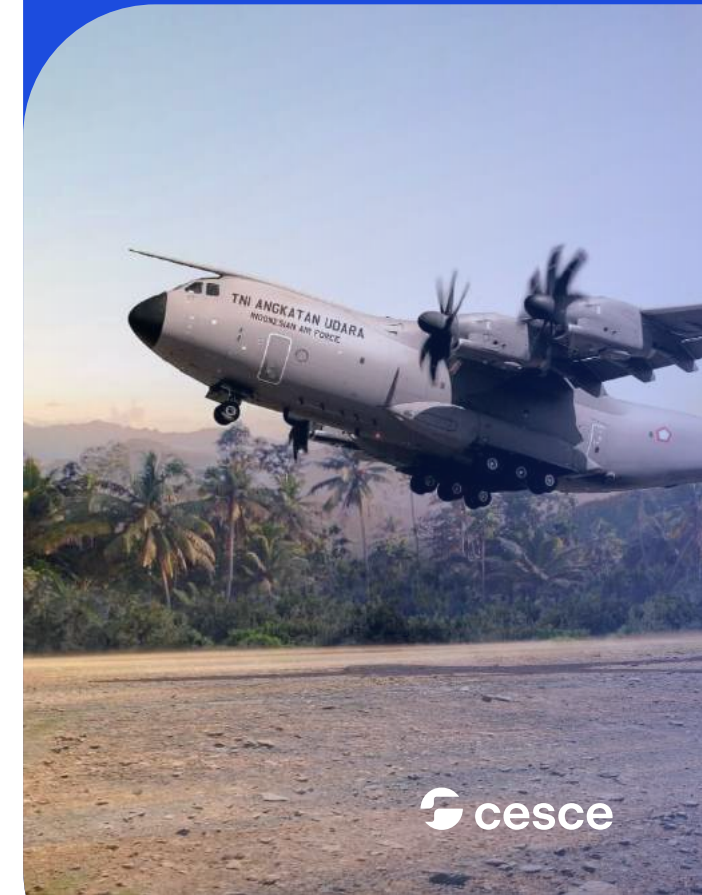
It also provides Indonesia with a perfect platform for transporting heavy and bulky cargo to remote areas and, thanks to its in-flight refuelling capability, will expand the Indonesian air force's ability to project its air power.

These aircraft will be assembled at Airbus' San Pablo facility in Seville.

"The great professionalism and support received from Cesce has enabled the Republic of Indonesia to become the first financed export of the A-400M, having met the customer's needs and paving the way for other campaigns of this aircraft model requiring financing. Cesce has always been with us all over the world supporting projects of other aircraft models and the financing of the A-400 M from Indonesia marks what we hope is only the beginning of the collaboration in the export of this aircraft model".

**Airbus
representatives**

Airbus Military SL (AMSL) is a Madrid-based company responsible for the design and manufacture of the A-400M military transport aircraft. Airbus Military SL (AMSL) falls within the remit of the Airbus Defence and Space Division. The A-400M is an aircraft exported from Spain with its final assembly plant in Seville and is operated by Ministries of Defence in countries such as France, the UK, Germany and Spain, among others.



**Project:**

Financing your new film

Spanish company:

Rich Flu IEA

Country:

Spain

Credit Amount:

1 million euros

Insured:

Bankinter SA

Debtor:

Rich Flu IEA

Guarantors:

Nostromo Pictures SL and El Gran Miércoles Producciones SL

Sector:

Cinema

Rich Flu IEA

Cesce in its role of supporting international culture

The company supports Rich Flu AIE through the coverage of a bank loan to cover its financing needs. In the words of the producer, Adrián Guerra, "Cesce's coverage has allowed us to have a very valuable alternative to finish structuring the financing of the film, and opens up new opportunities for future operations".

Nostromo Pictures is one of Spain's leading production companies in the development, production and financing of high quality content. Rich Flu is its latest international project, with filming in the Canary Islands, Barcelona, Alaska and Senegal.

Rich Flu is the second film by director Galder Gaztelu-Urrutia after the success of his first film 'El hoyo'. This thriller, starring Mary Elizabeth Winstead, Rafe Spall, Lorrain Braco and Jon Kortajarena, is about a pandemic that kills the richest and changes the life priorities of its wealthiest population; it is no longer about having, accumulating and possessing material goods, but on the contrary, about getting rid of them to avoid being the next to die.

The production companies Mamma Team, Basque Films and Nostromo Pictures have set up a company called **Rich Flu AIE**, located in the Canary Islands, with the aim of producing an eponymous film, which will be distributed both inside and outside Spain. International sales will be channelled through various contracts with specialised distributors.



Project:

Construction of two solar parks in Colombia

Company: Solarpack

Corporación Tecnológica, SAU

Country:

Colombia

Contract value:

≈140 million

Amount of the guarantee:

42 million euros

Insured:

BBVA S.A.

Importer:

Fiduciaria Bancolombia S.A.
Sociedad Fiduciaria
Debtor Solarpack Corporación
Tecnológica, S.A.U.

Sector:

Energy (solar photovoltaic)



Solarpack

Boosting solar photovoltaic energy in Latin America

Solarpack has been awarded the tender, launched by the Mining and Energy Planning Unit of the Ministry of Mines and Energy of the Republic of Colombia, for the construction of two solar parks in the region. Once completed, Solarpack will undertake the operation, management and maintenance of the following photovoltaic parks:

- **La Mata Solar Park:** with a total installed capacity of 108.3 MW and located in the north of the country, in the municipality of La Gloria, Department of Cesar, Colombia.
- **La Unión Solar Park:** with a total installed capacity of 144.5 MW and located in the north of the country, in the municipality of Montería, Department of Córdoba, Colombia.

The plants, which will be operational by mid-2023, meet the highest ESG standards, in close collaboration with the communities and the immediate environment, and will produce a combined energy output of around 440 GWh per year, equivalent to the electricity consumption of more than 230,000 households, and together will avoid the emission of 84 tonnes of CO₂ equivalent per year. Cesce's insurance has helped to obtain the guarantees required to sign the commercial contract.





Shared commitment in the fight against climate change

The project, which will strengthen electricity generation in Colombia, is a sign of Cesce's commitment to the fight against climate change and compliance with the Paris Agreements. In it, the company insures BBVA against the risk of non-payment by the originator in the event of execution of the capital guarantees issued in favour of the purchaser, Fiduciaria Bancolombia S.A. Sociedad Fiduciaria (Issuer Insurance for Guarantee Enforcement Risk).

Solarpack's strategic objectives are profitable growth and risk management, which it pursues from its three global divisions (called Development & Construction, Power Generation and Services), representing an attractive and balanced mix of long-term recurring revenues with less regular but highly profitable activities. Its purpose is to accelerate the transition to clean and affordable energy for all by generating 'products and services' in the field of clean energy, thus contributing to creating a better and more inclusive world.

Solarpack is constantly striving to make access to clean energy universal, because it sees clean energy as a driving force for development and environmental protection and because it believes in the positive impact it has on the well-being of all people. It also maintains a firm commitment to contribute directly to the social development of the communities and markets in which it operates, not only by creating economic value, but also by generating quality employment and through the social projects it promotes.

As a result of this commitment, on 1 March 2023 it was rated the most sustainable *utility* company in the world. The company ranks first in the Sustainalytics ESG Risk Rating index, prepared by the prestigious ESG rating agency. Solarpack is ranked number one out of 693 companies worldwide in its sector - an improvement on last year's ranking of 5th - and number 65 out of 15,288 companies.

Solarpack is a multinational company specialising in the development, construction and operation of large-scale solar photovoltaic projects with a presence in fast-growing markets in Europe, North America, Latin America, Asia and Africa.

Founded in 2005 as one of the first companies to develop and generate photovoltaic solar energy in Spain, Solarpack has always been characterised by its agility in strategic decision making, which has allowed it to be a pioneer in several of the markets in which it is present.

5.3 Coverage developments in 2022

Cesce's activity on behalf of the State recovered over the course of 2022. Figures are back to pre-pandemic levels, after two years of contraction during which the fall in contracting levels was only mitigated by the Cesce Covid Lines, a support programme launched by Cesce in April 2020 and which came to an end in June 2022.

In particular, the number of Buyer Credit insurance policies recovered, reaching the highest levels in recent years, and issuance of documentary credit insurance and also of non-COVID related coverage for working capital increased. One of the most relevant events of the year was the issuance of the first two Investment Pólizas Verdes -a new non-export related coverage to promote Spanish investment in green projects abroad- and, in fact, one of these policies is positioned as the largest operation of the year.

The overall result for the year was again cash-flow positive, as has been the case for 27 years without interruption. This is despite the fact that this year the number of claims has been well above the historical average, due to two specific cases that have caused the accident figures to soar.

The following lines describe the characteristics of the insurance issuance during the year, the payment experience and the final picture of the portfolio at year-end.

The overall result for 2022 is cash flow positive, as has been the case for 27 years without interruption.

5.3.1. Insurance taken out in 2022

Insurance written through 2022 amounted to €2,902 million, a growth of 30% compared to 2021.

Unlike the previous two years, when a large part of insurance contracts were taken out under the Cesce Covid lines, this year the use of this aid programme has been residual.

The contract value of export operations supported by Cesce in 2022 exceeds 11.5 billion euros. This figure reflects the volume of trade benefiting from state support through Cesce insurance and, although the figure is 9% lower than the previous year, it is well above the historical average.

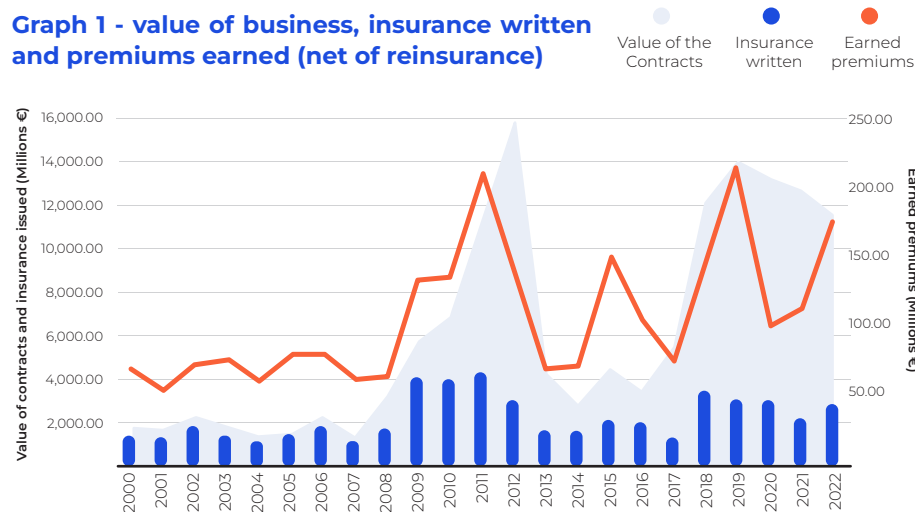
2,902
millions of Euros in insurance written

+30%
growth compared to 2021

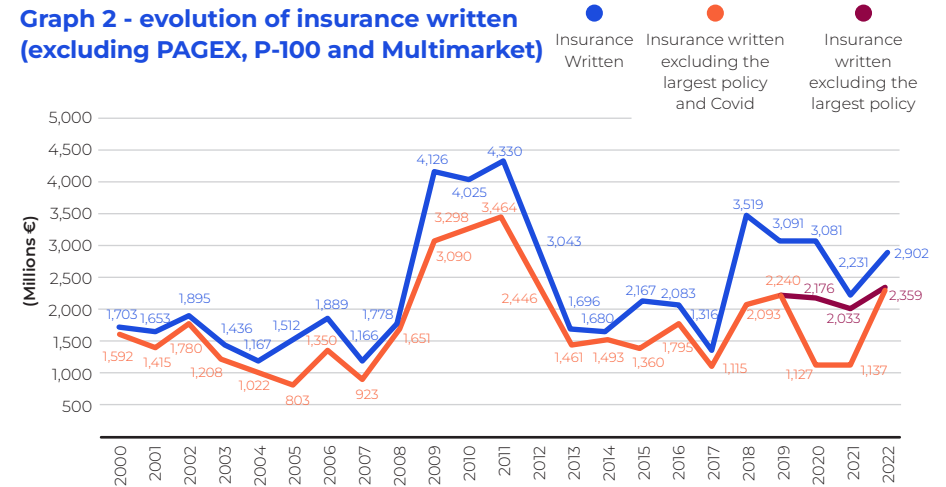
11,500
million euros in contract value of export transactions

Graph 1 shows the historical development of both the insurance issued and the number of transactions. As can be seen, the almost 3 billion underwritten this year is well above the annual average of 2.3 billion euros.

Graph 1 - value of business, insurance written and premiums earned (net of reinsurance)



Graph 2 - evolution of insurance written (excluding PAGEX, P-100 and Multimarket)



Graph 2 shows the evolution of the insurance written, as well as issuance eliminating the largest project written each year, to reflect the distortion that a single project sometimes causes on the overall statistics. For 2020 and 2021, a third line is drawn showing the insurance written, also discounting Covid operations, as this is a temporary and extraordinary programme. This shows a better comparison of the "normal" development of turnover.

In 2022, the largest transaction was an Investment Póliza Verde, taken out in the last quarter of the year, which is referred to below. Figure 2 also shows the end of the Covid programmes, which this year accounted for a negligible percentage of total recruitment, so that the two lower lines virtually merge.



The largest transaction in 2022 was a Green Investment Policy taken out in the last quarter of the year.

The evolution of **insurance issuance by type of coverage** is a good reflection of Cesce's role as a support instrument for the export sector. Traditionally, and once again this year, the most important method has been the Buyer Credit policy, which covers banks for the credits they offer to foreign buyers of Spanish goods and services, not so much because of the number of transactions insured by this product as because of the volumes that these transactions generally involve.

However, in the years following the great financial crisis, Cesce's support to Spanish exporting companies, as well as to their banks, was channelled mainly through guarantee coverage. During this period, the demand from Spanish companies for this type of guarantee, required in many

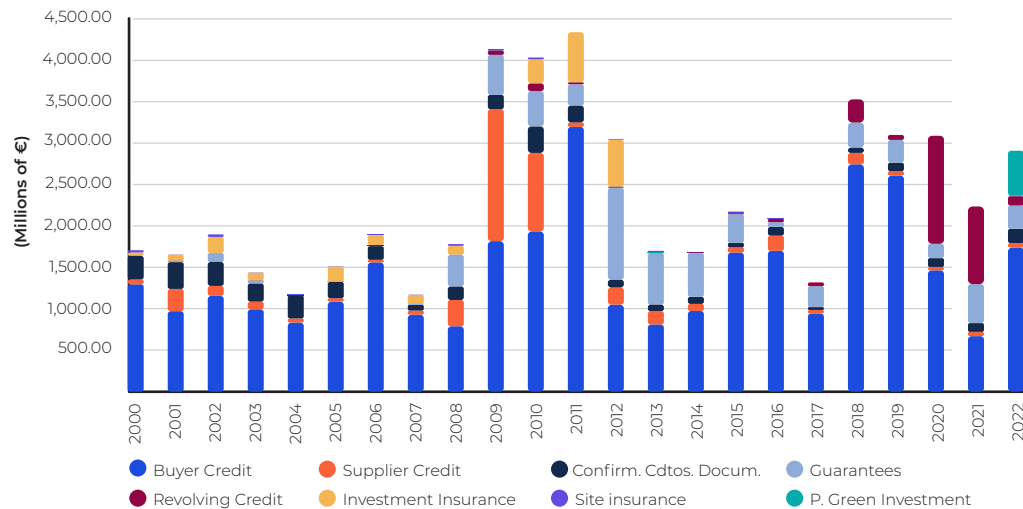
international contracts, far exceeded the supply capacity of the banks, and Cesce contributed to closing this gap.

During the years of the pandemic, the main need of companies has been access to liquidity, which is why the coverage of working capital loans to Spanish exporting companies, instrumented through the Covid Lines, has gained prominence.

The make-up of demand changed again in 2022. This time, one of the recently launched products, the Investment Póliza Verde, takes centre stage, reflecting Cesce's decision to support the transition to a more sustainable economy.

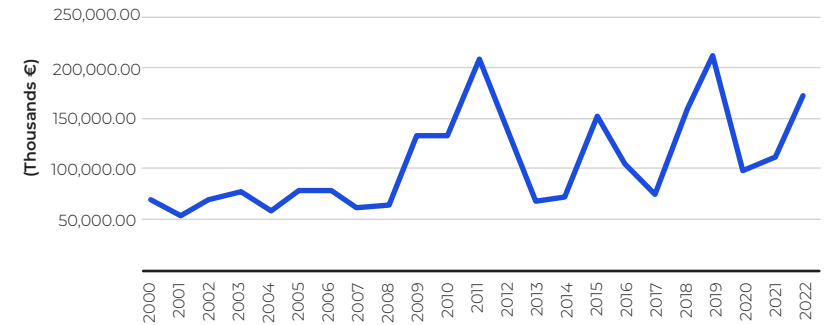
Figure 3 provides a detailed description of the year's hiring under each of these modalities.

Graph 3 - performance of insurance by product type



Graph 4 - performance of earned premiums

Premiums earned for the State in 2022, net of reinsurance, amounted to 175 million euros, as can be seen in graph 4, 54% higher than in the previous year, as a result of higher underwriting, especially of long-term hedges.



The following chart displays the performance of insurance by coverage type.

5.3.2. Underwriting by type¹

1

Buyer Credit

This policy provides hedging to banks that grant credits to foreign debtors for purchasing Spanish goods and services. Cesce covers the bank for the risk of non-payment of such a loan (regardless of whether the non-payment is due to the insolvency of the debtor or whether it is caused by political events).

The Buyer Credit policy typically accounts for a significant percentage of the insurance written each year. In 2022, 14 policies were underwritten under this system, for a value of 1,736 million euros, representing 60% of the total insurance written.

Although the number of transactions is relatively low, the average amounts have grown, bringing the value of total insurance written to the average of the last five years and well above the figures for 2021 and 2020.

Part of the explanation for the recovery of underwriting in 2022 stems from delays in contract closures and financing during the Covid years, whereby several deals, originally scheduled to close in 2021, ended up being concluded in 2022. This, according to peer companies in other countries, was in line with a general trend in the market. And it seems that the maturity rates of transactions, especially with private debtors, have accelerated in the last months of the year, possibly due, at least in part, to the uncertainty surrounding the tightening of financial conditions.

The largest operation insured under this type of insurance was the financing of the terephthalic acid production plant for the **Turkish** industrial giant SASA POLYESTER, in which Cesce shared part of the risk with the German (Euler Hermes) and Italian (SACE) ECAs.

This year, the following financing operations stand out for their amount, with an insured value of more than 100 million euros: the sale of aircraft to **Indonesia**, a residential complex in **Qatar**, the sale of machinery and agricultural constructions to **Senegal**, the second phase of the financing of the sale of aircraft to **Angola** and the sale of a patrol boat to **Morocco**.

The figures reflected under this category also include operations in which Cesce acts as reinsurer of Buyer Credit policies issued by another ECA, as was the case this year for a railway project in **Turkey**, led by the Danish ECA, EKF, a project in **Uzbekistan**, ceded by the German Euler Hermes, and a photovoltaic park in Guatemala (with a Canadian guarantor), the first operation of this nature carried out with the North American ECA, US Eximbank.



¹Underwriting figures are given in euro for ease of comparison, although they are sometimes denominated in other currencies (mainly USD). Exchange rates as at 31.12.22 are used. In the case of the USD, the rate was 1.0666 USD/EUR.

2

Investment Póliza Verde

Cesce provides coverage for default risks arising from the financing of Spanish investments abroad, provided that the investment is destined for a green project or for the subsidiary of a Spanish company whose corporate purpose is purely green.

This policy is a recent creation and is designed as part of the commitments acquired by Cesce to contribute to the fight against climate change and to favour the transition towards cleaner energy and industrial processes. In addition to improving the conditions of its traditional policies when used for green projects (Export Pólizas Verdes), Cesce launched this new product designed to cover green investments abroad by Spanish companies².

Unlike the traditional investment policy, under this new system, in addition to political risks, commercial risks are covered, i.e. non-payment of the loan by the private debtor - or the project company in the case of non-recourse financing - and, if applicable, by the Spanish guarantor. Another peculiarity of this coverage is that it is not linked to Spanish exports and is therefore out-

side the regulatory scope of the OECD Consensus, although Cesce applies the criteria established in this international agreement in terms of prices.

This product has been very well received in the market. At the date of writing, 8 transactions have already been closed, including the coverage of a corporate loan to a subsidiary of **Iberdrola** guaranteed by the head of the Group to finance a portfolio of fifty green projects (wind, photovoltaic, transmission grids, batteries) to be developed in the United Kingdom, Portugal and Poland, as well as the financing of the MacIntyre wind farm developed by Acciona Energy through its Australian subsidiary, to mention the two largest, although other smaller ones have also been closed.

²Green being understood to mean any project that meets the eligibility criteria of the EU Taxonomy, as well as those included in Annex IV of the OECD Consensus on Climate Change, Water and Renewable Energy.



3

Guarantors (Issuers Insurance)

This policy is conceived for international operations in which the exporter must provide guarantees or sureties to foreign buyers or authorities of the destination country.

When the guarantor entity executes the bond (duly or unduly), this creates the obligation for the exporter to pay the guarantor entity to refund the executed amount.

The Cesce insurance covers the exporter's failure to meet this payment obligation. With this type of coverage, Cesce continues to help Spanish companies - or their foreign subsidiaries - to obtain the guarantees they are required to provide in order to carry out their contracts abroad. This year 49 operations have been insured, worth 279 million euros.

As a general rule, Cesce covers 50% of the guarantee amount, although in certain cases the percentages have been higher.

4

Revolving Credit

The Revolving Credit policy is designed to cover the risk of non-payment of credits to finance a Spanish company to carry out one or more export or globalisation contracts or projects. Its purpose is to provide Spanish exporters with greater access to financing to cover their revolving credit needs.

Cesce covers the lending bank against the risk of non-payment of the loan.

This is the insurance approach through which the Cesce Covid Lines have been implemented, so that, taking into account these aid programmes, in the years 2020-21 the Revolving Credit policy was one of the most underwritten products. In 2022, the demand for this product on standard terms, outside the European Union's temporary support framework, has grown in the second half of the year and seems to point to a consolidation of this type of coverage now that it is well known to all financial institutions.

Indeed, in 2022, 25 **revolving credit lines not linked to Covid programmes were taken out**, significant increase compared to the years before the pandemic when this product was used by a very small number of companies and banks. Written insurance amounted to EUR 113 million.



Revolving Credit - Covid Lines

In June 2022, the aid programme launched by Cesce to help internationalised companies cope with the economic effects of Covid came to an end. Cesce's support focused on facilitating the liquidity of the companies through the coverage of the financing banks (Revolving Credit policy).

Under the Covid Lines, Cesce issued close to 1,800 policies worth 2 billion euros, covering bank loans worth 2.9 billion euros. For the time being, the loss ratio has been very moderate, although it is true that most of the claims are still outstanding and will take years to mature, so it is too early to assess the outcome of this programme.

Three quarters of the loans covered were to SMEs.

By sector of activity (according to CNAE), the beneficiary companies are mainly engaged in wholesale trade, especially in foodstuffs, beverages and tobacco, professional, scientific and technical activities, food industry, manufacture of machinery, manufacture of metal products, transport and storage, and wholesale trade in other machinery or construction, to mention the top 10.

5

Supplier Credit

This type of insurance offers coverage to the exporting company that signs a contract with a foreign buyer, against possible losses that it may experience as a consequence of the termination of the export contract, or non-payment of the same.

The exporter may use this type of insurance to obtain financing through discounting the collecting rights of a contract. In that case, the beneficiary can be the discounting bank, which will acquire the right to receive the indemnification in the case of unpaid invoices. The bank can request - at no additional cost - a certificate of coverage.



Under the Supplier Credit Facility, 54 policies were taken out in 2022 which, in terms of sum insured, amounted to EUR 55 million, slightly higher than in the previous year.

The value of contracts insured under this system amounts to 106 million euros, with an average per contract of about 2 million euros. The average insurance issued was 1 million euros, ranging from almost 6 million euros for the largest transaction to 20,000 euros for the smallest. Cesce does not establish maximum or minimum limits on the amounts of the operations it insures.

The main destinations of operations insured under this policy have been Mexico, Turkey, Oman, Guinea Conakry, Morocco, Colombia, Kuwait, and the United States.

6

Confirmation of Documentary Credit

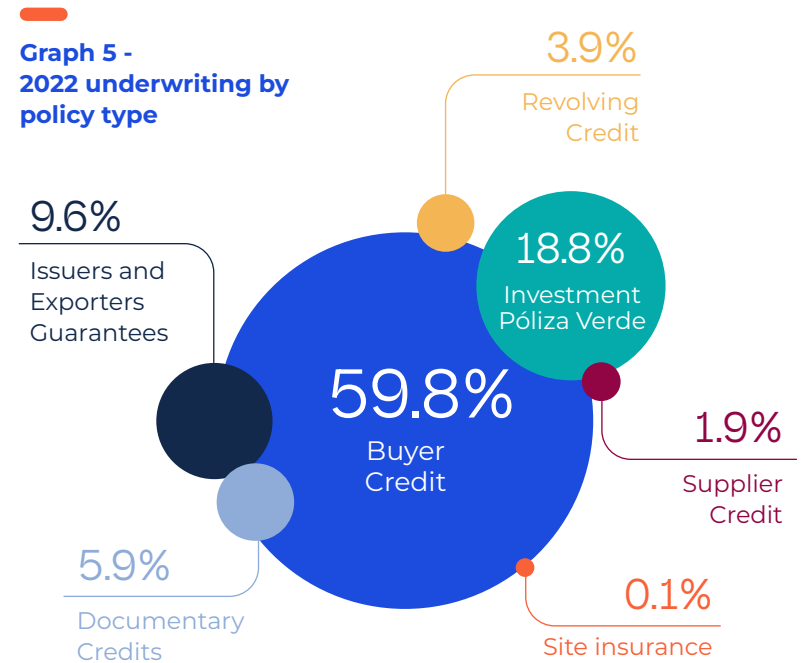
Under this system, Cesce covers the financial institution that accepts the designation or confirmation of a documentary credit issued by a foreign bank, or that directly issues a Documentary Credit by order of a foreign bank.

This year, under the **Documentary Credit System**, 233 operations worth 172 million euros were insured, spread over 30 countries, including Turkey, Tunisia, Ghana and Oman.

This is one of the coverages that has grown the most over the last year, both in terms of number of operations and volume.

The reasons for this growth lie on the one hand in the recently introduced operational improvements that allow for more agile and automatic underwriting, making the product more attractive to banks. On the other hand, there is no doubt that the geopolitical context has also increased the perception of risk and therefore the demand for this type of mitigation cover.

Figure 5 shows the distribution of take-up between the different types of insurance.





Support for SMEs

Since 2013, Cesce has been giving special treatment to requests from smaller companies, whose needs and resources differ from those of large corporate groups. In this context, in 2013 it launched a special line of coverage to facilitate access by export SMEs to guarantees or working capital financing. Five years later, an additional line was opened to cover (either directly to the exporting company itself or through a financing entity, if any) the risks of its foreign customers

Through these programmes, some 150 guarantee operations have been insured, covering commercial contracts worth more than 2 billion euros. Nearly 30 working capital loans have also been secured,

providing Spanish SMEs with liquidity to carry out contracts worth 1.5 billion euros.

In addition, more than 100 credit operations with foreign debtors have been insured (either through direct coverage to the exporter or through the exporter's bank if bank financing was available).

These lines, which allow Cesce to make its acceptance criteria or required information more flexible, have contributed to many companies gaining access to internationalisation projects and contracts that they would not otherwise have been able to carry out. Companies that were embarking on their internationalisation process and encountered a lack of options on the market to issue the required guarantees have been able, thanks to Cesce's insurance, to sign and perform these contracts, and their financial situation has been clearly boosted, expanding their markets. In addition, companies that had their guarantee lines with banks almost fully drawn down have been able to release part of them thanks to the Facility and thus secure new projects.



Reinsurance operations

In the 2022 financial year, the growing importance of the role of reinsurers - both private and ECA - as a tool, sometimes fundamental, to be able to complete the financing of export operations in those countries where there is a shortage of coverage capacity or in projects in which the export originates in different countries has once again become evident.

In this respect, Cesce has maintained its close collaboration with the reinsurer AXA to be able to cover operations in African countries where Cesce's coverage capacity is lower than the exporters' demand, as in the case of Angola, and also with other ECAs to be able to reinsure the excess of third country materials and centralise the financing in a single credit with the coverage of a single ECA, which subsequently distributes the risk among the reinsurer(s).

With the aim of maximising the reinsurance instrument, creating more flexible procedures to obtain greater capacity in the private market and gaining access to a larger number of reinsurers, in May Cesce appointed the broker AON as exclusive intermediary for the management of the reinsurance cession of some of the risks of the operations on behalf of the State, following a bidding process.

In addition, collaboration with Multilateral Entities continues to expand in order to access additional capacity, especially in HIPC countries. To this end, a standard reinsurance contract text has been agreed with ATI (*African Trade Insurance Agency*), an African multilateral insurer, in whose capital Cesce has had a stake since January 2021, and continues to explore other avenues with other entities with which it expects to reach new reinsurance agreements during 2023.

Three accepted reinsurance transactions were concluded during 2022. One of them is the reinsurance of the Danish ECA EKF in a large railway infrastructure project in Turkey, supporting the participation of five Spanish companies in the contract. It is also the first large-scale project to be insured with a green rating in accordance with European taxonomy standards.

The first reinsurance operation was also concluded with the US ECA US Eximbank, in a project in Guatemala with the corporate guarantee of a Canadian company for the construction of a photovoltaic park with the participation of a Spanish company. And finally, a small operation in Uzbekistan has been reinsured with Germany's Euler Hermes.

Acting as lead insurer, Cesce has reinsured part of the risks assumed in three operations mentioned under the Buyer Credit heading, in Angola, Ghana and Turkey. The private reinsurer AXA XL and several ECAs were involved in the reinsurance.

Finally, in Turkey, the financing of an EPC contract for the construction of a purified terephthalic acid plant has been covered, with more than one third of the risk transferred to the Italian ECA, SACE, and the German ECA, Euler Hermes.



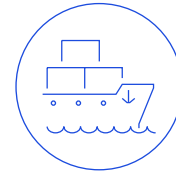
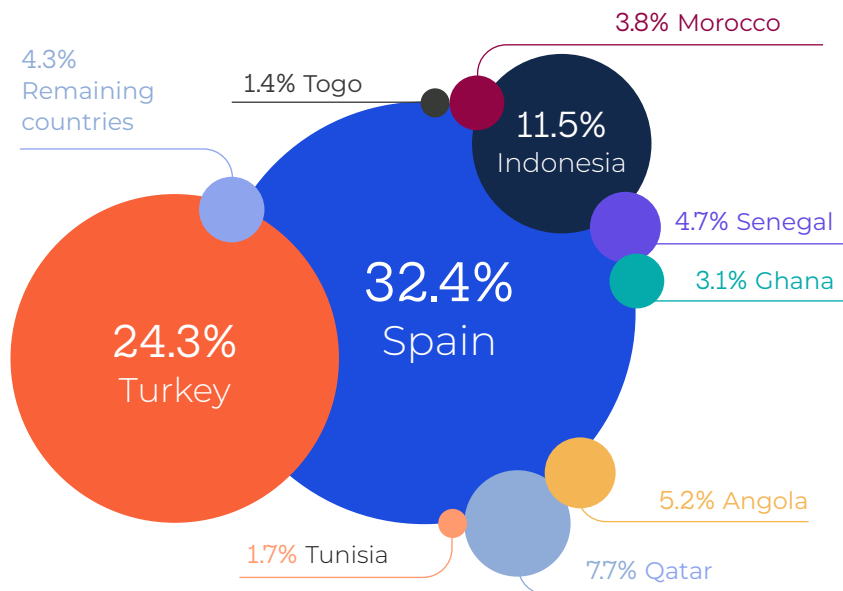


Distribution of insurance written in 2022 by country

Spain is once again the main country of risk for insurance written in 2022. It is worth remembering that the country of risk is determined by the nationality of the debtor/guarantor and is Spain in all cases where the risk covered is that of a national company: Guarantees, working capital and, in most cases, Investment Pólizas Verdes or Strategic Investment Policies.

The top foreign destination was **Turkey**, with 47 operations, including two of the largest operations of the year, as well as several smaller ones. The second destinations were **Indonesia, Qatar, Angola** (a regular destination for Cesce insurance, where this year two operations of significant amounts were insured), **Senegal and Morocco**.

Figure 6 - 2022 country risk underwriting



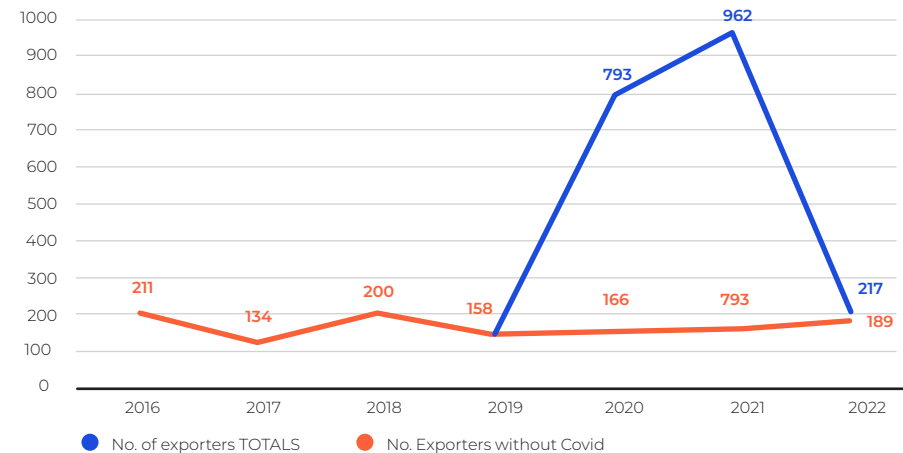
Support to exporters

In 2022, the number of companies that benefited from Cesce insurance on behalf of the State reached almost 200, a figure that includes both companies that have taken out direct cover and those that have benefited through their financing banks or guarantors.

These figures do not include the companies that have benefited from the Covid Lines, of which there have been more than 2,000 throughout the programme, many of which had no previous experience with Cesce.

The figures mentioned in this section measure only the number of companies signing commercial agreements. However, it should be remembered that behind many of these prime contractors, a large number of companies are involved as subcontractors or suppliers, which also benefit indirectly from the support of the cover on behalf of the State.

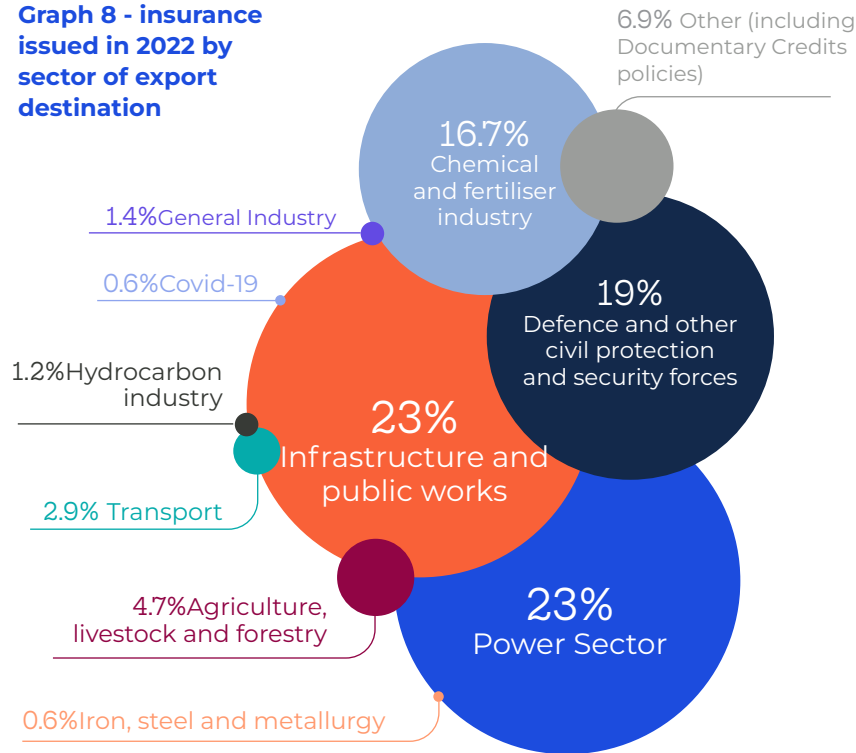
Graph 7 - number of exporters (with and without Covid)



Main sectors involved in exportation

In 2022, the main target sector for insured operations was **electricity**, which accounted for 23% of the total. The second most important sector was infrastructure and public works with 23% of the total, followed by **defence, the chemical industry, agriculture and transport**.

Graph 8 - insurance issued in 2022 by sector of export destination



5.3.3. Claims and recoveries

Throughout the 2022 financial year, claims were paid for a total amount of EUR 117 million, while recoveries amounted to EUR 51 million, resulting in a net claims paid amount of EUR 65 million, an increase of 43% compared to the previous year.

This increase in net claims is mainly the result of two extraordinary payments, one corresponding to an old operation in Venezuela and the other to a one-off claim in Spain, which together account for more than 80% of the total. The rest of the claims rate was at moderate levels.

The growing importance of Spain risk in the company's portfolio, especially as a result of the Covid Lines, is also reflected in the make-up of claims.

In terms of foreign debtors, Sri Lanka, Armenia, the United States and Mexico are worth mentioning. Compensation has also been paid in cases in Algeria, Brazil, Chile, Gabon, India, Mexico, Peru, Saudi Arabia, Slovakia, South Korea, the United Arab Emirates, India, Mex-

ico, Peru, Ukraine and the United Arab Emirates.

In this financial year, there was also a significant increase in both the number of non-payment notices declared, more than 700 (13% more than in 2021 and 49% more than in 2020), and in the number of non-payments for the year, which have increased by 169% compared to the previous year. At this point, it should be noted that three quarters of the default figure comes from the Spanish portfolio, largely related to the working capital policies of the Covid financing line.

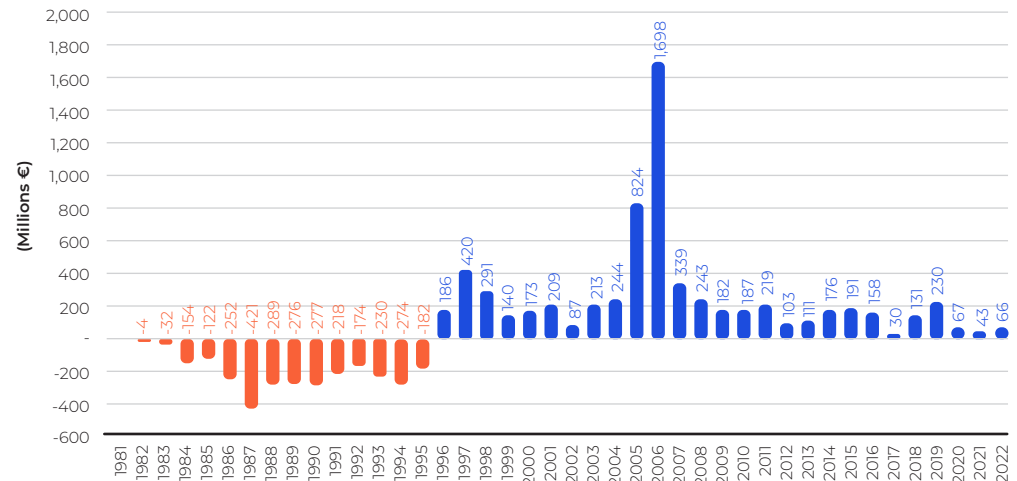
75% of defaults come from the Spanish portfolio

5.3.4. Cash flow in 2022

For the 27th consecutive year, cash flow resulting from the underwriting of insurance has again been positive. This means that the support that Cesce provides to companies on behalf of the state is provided at no cost to the taxpayer, which is one of the conditions of the mandate itself as well as of international regulations.

The instrument's cash result in 2022 was a **net balance of EUR 66 million**, after subtracting indemnity payments and management fees from premium income and recoveries. This result varies significantly from one year to the next, depending on the evolution of the three variables that comprise it. This year's figure is somewhat lower than the average of the last five years, which is around 100 million euros.

Graph 9 - net cash flow 1981-2022



Recoveries obtained

The total amount recovered in 2022 amounted to EUR 51 million, 14% more than in the previous year.

The recoveries obtained in Malawi, the United States, Poland and Brazil are relevant. On the other hand, the refinancing agreements in force with the Paris Club accounted for the bulk of the amounts recovered, with an increase in the figures compared to last year. The most significant payments in this context come from Argentina, as well as from the agreements with Nicaragua, Iraq, Equatorial Guinea, Pakistan and Serbia.

Recoveries have also been received from the Montenegro, Seychelles and Djibouti Refinancing Agreements.

5.3.5. Risk portfolio at year-end 2022

The risk portfolio of the State Account closes the financial year 2022 with an increase of 5.5% compared to the previous year, close to 18.5 billion euros, which is an all-time record.

This portfolio growth mainly reflects the increase in new order intake, but is also determined by the evolution of the USD/EUR exchange rate, which closed in 2022 at 1.0666 compared to 1.1326 at the end of 2021, revaluing the value of the portfolio measured in EUR.

The bulk of the portfolio, almost 90%, consists of outstanding risks that have not yet matured. The remaining 10% is divided between unpaid capital and capital which, having defaulted, has been renegotiated within the Paris Club.

The Paris Club is a negotiating forum between official creditors and debtor countries with payment difficulties. It was created in 1956 to find a way out of Argentina's debt at a time when the country lacked the capacity to service maturities on the original schedules. Since then, more than 100 countries have managed to renegotiate their foreign debt, in most cases successfully.

For Cesce, this mechanism has made it possible over the years to recover the bulk of compensation for public debtors' obligations. Today it has agreements in force with Cuba, Argentina, Iraq, Montenegro, Nicaragua (Celgusa), Pakistan, Serbia, Equatorial Guinea, Djibouti and Seychelles.

Distribution of the risk portfolio by countries

If we look at the picture of risks in the Cesce portfolio at 31 December 2022, we see that **Spain** holds first position, with more than 20% of the total.

As mentioned above, the "Spain risk" figures are increased by hedges in which the risk is borne by a Spanish debtor, mainly through the Guarantee Enforcement Insurance (Issuer Insurance), Working Capital Loans and the new coverages launched in 2022 - Investment Póliza Verde and the Strategic Investments Policy. The evolution of this exposure, which has gone from insignificant before 2009 to account-

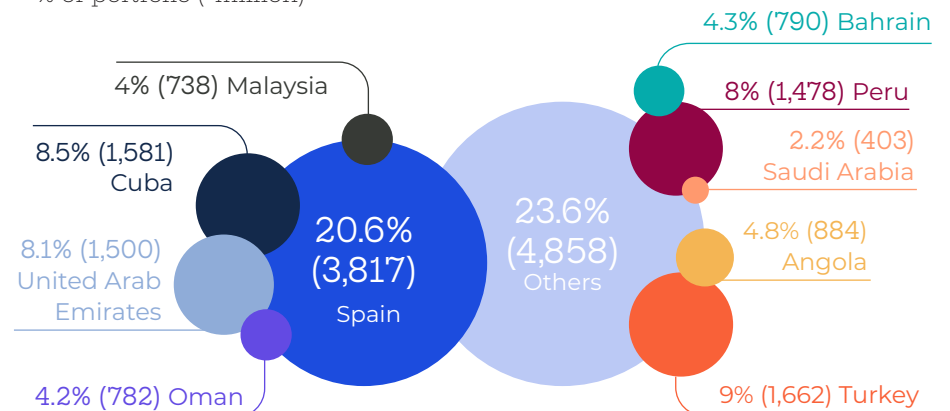
ing for one fifth of the outstanding risks, is striking.

Turkey, a country in which, among others, two relevant operations mentioned above have been insured this year, has moved up to second place, with 9% of the total. **Cuba** retains third place, due to the accumulation of old defaults. They are followed by **the United Arab Emirates, Peru, Angola, Bahrain, Oman, Malaysia and Saudi Arabia**.

Graph 10 shows this distribution.

Graph 10 - risk in force by country at 31/12/2022

% of portfolio (' million)





Distribution by type of debtor

As usual, public debtors maintain a predominant weight in Cesce's portfolio, with 63% of the total outstanding risks in the portfolio, while private debtors account for the remaining 37%. Within public debtors/guarantors, sovereigns account for about half of the committed capital, mainly concentrated in Angola, United Arab Emirates, Indonesia, Senegal, Egypt, Qatar, Argentina, Morocco, Ghana, Oman, Benin, Panama, Kenya, and the Dominican Republic.

Data at 31/12/22

Type of Debtor	Operations	Amount (Thousands EUR)	Percentages
Private	239	4,662,301	37.3%
Public Non Sovereign	72	3,901,332	31.2%
Public Sovereign	87	3,926,699	31.4%
Total Public	159	7,828,032	62.7%
Total Credit Risk	398	12,490,333	100%

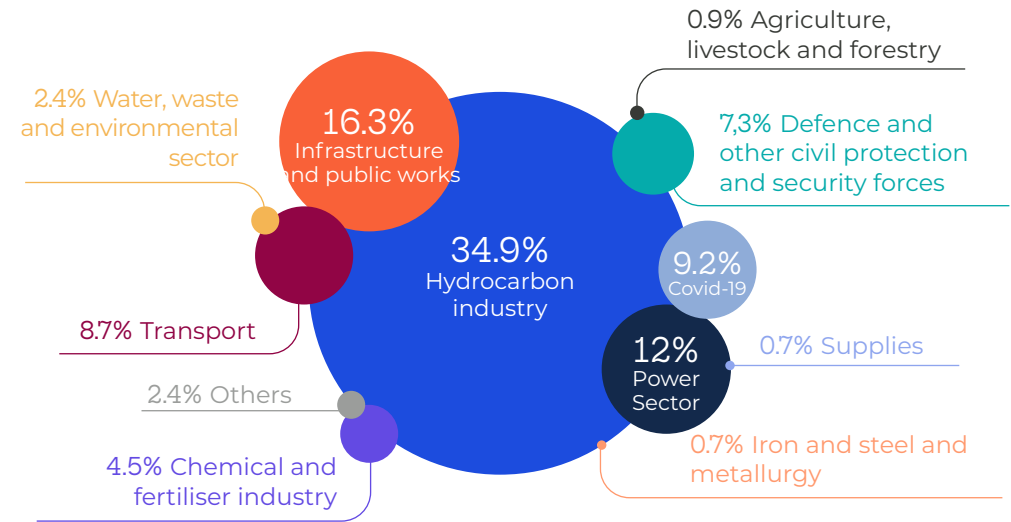
NOTE: This table only reflects credit operations (Buyer Credit, Supplier Credit, Inward Reinsurance and individual Documentary Credit policies).



Distribution of the risk portfolio by sectors

Graph 11 shows the distribution of Cesce's portfolio according to the traditional sectoral breakdown.

Graph 11 - risk in force by sector as at 31.12.2022



At first glance, we can see that the activities with the highest concentration of risk continue to be the hydrocarbon sector (which, although it still has a significant weight, has lost more than 8 percentage points of the total portfolio in the last four years), infrastructure and public works, the electricity sector and transport, which together account for 72% of the portfolio.

As can be seen in the graph, the **operations underwritten under the Covid Lines** have been included as a separate category in order to identify them within this distribution, due to the particularities of these operations and their relevant weight in the total portfolio. By the end of 2022, they represented 9.2% of the total portfolio, when measured in terms of sum insured.

Sustainable Projects

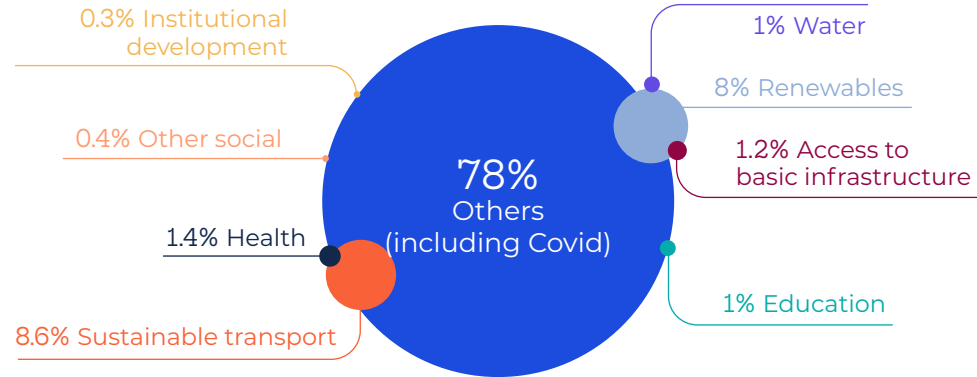
In addition to a traditional sectoral breakdown, for some time now Cesce has been identifying among the operations that form part of its portfolio those projects that can be framed within the criteria of what is known as sustainable financing. For this purpose, an *ad hoc* selection has been made from a conservative perspective, choosing only those that stand out for their clear contribution to the achievement of the Sustainable Development Goals.

These projects fit into two major blocks, in line with the commonly accepted criteria in the green or social bonds market. On the one hand are **green** projects, essentially made up of climate change mitigation projects and, more specifically, renewable energy, sustainable transport and water projects. Then, there are **social projects**, mainly projects aimed at the education and health sectors.

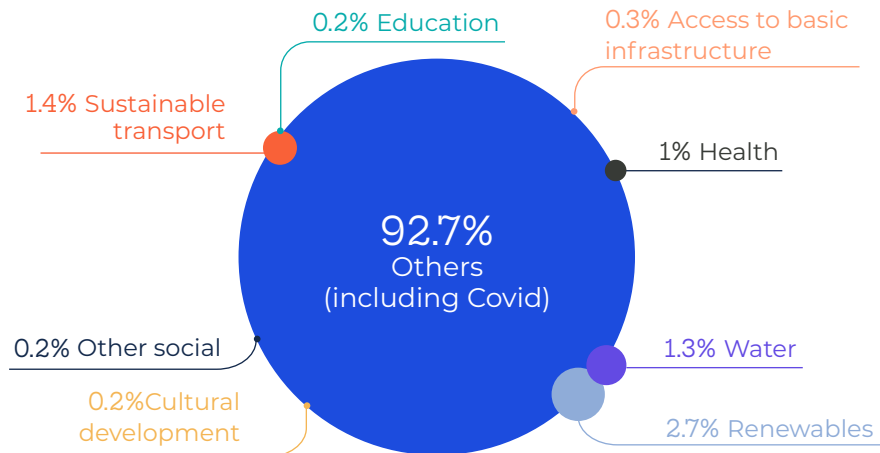
As can be seen in graphs 12 and 13, the concentration of live risks in Cesce's portfolio in sustainable projects at the end of 2022 represents almost 22% of the total sum insured. But the most relevant figure is undoubtedly the one that reflects the weight of these sectors measured in terms of the value of export operations, which, at the end of 2022, accounted for almost 30%.

Graph 12 - weight of 'green' and 'social' projects in the overall portfolio

Committed Capital



Number of Policies



The launch of the Green Policies and their great reception in the market augur a change of trend in the composition of Cesce's portfolio, towards a greater weight of sustainable projects. The new Climate Change Policy approved at the end of 2022, mentioned above, points in the same direction, which will make underwriting impossible or very difficult in the most polluting sectors.

Type of project	Operations	Amount underwritten (euros)	Committed Capital (euros)
Covid	1,576	2,165,601,306	1,470,999,071
Hydrocarbon industry	28	19,204,966,663	5,592,399,289
Others	415	29,042,099,846	5,438,010,818
Social	42	2,906,399,273	690,372,282
Green	118	17,651,864,613	2,830,427,404
Overall Total	2,179	70,970,931,701	16,022,208,864
SUSTAINABLE PROJECTS	160	20,558,263,886	3,520,799,686
% Grand Total	7.3%	29%	22%
% Without Covid - Grand Total	26.5%	29.9%	24.2%

Cesce's portfolio boosted by the launch of the Green Policy and its welcome by the markets.



5.3.6. New Climate Change Policy

Cesce had been implementing a Climate Change Policy since April 2021 that affected a large part of its portfolio, imposing restrictions and conditions on operations targeting projects belonging to the hydrocarbon industry value chain and fossil fuel-fired power generation plants.

A new, more demanding and restrictive version of this Policy was approved at the end of 2022, in response to the commitment signed by the Kingdom of Spain at the Conference of the Parties held in Glasgow in November 2021 (COP26), in which it was stated that the signatory countries would stop providing public support to projects aimed at activities in the thermal coal, oil and natural gas value chain as of 2023, except in certain exceptional circumstances that would have to be clearly defined and compatible with the Paris objectives.

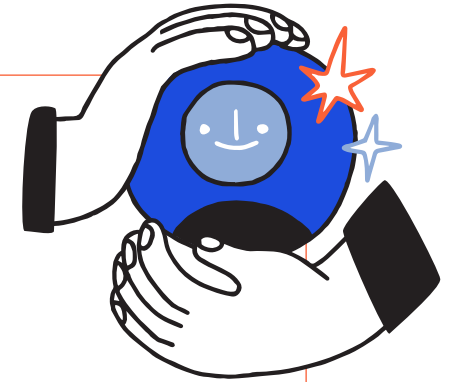
Without seeking to be exhaustive (the full text of the Policy is available on the Cesce website), in summary it is worth noting that the adoption of this new version implies a very substantial tightening of the pre-existing conditions in that: the restrictions will be more far-reaching in that they will affect practically all modalities; and it implies the definitive end of support for the thermal coal and oil value chain, including refining.

From the perspective of exceptions, it can be broadly said that these are focused on activities linked to natural gas - excluding support for projects linked to the exploitation of fields that could only be eligible through operations for

smaller amounts - and energy generation - always with fuels other than coal - and provided that they are compatible with the decarbonisation commitments of the country of destination, are aimed at regions with an insufficient degree of electrification or linked to projects with a positive social impact, such as, for example, the supply of generators to provide energy to hospitals and educational centres.

It is hoped that the implementation of this Policy will contribute to the transformation towards a more sustainable portfolio discussed above. To this end, Cesce is committed to reducing its portfolio exposure to the hydrocarbon sector by at least 75% by 2035 compared to 2020 levels.

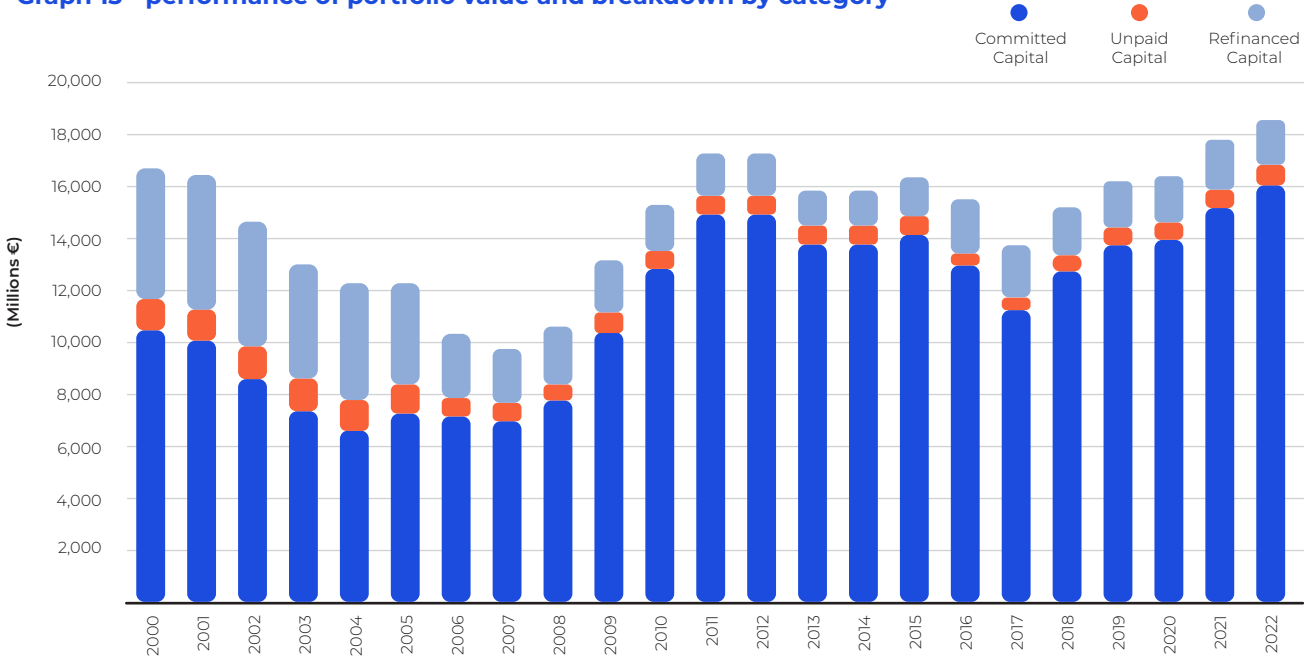
Its implementation will contribute to the development of a more sustainable portfolio of clients and projects



5.37. Size of the portfolio

As mentioned above, the portfolio of risks assumed on behalf of the State continued to grow for the fifth consecutive year, reaching 18.5 billion euros at the end of 2022, which represents a growth of 5.5% over the previous year. This time, the increase is mainly due to the recovery in hiring, although the euro/dollar exchange rate has also played a role. As the value of the US currency has risen, so has the value of US-denominated transactions.

Graph 13 - performance of portfolio value and breakdown by category



5.4 Conclusions

2022 was once again a positive year for the development of insurance on behalf of the State. The underwriting figure has reached historically high levels, as has the volume of operations benefiting from state support.



The growth in the number of insurance policies issued was mainly driven by the growth in Buyer Credit policies (financing to foreign buyers of Spanish goods and services), which is traditionally the product with the highest volume of business. However, it is worth noting that the largest policy this year is the new Green Overseas Investment Policy.



A new Climate Change Policy was approved at the end of the year, which restricts the company's participation in most projects in the hydrocarbon sector. Through this new policy, as well as the new green policies, the company aims to move towards a more sustainable risk portfolio.



The cash result has been positive again, as has been the case since 1996, without interruption, with a net balance of 66 million euros. It is worth noting that this positive result comes in a year in which the claims ratio was well above the historical average, as several large claims were handled.



Of course, the development of the Spain risk, currently the portfolio's leading concentration with more than 20%, is closely monitored. At the moment the default rate under the Covid Lines is moderate. However, the bulk of the loans are still in force and have yet to expire.



5.5 Statistics appendix

Value of insured operations

Risk on behalf of the State (Thousands of euros)

Categories	2018	2019	2020	2021	2022
Supplier Credit	297,395.69	76,858.29	65,919.41	97,099.23	106,056.81
Buyer Credit	6,490,716.11	5,541,966.47	3,066,901.51	782,911.13	1,898,343.83
PAGEX	---	---	---	---	---
Multi-market	---	---	---	---	---
Documentary credit	59,352.70	104,667.86	106,910.68	104,702.07	171,851.37
Overseas works and projects	---	---	---	1,046.31	1,800.00
Issuers Guarantees and Exporter Bonds	4,546,119.04	7,997,606.50	2,728,561.16	9,413,697.66	7,489,316.56
Investments	---	---	---	---	---
Investment Póliza Verde	---	---	---	---	516,500.00
Revolving Credit	672,176.56	279,943.81	7,241,074.46	2,229,587.07	1,351,644.11
Total	12,065,760.10	14,001,042.93	13,209,367.22	12,629,043.48	11,535,512.69

The Value of Insured Transactions is the amount (excluding interest) of the contracts covered by the insurance.

In the Open Export Management and Multi-market Policy system, this value corresponds to the amount of sales declared with coverage on behalf of the State, and in Policy 100 to the estimate of expected sales.

For foreign currency insurance, the latest average exchange rate of each year has been applied.

Contract Termination, Sureties and Overseas Construction Work and Projects do not reflect amounts already included under Supplier Credit (Credit Risk) or Buyer Credit, to avoid duplication.

Insurance issued by type and repayment periods

Risk on behalf of the State (Thousands of euros)

Categories	2018	2019	2020	2021	2022
Supplier Credit	136,511.26	51,404.75	40,581.34	53,136.60	55,402.04
< 24 months	105,710.83	37,330.82	27,754.08	24,494.74	29,330.28
≥ 24 months	30,800.42	14,073.93	12,827.26	28,641.85	26,071.76
Buyer Credit	2,738,123.19	2,602,382.78	1,461,580.73	669,442.80	1,736,463.56
< 24 months	---	---	---	---	---
≥ 24 months	2,738,123.19	2,602,382.78	1,461,580.73	669,442.80	1,736,463.56
PAGEX	---	---	---	---	---
< 24 months	---	---	---	---	---
≥ 24 months	---	---	---	---	---
Multi-market	---	---	---	---	---
Documentary credit	58,995.78	103,654.05	105,841.57	103,655.05	170,132.85
< 24 months	58,514.64	103,654.05	105,841.57	103,655.05	170,132.85
≥ 24 months	481.14	---	---	---	---
Overseas works and projects	---	---	---	626.07	3,730.85
Issuers Guarantees and Exporter Bonds	306,210.68	272,622.05	174,598.36	469,198.60	279,073.57
Investments	---	---	---	---	---
Investment Póliza Verde	---	---	---	---	544,178.18
Revolving Credit	279,632.98	60,692.96	1,298,651.77	934,473.50	112,551.78
TOTAL	3,519,473.87	3,090,756.59	3,081,253.77	2,230,532.62	2,901,532.85
< 24 months	164,225.47	140,984.87	133,595.65	128,149.79	199,463.13
≥ 24 months	2,769,404.75	2,616,456.71	1,474,407.99	698,084.65	2,306,713.51
Works/Finances/Investments/Other	585,843.65	333,315.01	1,473,250.13	1,404,298.17	395,356.21

30 main destinations of insurance issued

as at 31/12/2022 (in thousands of euros)

2022													
Countries*	Individual policies						Open Policies			% on general subtotal			
	Credit Risk		Investments	Other Guarantees		PAGEX and Multimarket	Documentary credit	TOTAL	2022	2021	2020	2019	
	< 24 months	> 24 months		Cancellation < 24 months	Other								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(2)+(3)+(4)+(5)+(6)+(7)+(8)	(10)	(11)	(12)	(13)	
Spain	0.00	548,581.04	0.00	0.00	391,625.36	0.00	0.00	940,206.40	32.40%	61.95%	48.39%	11.66%	
Turkey	58,992.61	645,998.90	0.00	0.00	0.00	0.00	235.92	705,227.42	24.31%	1.73%	2.69%	1.49%	
Indonesia	0.00	332,817.43	0.00	0.00	0.00	0.00	0.00	332,817.43	11.47%	0.00%	0.00%	0.00%	
Qatar	0.00	223,526.50	0.00	0.00	0.00	0.00	0.00	223,526.50	7.70%	0.00%	0.00%	0.00%	
Angola	2,749.02	149,305.17	0.00	0.00	0.00	0.00	0.00	152,054.19	5.24%	2.01%	0.00%	1.38%	
Senegal	0.00	136,740.19	0.00	0.00	0.00	0.00	0.00	136,740.19	4.71%	3.84%	2.57%	0.06%	
Morocco	5,049.00	103,783.47	0.00	0.00	0.00	0.00	0.00	108,832.47	3.75%	0.10%	4.71%	0.32%	
Ghana	15,075.08	74,230.27	0.00	0.00	0.00	0.00	0.00	89,305.35	3.08%	0.39%	0.22%	0.00%	
Tunisia	43,063.23	0.00	0.00	0.00	0.00	0.00	5,317.18	48,380.41	1.67%	2.14%	0.04%	0.18%	
Togo	0.00	40,713.67	0.00	0.00	0.00	0.00	0.00	40,713.67	1.40%	0.00%	0.01%	0.00%	
Uzbekistan	3,868.51	14,162.17	0.00	0.00	0.00	0.00	0.00	18,030.68	0.62%	0.00%	0.34%	0.00%	
Oman	14,561.83	1,576.24	0.00	0.00	0.00	0.00	0.00	16,138.07	0.56%	2.61%	0.81%	18.57%	
USA	0.00	14,345.23	0.00	0.00	0.00	0.00	0.00	14,345.23	0.49%	0.39%	0.00%	0.00%	
Mexico	5,025.97	4,463.59	0.00	0.00	0.00	0.00	0.00	9,489.56	0.33%	0.86%	0.69%	0.11%	
Philippines	6,684.88	0.00	0.00	0.00	0.00	0.00	0.00	6,684.88	0.23%	0.16%	0.28%	0.83%	
Guinea Conakry	0.00	5,667.09	0.00	0.00	0.00	0.00	0.00	5,667.09	0.20%	0.00%	0.00%	0.00%	
Algeria	3,428.78	0.00	0.00	0.00	0.00	0.00	2,028.09	5,456.87	0.19%	0.46%	0.21%	0.30%	
Jordan	4,968.22	0.00	0.00	0.00	0.00	0.00	0.00	4,968.22	0.17%	0.12%	0.15%	0.02%	
Colombia	2,472.11	2,132.18	0.00	0.00	0.00	0.00	0.00	4,604.29	0.16%	0.05%	0.06%	0.58%	
Egypt	3,887.38	0.00	0.00	0.00	0.00	0.00	541.98	4,429.36	0.15%	10.00%	0.35%	0.14%	
Equatorial Guinea	0.00	0.00	0.00	0.00	3,730.85	0.00	0.00	3,730.85	0.13%	0.00%	0.00%	0.00%	
Ethiopia	3,107.38	0.00	0.00	0.00	0.00	0.00	0.00	3,107.38	0.11%	0.09%	0.04%	0.07%	
Canada	0.00	2,897.33	0.00	0.00	0.00	0.00	0.00	2,897.33	0.10%	0.00%	0.00%	0.00%	
Bangladesh	1,964.31	0.00	0.00	0.00	0.00	0.00	522.62	2,486.93	0.09%	0.18%	0.09%	0.13%	
Argentina	160.18	0.00	0.00	0.00	0.00	0.00	2,277.87	2,438.05	0.08%	0.07%	2.24%	3.82%	
Kuwait	0.00	2,350.14	0.00	0.00	0.00	0.00	0.00	2,350.14	0.08%	0.00%	0.00%	0.00%	
Côte d'Ivoire	2,301.30	0.00	0.00	0.00	0.00	0.00	0.00	2,301.30	0.08%	0.00%	0.00%	0.00%	
Puerto Rico	1,573.37	0.00	0.00	0.00	0.00	0.00	0.00	1,573.37	0.05%	0.01%	0.00%	0.00%	
Ecuador	364.00	1,034.64	0.00	0.00	0.00	0.00	131.75	1,530.40	0.05%	0.11%	0.02%	0.02%	
Chile	1,470.60	0.00	0.00	0.00	0.00	0.00	0.00	1,470.60	0.05%	0.06%	0.00%	0.00%	
Subtotal	180,767.76	2,304,325.27	0.00	0.00	395,356.21	0.00	11,055.40	2,891,504.65	2,891,504.65	1,947,817.05	1,968,784.10	1,226,839.86	
% of Overall Total	95.94	99.90	0.00	0.00	100.00	0.00	100.00	99.65	99.65	87.33	63.90	39.69	
GRAND TOTAL	188,407.73	2,306,713.51	0.00	0.00	395,356.21	0.00	11,055.40	2,901,532.85	2,901,532.85	2,230,532.62	3,081,253.77	3,090,756.59	

*(in descending order according to column 9)

Direct insurance

earned premiums

Categories	2018	2019	2020	2021	2022
Supplier Credit	2,747.14	1,440.68	1,035.70	1,512.09	2,127.68
Buyer Credit	122,925.60	191,584.21	59,322.35	55,897.77	149,904.30
PAGEX	0.00	-0.02	0.00	0.00	0.00
Multi-market	-11.13	-3.35	-0.55	-0.41	0.11
Confirmation of Documentary Credit	399.60	757.77	477.34	551.84	780.14
Overseas works and projects	0.00	0.00	0.00	0.42	4.36
Issuers Guarantees and Exporter Bonds	17,573.43	18,717.91	8,084.84	21,200.43	12,281.45
Investments	-2,658.49	1,058.19	21.27	194.95	-642.32
Investment Póliza Verde	0.00	0.00	0.00	0.00	17,345.56
Revolving Credit	10,113.06	1,185.00	24,418.68	16,967.21	3,576.35
TOTAL	151,089.21	214,740.39	93,359.64	96,324.30	185,377.61



Current refinance agreements by country

at 31/12/2022

Country	No. of agreements	Total refinanced (principal + capitalised interest from previous refinancing)	Arrears				Pending			Total
			Principal		Interest		Principal instalments (reaching maturity)		Total	
			Indemnified	Int. Capitalised from previous ref.	Interest on/principal	Late payment interest	Indemnified	Int. Capitalised from previous ref.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)=(4)+(5)+(6)+(7)+(8)+(9)	
Argentina	6	571,477.60	24,453.43	32,050.17	0.00	0.00	0.00	0.00	0.00	56,503.60
Bosnia and Herzegovina	1	1,849.74	0.00	0.00	0.00	0.00	38.28	30.41	68.69	68.69
Cuba	7	1,565,603.52	27,090.95	16,481.50	2,555.01	1,045.90	439,080.03	1,064,131.00	1,550,384.39	1,550,384.39
Equatorial Guinea (1)	5	29,581.40	0.00	0.00	0.00	0.00	1,037.43	1,356.34	2,393.77	2,393.77
Iraq	4	127,013.64	0.00	0.00	0.00	0.00	17,895.83	16,394.34	34,290.17	34,290.17
Montenegro	1	26,498.87	0.00	0.00	0.00	0.00	12,212.48	6,760.81	18,973.29	18,973.29
Nicaragua - Celgusa (2)	1	75,377.55	0.00	0.00	0.00	0.00	2,490.84	3,498.70	5,989.54	5,989.54
Pakistan	6	26,217.66	0.00	0.00	0.00	0.00	9,997.99	305.23	10,303.22	10,303.22
Serbia	1	18,960.65	0.00	0.00	0.00	0.00	7,595.12	5,928.87	13,523.99	13,523.99
Seychelles	1	1,592.38	0.00	0.00	0.00	0.00	338.37	454.75	793.12	793.12
Djibouti	4	4,860.19	22.42	13.91	4.14	0.04	636.34	339.87	1,016.72	1,016.72
TOTAL	37	2,449,033.20	51,566.80	48,545.58	2,559.15	1,045.94	491,322.71	1,099,200.32	1,694,240.50	1,694,240.50

· This table shows the status of the Refinancing Agreements signed by Cesce at the date of the statistics.

· In all amounts the Insured's participation in the risk has been excluded.

· The principal amounts correspond to the refinanced loans, and the interest amounts to those that have been generated by the refinancing and have not been serviced at maturity.

· Figures have been valued in euro at the following exchange rate:

a) For claims insured in foreign currencies, each instalment of principal, each instalment of interest and the accrued interest on arrears was applied on 31/12/2022.

b) For loans insured in euros:

b.1) In subrogated credits, the average exchange rate compensated at each refinanced due date is applied to each principal instalment, including capitalised interest from previous refinanced transactions, to each interest instalment and to accrued interest on late payments.

b.2) For purchased credits, for each instalment of principal, including capitalised interest from previous refinancing operations, the average compensated exchange rate, and for each instalment of interest and for accrued interest on arrears, that of 31/12/2022.

· The amounts corresponding to the principal write-downs agreed in the Refinancing Agreements are excluded from this table.

· Default interest has been accrued on the principal and interest instalments unpaid

at the reporting date at the interest and penalty rates established in their respective Bilateral Agreements.

(1) Includes the Debt Refinanced up to the Agreement signed on 19/08/2003, and the Debt subject to the Private Debt Conversion Programme according to the Agreement dated 17/06/2003.

(2) The amounts in columns 5 and 9 correspond to the capitalised interest of the original operation (Celgusa).

Current risk by type

at 31/12/2022

Concept/ type	2022	2021	2020	2019	2018	% Variation	
(1)	(2) (Accumulated 31/12)	(3) Accumulated 31/12	(4) Total year	(5)	(6)	(7)	(8)
Committed Capital	16,022,208.86	15,119,678.24	15,119,678.24	13,950,548.05	13,668,731.43	12,729,782.81	6
1.1.- Supplier Credit	96,602.83	100,603.15	100,603.15	117,762.88	133,097.30	265,950.92	-4.0
1.2.- Buyer Credit	12,278,880.37	11,483,552.33	11,483,552.33	11,465,370.43	11,867,901.94	10,734,558.44	6.9
1.3.- PAGEX + Policy 100	0.00	0.00	0.00	0.00	0.00	0.00	0.0
1.4.- Multi-Market Policy	0.00	0.00	0.00	0.00	0.00	0.00	0.0
1.5.- Confirmations of Documentary Credit	114,849.39	101,031.04	101,031.04	84,945.13	62,673.56	17,217.36	13.7
1.6.- Overseas construction work and projects	0.00	626.07	626.07	1,980.00	1,980.00	1,980.00	-100.0
1.7.- Ex. Issuers Guarantees and Exporter Bonds	1,158,118.07	1,100,739.82	1,100,739.82	697,376.73	1,164,644.77	1,301,781.42	5.2
1.8.- Investments	73,580.37	97,181.72	97,181.72	97,473.72	85,529.37	91,241.55	-24.3
1.9.- Green Investment Policy	544,178.18	0.00	0.00	0.00	0.00	0.00	0.0
1.10- Current assets	1,755,999.65	2,235,944.12	2,235,944.12	1,485,639.16	352,904.49	317,053.12	-21.5
Unpaid Capital	774,761.05	696,145.93	696,145.93	705,432.24	703,981.04	572,387.65	11.3
2.1.- Political and Commercial Risks	535,716.21	541,468.77	541,468.77	561,437.41	555,024.32	429,608.47	-1.1
2.1.1.- Indemnifiable principal + interest	535,716.21	541,468.77	541,468.77	561,437.41	555,024.32	429,608.47	-1.1
2.1.2.- Late payment interest	0.00	0.00	0.00	0.00	0.00	0.00	0.0
2.2.- Other commercial risks	239,044.84	154,677.15	154,677.15	143,994.83	148,956.73	142,779.18	54.5
Refinanced Capital	1,694,240.50	1,719,616.63	1,719,616.63	1,720,125.83	1,757,816.96	1,851,789.66	-1.5
3.1.- Arrears	103,717.47	88,778.63	88,778.63	16,129.63	10,333.70	7,618.18	16.8
3.1.1.-Principal	100,112.38	82,370.69	82,370.69	14,773.11	9,609.37	6,962.06	21.5
3.1.2.- Interest on Principal	2,559.15	5,980.90	5,980.90	1,274.69	498.44	499.75	-57.2
3.1.3.-Late payment interest	1,045.94	427.04	427.04	81.83	225.89	156.37	144.9
3.2.- Pending maturity. Principal	1,590,523.03	1,630,838.00	1,630,838.00	1,703,996.20	1,747,483.26	1,844,171.48	-2.5
3.3.- Pending maturity. Late payment interest	0.00	0.00	0.00	0.00	0.00	0.00	0.0
TOTAL	18,491,210.41	17,535,440.80	17,535,440.80	16,376,106.12	16,130,529.43	15,153,960.12	5.5

Current risks by country

2022 (amounts)

% OF OVERALL TOTAL

Top 40

Committed Capital

Countries*	Investments	Other Risks	Unpaid capital	Refinancing arrears	Refinance pending maturity	TOTAL	2022	2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(2)+(3)+(4)+(5)+(6)+(7)+(8)
Spain	0.00	3,577,997.77	239,044.84	0.00	0.00	3,817,042.61	20.64	20.79
Turkey	0.00	1,661,482.12	465.06	0.00	0.00	1,661,947.18	8.99	6.65
Cuba	0.00	0.00	30,332.81	47,173.36	1,503,211.03	1,580,717.20	8.55	9.01
United Arab Emirates	0.00	1,499,600.34	262.06	0.00	0.00	1,499,862.40	8.11	8.68
Peru	0.00	1,477,451.19	521.35	0.00	0.00	1,477,972.54	7.99	9.16
Angola	0.00	883,587.43	0.00	0.00	0.00	883,587.43	4.78	4.92
Bahrain	0.00	789,666.80	0.00	0.00	0.00	789,666.80	4.27	4.24
Oman	0.00	781,820.79	0.00	0.00	0.00	781,820.79	4.23	4.16
Malaysia	0.00	737,721.27	0.00	0.00	0.00	737,721.27	3.99	4.75
Saudi Arabia	0.00	401,713.57	1,385.46	0.00	0.00	403,099.03	2.18	2.53
Qatar	0.00	385,508.15	0.00	0.00	0.00	385,508.15	2.08	0.92
Malta	0.00	383,902.45	0.00	0.00	0.00	383,902.45	2.08	2.55
Indonesia	0.00	372,139.90	0.00	0.00	0.00	372,139.90	2.01	0.33
Mexico	0.00	304,050.61	61,906.95	0.00	0.00	365,957.56	1.98	2.45
Senegal	0.00	296,950.38	0.00	0.00	0.00	296,950.38	1.61	0.94
Morocco	2,701.57	254,027.19	4,364.26	0.00	0.00	261,093.02	1.41	0.87
Argentina	0.00	163,421.80	30,761.34	56,503.60	0.00	250,686.74	1.36	1.58
Egypt	0.00	224,519.01	10.00	0.00	0.00	224,529.01	1.21	1.28
Brazil	0.00	119,897.47	44,583.82	0.00	0.00	164,481.29	0.89	1.04
Venezuela	0.00	0.00	154,762.08	0.00	0.00	154,762.08	0.84	0.88
United Kingdom	0.00	108,284.45	40,680.63	0.00	0.00	148,965.08	0.81	0.87
USA	0.00	44,952.85	77,795.36	0.00	0.00	122,748.21	0.66	0.62
Ghana	0.00	110,234.93	1,427.30	0.00	0.00	111,662.22	0.60	0.19
Panama	0.00	96,619.84	0.00	0.00	0.00	96,619.84	0.52	0.80
Kenya	0.00	95,437.38	0.00	0.00	0.00	95,437.38	0.52	0.57
Benin	0.00	89,785.84	0.00	0.00	0.00	89,785.84	0.49	0.51
Uruguay	0.00	85,357.84	0.00	0.00	0.00	85,357.84	0.46	0.48
Ecuador	0.00	77,209.39	87.39	0.00	0.00	77,296.79	0.42	0.63
Dominican Republic	0.00	74,503.87	0.00	0.00	0.00	74,503.87	0.40	0.62
Cameroon	0.00	73,416.95	0.00	0.00	0.00	73,416.95	0.40	0.50
Tanzania	0.00	71,928.23	0.00	0.00	0.00	71,928.23	0.39	0.39
Algeria	70,878.80	0.00	715.10	0.00	0.00	71,593.90	0.39	0.48
Italy	0.00	70,502.78	0.00	0.00	0.00	70,502.78	0.38	0.47
France	0.00	59,737.99	0.00	0.00	0.00	59,737.99	0.32	0.39
Bangladesh	0.00	55,960.30	0.00	0.00	0.00	55,960.30	0.30	0.33
Tunisia	0.00	55,537.54	0.00	0.00	0.00	55,537.54	0.30	0.39
Greenland	0.00	51,459.10	0.00	0.00	0.00	51,459.10	0.28	0.29
Iran	0.00	46,950.47	745.04	0.00	0.00	47,695.51	0.26	0.35
Norway	0.00	47,485.56	0.00	0.00	0.00	47,485.56	0.26	0.32
Germany	0.00	45,260.50	0.00	0.00	0.00	45,260.50	0.24	0.30
Subtotal	73,580.37	15,676,084.05	689,850.85	103,676.96	1,503,211.03	18,046,403.26		
% on General Total	100.00	98.29	89.04	99.96	94.51	97.59	97.59	97.24
GRAND TOTAL	73,580.37	15,948,628.50	774,761.05	103,717.47	1,590,523.03	18,491,210.41	18,491,210.41	17,535,440.77

* (in decreasing order according to column 7)

Committed Capital (Pending maturity) at the end of each financial year

Risk on behalf of the State

Categories	2018	2019	2020	2021	2022
Supplier Credit	265,950.92	133,097.30	117,762.88	100,603.15	96,602.83
Buyer Credit	10,734,558.44	11,867,901.94	11,465,370.43	11,483,552.33	12,278,880.37
PAGEX + Policy 100	---	---	---	---	---
Multi-market	---	---	---	---	---
Documentary credit	17,217.36	62,673.56	84,945.13	101,031.04	114,849.39
Overseas works and projects	1,980.00	1,980.00	1,980.00	626.07	---
Issuers Guarantees and Exporter Bonds	1,301,781.42	1,164,644.77	697,376.73	1,100,739.82	1,158,118.07
Investments	91,241.55	85,529.37	97,473.72	97,181.72	73,580.37
Investment Póliza Verde	---	---	---	---	544,178.18
Revolving Credit	317,053.12	352,904.49	1,485,639.16	2,235,944.12	1,755,999.65
TOTAL	12,729,782.81	13,668,731.43	13,950,548.05	15,119,678.24	16,022,208.86



Insurance issued net of cancellations for annuities

Risk on behalf of the State (Thousands of euros)

Categories	2018	2019	2020	2021	2022
Supplier Credit	136,511.26	51,404.75	40,581.34	53,136.60	55,402.04
Buyer Credit	2,738,123.19	2,602,382.78	1,461,580.73	669,442.80	1,736,463.56
PAGEX + Policy 100	---	---	---	---	---
Multi-market	---	---	---	---	---
Documentary credit	58,995.78	103,654.05	105,841.57	103,655.05	170,132.85
Overseas works and projects	---	---	---	626.07	3,730.85
Issuers Guarantees and Exporter Bonds	306,210.68	272,622.05	174,598.36	469,198.60	279,073.57
Investments	---	---	---	---	---
Investment Póliza Verde	---	---	---	---	544,178.18
Revolving Credit	279,632.98	60,692.96	1,298,651.77	934,473.50	112,551.78
TOTAL	3,519,473.87	3,090,756.59	3,081,253.77	2,230,532.62	2,901,532.85

The insurance written is the amount of claims financed (principal plus interest), excluding the policyholder's share of the risk.

For insurance in foreign currencies, the average exchange rate for each year has been applied.

Indemnities

Risk on behalf of the State (Thousands of euros)

Categories	2018	2019	2020	2021	2022
Supplier Credit	438.72	4,037.71	26,944.39	73,069.55	35,617.25
Buyer Credit	29,001.09	40,343.18	16,358.31	11,949.24	5,471.55
PAGEX	3.81	2.19	0.00	10.57	14.66
Documentary credit	0.00	0.00	0.00	0.00	0.00
Overseas works and projects	0.00	0.00	4.62	0.00	0.11
Guarantors Issuers	73,452.85	282.71	4,181.79	277.96	64,293.91
Investments	197.46	0.00	(11.56)	(15.15)	0.00
Revolving Credit	0.00	0.00	202.66	5,313.60	11,146.26
Others	7,839.22	3.76	0.00	0.00	0.00
TOTAL	110,933.15	44,669.55	47,680.21	90,605.77	116,543.74

Collections

Risk on behalf of the State (Thousands of euros)

Categories	2018	2019	2020	2021	2022
Supplier Credit	30,371.12	4,377.95	6,634.36	7,001.02	6,695.91
Buyer Credit	96,043.66	93,587.21	23,107.62	34,424.08	41,511.47
PAGEX	388.16	390.29	326.49	287.67	283.88
Documentary credit	2,120.75	1,100.92	2,493.35	1,322.74	1,606.54
Overseas works and projects	313.91	348.49	324.51	271.58	301.17
Guarantors Issuers	3,169.73	20.81	0.00	1,283.56	0.00
Revolving Credit	2.74	3.03	0.00	208.40	744.07
Others	1,110.39	2,445.81	366.35	204.99	201.96
Capital losses offset	61.56	65.85	85.09	71.37	54.04
TOTAL	133,582.02	102,340.36	33,337.77	45,075.41	51,399.04



Corporate Governance


- 6.1** Governance Model
- 6.2** Governing bodies
- 6.3** Ethical Framework
- 6.4** Risk Management



6.1 Governance Model

To continue meeting its objectives of customer support and the commitment that links it to its stakeholders, the Cesce Group's governance is based on a strict Code of Ethics that underpins each company, management and department of the Group. In this shared journey, compliance with national and international regulations, the fight against climate change and the interests of the business community are aligned.

In line with the company's objectives and philosophy, the various governing bodies are moving forward within a framework of action that upholds the values and principles that define Cesce's culture. The Board of Directors, which approved the Code of Ethics on 29 November 2016, carried out the adaptation to the new regulations applicable to the entity and to the principles and values defined for the entity, considers corporate integrity and the monitoring of ethical business behaviour to be an unavoidable requirement to maintain the trust of institutions, customers and society. This Code therefore defines and develops the basic concepts to be applied to the company's business and activities, as well as the guidelines applicable to the entire Group.



Cesce's Code of Ethics defines and develops the basic concepts to be applied to the company's business and activities.

6.2 Governing bodies

Cesce's governing bodies are the General Shareholders' Meeting and the Board of Directors, from which the company's activities are directed. It also has an Executive Committee and a Steering Committee that advise the Chairman on key decisions for its smooth running.

Annual General Meeting

This is the sovereign body of the company, responsible for approving the annual accounts of the company and the Group, applying the profit and loss and distributing dividends, as well as approving the management of the Board of Directors.

In 2022, the shareholders met twice: in an ordinary meeting on 17 May and in an extraordinary meeting on 30 December.

Board of Directors

This is the company's main management body, made up of professionals with extensive experience and knowledge of the insurance sector, including the Chairman of Cesce. Of the directors who participate in the representation and management of the Group, two of them are independent, the rest being nominee directors.

Chairman

Fernando Salazar Palma
Cesce

Secretary

Miguel Pardo González
Ministry of Finance

Deputy Secretary

Marta Silva de Lapuerta
Cesce

Proprietary director

Alberto Carlos Sabido Martín
Ministry of Economic Affairs and Digital Transformation

Proprietary director

Alfonso Trapero López
Ministry of Finance

Proprietary director

Álvaro Aresti Aldasoro
BBVA. Creates Madrid Nuevo Norte

Proprietary director

Ana Esmeralda Martínez Sáez
Ministry of Foreign Affairs, E.U. and Cooperation

Proprietary director

Diego Sancho Molerés Ollivier
Ministry of Economic Affairs and Digital Transformation

Proprietary director

Enrique Migoya Peláez
BBVA. Banco Bilbao Vizcaya Argentaria

Proprietary director

Eva Bueno Velayos
Grupo Santander

Independent director

Jaime Lionel de Orueta Carvallo

Proprietary director

Jaime Uscola Lapiedra
Grupo Santander – Santander España

Proprietary director

Jaime Ybarra Loring
Santander Group

Proprietary director

Laura Jarillo Carrasco
Ministry of Industry, Trade and Tourism

Independent director

Laura Pilar Duque Santamaría
Mutualidad General de la Abogacía

Proprietary director

Luisa Camy Gavilanes
Ministry of Industry, Trade and Tourism

Proprietary director

Verónica Samper Merino
Ministry of Industry, Trade and Tourism

Changes during the 2022 financial year and in the first months of 2023:

DEPARTURES: Ana Robles González (2022), Marta Valero San Paulo (2022), Miguel Antonio Tiana Álvarez (2022) y Mariano Olmeda (2023). The departure of the Secretary of the Board, Miguel Pardo González, was announced in March 2023.

APPOINTMENTS: Diego Sancho Molerés Ollivier (2022), Laura Jarillo Carrasco (2022), Alberto Carlos Sabido Martín (2023), Jaime Uscola Lapiedra (2023) and Ana Belén San Martín Ontoria (2023).

Executive Committee / Management Committee

The Executive Committee is the permanent coordinating body bringing together the heads of each Unit or Department linked to the Chair. Its members meet once a week.

For its part, the Management Committee brings together participants from the Executive Committee and representatives from other areas of the company, who met every month throughout 2022, either in person or online.

The remit of the Executive Committee and the Management Committee includes advising the Chief Executive Officer and assessing issues relevant to the smooth running of the company, such as the analysis of documents to be submitted to the Board of Directors, the Shareholders' Meeting or the Supervisory Authorities, as well as horizontal issues and initiatives that may affect the company as a whole.

Management Committee
— Executive Committee —

Fernando Salazar Palma
Executive Chairman

Beatriz Reguero Naredo
State Account Area Director

Mr **Manuel Fernando Antunes Alves**
Director of Own-Account Operations

Mr **Juan María Sainz Muñoz**
CEO of Informa D&B

Carmen Vara Martín Director of Operations
on behalf of the State

Ricardo Santamaría Burgos
Director of Country Risk and Debt
Management

Pedro Regata Cuesta Director of the
Technical Department

Alejandro Gandía Alapont
Sales Director Iberia

Marta Silva de Lapuerta General Secretary
Rosa Lis de Miguel Financial Director

Carlos de Benito Álvarez
Head of Human Resources

Karim Kaidi Ruiz
Director of Systems and Organisation

Carlota Carnal López de la Manzanara*
Head of Enterprise Risk

Jesús Urdangaray López Director of
Subsidiaries

Henar Pinilla Nieto Technology Director
Jaime de Miguel Muñoz
Director of Legal Advisory Services

Carlos Cabrera Calvache Head of Marketing,
Institutional Relations and Corporate Identity
Unit

*from February 2022

Remuneration Policy

Remuneration of Directors and Executives (in euros)

The allowances received by directors are identical for all members and are regardless of the gender of the director.

In accordance with its Articles of Association, the members of the Board of Directors and the Secretary are entitled to receive attendance fees for attending meetings, as provided for in Article 16 of the Articles of Association. These daily allowances do not exceed the maximum provided for by law under any circumstances and are the same for men and women.

Directors holding Senior Management positions in the entities in which they provide their services, do not receive per diems in accordance with the provisions of Royal Decree 451/2012, of 5 March which regulates the remuneration regime of senior managers and directors in the public business sector and other entities.

— Directors' remuneration

11,994 euros gross per year per director plus 1,520 euros gross per year for the members of the Audit Committee.

The Chairman of Cesce is a member of the Board, but his allowances are paid to the Directorate-General of the Treasury.

— Average fixed remuneration

Total / men / women
90,611 / 94,709 / 84,936 euros

— Average variable remuneration

11,757 / 13,119 / 9,870 euros

6.3 Ethical Framework

Cesce's activity, represented in its governing bodies, is framed within an ethical framework that contains the keys to each strategic decision taken within the company. Its commitment to its employees, to the environment and to society is reflected in everything it does.

The entity's governing body values this corporate integrity and ethical behaviour, which is a fundamental value for Cesce, thus sustaining the trust of its employees, customers and the public in general.

As a result of this corporate awareness, and as a result of Cesce's main lines of action as a socially responsible company, it made a commitment to the 2030 Agenda, a global action plan in favour of society and the planet, whose impact on the company's actions is analysed in chapter 7 of this Report.



The commitment to society and the planet is aligned with Agenda 2030, a demanding and necessary global action plan.

Code of Ethics

Cesce has a Code of Ethics, public and accessible through its website, which contains the fundamental values on which the company's progress is based, in addition to the correct observance of the applicable laws in force. In the form of bylaws, this document defines the standards of behaviour required of each professional involved in the Group's activities.

The values on which it is based are:

Innovation

Understood as a different way of interpreting business. It reinvents processes, products and systems, making them more efficient and scalable.

1

Support for economic activity and internationalisation

Cesce brings security to national and international trade exchanges, promoting global economic development and generating value for its stakeholders, by means of comprehensive commercial risk management, information and specific technology.

2

Ethical and responsible commitment

The actions of professionals in Cesce are subject to ethical values that are defined as responsible and committed to human rights, the environment and society, as well as the values of its employees, which are loyalty, honesty, responsibility and integrity.

3

Commitment to people

Cesce fosters equal and healthy conditions and environments for its employees, providing them with equal opportunities and personal and professional development practices.

4

Commitment to people

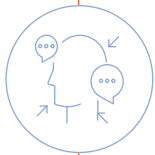
At the core of its activity, Cesce creates lasting ties with its customers, with whom it fosters synergies of added value and mutual trust, developing high quality products and services that generate value for them and adapt to their needs, anticipating them, offering a quality service and using the latest technologies as communication channels.

5

Integrity

Cesce applies the values defined in its Code of Ethics in its relations with its customers, suppliers, employees and those with whom it establishes a relationship within its activity as a company that provides a service of general interest.

6



Internal Information System

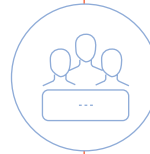
In this regard, the new Internal Reporting System has been set up, incorporating the Group's previous Whistleblower Channel, which can be used by all those who have a contractual relationship with the company or any other stakeholder, so that they can report actions or omissions under current laws or bylaws or any other that could be understood as a criminal or administrative infringement, or any breach related to the principles and values of Cesce or the Cesce Group set out in its Code of Ethics.



Human Rights

Cesce respects, protects and promotes human rights within its sphere of influence, and ensures that all projects it supports with its services are consistent with this philosophy.

For 15 years, the company has had a Zero Tolerance Declaration for discriminatory acts and a procedure for the Management of Discriminatory Situations, as well as a Whistleblower Channel.



Anti-corruption

Cesce opposes all forms of bribery and corruption, and is involved in their prevention through policies that affect both private business and activity on behalf of the state.

As a private insurer, it is aligned with regulations aimed at establishing actions to safeguard market mechanisms, minimise the impact of fraud and prevent future fraud.

In its activity as ECA, and in accordance with OECD recommendations, it monitors and prosecutes corruption in the field of activity on account of the State, informing the courts whenever necessary and taking appropriate measures in this respect.

As a result of this exhaustive research work, Cesce has drawn up a list of companies under supervision, based on the exclusion registers of multilateral institutions and information published in national and international media.

The company also seeks to raise awareness of its anti-corruption mechanisms through its website and communications with policyholders and policy participants, and therefore conducts annual monitoring of major exporters and investors. During 2022, it sent a form to 15 of its major exporters requesting information on their corruption prevention and control systems.



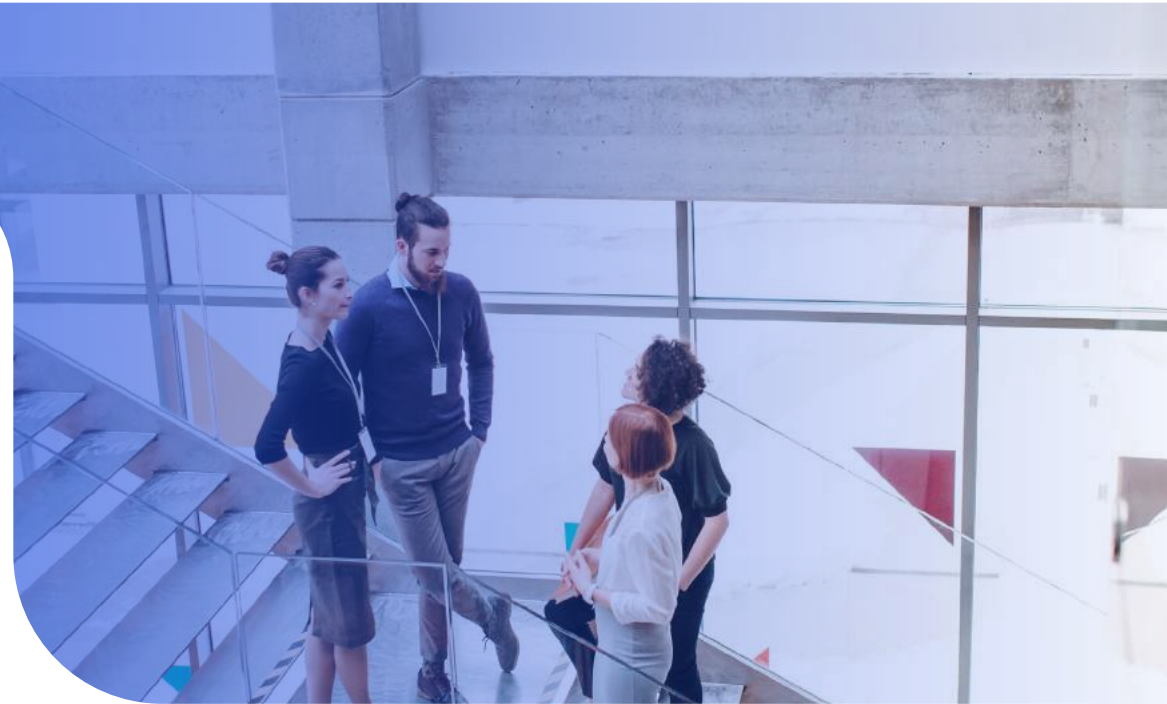
Fight against fraud

Within the framework of its activities as a private insurer, Cesce has set up fraud management policies in all its forms, including bribery and extortion, aimed at establishing actions to prevent fraud and mechanisms to minimise its impact and avoid the occurrence of future fraud. Within the Risk Management policies, the fraud management model is defined and the specific procedure is established for the development of the actions to be carried out in all Cesce processes.

It is incumbent on all departments to act against fraud by taking effective measures to prevent, deter, identify, detect, report and remedy fraudulent conduct relating to insurance.

Management and decision-making in terms of any indications detected in this area is the responsibility of the Executive Fraud Committee (CEF), a multidisciplinary body coordinated by Internal Control, in which the key units in fraud prevention and detection participate, and whose decisions have a direct effect on the different areas of Cesce. Its remit is solely fraud within the context of insurance and surety operations.

Fraud related to the behaviour of individuals due to their activity in Cesce or in related companies (stakeholders), linked to the principles of the Code of Ethics, is managed by the General Secretary's Office, with a specific whistle-blowing channel.



In 2022, the Executive Fraud Committee took decisions on 718 companies, with Cesce's internal services being the main source of the alerts received.

To prevent fraud, the company also implements automatic procedures to prevent the acceptance of transactions involving companies included in other transactions previously classified as fraudulent.

In addition to these integrated processes that prevent fraud, the company collaborates with institutions, commissions and departments of other entities, and has the support of the State Security Forces and Corps.

It is incumbent on all departments of Cesce to act against fraud and to take preventive measures.

6.4 Risk Management

Cesce internally monitors business risks and compliance with regulatory requirements through the Internal Control Function of the Enterprise Risk Unit and the Compliance Verification Function. In addition, it is subject to external controls, such as auditing, the Court of Auditors, quality audits and reviews by regulatory bodies.



In 2022, 194 risks were identified in the internal control map (located 408 times), with operational risk accounting for 95%. Reputational risk accounted for 1% of this percentage, and financial and technical risks accounted for 1% and 4% respectively.

Each of the risks identified has been assessed in terms of the likelihood of a negative event occurring and the impact such a risk would have on the company. The classification of risks is reviewed at least once a year and modified whenever a change is detected.

The year saw the integration of the internal control model of all Group companies into the global risk management tool. It is planned to continue monitoring and evaluation during the financial year 2023.

Our management model

Cesce's risk management mechanism has the challenge of being aligned with the challenges and commitments of the business, and the Board of Directors is the guarantor of its overall implementation in the company. Risk analysis affects decision-making by the governing bodies and business development, both at individual and Group level.

The Risk Management Policy seeks to preserve the Group's solvency and promote the development of its business based on:

- A defined strategy vis-à-vis the risks taken.
- Risk analysis within decision-making processes.
- General guidelines, basic principles and an overall risk management framework to facilitate consistent application across the Group.
- Dissemination of its guidelines to the Group's management and employees to achieve an embedded culture to ensure its effectiveness.

Classification of internal risks

According to their typology, risks can be classified as follows:



Technical (Insurers)

They derive from the insurance activity itself, and include:

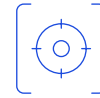
- **Underwriting of trade receivables risks.** The basic principles and general framework for the underwriting, control and management of portfolio risks are established, applicable to all Group companies and aimed at preserving the Group's solvency.
- **Pricing of Premiums.** Define the formation of the Technical Price of Credit and Surety Insurance, which is marketed under different names and ensure that they are sufficient.
- **Constitution, correct application and sufficiency of Technical and Reserved Provisions.** Define the procedures and criteria for calculating Technical Provisions, ensure that they comply with the laws of each country and that they are sufficient.
- **Reinsurance.** Establish adequate protection to mitigate the risk of claims deviations, both in terms of frequency and intensity, by minimising the Credit Risk with reinsurers.



Financial

Encompass the risks of:

- **Credit.** This is the risk that generates, or may generate, the potential loss from counterparty default due to a lack of liquidity or insolvency, or lack of operational capacity.
- **Market.** Has its origin in the possibility of losses in the value of positions held as a result of changes in the market prices of financial instruments.
- **Asset and liability management.** Risk that investments linked to insurance contracts do not guarantee to policyholders, policyholders and beneficiaries the payment of benefits (obligations assumed) by the institution according to the term of the contracts, the amount of the sums insured and the level of technical provisions required.



Operational

Encompasses potential losses due to events related to the inadequate functioning of internal processes or failures in the company's operations, errors in processes, people, systems and technology. It includes reputational and fraud risks.



Regulatory

Refers to non-compliance with the legal framework, applying the legal, regulatory and administrative provisions that affect the company and its bylaws.



Strategic and reputational

Affects the reputation of the company, taking into account stakeholder expectations and market sensitivity. Reputational risk is mitigated through the Cesce Group's Code of Ethics, Risk Management Policy, through the Enterprise Risk Unit.



Sustainability

Sustainability risks, assessed as material, are integrated into the internal risk monitoring and control process, to be monitored, mitigated and reported accordingly.

According to their typology, the Cesce Group's internal risks are classified into six categories

Control and Supervisory Bodies

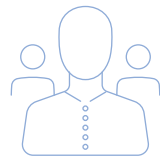
The main areas in charge of dealing with risks, from detection to mitigation, are:



Business Risks Unit

Reporting to the Chairman's Office and the Board of Directors, it complies with increasing regulatory requirements (Solvency II) and Enterprise Risk Management (ERM), with the aim of strengthening internal control.

1



General Secretary

Manages the criminal risk prevention model and verification of the regulatory compliance of the company and its group of companies. Is also responsible for advising the board and management on compliance with legal and regulatory provisions, assessing the impact of any changes to the legal framework.

2



Internal Audit Unit

Is responsible for developing process audits and detecting risks that may significantly affect the company's performance. Also verifies the adequacy and effectiveness of the internal control system, and reports functionally and independently to the Audit and Control Committee of the Board of Directors, and hierarchically to the Head of the Enterprise Risk Unit.

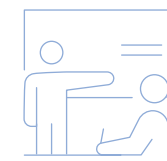
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Business Risk Committee

Made up of three members of the Board of Directors (without executive functions in the company and chosen internally), it assists in the development of functions related to internal control, risk management and compliance verification.

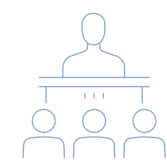
4



Audit and Control Committee of the Board of Directors

Made up of three members without executive functions. Supervises the economic and financial information to be provided by the company and reports to the Board on its actions and any relevant issues of which it should be aware.

5



Board of Directors

Ultimately responsible for implementing and developing this Risk Management model and control procedures.

Is responsible for establishing the general principles defining the objective risk profile of the entities, approving the policies for controlling and managing these risks, and regularly monitoring the internal information and control systems for these risks.

6





A sustainable management model

- 7.1** Corporate culture: mission and values
- 7.2** Axes of CSR
- 7.3** Environment
- 7.4** 2030 Agenda

07

7.1 Corporate culture: mission and values

The Cesce Group bases its corporate philosophy on a corporate foundation that combines demanding business objectives with a strong commitment to welfare and human rights. This vision is based on three areas, with which its sectoral activity, its corporate governance, its environmental commitment and its relations with its stakeholders are aligned.

Mission

To foster the solid growth of companies, providing security to their operations, facilitating intelligent risk management solutions - tailored to their commercial and investment needs - as well as surety and guarantee solutions that enable them to take on new projects and businesses.

To meet their public obligation as managers of export credit insurance on behalf of the State, with technical rigour, professionalism and strict compliance with the applicable regulations, with an absolute focus on supporting the internationalisation activity of Spanish companies.

Vision

Cesce seeks to consolidate its position **as the best support for companies that sell on credit** to other companies by coming up with innovative solutions that will always be at the conceptual and technological forefront over those of its competitors, and to become a reference in the international market for the quality of its service, for the professional and personal development opportunities it offers its employees and for its commitment to society.

Values

The Group has established **core values that underpin its corporate philosophy and objectives:**

- A management model based on innovation and digital transformation.
- Support for economic activity and internationalisation, making it a benchmark for technical and financial soundness.
- Commitment to the customer, for whom it is a trusted partner that listens and provides effective solutions.
- Responsibility for people: Cesce's success is everyone's business.
- Ethical and responsible behaviour, both towards society and the environment.
- Integrity, accountability and transparency. Always.



Respect for fundamental principles

The Cesce Group not only respects human and labour rights, but also promotes and integrates them into its fundamental objectives. Committed to the production of the natural environment and the fight against all forms of corruption, Cesce joined the United Nations Global Compact in 2011 and became a member in 2015. Within the framework of this global initiative, it supports its principles and develops initiatives to contribute to the fulfilment of the UN's 'Sustainable Development Agenda'.

7.2 Axes of CSR

Corporate Social Responsibility (CSR) has become a fundamental part of Cesce's business philosophy, reflected in a social and environmental commitment that is already reflected in its 2017-2020 Strategic Plan. In 2017, the Corporate Social Responsibility Policy was defined as strategic, participatory, oriented towards internationalisation, with a fundamental role for corporate volunteering and transparency in the company's contribution to society. Its actions are focused **on achieving the SDGs and the 2030 Agenda**.

CSR activities and initiatives are managed through a cross-departmental Committee, led by the Chairman. **The workforce has the opportunity to propose or promote actions** through surveys that generate a register of projects which, after a first filter that determines their suitability to the requirements of the internal policy, are presented to the CSR Commission and Committee for subsequent consideration, review and approval. Once the project has been approved, and following a favourable report from the Ministry of Finance, an agreement is signed with the institution and the implementation of the project is planned and organised, with detailed monitoring of its performance.

The following **Strategic Plan (2021-2024)** was structured under the slogan 'Transforming ourselves in the face of a new reality', which promoted the consolidation of CSR and its coordination with the Corporate Volunteering Policy, which constitutes the ideal framework for the development of actions by the Cesce team.

At the end of 2022, and **in parallel with the new regulatory requirements**, the need for a broader reformulation of the CSR Policy was raised, as was the development of a **Sustainability Master Plan** with a broad analysis of materiality and with a stronger link to the business and investments for 2023.

"Sustainability entails permanence and involvement on the part of Cesce's senior management. In quantitative terms, we allocated 0.7% of net profits to CSR policies, materialising our commitment to activities and initiatives specifically aimed at achieving the SDGs and the 2030 Agenda".

Fernando Salazar,
Executive Chairman
of Cesce

Defining characteristics of CSR



Strategy

Cesce continues to support the integration of business with sustainability through the development of environmental products and investment in green bonds. Its solutions are also geared towards the development of the business fabric -both large companies and SMEs-. It is also focused on disseminating the principles of credit insurance among women, through collaboration with the Spanish Chamber of Commerce, within the PAEM programme (Programa de Apoyo Empresarial a las Mujeres - Business Support Programme for Women).



Participation

The CSR Policy has a strong interactive character which, thanks to its staff, has determined most of Cesce's lines of action. Many of the projects are proposed by the employees themselves. Once the proposal is accepted, they act as "sponsors" of the collaboration and promote its dissemination within the company. It should be noted that proposals from the Agency Network have also been included.

The lines of action are mainly focused on supporting health and well-being, as well as the social integration of groups with different functionalities. In addition, new staff interests have been incorporated, such as animal protection and the defence of heritage and culture.

Throughout 2022, 22 initiatives were received from employees, of which 7 were approved, supported and implemented and others are still under review for suitability.



Internationalisation

Given the nature of the company, CSR is geared towards internationalisation. In addition to the promotion of social responsibility in Latam's subsidiaries, two projects proposed by employees and linked to training were initiated in 2022. In Senegal, the 'Train to Stay' scheme was deployed, which supports the university education of young rural people in the region, encouraging them to return to their communities of origin where they can apply the knowledge they have gained. In Gambia, Cesce participated in the construction of a new kindergarten classroom in Sara Bigi's school and in the launching of scholarships for women without resources.



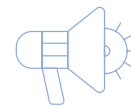


Corporate volunteering

The augur of remote working has diversified the type of volunteering carried out, adding online and telephone models to face-to-face activities.

In 2022, 14% of the workforce (56 employees) dedicated 291 hours to corporate volunteering, with an average of 5.2 hours per person, a figure very similar to the previous year. At the Christmas cocktail party held by the company, the fourth edition of the 'Socially Responsible Employee', an initiative to promote the personal commitment of employees to volunteering, was held. Among the employees who took part in an action, a prize draw was held and prizes were awarded.

Throughout the year, volunteer training programmes were developed with Unespa and the Créate Foundation. In addition, initiatives **were carried out with various health-related associations** to raise awareness among the workforce. Several volunteers, including the Chairman of the company, accompanied patients from the **Asociación Miastenia de España** during a stage of the Camino de Santiago. Together with **Menudos Corazones**, a foundation that accompanies children and young people with congenital cardiopathies, activities were carried out such as participation in a summer camp or collaboration in the 19th Congenital Heart Disease Day. With **Aucavi**, geared to people with autism, the issue of autism was disseminated and we participated in Christmas activities that included the visit of Father Christmas. In the new animal protection drive, the team was able to learn about the work of **Anaa, Asociación Nacional de Amigos de los Animales**. Also noteworthy is the collaboration with **Adopt a Grandparent**, which facilitates telephone accompaniment with elderly people who are alone, for which 20 continuous volunteers have already been assembled and dedicated around 100 hours of conversations during 2022.



Dissemination to stakeholders

Cesce carries out regular actions to communicate CSR initiatives to its main stakeholders, some of which are integrated into the meetings of the institutions and others through the media or social networks. In the following section, we address the main transparency actions that took place during 2022.

Dissemination of CSR initiatives

As a sign of transparency in management and social and environmental involvement, different communication channels are used.



Board of Directors

At the daily meetings of the institution, the Chairman of the company usually discusses the activities carried out informally and makes a presentation of the CSR activity is made to the Board each year.



Employees

Initiatives proposed by employees, as well as their volunteer experiences, are published on the corporate intranet. During 2022, **they were the subject 52 news items published in both Spain and Latin America**. A newsletter summarising the previous year's activities was also launched in January.



Customers

Cesce's CSR activities are disseminated through different media, both in the press and on social networks. In addition, as a direct impact initiative, in 2021 the company undertook to donate 5 euros to **Asión, an association that fights against child and adolescent cancer**, for each quality survey completed by customers by the end of the year. At the end of 2022, Cesce raised this donation to 10 euros, which will go to the Cris Cancer Foundation.



Agency / brokers network

Teams of brokers and agents were informed of the company's social and environmental commitments through Salesforce, as well as through the newsletters sent to agents and brokers, which have a specific section.

In addition, the agents are present at the stand of the **Presura de la Repoblación** Fair and actively participate in Food Bank campaigns and in the Adopt a Grandparent telephone **volunteering**. The company has also supported the **Asociación Española Síndrome de Rett** (Spanish Rett Syndrome Association) at the behest of an agent who lives with the disease.



Company

Cesce's commitment is conveyed to society through corporate communication actions, via the press, radio and social networks. During 2022, **various interviews with the Chairman, the Human Resources Director and the Head of the CSR Unit, among others**, were published for inclusion in specialised media such as *Corresponsables*. Press releases are also published in the Press Room of the Cesce website where a specific CSR Blog is hosted. During 2022, 14 press releases and 22 blog posts were published and 5 newsletters were sent to 98 subscribers. All these messages are also disseminated via social networks, as well as by the associations and institutions with which we collaborate.



Cesce is a member of the Sustainability Group of the Unión Española de Entidades Aseguradoras y Reaseguradoras (Unespa)



Alliances with other organisations

In its commitment to society and the environment, Cesce is working together with other institutions and organisations to support the progress of the 2030 Agenda in the form of an alliance. Relevant examples include:

United Nations Global Compact

Since 2011, Cesce has adhered to the 10 Principles of the Global Compact, a commitment that was reinforced in 2019 when it became a participant. In 2020, the Chairman signed the 'UN Declaration' for a renewed global partnership.

Forética

A benchmark organisation in sustainability and corporate social responsibility, of which Cesce has been a partner for many years. Alongside them, the company has collaborated in the 'Group of Public Companies' and the 'Environment Cluster', contributing good practices that are shared with the rest of the members.

Unespa

Cesce is a member of the Sustainability Group of the Unión Española de Entidades Aseguradoras y Reaseguradoras (Unespa) which analyses the sector's compliance with regulations and the SDGs.

Cesce also collaborates with the Administration in the preparation of on-demand reports on the progress of the 2030 Agenda. In all their actions, in addition to endorsing the Cesce brand with values associated with ethics and social responsibility, they support cultural change by reinforcing employee commitment and pride in belonging.

7.3 Environment

The Cesce Group has made significant corporate efforts to counteract any negative impact of its operations on the natural environment, and its Code of Ethics states that environmental responsibility must be applied both in its activity as a commercial insurer and in the management of the projects for which it provides coverage on behalf of the State. In fact, its role as an ECA is particularly relevant, as it makes the coverage of projects conditional on a positive assessment of their environmental and social impact.



A. Environmental and Social Assessment Policy for Operations

Projects on behalf of the State are analysed according to the criteria set out in the OECD Recommendation on 'Common Approaches to Officially Supported Export Credits and Social and Environmental Assessment'. This analysis, despite having a specific focus, seeks to converge with other international initiatives such as the UN's 'Guiding Principles' or the OECD's 'Multinational Enterprises Guidelines'. The remit of the Recommendation is limited to transactions with a maturity of more than two years, although Cesce extends its assessment procedures to other products beyond this scope.

The Recommendation establishes a first stage, known as filtering, in which operations where the risk assumed by Cesce is less than 10 million SDRs (Special Drawing Rights) and which do not have significant impacts on human rights or other sensitive areas are discarded.

The remaining projects are classified **into different categories according to the severity of the associated environmental and social impacts.**

- **Category A:** projects involving possible significant adverse effects. For its evaluation, a Social and Environmental Impact Assessment is required.
- **Category B:** projects with less severe impacts and generally confined to the area where the project is located. The information required for assessment varies depending on the nature of the project, although social and environmental impact studies are often available.
- **Category C:** those where no significant impact is envisaged, and which therefore do not require social or environmental assessment.
- **Existing operations:** no significant change in capacity or function. No social or environmental assessment is required.



Based on the outcome of these assessments, Cesce decides whether or not to accept coverage, or to do so conditional on certain obligations. In those projects with a higher inherent risk, monitoring obligations are usually included during both the construction and operation phases, sometimes with the collaboration of independent consultants who accredit, through periodic visits and diagnostics, the alignment of the project with international standards.

To facilitate the analysis of operations, Cesce boasts an exclusive tool, the Ecocheck software, which facilitates the process of classifying and obtaining the initial basic information to carry out an assessment adapted to the characteristics of the project (target sector, technological options, size, location, etc.).

To ensure transparency, Cesce publishes information on Category A projects at least 30 days before the policy is issued. This is a brief overview of the project, including indications on how to access the Environmental and Social Impact Assessment Study (ESIA), which is available to anyone who wishes to consult it.

Finally, Cesce publishes periodic information on Category A and B projects that have become policy, including the main social and environmental aspects assessed, the international standards used or the type of documentation analysed.

The projects on behalf of the State classified as category A or B that became policy in 2022 were:

Project name	Country	Sector	Environmental standards	Category
Petrochemical plant for the production of purified terephthalic acid	Turkey	Chemical and fertiliser industry	IFC Performance Standards	B
Construction of a residential complex of 1,700 homes	Qatar	Infrastructure and public works	IFC Performance Standards	B



Support for Sustainable Projects

At the end of 2021, Cesce launched Pólizas Verdes, a solution that improves the financial conditions of certain export or investment projects abroad. As a general rule, those operations aimed at renewable energy projects, *off grid* and green lighting projects or the supply or equipment of low-carbon vehicles, as well as any of the activities contained in Annex IV of the OECD Consensus referred to in Chapter 5 or the EU Taxonomy, are considered eligible

Its objective is to support Spanish companies, through all the incentives that the regulatory framework allows, to promote their international activity in sectors that are considered green.

Pólizas Verdes support Spanish companies operating in sectors considered green

The following Pólizas Verdes were formalised during 2022:

Project name	Country	Sector
Green Investment Projects in the framework of Iberdrola's sustainable activities	Ireland, Poland, Portugal and the United Kingdom	Wind, solar, transmission and distribution and storage of energy
Refurbishment, extension, adaptation and equipping of an electric vehicle charger factory	U. S.A.	Equipping of low-carbon vehicles

B. Environmental Quality Standards in Cesce

Cesce controls the direct environmental impacts of its activity through an Integrated Management System that covers from the prevention of consumption to the segregation and recycling of waste and the measures within its reach to minimise the impacts generated by agents on which the organisation has direct and indirect influence. This policy is available [on the corporate website](#).

The Management System integrates Environmental Management and Energy Management, with certificates in accordance with ISO 14.001 and ISO 50.001, respectively.

Since the implementation of the Environmental Management System in 2004, progressive improvements have been made to the facilities, equipment and processes, which have led to reductions in the main resource consumption indicators (energy, paper, water, etc.). In addition, the waste generated (fluorescent bulbs, batteries, toner, paper, etc.) is managed responsibly. Hazardous waste is managed by authorised waste managers. The rest is segregated and removed by companies or organisations for recycling.



Consumption and emissions

Since January 2017, 100% of the electricity supplied to Cesce's offices in Spain is of renewable origin, so the greenhouse gas emissions associated with the electricity consumption of Cesce's offices and headquarters in Spain is zero. However, there are greenhouse gas emissions related to the use of natural gas.

Cesce data (headquarters at Velázquez, 74)	2022	2021
Water consumption (m ³ per employee)	2.87	1.49
Paper consumption (kg/employee)	4.26	3.24
Electricity consumption (kWh per employee)	1,280.30	1,082.56
Natural gas consumption (m ³ /employee)	78.58	72.78
Paper recycling (kg)	14,070	7,550
Toner waste (kg)	16	4

Cesce identifies all the environmental aspects associated with the activities of its headquarters (Velázquez, 74) and monitors their evolution on a quarterly basis. As can be seen in the table, the increase in consumption is due to the fact that until September 2021 the bulk of the staff remained working remotely due to the Covid crisis, while throughout 2022 employees have attended the office in person a minimum of two days per week.

Carbon Footprint

Cesce calculates the carbon footprint of its headquarters for scope 1 (boilers, company-owned vehicles) and scope 2 (electricity), following the methodology of the Spanish Climate Change Office (OECC).

The values obtained in 2022 were:

CO ₂ equivalent emissions (T CO ₂ eq)		2022	2021
Scope 1	Natural gas	50.62	44.97
	Company vehicles	134.39	109.38
	Fluorinated Gases	0.00	0.00
Total scope 1			154.34
Scope 2	Electricity	0.00	0.00
Total scope 1+2		185.02	154.34

In addition, in 2022 it was awarded the triple 'Calculate, Reduce and Compensate' seal for 2021 by the OECC.

Cesce has approved a new Climate Change Policy, effective from 1 January 2023.



Environmental initiatives in 2022

Climate Change Policy on Account of the State

As noted in chapter 5 of this report, which refers to the milestones set in the area on account of the State at the end of 2022 Cesce approved a new Climate Change Policy, which has been in force since 1 January 2023, and which has gone a step further by incorporating new restrictions and extending its scope. This framework entails the cessation of support for all operations in the thermal coal and oil value chains, including refining activities. The natural gas sector will benefit, on a transitional basis, from certain exceptional scenarios through which support for projects aimed essentially at electricity generation and its liquefaction and subsequent processing, transport and distribution may be envisaged.

On the other hand, Cesce has developed two new products with the aim of supporting companies operating in the field of renewable energy generation, technologies related to water treatment and distribution, sustainable transport or waste collection and treatment: the Green Export and Investment Policies, and will continue to design new modalities aimed at improving the financing conditions of these sectors.

Refurbishment of the façade at headquarters

In 2022, work began on remodelling the façade of the exterior of the company's headquarters building in Madrid's Calle Velázquez, which will be at the vanguard of eco-efficient buildings. The project comprises the following improvements:

- Installation of double glazing with a good solar factor to reduce heat gains or losses by half, thus saving on heating and air conditioning.
- Replacement of the opaque sheet metal sunshades with solar protection glass to filter solar radiation without overheating the air circulating through the double skin, thus reducing the transmission of cold or heat to the interior. At the same time, natural light is gained and therefore the energy consumption associated with lighting is reduced.
- Installation of photovoltaic glass sunshades to generate clean energy, with a total installed power of 31.8 kW.

These improvements will result in significant **energy savings of up to 15%, of which around 7% will be in air conditioning** by avoiding energy losses through the façade, and the remaining 8% in electricity generation from photovoltaic glazing.

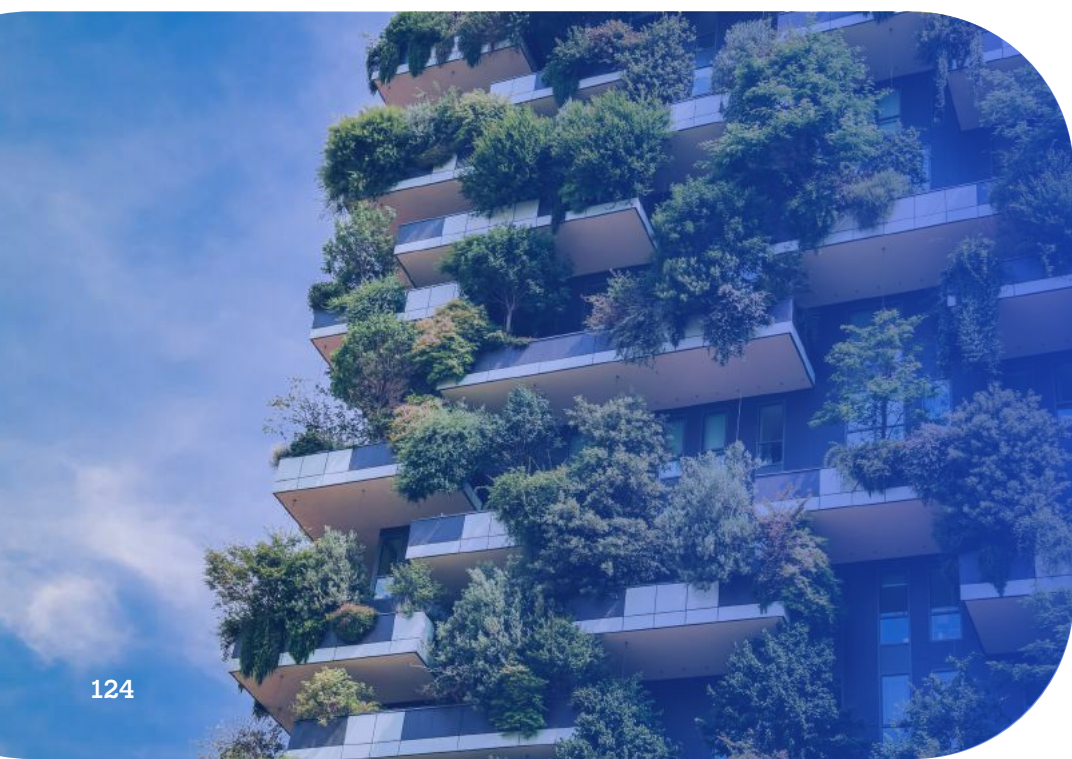
Coinciding with the façade refurbishment, it is planned to adapt the interior spaces of the building to transform them into a more efficient working model, commonly known as *activity-based workplace*.

Some of the key elements of the project will have a positive impact on the environment:

- Change of all lighting to LED technology to reduce electricity consumption.
- Open plan work spaces, without offices, and located towards the outside of the building, which will provide more natural light and reduce energy consumption associated with lighting.
- Technology, innovation and clean desk policy will contribute to the reduction of paper consumption.
- Working areas with biophilic elements, including vegetated areas.

BREEAM Certification

In 2017, **Cesce was awarded the 'Breeam®es In Use' Certification with a rating of Excellent for its headquarters**. After three years, in June 2020, it was re-certified with a validity until 2023. Breeam®es In Use' is a sustainability assessment and certification scheme for existing non-residential buildings. Evaluates policies, procedures and management practices related to building performance, key resource consumption and environmental impact. This certification gives a very positive assessment of the management of Cesce's facilities, as well as of the spaces and the use of energy resources it applies.



7.4 2030 Agenda

As indicated throughout this chapter, Cesce focuses its projects on achieving progress towards the SDGs established in the 2030 Agenda. It also seeks to raise awareness of these objectives both internally and externally through internal communications and actions to increase commitment and awareness.

An analysis of the projects developed in 2022 confirms that Cesce contributes in some way to all the Sustainable Development Goals, although its support for those related to Health and Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5) and Reducing Inequalities (SDG 10) is of particular note.

This is in addition to the company's strong environmental commitment, explained in the previous section, which reinforces our support for SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

Without being exhaustive, below we have defined **some of the main projects linked to the 2030 Agenda:**



End poverty (SDG 1)

- Collaboration with the Food Bank, which in 2022 reached its 12th edition under the slogan **'You contribute one kilo, Cesce contributes two'**. On this occasion, the company doubled the donations compared to previous editions in which it matched employee donations. In total, 12,000 euros were provided and a food wrapping machine was purchased. For this collaboration, Cesce was awarded the Food Bank's Business Award for the second time.
- In the **fight against poverty and need**, Cesce collaborated with donations of school materials or financial contributions through the Red Cross and Unicef to Ukraine. The company also signed a Collaboration Agreement with the Red Cross to finance an Emergency Fund, used to provide immediate assistance to people in situations of vulnerability or in national or international emergencies (as in the case of the earthquake in Turkey).



Health and well-being (SDG 3)

Cesce's concern for health affects both its employees - who benefit from initiatives that we discuss at length in chapter 8 of this report - and society. The company supports projects that improve the well-being of patients and their families, with regular collaborations with institutions such as the Cris Cancer Foundation, with which in 2022 it supported research into pancreatic cancer at the CNIO (Centro Nacional de Investigaciones Oncológicas), childhood cancer at the Advanced Therapies Unit for childhood cancer at La Paz Hospital and the New Experimental Therapies Unit at San Carlos Hospital. It has also contributed to the Foundation's Talent and Excellence Programme, co-financing the scholarship of a researcher. As a result, the Cris Empresa Award was awarded in 2022.

It also collaborates with the Spanish Myasthenia Association (AMES), and contributes to the welfare of children with heart disease through the Menudos Corazones Foundation. As mentioned at the beginning of this chapter, it has also joined forces with the Asociación Española del Síndrome de Rett, to provide treatment for children with Rett syndrome.



Quality education (SDG 4)

With the commitment to promote the training of its employees, **Cesce has developed a Campus for online training**, including language classes. It also provides voluntary online training with both Unespa and the Créate Foundation, with special emphasis on vocational training.

In 2022, support for education outside Spain was expanded, with initiatives in Senegal and The Gambia.



Gender Equality (SDG 5)

Cesce actively contributes to the fulfilment of this global objective by promoting the presence of women in the workplace and in the public sphere, raising awareness of their work and setting an example within the company with conciliation measures, especially on Women's Day. In 2022, an informative session was also held on 'Addressing situations of gender violence', to prevent these situations and support women, and together with the Spanish Chamber of Commerce, informative workshops were held to promote female entrepreneurship.

For the third year, **Cesce continues to award a prize for the Best Rural Entrepreneur in sparsely populated areas** (within the Presura Fair), which in 2022 went to the company Alloa (Galicia) specialising in ecological and sustainable cosmetics. This award is endowed with 1,500 euros.

Cesce has also collaborated with UNHCR, as it has done for several years, to improve the situation of women in refugee camps, and in 2022 signed an agreement to combat sexual and gender-based violence (SGBV) against Central African refugee girls and women in the Democratic Republic of Congo. This collaboration is part of a project that aims to guarantee the right to security, physical integrity and equality between men and women and girls living in the province of North - Ubangi.

Finally, it is worth mentioning the 'Contigo más cerca' (Closer to you) project, a volunteer project signed with the Adecco Foundation to accompany women at risk of exclusion, planned for the first quarter of 2023.

7 ENERGÍA ASEQUIBLE
Y NO CONTAMINANTE



Affordable and clean energy (SDG 7)

In 2022, the company's environmental measures together with the augur of remote working - already partially adopted by the workforce outside the pandemic context - **achieved a 28% decrease in electricity consumption per employee compared to 2019.**

The refurbishment of the corporate headquarters has also begun with the aim of improving efficiency and sustainability. With this refurbishment, which will place the corporate headquarters at the forefront of eco-efficient buildings, energy savings of 20% are estimated.



9 INDUSTRIA,
INNOVACIÓN E
INFRAESTRUCTURA



Industry, innovation and infrastructure (SDG 9)

Cesce's Strategic Plan 2021-2024 proposes among its strategic axes **the digital transformation of products, services and processes**, at the service of the customer and the commitment to new communication channels. These axes foster the innovation of the company, which has developed new products and has included its services within digital platforms such as Alibaba.



Reducing inequalities (SDG 10)

Cesce is an **example of integration for people with functional diversity, and reinforces its support to the outside world with the policies and agreements it makes.** For the last five years, it has been collaborating with the Centro de Estimulación Precoz of Seville for the early care of children born with disabilities and belonging to families without economic resources, supporting this service and the extension of the centre's facilities.

It also has agreements with 'A la Par' and its vegetable gardens cultivated by people with disabilities, and has provided material produced by people from Prodis, a foundation that also works for the integration of people with intellectual disabilities into the labour market.

During 2022, it collaborated with Aucavi, a foundation for people with ASD, through two collaborations: the financing of respite for families with autistic people and the Acompañamiento a familias programme, which provides them with a professional to facilitate family reconciliation or leisure for the autistic person.

As explained in this chapter, it has also promoted the support of elderly people who are vulnerable to loneliness, with volunteers who keep them company by making phone calls or writing them letters at Christmas.



Climate action (SDG 13)

The company maintains its ISO 14.001 and 50.001 certifications and its electricity comes from 100% renewable sources. Internally, it **has developed campaigns to reduce the consumption of paper, water and plastics**, as well as collecting bottle caps that are donated to the Seur Foundation.

We should mention the aspirational project 'Cesce, zero emissions', which aims to reduce Cesce's carbon footprint. This footprint has been reduced in recent years and the CO₂ emitted is offset by planting trees. Continuing the environmental and social project of previous years, the planting of indigenous trees has continued in the Ejulve/Mequinenza area. This project, apart from its environmental character, has a social focus, as it provides local employment in a sparsely populated rural area.



It is worth noting that Cesce, as a state-owned company and insurance company, undoubtedly contributes to SDG 8 Decent work and economic growth by providing permanent employment under decent conditions, with salaries above the collective agreement, good social benefits and a professional career. And its insurance business contributes to the economic growth of companies.

All these actions are framed in partnerships with civil society, the administration and different institutions and companies, fulfilling SDG 17 **'Partnerships to achieve goals'**.

We generate shared value

- 8.1** We drive our customers' growth
- 8.2** We look after our professionals
- 8.3** Excellence with our suppliers
- 8.4** We maximise shareholder value
- 8.5** We collaborate in the development of our community

8.1 We drive our customers' growth

Cesce recognises that the customer is one of its fundamental pillars, and that achieving customer satisfaction is one of the main goals established in both the 2021-2024 Strategic Plan and the Impulsa 2025 Plan.

With the evolution of the brand and the presentation of a new identity in 2021, Cesce reaffirms itself as a partner that protects, boosts and ensures companies, whether large or small, by offering them a wide range of commercial risk management services. To this end, it makes all its resources available to its customers, using analytical, digital and predictive tools to anticipate, detect and meet their needs.

The aim is to reach out to small and medium-sized enterprises to promote the success of all Spanish companies by offering innovative products and services that enable them to protect themselves against possible risks of non-payment, obtain liquidity and be accompanied in their internationalisation processes.

Cesce strives to be a tailor made solution for each business, adapted to their needs, so that their customers can feel at home. It is a company that helps in difficult times and contributes to growth and progress in good times.

To exceed its customers' expectations, the company has an advanced Customer Relationship Management (CRM) tool that is refined on an annual basis. It also continues to advance in its active listening programme and offers a multi-channel experience through its commercial network, technological channel and Cesnet platform. This comprehensive approach reflects Cesce's commitment to evolve and grow, and to meet the needs of its clients in order to be at the forefront of the credit insurance industry.



Lines of work in 2022:

Improvements to the **SISNET** tool

1

Support for SME through the promotion of a flat-rate analysis fee of **€1** for Póliza Fácil customers

2

Launch of **Strategic Investment Finance Policy**

3

Launch of **Deudor Seguro Exprés** and **Factura Segura Exprés**

4

Challenges for 2023:

Continuing to offer **innovative and customer-friendly** products

1

Continue to improve processes to deliver **technical and operational excellence.**

2

Making progress in the **digitisation** process

3

8.1.1. Innovation at the service of our customers

For over five decades, Cesce has been supporting its customers' business growth through credit insurance solutions that protect their business operations. In an uncertain world, the company has actively worked to minimise its customers' risks by offering them different insurance and financing products.

In 2022, Cesce strived to deliver on its 2021-2024 Strategic Plan and provide effective solutions that help companies achieve their business objectives, regardless of their size. The company has promoted customised products such as Póliza Fácil (with flat-rate analysis fees at €1) and improved the SISNET tool to offer an optimal customer experience.

Cesce has also continued to make progress in its digitalisation process

and has launched pioneering digital products, such as Invoura Segura Exprés and Deudor Seguro Exprés, as well as new functionalities in Cesnet Integral and Api Market. To optimise operational efficiency and add value for customers, they have also driven the Sequoia project.

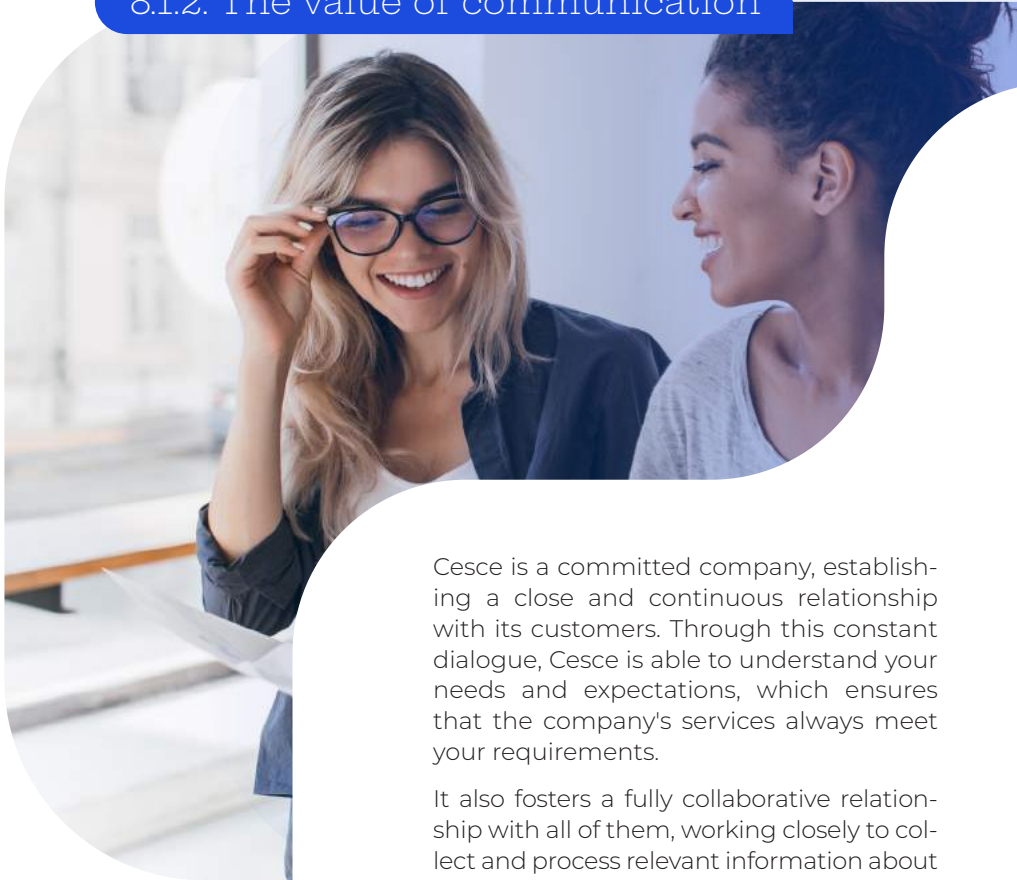
All these initiatives contribute to Cesce's 360° digital transformation, focused on improving its value proposition, boosting its services and automating customer processes.

On the other hand, in its role as a Spanish export credit agency, Cesce has developed a Marketing Plan (aimed at the entire business community) to disseminate its commitment and become a better known and more proactive ECA. Also, for the first time, the company has made

Effective solutions to help companies achieve their business objectives, regardless of their size.

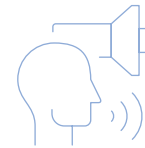
products available to its customers on behalf of the state that are not directly linked to exports. This is the case of the Strategic Investment Financing Policy and the Investment Póliza Verde, designed for companies operating in Spain.

8.1.2. The value of communication



Cesce is a committed company, establishing a close and continuous relationship with its customers. Through this constant dialogue, Cesce is able to understand your needs and expectations, which ensures that the company's services always meet your requirements.

It also fosters a fully collaborative relationship with all of them, working closely to collect and process relevant information about their business, sales and collections. In this way, Cesce minimises risks and finds new business opportunities for its customers.



Multi-channel

To achieve an effective transfer of information, Cesce offers various communication options and channels, guaranteeing a multi-channel experience for users. The Cesnet platform, the network of brokers, the Customer Service Centre and the Api Market service are just some of the ways customers can interact with Cesce and access its wide range of insurance and risk management solutions.

The company is also committed to resolving any problems customers may have in a timely and efficient manner.





Online communication

In 2022, Cesce continued to invest in online communication and digital marketing tools to strengthen its relationship with customers and get even closer to them.

The company is committed to using a variety of digital platforms and tools to offer a more dynamic and personalised user experience, tailored to every need and preference. From social media management to the creation of valuable content and the implementation of email marketing strategies, Cesce made sure to maintain a strong and effective online presence.

—
A more dynamic and personalised user experience, adapted to every need and preference.

- **Highlights of the week.** A selection of the most important international political and economic news to keep you up to date with the main events in written and podcast format.
- **Podcast interviews.** Launch of a new podcast format, featuring interviews with Cesce personalities.

Both podcasts are available on Spotify, iVoox and YouTube, and are broadcast on Twitter, LinkedIn, Facebook and Instagram.
- **International overview.** Annual publication on relevant topics of international political or economic current affairs. It provides key information and expert analysis for managing risks and business opportunities abroad.
- **'Asesores de pymes' blog** Online publication designed for small and medium-sized companies. It offers hundreds of useful inputs to improve your performance and competitiveness in the marketplace.
- **CSR Blog.** Blog designed to keep you up to date with all the company's social responsibility initiatives.



Presence in networks

Cesce has consolidated its presence in social networks in recent years, becoming one of the leading companies in the financial-insurance sector in terms of number of followers. This focus on social media has allowed it to communicate more directly with its stakeholders, share relevant industry information and promote its products and services.

+120,000 followers on social media	100,000 Twitter followers	14,000 LinkedIn followers
+2.5 million impacts	5,000 Facebook fans	2,500 Instagram followers
+4,000 publications on social media	500 YouTube subscribers	+6.5M YouTube views
+30,000 interactions	500 Pinterest followers	+175,000 SlideShare reads

Institutional activity

The Marketing, Institutional Relations and Corporate Identity Unit organises and participates in many institutional actions related to export credit insurance, internationalisation, globalisation, geopolitics and climate change and sustainability policy, which in recent years has led to the creation of new services and coverage.

In addition to these meetings, Cesce has made a firm commitment to strengthen ties and links with other institutions, thus favouring the creation of synergies and the organisation of conferences and meetings, adapting the programmes and dynamics to the expectations aligned with the company's Strategic Plan. The unit also monitors the participating companies to ensure that networking is highly productive.

127 events

40 institutional actions with the participation of the Chairman (13 business seminars and 27 speeches at events)

37 actions of the State Account Department

42 Events of the Own Account Department

8 Digital Business actions



8.1.3. Customer satisfaction

One of the priority objectives of Cesce's new Strategic Plan, as mentioned above, is to ensure a greater customer focus throughout the company with the aim of building customer loyalty by offering the best possible customer experience. In this sense, the cultural transformation of the company continues to be strengthened in order to make it a "Customer Centric" company.

In 2022, Cesce carried out a comprehensive review of its customer relationship model in all areas and has worked to optimise its customer relationship management (CRM) system in order to improve the 360° view.

To improve the service offered by the Customer Service Centre, new functionalities have been introduced in the *CRM ticketing platform*. These functionalities have facilitated knowledge transfer, resulting in faster response times and improved first call resolution rates. As a result, customers experience better service and a more satisfying experience in their interaction with the company.



Active listening

The company continues to work on the systematisation of active customer listening by defining interaction processes at key moments when it is considered relevant to contact the customer directly to gather feedback. This approach makes it possible to identify actions that can neutralise any dissatisfaction or recognise opportunities for improvement that will have an impact on the service and, therefore, on greater satisfaction and loyalty.

As a result of these actions, there has been a positive impact on the company's Net Promoter Score (NPS), which has improved compared to the previous year. This indicates that the company's efforts to improve customer service are paying off and that customers are experiencing greater satisfaction with the services offered.

8.1.4. Protection of insurance customers

The Policyholder Relations Department at Cesce is responsible for receiving, managing and processing customer complaints. To guarantee the independence of the department, it operates autonomously and is separate from the technical and commercial departments of the company. It is also governed by a Policyholder Relations Regulation.

In 2022, 96 written complaints were received, a similar figure to 2021. These complaints were processed with the following outcome: 21 upheld the complaint lodged, 6 terminated without the need for a decision and 69 rejected the complaint lodged. The average response time was 18 days, below the regulatory maximum of 60 days and below Cesce's commitment to reduce complaint response times to 30 days in order to improve customer service.



Insurance Customer Relations Department.

Address:
Velázquez, 74. 28001 Madrid

Telephone:
900 115 000 / 91 423 48 71

E-mail:
relaseg@cesce.es

8.2 We look after our professionals

The Cesce Group's best practices start in its offices. As a first step to achieving excellence in its business, the objective of creating a pleasant working environment for its teams is a priority. Within its Code of Ethics, the commitment is to promote egalitarian and healthy conditions and environments, free of discrimination and fostering the personal and professional development of people.

After the complex years of the pandemic, in which the company focused on ensuring the health of its professionals, the 'Transforming ourselves inside and out' initiative was adopted in 2022, where, in addition to the office refurbishment explained in the previous chapter, a new corporate culture was adopted, with a clear commitment to flexibility and teamwork.

The 'Covid teleworking' modality was maintained for health criteria during the year with a format that combines face-to-face and remote work, and which allowed normal activity to be maintained without exposing partners and employees. The last pandemic action protocol was V6, dated 21 September 2022, which was updated due to the recommendations issued by the Prevention Service regarding the "general criteria on the use of masks indoors", which mainly affected the limitation of capacity, the elimination of the interpersonal safety distance and the elimination of the mandatory use of masks.



Lines of work in 2022:

- Development of the project 'Transforming ourselves inside and out'
- Implementation of the Welcome and Integration Plan for new employees, with the introduction of a mentor figure
- Setting up of a Language School
- Empowerment of the Heads of Unit group through training and communication initiatives



Challenges for 2023:

- Support for resource management in the Cesce Impulsa Plan
- Integral Workplace Health and Well-being Plan
- C50 Training and Communication Plan
- Equality Plan

8.2.1. In figures

Employment

At the end of the 2022 financial year, the Cesce Group's human team was made up of 1,411 professionals with broad profiles and different nationalities, working in Cesce Spain and Portugal, in its information and services subsidiaries (Informa D&B and CTI) and in the Latin American companies integrated in CIAC, in which the Group has a majority shareholding.

Most of the workforce is concentrated in the parent company, where 8 new employees were hired and 13 were dismissed during the year, with a turnover rate of 2.64%. In accordance with its nature as a state trading company, these variations are implemented within the framework of the replacement rate approved by the Administration and respecting the principles of publicity, equality, merit and capacity.

All Cesce employees work full time and 99% of the staff have a permanent contract.

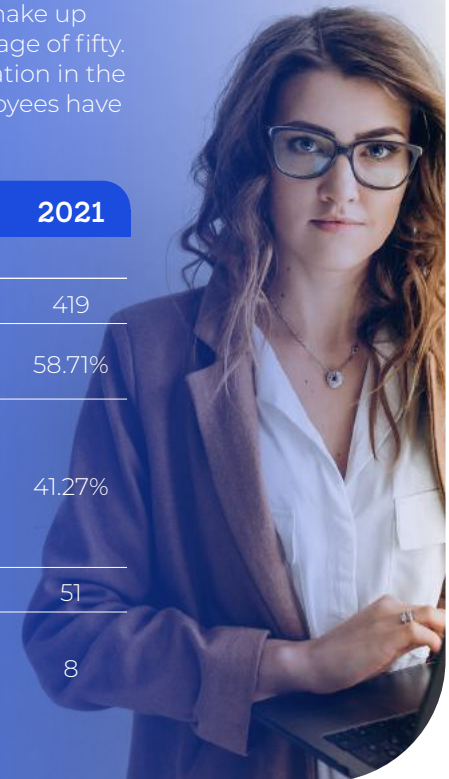
	2022	2021
Cesce	414	419
CIAC* Group	192	188
Cesce México	33	31
Cesce Brasil	33	33
Secrex	50	51
Cesce Colombia	56	50
Cesce Chile	20	23
Informa D&B	529	545
Informa D&B	352	359
Informa Colombia	51	61
Informa Portugal	126	125
CTI	276	308
TOTAL	1,411	1,460

Diversity

One of the main pillars of Cesce's new corporate culture is based on diversity and equality. Over half of its workforce is women, a figure that is reflected in management positions - directors and heads of unit.

The company continues to rely on its long-standing employees, guides for the new generations joining the company. This intention to retain talent is evidenced by the fact that 59% of the professionals who make up Cesce's workforce are over the age of fifty. In its efforts to promote integration in the workplace, 8 permanent employees have some kind of disability.

	2022	2021
Cesce staff		
No. of employees	414	419
Percentage of women	60.14%	58.71%
Percentage of women in senior management roles (directors and heads of unit)	41.94%	41.27%
Secrex	50	51
Number of people with a disability in the workforce	8	8



8.2.2. Internal Policies

The Cesce Group is making progress in its commitment to protecting the dignity of its employees and their rights. With the aim of creating an egalitarian environment, in 2008 Cesce adopted a Zero Tolerance Policy for Discriminatory Acts, and ensures its application through the Procedure for the Management of Discriminatory or Harmful Worker Situations. It also has specific measures for groups with disabilities and an Equality Plan - currently being renewed - which includes a protocol for action in situations of harassment.

To guarantee a work-life balance and rest for its teams, it has a Disconnection and Teleworking Policy, as well as training and compensation policies and a wide range of work-life balance measures that promote the personal and professional development of its staff. In fact, Cesce has EFR certification in Spain and Portugal, which accredits it as a family-friendly company.

As a necessary procedure to guarantee the health and safety of Cesce's professionals, the company applies an Occupational Risk Policy, in force since 2016, which is supported in preventive matters in the Pol004 procedure, where, together with the Prevention Service (Cualtis), the criteria to be followed are set out.

All these regulations and policies are available to employees on the 'TodosenGrupo+' corporate intranet, which is accessible to all employees.



Union relations

Cesce's professionals in Spain are covered by the State-wide General Collective Agreement for Insurance, Reinsurance and Mutual Insurance Companies for Workplace Accidents for the period 2020-2024 published in the Official State Gazette on 27 December 2021 and which came into force on 16 January 2022, insofar as it is applicable as a State Trading Company in accordance with the principle of hierarchy of regulations.

All its employees have freedom of association in accordance with Organic Law 11/1985 on Trade Union Freedom and, following the 2019 elections, the Works Committee of the Madrid work centre was made up of 3 representatives of UGT, 5 of CCOO, and 5 of CGT, and three company trade union sections have been formed with them.

For its part, Cesce Portugal is a member of the Collective Labour Agreement (*Acordo Coletivo de Trabalho*) signed by the Portuguese Association of Insurance Companies and various trade unions in the sector, and employees are also free to join trade unions.

In Spain and Portugal, 98.31% of the workforce is covered by the Collective Bargaining Agreement.

8.2.3. Health and Safety

As was the case during the pandemic years, preserving the health and safety of employees remained a priority for Cesce. The company, which defines itself as "a healthy value", is based on strict compliance with current regulations on occupational risk prevention and the monitoring of an annual Health Surveillance Plan.

At its Madrid headquarters, the Occupational Health and Safety Committee (CSSL) has been set up, representing 85% of the company's workforce. In addition, and as a further guarantee of its commitment to health and safety, the company has a Prevention Management Committee (CDPRL), made up of the HR Director and the three members representing the company on the CSSL. The Cualtis Prevention Service Technician is also invited to its meetings. Their main functions are to organise meetings and activities of the committee and to coordinate all preventive activities with the other delegations. During 2022, the planned quarterly meetings were held, as were several extraordinary meetings to update the protocols with regard to Covid and in view of the refurbishment work carried out at the company's head office.

To promote a healthy lifestyle, Cesce has had a bicycle and scooter parking area for many years, distributes fresh fruit in the company and has a physiotherapy service during working hours. It also organises sporting activities, either directly or through its Corporate Group, throughout the year.

Disease prevention

Since 2019, Cesce has held the 'Brain Caring People' seal awarded by the Stop Stroke Association for its work in support of the prevention of this disease, the leading cause of death among women in our country.

In addition, throughout 2022, voluntary workshops and *webinars* were held for the entire workforce to raise awareness and prevent other diseases such as obesity, diabetes, COPD and acute respiratory diseases.

The flu vaccination campaign was also launched, both at the head office and at the Cualtis premises -for commercial offices-, resulting in a total of 88 people vaccinated.

Throughout the year, numerous cancer prevention communication campaigns were developed with the collaboration of the Cris Foundation and the testimony of people who have overcome the disease. Along these lines, to mark Heart Day (29 September), songs about the heart were requested via the Intranet to raise awareness of heart ailments.

The Cesce Campus itself has a School of Wellness and Health, with courses open to all staff related to the subject.

Absenteeism and accidents

Cesce Spain* (excluding Portugal)

	Absenteeism (23,789 hours)	Number of accidents
Men	0.55%	0
Women	2.68%	3
TOTAL	3.23%	3

8.2.4. Internal communication

Cesce has a set of channels to facilitate communication with its employees, especially given the augur of teleworking. It has an Intranet ('TodosenGrupo+), accessible to all employees, with regular emails of its publications together with other channels (streaming sessions, newsletters, informal meetings, etc.) that help convey Cesce's messages and values.

The 'Welcome and Integration Plan' is designed to welcome new Cesce employees.



Grupo C50

In 2022, the Grupo C50 was set up to strengthen the motivation and sense of belonging of the entire Cesce management team, thus enabling them to convey these values to their teams. Throughout the year, two *focus groups* were held to ascertain the opinion of the heads of unit on this initiative, and it was decided to seek proposals from them to be discussed at the meetings.

In May 2022, the first C50 meeting took place, with a presentation of strategic content and a *team building* sporting activity (playing rugby) followed by a joint lunch to enhance the informal and transversal relationship of the board, much needed after a few years of imposed teleworking.

During the year, a Communication Plan and a Training and Development Plan were developed, with specific initiatives for senior management.

Welcome and Integration Plan for new employees

With the aim of favouring a horizontal and global vision of the company, especially important with the implementation of teleworking, the Welcome and Integration Plan for new employees, designed in 2021, was launched in 2022. This initiative extends the existing *onboarding* process with an "internal mentoring" process, with a mentor - from a different area to that of the new employee- who accompanies the new employee for 6 months to pass on the company's values, guide them and provide them with contacts and an overview of Cesce. These mentors received specific training which was complemented by monthly publications with training videos. The project was completed with a joint volunteering initiative and a closing and evaluation session.

Also, to foster communication within the workforce, informal events are promoted, such as the Corporate Olympics, which again involved 126 employees of the company.

8.2.5. HR management

Cesce's employees are the company's most important asset. Through their commitment and dedication, they make a decisive contribution to the growth of the Group. To respond to this delivery, the internal management model ensures dignified and quality employment, which promotes a work-life balance.

In 2016, Cesce was recognised with the EFR (family-friendly company) certificate by the MásFamilia Foundation, for its more than one hundred measures that show the corporate will to promote work-life balance, effective health, professional and personal development, participative leadership, the elimination of architectural barriers in its work centres and the incorporation of people with different abilities, among many other objectives achieved.

This commitment has been strengthened over the years, and recognition has progressed to B+ (Proactive Company) level achieved in November 2022. Among the main results of the year that ratify its status as an EFR Company, the teleworking, the Cesce Campus, the Language School, the existence of physiotherapy and the distribution of fruit in the office and the social initiatives should be highlighted. This general acceptance is reflected in a survey which shows that 87% of employees recommend working at Cesce.



Equality and non-discrimination

In terms of equality, Cesce is currently immersed in the negotiation of the III Equality Plan with the Legal Representation of Workers (after the first two editions in 2010 and 2016), which will incorporate additional measures to continue fighting for a balanced workforce, with almost 60% female representation, and with a special sensitivity towards the support of initiatives that affect women -both within the company and in society-.

Moreover, to consolidate its philosophy as a diverse company, it has embarked on a series of initiatives to promote the integration of its employees with a recognised disability. Thus, in addition to the 100% subsidy of the health insurance premium for the employee and their family members, there are also benefits such as access to parking spaces and the advance of three months' salary for the purchase of disability-related equipment.

The following actions were also carried out during the year:

- Participation in the Ewi Network, an initiative promoted by INESE in which representatives of companies in the insurance sector participate with the aim of promoting equality and achieving parity in management positions.
- To mark Women's Day, awareness-raising activities were carried out, such as a course on female empowerment on the Cesce campus and a session to learn how to detect

situations of gender-based violence in everyday environments.

- Following the company's 2019 #WhereTheyAre, Cesce is committed to increasing the presence of women in debates and conferences. In 2022, it participated in 113 institutional events involving 196 women (compared to 364 men), a slight improvement on the previous year and moving closer to parity.
- On 25 November, to mark the International Day for the Elimination of Violence against Women, a communication campaign was launched on the Intranet to identify these aggressions in works of fiction, in order to raise awareness among the staff about these situations.
- The company has also carried out external actions, linked to the company's CSR lines of action: support for the Spanish Chamber of Commerce to promote women entrepreneurs through training sessions, presentation of the Cesce Award for Women Entrepreneurs in sparsely populated areas within the framework of the Presura Fair, or the fight against Sexual Violence in the Democratic Republic of Congo through Acnur or specific education programmes in Senegal and Gambia, especially for girls.

In-house training

For yet another year, Cesce continues to promote the development of its teams through the HR application that allows employees to update their **Professional Profile**. This allows them to show all the information of their professional career and keep it up to date, incorporating the new experiences and knowledge they acquire. This is a document of great interest for the employee, for the team management of managers and also for HR in line with career development and mobility.

In terms of training, an important milestone has been the implementation of the **Language School**, which allows Cesce employees to attend classes in English, Portuguese, French and Spanish taught by native teachers, thus boosting their professional development.

In 2022, employee development continued to be promoted through the **e-learning Training Platform**, integrated into the Cesce Campus, which promotes the Digital Transformation of the Management to enhance the versatility of educational actions, connectivity and accessibility to different training courses from any device with innovative technology.

The Training Plan of the company's campus is organised through different schools, linked to the sector and supporting the Strategic Plan, which integrates knowledge from different fields and skills:



Training aimed at specific groups, adapted to the needs detected by the Directorates. In the event of vacancies, they would be made available to the rest of the staff if their possible inclusion would be of interest.



Open training, voluntary, with an average duration of two hours, which can be taken quickly and dynamically thanks to its online mode, adapting to the timetable and availability of the student.

The platform was selected by Forética, a leading organisation in sustainability and corporate social responsibility in Spain, as **a high-impact initiative within the framework of the 'JOBS 2030-Future of Work' project**, with the institutional support of the Ministry of Labour and Social Economy.

Initiatives highlighted in the 2022 Training Plan

- **Digital Transformation:** face-to-face and online actions on agile methodologies, training in Google tools to optimise project efficiency, data analysis courses, training in OP Manager and Oracle Database.
- Open courses **on innovation** such as Design Thinking, Blockchain, Fin-tech, Artificial Intelligence, Big Data, new digital business models and robotics.
 - **Business and finance:** courses on IFRS17, IFRS9, insurance, *factoring*, means of payment and Project Finance, training in solvency and financial statements, analysis and interpretation of balance sheets and international training activities in Project Finance and sustainability workshops, among others.
 - Online training for all staff on Own Account and State Account **products and services**, and Technical Risk Management.
 - **Professional skills and competences:** open actions focused on decision making, effective meetings, change management, effective communication, negotiation and team excellence for Commercial Management groups.
 - **Processes and efficiency:** Office package, corporate *reporting* training and sessions on GRC Suite.
 - **Compliance School:** specific online course on Regulations and Criminal Compliance at Cesce, training in good corporate governance for the Board of Directors, talks and training on cybersecurity, privacy and GDPR and mandatory training for the corresponding group, responding to the regulations applied to Insurance Distribution.
 - **Equality, employee wellbeing and CSR:** actions to promote internal development, from female empowerment, equality and bias, to work-life balance and digital disconnection.

In 2022, a total of 12,664 hours of training were provided at Cesce, an average of more than 31 hours of training per employee.

Average hours of training in 2022	Men	Women	Total
Cesce España			
Directors	34.10	38.70	35.98
Middle management	32.85	36.72	35.01
Administrative Staff	12.94	22.95	21.24

*No data available on training hours in the Portuguese branch.

8.3 Excellence with our suppliers

Cesce's relationship with its suppliers is based on transparency, honesty and scrupulous compliance with current law. For the selection of suppliers, the company strictly follows the Internal Procurement Instructions and establishes cordial and respectful relations in its interaction.

These Internal Instructions were updated following entry into force, on 9 March 2018, of Law 9/2017 on Public Sector Contracts and were approved by the company's Board of Directors on 20 March 2018, following a favourable report from the Solicitor General of the State. They were subsequently approved by the Boards of Directors of Cesce's subsidiaries in Spain.

Periodically, each area evaluates and conducts follow-up meetings on the most relevant external service providers.

In 2022, Cesce took a further step in the digitalisation of its internal procedures by implementing electronic signature through a trusted third party for the signing of contracts, eliminating the need for manual signature on paper. This measure not only improves efficiency in the firm, but also has a positive impact on sustainability by reducing paper consumption and encouraging digitisation.

Lines of work in 2022:

- Incorporation of EIOPA guidelines on procurement of InCloud services

Challenges for 2023:

- Integration of clauses in line with Cesce sustainability project

8.3.1 Selection criteria

In 2022, Cesce carried out the entire procurement process for the awarding of goods and services, using the Open Procedure by means of electronic tendering through the State Procurement Platform, which reinforces the application of the principles of publicity, transparency and concurrence that inspire its rules.

The company selects its suppliers according to technical, professional and economically objective criteria. As a predominantly publicly owned company performing an activity in the public interest, the legal framework governing the company's contractual activity is established by Articles 321 and 322 of the Public Sector Contracts Act.

On this legal basis, CESCE implements internal rules with a general objective procedure for awarding contracts in accordance with the following principles:

- The competition principle, which ensures that any interested party can participate in

the contract tendering procedure by submitting a bid or proposal.

- The principle of publicity, which requires that a sufficient number of potentially interested parties must be able to become aware of the call for an award procedure.
- The confidentiality principle, which guarantees that maximum discretion and prudence are applied when the contract is awarded without the required publicity harming the successful bidder's interests.

In addition to these principles, others apply, such as those of transparency, equal treatment and non-discrimination; all of them in accordance with the provisions relating to the obligations of entities classified as 'non-contracting authority' in the LCSP and the applicable rules and principles derived from Law 19/2013, of 9 December, on Transparency, Access to Public Information and Good Governance.

Relevant information on the company's procurement is permanently updated on the company's website (www.cesce.es) and through the Public Procurement Platform.



Phases of the procurement process

- 1 Planning of the purchase (justification of the expenses, scope and description, approximate cost and delivery times).
- 2 Tender and selection of the successful bidder.
- 3 Signing of the contract.
- 4 Supply of the good or service
- 5 Continuous assessment and adjustments, where applicable.
- 6 Payment of the invoice.

8.3.2. CSR requirements

Cesce includes in the service contracts of its suppliers clauses requiring respect for the labour rights of its employees, such as the payment of social security, work accident insurance and all kinds of compulsory social insurances.

The company promotes behaviour with integrity and respect for human, labour and environmental rights.

For the provision of services and management assignments, CESCE complies with the following: the Instruction from the Directorate-General for State Holdings (DGPE), issued on the 28th December 2012, regarding best practices to prevent the illegal transfer of workers, and the Regulatory Instruction on the Relations of Companies Belonging to the 'Grupo Patrimonio' with the DGPE, the latest version of which was issued on the 8th February 2007.

The company's tender specifications for supplies and services also reflect its commitment to quality and the environment.

Certificates for quality and compliance with ISO 9001:2015, ISO 14001:2015, ISO 50001:2011, and/or ISO/IEC 27001:2013, or similar standards, must be provided where applicable, although this point is not grounds for exclusion.

As a member of the United Nations Global Compact, the company encourages its suppliers to behave with integrity and respect for human, labour and environmental rights.

8.4 We maximise shareholder value

Collaboration and trust between Cesce and its shareholders are key to the sustainable success of the company. To increase the value offered to this important stakeholder group, Cesce focuses on efficient management of its resources, diversification of its service offering and a solid business strategy.

Cesce is also constantly working to improve transparency and communication with its shareholders. In this way, it provides them with clear and up-to-date information on their financial performance and future prospects.

Cesce is a majority state-owned mixed capital company in which banks and insurance companies participate. Despite the difficult economic environment, marked by the consequences of the war in Ukraine and high inflation, the company has demonstrated the resilience of its business model and continued to generate value for its shareholders through the distribution of a dividend of 36.5 million euros.

To preserve its track record of profitability and meet the challenges of the future, Cesce has undertaken a rigorous review of its 2021-2024 Strategic Plan. As a result of this process, the company has launched

the Impulsa Cesce 2025 Plan, which aims to strengthen Cesce's business activity and create value for all stakeholders, including its shareholders.

The success of Cesce's business model is based on innovation, operational excellence, internationalisation and technical and financial strength. Thanks to this strategy, the company has managed to exceed target levels and achieve a net result of 75.1 million euros in the last year.

The generation of recurring profits in recent years has enabled the distribution of dividends to shareholders. Thus, the Extraordinary General Meeting of Shareholders held in May approved the distribution of a dividend of 36.5 million euros, corresponding to 50% of the profit after tax for the year 2021 (which was 73.1 million euros).

Lines of work in 2022:

- Follow-up of the actions of the 2021-2024 Strategic Plan, with 50% of the projected actions being fulfilled.
- Redefinition of the Strategic Plan with the Plan Impulsa Cesce 2025

Challenges for 2023:

- Continue to generate value for its shareholders by achieving strategic objectives, supporting the digital business and creating value for society.
- Continue to improve transparency and communication with its shareholders. In this way, it provides them with clear and up-to-date information on their financial performance and future prospects.

8.5 We collaborate in the development of our community

In its activity as a commercial insurer, Cesce has played a key role in building confidence in the business community, which has had a positive impact on society at large.

It is also worth noting that, as an Export Credit Agency (ECA), Cesce has recently implemented a new Climate Change Policy, demonstrating its commitment to sustainability and the fight against climate change.

Outside its core business, Cesce continues to devote 0.7% of its profits to social and environmental action programmes. In line with the new regulatory requirements, the company has recognised the need to reformulate its social responsibility policy and, to this end, has put out to tender the development of a Sustainability Master Plan to be implemented in 2023. This plan will include a comprehensive materiality analysis and further linkage to the business and investments in line with new regulatory requirements.



Lines of work in 2022:

- Continuation of lines of support for health, research and combating inequality
- Expansion of activities to Latam and Africa



Challenges for 2023:

- Development and implementation of the Cesce Sustainability Master Plan.

8.5.1 A value for society

The success of Cesce's business translates into a direct generation of wealth for the community through employment, purchases from suppliers and the payment of taxes. However, it is in its insurance business that its contribution to economic and social development is most notable.

Through its insurance business, Cesce promotes the growth of companies and boosts the export sector, enabling the implementation of projects that improve the quality of life in developing countries. In this sense, Cesce's insurance activity is an engine for economic and social development, and contributes significantly to the creation of a more prosperous and sustainable future.

Cesce has contributed to business development, especially for SMEs, with policies such as *Emprende* or *Póliza Cesce Fácil*, as well as disseminating the principles of credit insurance among women through the PAEM programme of the Spanish Chamber of Commerce. In 2022, sessions have been held in Ceuta, Motril and Cartagena with the aim of promoting female entrepreneurship.



8.5.2. Social action



Uncertainty

The social and economic crisis, as well as the war in Ukraine, have had a significant impact on foundations and institutions, increasing needs while the availability of public and private funds to support them is decreasing.

As in previous years, Cesce earmarked a budget of 0.7% of its profits, equivalent to 400 thousand euros, for its Corporate Social Responsibility initiatives during 2022 and has continued to maintain the defining characteristics with which it was born (strategic, participative, international, transparent and with dissemination to its stakeholders).



Unconditional support

In recent years, Cesce has fostered a culture of Corporate Social Responsibility and has encouraged its employees to participate in volunteering initiatives. This commitment has been maintained despite the extraordinary circumstances that were still prevailing last year, such as the pandemic and the adoption of teleworking in many sectors.

Despite these difficulties, the Cesce team has continued to actively participate in corporate volunteering projects. These efforts have been made in collaboration with various organisations and non-profit entities, with the aim of improving the quality of life of the most vulnerable people and communities.

Also, thanks to teleworking, volunteering formats have diversified, facilitating the combination of face-to-face and virtual activities. This has enabled Cesce employees to continue to engage in volunteer projects safely and effectively, even in times of health restrictions.

In 2022, 14% of the workforce (56 employees) participated in volunteering actions, with a total of 291 hours (5.2 hours per volunteer). The company supports these initiatives by raffling prizes at Christmas to volunteers who have participated in activities that year.



Internationalisation

The company has also made progress in internationalisation, supporting two projects proposed by employees and linked to training.

In Senegal, the 'Training to Stay' project promotes university education for young people from rural Senegal, encouraging them to return to their communities of origin where they can apply the knowledge they have gained.

In Gambia, Cesce contributes to the construction of a new kindergarten in Sara Bigi's school and to scholarships for poor women.



Latin America

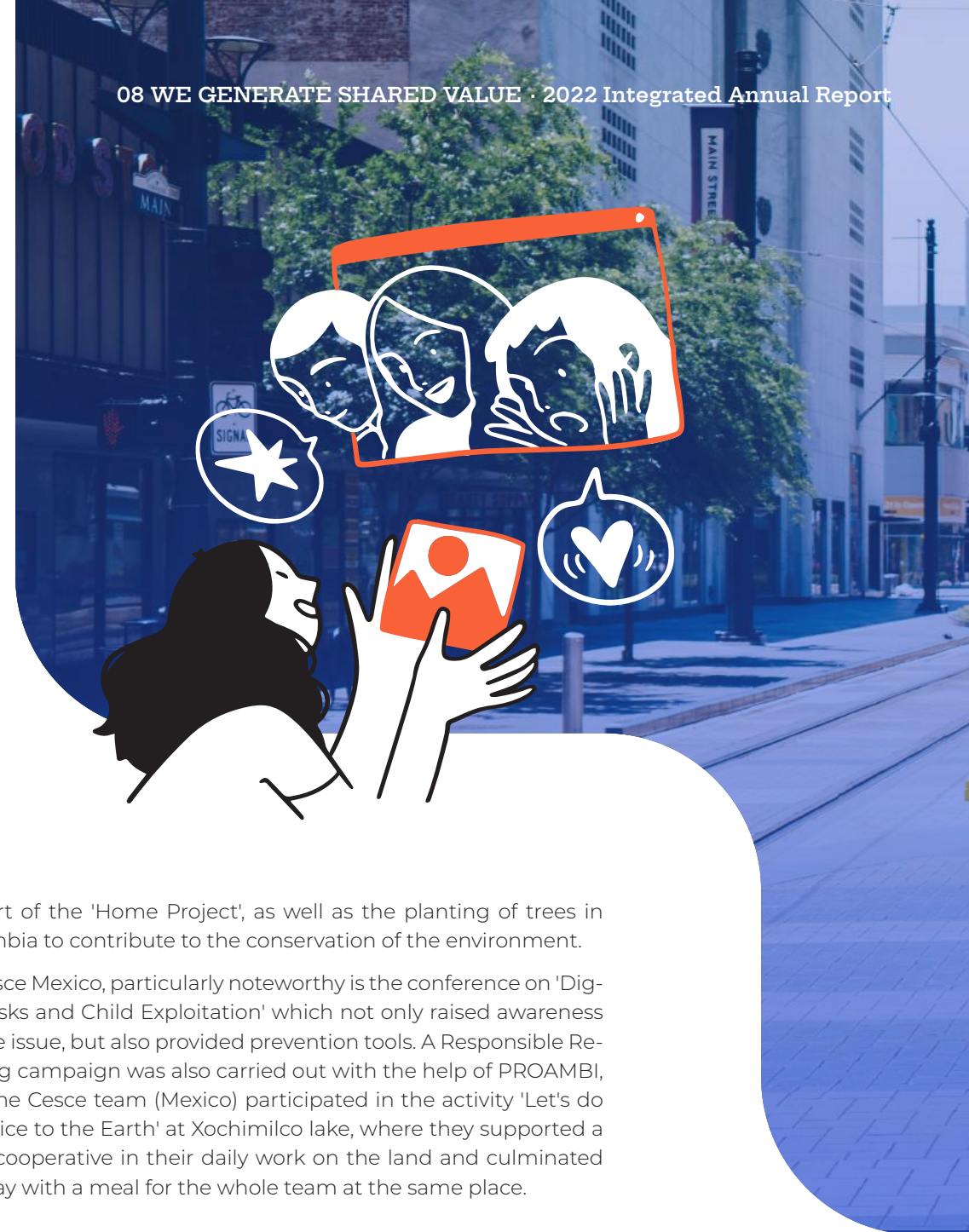
CSR in Cesce is geared, given the nature of the company, towards internationalisation. The Group is actively working on the implementation of specific initiatives in the different subsidiaries, adapted to local needs and contexts, but always based on the company's values and principles.

The main objective of these initiatives is to contribute to the sustainable development of the communities where Cesce operates, through the promotion of responsible practices in areas such as environment, human rights, gender equality, social inclusion and transparency.

Among the most outstanding CSR initiatives of Cesce's subsidiaries is the construction of two houses for families in need Peru

as part of the 'Home Project', as well as the planting of trees in Colombia to contribute to the conservation of the environment.

At Cesce Mexico, particularly noteworthy is the conference on 'Digital Risks and Child Exploitation' which not only raised awareness on the issue, but also provided prevention tools. A Responsible Recycling campaign was also carried out with the help of PROAMBI, and the Cesce team (Mexico) participated in the activity 'Let's do a service to the Earth' at Xochimilco lake, where they supported a local cooperative in their daily work on the land and culminated the day with a meal for the whole team at the same place.



Projects developed by Cesce in the field of...

Health

Institutions / NGO	Project	Amount	ODS
Centro de Estimulación Precoz (Seville)	Specific treatment for children over 7 years of age	€9,000	SDG 3 Health and Well-being
	Extension of the infrastructure building	€25,000	
Fundación Cris contra el Cáncer	Centro Terapias Infantiles Hospital La Paz		SDG 3 Health and Well-being
	CNIO (pancreas)	€24,000	
	Centro Terapias Adultos (Clinical Hospital)		
	50% Research grant (50% F. Cris)	€40,000	
Menudos Corazones	Annual Cardiopathies Day meeting	€10,000	SDG 3 Health and Well-being
	Christmas greetings for customers	€1,056	
	Support to summer camp in July	€10,000	
AMES (Asociación Miastenia) Spain)	Research by Dr. Cortés and informative exhibition	€14,000	SDG 3 Health and Well-being
	3rd Edition of the Camino de Santiago	€12,000	
Asion (Asociación Infantil Oncología Madrid)	Funding adolescent activity	€5,500	SDG 3 Health and Well-being
	Financiación actividad adolescentes (customer survey)	€4,570	
Músicos por la salud	Concerts at hospitals	€6,000	SDG 3 Health and well-being
Asociación Española Síndrome Rett	Therapy for children with Rett syndrome	€6,000	SDG 3 Health and well-being

Integration

Institutions / NGO	Project	Amount	ODS
Food Bank	Food wrapping machine	€5,445	SDG 3 Health and Well-being SDG 10 Reducing inequalities
	Christmas food campaign	€6,350	
	Oil Campaigns	€1,650	
UNHCR	Fight against sexual violence in DRC	€10,000	SDG 10. Reducing inequalities SDG 5 Gender equality
Girona Est (Girona)	Social integration through music for children at risk of exclusion	€6,000	SDG 10 Reducing inequalities
Aphanias	Housing for mentally handicapped mothers	€10,000	SDG 10 Reducing inequalities
Children's villages	Aid to villages for socially excluded children	€10,000	SDG 10 Reducing inequalities
A la Par Foundation	Ecological gardens cultivated by people with physical disabilities	€2,891	SDG 10 Reducing inequalities
Fundación Aucavi (Quality of Life for the Autistic)	Family sponsorship (support)	€8,000	SDG 10 Reducing inequalities
	Family rest and respite for families with autism	€8,000	

Rural World, Women's Entrepreneurship and Culture

Institutions / NGO	Project	Amount	ODS
Rural World and Women's Entrepreneurship			
The Hollow	Presura 2021 Fair for the Repopulation of Rural Spain	€10,500	SDG 11 Sustainable Cities and Communities
Spanish Chamber of Commerce	Sessions for women entrepreneurs	€0	SDG 5 Gender equality
Culture			
Hispania Nostra	Patronage and rehabilitation of a civil building in a rural area (Aragon)	€10,000	SDG 11 Sustainable Cities and Communities

Environment

Institutions / NGO	Project	Amount	ODS
ANAA (Asociación Nacional Amigos de los Animales - National Association of Animal Friends)	Material for protective	€4,000	SDG 15 Terrestrial Ecosystem Life
Reforesta Association	Reforestation activity with volunteers	€4,500	SDG 13 Climate action SDG 15 Life of Terrestrial Ecosystems ¹ .
Carbon Footprint	Offsetting only	€6,510	SDG 13 Climate action



Volunteering

Institutions / NGO	Project	Amount	ODS
J. Achievement	Partners for a day	€3,500	SDG 4 Quality education
UNESPA/Junior Achievement	Risk and me	€800	SDG 4 Quality education
Adopt a grandparent	Telephone volunteering support for the elderly	€5,400	SDG 10 Reducing inequalities
	e-FP	€3,000	
Créate Foundation			SDG 4 Quality education
	Drawing-ED	€3,000	
Adecco Foundation	Volunteer work integration of women at risk of exclusion	€6,294	SDG 5 Gender equality



International

Institutions / NGO	Project	Amount	ODS
Training Senegal	Training to stay (university students)	€9,000	SDG 4 Quality education
ITT Gambia	School in the Gambia and scholarships for girls	€6,000	SDG 4 Quality education SDG 5 Gender equality
Unicef (Portugal)	Aid to Ukraine	€1,500	SDG 16 Peace, justice and strong institutions
Red Cross	Aid to Ukraine	€10,000	SDG 16 Peace, justice and strong institutions
Red Cross Emergency Fund	Imminent emergencies	€40,000	SDG 16 Peace, justice and strong institutions

Dues and other

Institutions / NGO	Project	Amount	ODS
Quotas			
	Year		
Forética	Environment Cluster	€5,817.20	SDG 17 partnerships to achieve the goals
Global Compact	Membership annuity	€2,400	SDG 17 partnerships to achieve the goals
Other			
Paradores	Bonos paradores Socially Responsible Employees	€1,168	





About this report

9.1 Methodology

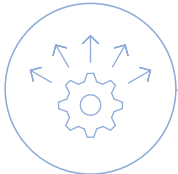
9.2 Contact information

9.3 GRI contents

9.1 Methodology

This report includes business and financial information as well as the company's CSR Policy. The latter seeks to summarise social, environmental and governance performance in 2022 and its contribution to the UN 2030 Agenda.

This Integrated Annual Report 2022 has been prepared in accordance with the Core option of the GRI Standards and following the Global Compact reporting policy. It also complies with Order ESS/1554/2016 of 29 September governing the procedure for the registration and publication of social responsibility and sustainability reports of companies, organisations and Public Administrations and Directive 2014/95/EU of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and information on diversity by certain companies and certain groups, which affects Cesce insofar as it is a "public interest entity".



Scope and cover

The social and environmental information included in this report focuses on the activities carried out by the companies of the Cesce Group and, occasionally, provides information on the performance of Latin American subsidiaries.

To complete this information, Cesce publishes financial information in addition to the Consolidated Annual Accounts and the Individual Annual Accounts for the 2022 financial year. Detailed information on social, environmental and governance aspects of the group is provided in the Statement of Non-Financial Information appended to the annual accounts.

The company has also prepared an Annual Corporate Governance Report.



Principles behind the drafting of this report

- Materiality
- Sustainability context
- Exhaustiveness
- Comparability
- Accuracy
- Clarity



Verification

This report has not been externally verified.

9.2 Contact information

responsabilidadesocial@cescees



9.3 GRI contents

GRI 102: General contents 2016

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102-2 Activities, brands, products and services	7, 8, 16	More information in the 2022 Consolidated Management Report	2.1 The strategic partners of your business / 2.4. Our business
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102-18 Governance structure	103	Annual Corporate Responsibility Report	6.2 Governing bodies
102-40 List of stakeholder groups	117		7.2 Axes of CSR
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102-42 Identification and selection of stakeholders	117		7.2 Axes of CSR
102-43 Approaches to stakeholder engagement	116		7.2 Axes of CSR
102-44 Key topics and concerns raised	125		7.4 2030 Agenda
102-45 Entities included in the consolidated financial statements		The list of companies belonging to the Cesce Group appears in the Group's Consolidated Financial Statements.	
102-48 Restatements of information		There has been a restatement of financial data for the financial year 2022.	
102-49 Changes in reporting		Integration of financial and business data with sustainability data	
102-50 Reporting period		2022	
102-51 Date of most recent report		May 2022	
102-52 Reporting cycle		Annual	
102-53 Contact point for questions regarding the report	159		9.2 Contact information
102-54 Statement of preparation of the report in accordance with GRI Standards		This report has been produced in accordance with the GRI Standards: 'Core' option	
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102-56 External verification	158		9.1 Methodology

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		103-2 Management approach and its components	87, 119	5.3.6. New Climate Change Policy / 7.3. Environment
		103-3 Evaluation of the management approach	87, 119	5.3.6. New Climate Change Policy / 7.3. Environment
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		403-9 Work-related injuries	141	8.2.3. Health and Safety

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		103-3 Evaluation of the management approach	144	8.2.5. HR management
	GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	145	8.2.5. HR management
		404-2 Programs for upgrading employee skills and transition assistance program	142, 145	8.2.4. Internal Communication / 8.2.5. HR management
		404-3 Percentage of employees receiving regular performance and career development reviews	145	8.2.5. HR management
Diversity and equal opportunities	GRI 103: 2016 management approach	103-1 Explanation of the material topic and its coverage	143	8.2.5. HR management
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		103-3 Evaluation of the management approach	143	8.2.5. HR management
	GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and employees	139, 143	8.2.1. In Figures / 8.2.5. HR management