Universal
registration document
2023

KAUFMAN BROAD

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KAUFMAN BROAD

Universal Registration Document 2023

This universal registration document contains information on the group's prospects and areas of development.These indications are sometimes identified by the use of the future, the conditional and forward-looking terms such as "consider", "envisage", "think", "aim," "expect", "intend", "should", "aspire", "estimate", "believe," "wish", "could", or, where appropriate, the negative form of these terms, or any other similar variant or terminology.This information is not historical data and should not be interpreted as guarantees that the stated facts and data will occur.This information is based on data, assumptions and estimates considered reasonable by the group.They may change or be modified due to uncertainties related in particular to the economic, financial, competitive, regulatory and tax environment.In addition, the materialisation of certain risks described in section 4.1 "Risk factors" of this Universal Registration Document is likely to have an impact on the group's activities, financial position and results and its ability to achieve its objectives.

Investors should carefully consider the risk factors described in section 4.1 "Risk Factors" of this Universal Registration Document. The occurrence of all or part of these risks may negatively affect on the group's activities, financial position or results.In addition, other risks, not yet identified or considered immaterial by the group, could have the same negative effect.

The content of this universal registration document does not constitute legal, tax or financial advice. Investors should consult their own counsel on the legal, tax or financial aspects of their investment in the company.

This universal registration document contains information on the group's markets and competitive positions, including information on market size. In addition to the estimates made by the group, the information on which the group's statements are based comes from studies and statistics by third parties and professional organizations or from figures published by the group's competitors, suppliers and customers. Certain information contained in this Registration Document is publicly available information that the Company considers to be reliable but which has not been verified by an independent expert. The company can not guarantee that a third party would obtain the same results using different methods to collect, analyze or calculate data on the business segments. The company does not commit to or guarantee the accuracy of this information. This information may prove to be incorrect or no longer up to date. The group does not commit to publish updates to this information, except in the context of any legal or regulatory obligation applicable to it.

Certain figures (including data expressed in thousands or millions) and percentages presented in this Registration Document have been rounded.

Where applicable, the totals presented in this Universal Registration Document may differ from those that would have been obtained by adding the exact (unrounded) values of these figures.

The Universal Registration Document was filed on 28 March 2024 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation.
The Universal Registration Document may be used for a public offering of financial securities or the admission of financial securities to trading on a regulated market if supplemented by a flyer or note relating to financial securities and, where applicable, a summary and any amendments to the Universal Registration Document.The package then formed is approved by the AMF under Regulation (EU) 2017/1129.

Group Profile

Kaufman & Broad is a strong, nationwide group with a presence in major cities and geographic sectors with high potential for medium- and long-term economic and demographic development. It is made up of men and women in the spirit of entrepreneurship who have shared for more than 50 years the same vision of their profession: The customer and the user are at the heart of its strategy and decisions.

For several years, Kaufman & Broad has become one of the leading French real estate players in both residential and Commercial property.

A historical player in the evolution of cities since its creation, its knowledge of local specificities allows the group to provide bespoke answers, in perfect coherence with the identity and needs of the territories.

The group thus offers a wide range of related products and services, whether in residential or Commercial property, capable of meeting the aspirations and demands of its customers, namely:

- **Open acquisition: First** and second, buyers or investors, find at Kaufman & Broad an offer that perfectly meets their expectations and supports them during their purchase journey.
- **Social and affordable housing :** They can be integrated into home ownership programs to promote diversity or sold in full to social-housing landlords or institutional investors.The development of social rental usufruct can also meet the expectations of cities in tense areas.
- **Assisted acquisition :** Reduced VAT, controlled prices, ready-to-finish contracts, all of which help low income households gain access to property. And in which the group offers secure solutions, such as the Real Solidarity Lease, set up in partnership with a Solidarity Real-Estate Office.

MARKETING OR CONSTRUCTION IN FRANCE SINCE 1968

161,000
HOUSING UNITS

1,208,000 sq.m
OFFICES AND BUSINESS PREMISES

OUR EXPERTISE AT THE SERVICE OF YOUR PROJECTS

To provide comprehensive, high-performance solutions for local authorities and their residents, our teams master the entire real estate chain, which is organised as follows around its main business lines:

HOUSING DIVISION

- private housing (collective or individual)
- Managed Residences

COMMERCIAL PROPERTY

- New or restructured offices
- Logistics and business platforms
- Hotels
- Retail areas and business parks

REAL ESTATE DEVELOPMENT AND URBAN PROJECTS

MANAGED RESIDENCES PORTFOLIO :

- Developer-Investor-Operator

CONVERTING OFFICES INTO HOUSING

Build the city in all its forms and create the conditions for living well together:

- Choosing the most relevant designs and construction methods to make architectural quality an asset for the city,
- Seeking the highest quality of construction to ensure our achievements are built to last,
- Making each new building more efficient than the previous one to make it sustainable,
- Aiming for the maximum customization to design spaces tailored to each type of use and customer,
- Putting customer relations at the heart of our concerns, particularly through customer satisfaction oriented internal tools and processes

....To go further in the ecological transition.

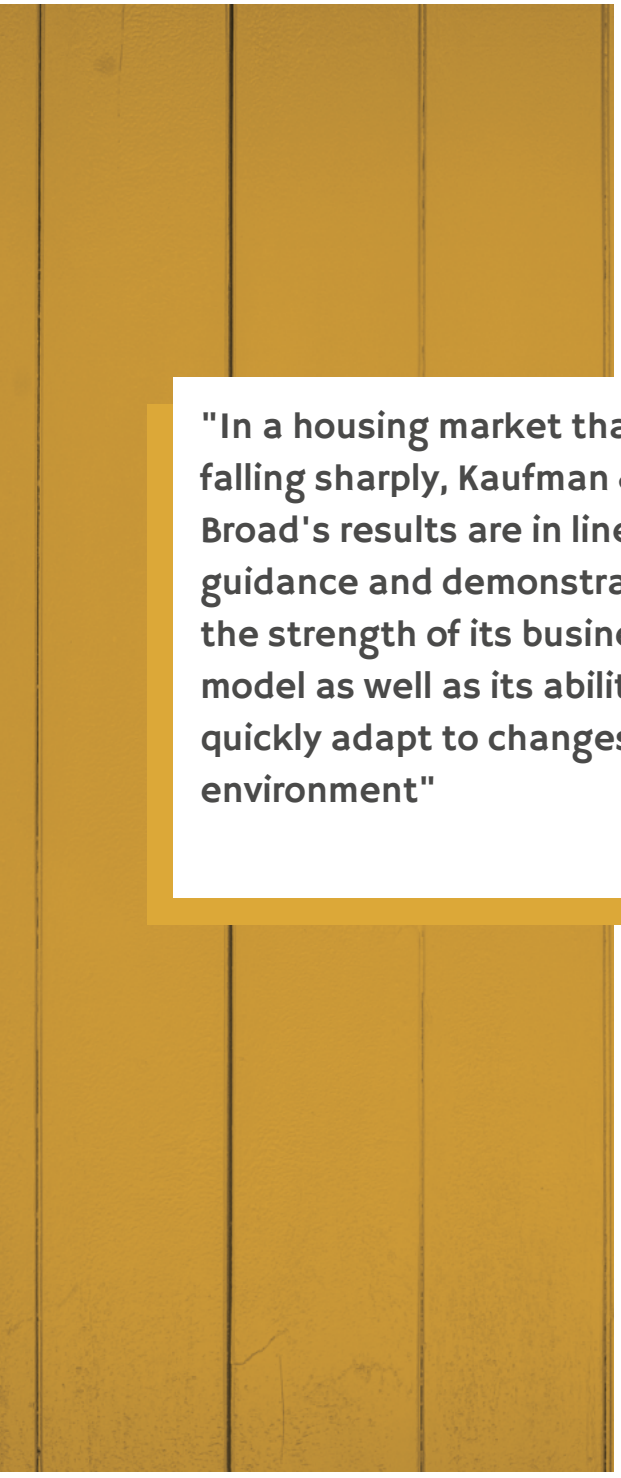
Acting to make the city more sustainable and responsible and create all the conditions for living well together: Our business, our ambition

The ecological transition is underway, the fight against global warming has become everyone's business, with each according to their means. As we know, urban space, with its human activity, buildings and transport, is one of the main sources of greenhouse gas emissions. It is also the core of our business. Therefore, we have, more than any other sector of activity, the ability to act, the duty to make the city healthier, more resilient and more inclusive. This will is based on:

- **Responsibility, which** guides our recommendations and forces us to keep our promises to achieve the best construction modes and the best programming. It is an integral part of our identity.
- **Trust, which** is the driving force behind a project's success. This has been our mode of operation for more than 50 years
- **The long-term ,** which is the life cycle of our achievements and our relationships with communities.

These three objectives are our driving force and encourage us to always evolve and strive for excellence.

Message from the chairman



"In a housing market that is falling sharply, Kaufman & Broad's results are in line with guidance and demonstrate the strength of its business model as well as its ability to quickly adapt to changes in its environment"

In a housing market that is falling sharply, Kaufman & Broad's results are in line with guidance and demonstrate the strength of its business model as well as its ability to quickly adapt to changes in its environment.

Our agility and ability to anticipate market trends coupled with the know how of our teams and our in depth knowledge of the French real estate market were the major strengths of our performance in 2023. We thus generated a positive net cash position of 180.5 million euros and a 22.7% increase in net income, a guarantee of the solidity of our business model.

Our operational excellence was illustrated by the take-up rate of our new housing programmes of 4.8 months, compared to nearly 20 months for the rest of the market, as well as by the commercial real estate business which continued the work of the Austerlitz A7/A8 operation in accordance with the timetable.

The unprecedented crisis in the sector is rooted in the continuous decline in the allocation of building permits since 2018, which has led to a scarcity of housing supply, plus rising interest rates, inflation of regulations and excessive taxation. However, demographic and sociological factors continue to fuel sustained and unmet demand for housing. The rebalancing of these various factors is now underway and should lead to a market adjustment in the coming half years.

Kaufman & Broad is currently the only European real estate developer with an «Investment Grade» rating , attesting to the quality of its financial structure.

The rating "*Investment Grade*", assigned by Fitch Rating, attests to the strong financial strength of Kaufman & Broad. Similarly, CDP's «A» rating demonstrates our commitment to the environment.

The group is thus in a position to take full advantage of the recovery in a healthy market

For the full year 2024, the group's revenue is expected to be around 1.1 billion euros, with the difference compared to 2023 explained by the base effect of the Austerlitz operation. The operating income ratio is expected to be between 7% and 7.5% and the group is expected to remain in a positive net cash position.

The 2023 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose a dividend of 2.40 euros per share for fiscal year 2023 at the Annual Shareholders' Meeting to be held on May 6.

I would like, in my personal capacity and on behalf of the Board of Directors, to thank all the group's shareholders for their renewed trust and, more particularly, our employees, for their commitment and professionalism.

NORDINE HACHEMI

Chairman and Chief Executive Officer

Highlights 2023

The 2023 results demonstrate the strength of the business model and the ability to generate cash

CONTINUATION OF THE WORK OF THE AUSTERLITZ RAILWAY STATION

Work on the Austerlitz A7/A8 Station operation started in December 2023 and is continuing according to schedule with delivery by 2027. Infrastructure works are currently under way.

GENERATION OF A POSITIVE NET CASH POSITION OF €180.5M AND A SOLID FINANCIAL STRUCTURE

In 2023, the group generated net cash of 180.5 million euros (excluding IFRS 16 debt and Neoresid put debt). This nearly 249 million euros improvement in cash flows was mainly due to the sharp reduction in working capital requirements. Gross financial debt amounted to 169.7 million euros at 2023, November 30, of which 50 million euros matures in May 2024 and will be repaid thanks to the group's strong cash position. At the end of the year the group had a financial capacity of 600.0 million euros against 351.0 million euros the previous year.

CONTINUING THE IMPROVEMENT OF OPERATIONAL PERFORMANCE AND SOLID LAND RESERVE

The group's operating efficiency resulted in a 4.8 month take-up period compared to nearly 20 months for the market. The gross margin rate increased to 18.3% compared to 17.4% in the previous year. In addition, the group relies on a solid land reserve and an overall backlog of € 2.7.bn representing approximately 2 years of activity.

PAYMENT IN NUMBER OF THE DIVIDEND FOR THE YEAR ENDED NOVEMBER 30, 2022

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on 2023 May 4 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of 1.95 euros per share for the financial year ended 2022, November 30. The cash dividend was paid on 2023, May 11.

FITCH RATING FIRM KAUFMAN & BROAD INVESTMENT GRADE RATING BBB-

The rating agency Fitch Rating affirmed Kaufman & Broad S.A.'s "investment grade" rating - "BBB -" with a stable outlook Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre marketing policy and a high level of operating cash flow. Kaufman & Broad is currently the only pure European developer with an Investment Grade rating.

Fitch's confirmation of this rating in a challenging environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows.

+7.2%

REVENUE TO €1,409.1M
(2022/ €1,314.9M)

+12.7%

GROSS MARGIN OF €257.2M
(2022/ €228.2M)

34,069

HOUSING IN THE LAND PORTFOLIO, I.E. OVER 6 YEARS OF ACTIVITY

€1,079.4M INCL. VAT

HOUSING ORDERS VS €1,433.8M INCL. VAT **IN 2022**

€180.5M

NET CASH
(excluding IFRS 16 and Put Neoresid)

€60.2M

ATTRIBUTABLE NET INCOME +22.7% VS. 2022

NEW CONTRACTS FOR THE COMMERCIAL PROPERTY BUSINESS

Kaufman & Broad won a tender with OSAE Partners (investor partner) in June 2022 for the rehabilitation of the historic headquarters of the CCI Île de France with an area of 13,500 sq.m. (Potocki building) avenue de Friedland, partially classified as a historic monument. The building permit was obtained in January 2024. In addition, the building permit for Edf's future regional headquarters with an area of more than 30,000 sq.m. in Marseille was filed in October 2023. Finally, Kaufman & Broad signed the VEFA in November 2023 for the future 4,400 sq.m. Clesence headquarters in Compiègne.

KAUFMAN & BROAD GETS THE SCORE « A - » IN THE CDP RANKING'S

The continuous strengthening of the CSR policy resulted in Kaufman & Broad's progression to the CDP ranking with an «A -» rating in 2023 in a sector rated «B-.» Kaufman & Broad's CSR approach integrated into the project production cycle is evaluated annually by independent bodies (Vigeo Eiris, CDP, etc.). Kaufman & Broad is committed to reducing its carbon emissions by 2030, in line with the Paris Agreements. This commitment is subject to evaluation and monitoring by the SBTi (Science Based Targets initiative).

RECOGNITION OF KAUFMAN & BROAD

Kaufman & Broad obtained Great Place to Work® France certification. This distinction highlights the quality of working conditions and the attractiveness of the company in terms of recruitment.

In addition, for the second consecutive year, the company obtained «Best Managed Companies» certification in July 2023, rewarding the excellence of companies that stand out for the quality of their management and performance, particularly CSR.

IMPORTANT EVENTS

Since the end of financial year 2023

PROPOSAL OF THE BOARD OF DIRECTORS

The Board of Directors held on 2024, January 29, taking note of the 2023 results, the financial structure of Kaufman & Broad and the high level of its equity, decided to propose to the next General Meeting of Shareholders to be held on 2024, May 6, a dividend of €2.40 per share for the 2023 financial year.

There have been no other significant events since the end of 2023 fiscal year.

CALENDAR 2024

2024, April 9

Publication of the 1st quarter 2024 results (after the stock market)

2024, April 10

Presentation of the 1st quarter 2024 results

2024, May 6

Shareholders' Meeting

2024, July 11

Publication of 1st Half year 2024 Results (after the Stock Exchange)

2024, July 12

Presentation of the 1st Half year 2024 results

2024, September 30

Publication of results for the 3rdquarter of 2024 (after theStock Exchange)

2024, October 1

Presentation of the 3rd quarter 2024 results

The Group's main locations

Île-de-France

Head office:
- Courbevoie

Agencies:
- Île-de-France

Occitanie

Agencies:
- Toulouse
- Montpellier
- Serge Mas Promotion
- Perpignan

Normandy

Agencies:
- Caen

Local offices:
- Rouen

Pays-de-la-Loire

Agencies:
- Nantes

Brittany

Agencies:
- Rennes

Hauts-de-France

Agencies:
- Lille

Provence-Alpes-Côte-d'Azur

Agencies:
- Nice
- Marseille

Local offices:
- Aix en Provence

Showroom:
- Fréjus

Auvergne-Rhône-Alpes

Agencies:
- Annecy
- Lyon

Nouvelle-Aquitaine

Agencies:
- Bayonne
- Bordeaux

Local offices:
- La Rochelle

Bourgogne-Franche-Comté

Local offices:
- Dijon

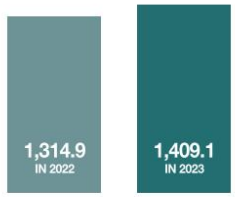
Grand-Est

Agencies:
- Strasbourg

Key figures and stock market

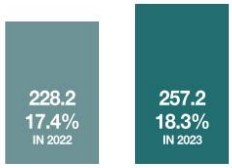
REVENUE

(€ millions)



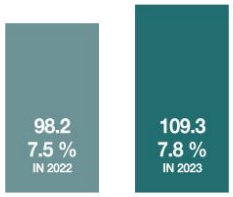
GROSS MARGIN

(in € millions and as a percentage of sales)



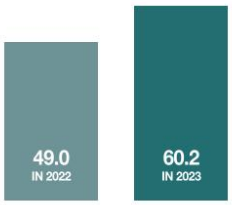
CURRENT OPERATING INCOMEOR EBIT

(in € millions and as a percentage of sales)



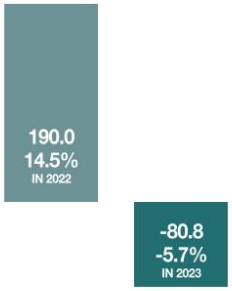
ATTRIBUTABLE NET INCOME

(in € millions)



WORKING CAPITAL REQUIREMENT

(in € millions and as a percentage of sales)

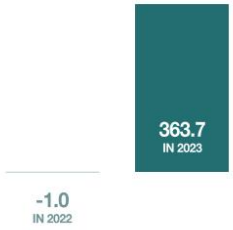


NET FINANCIAL DEBT (excluding IFRS 16 and Put Neoresid)

(€ millions)

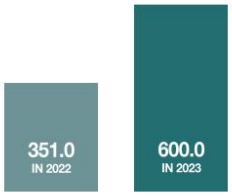
FREE CASHFLOW

(€ millions)



FINANCIAL CAPACITY [1]

(€ millions)



[1] *Cash and cash equivalents + undrawn credit facilities at date*

STOCK MARKET DATA

€31.00
HIGHEST

€22.20
LOWEST

€30.10
LAST QUOTED PRICE ON 2023, DECEMBER 31

19,862,022
NUMBER OF SHARES AS OF 2023, DECEMBER 31

€597.8
MARKET CAPITALISATION AS OF 2023, DECEMBER 31
(in € million)

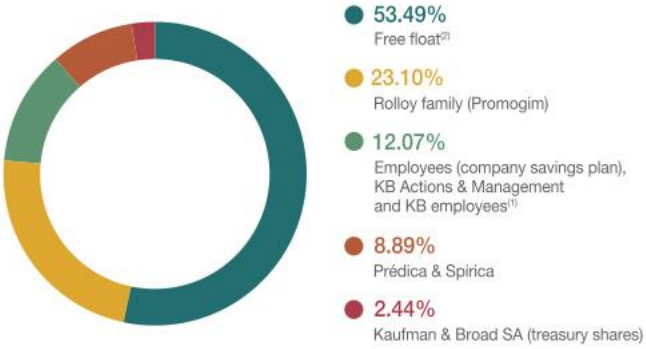
41,082
VOLUME ALL PLATFORMS COMBINED (1)
- (from January 1er to 2023, December 31th) including Euronext platform: 14,223

(1)*Sources: Euronext Post Listing Advisory.*

Euronext Market
Compartment B Mid Caps
ISIN code FR 0004007813
LEI 969500CE0X343D8ALO86
CAC Mid & Small and CAC Small Indices

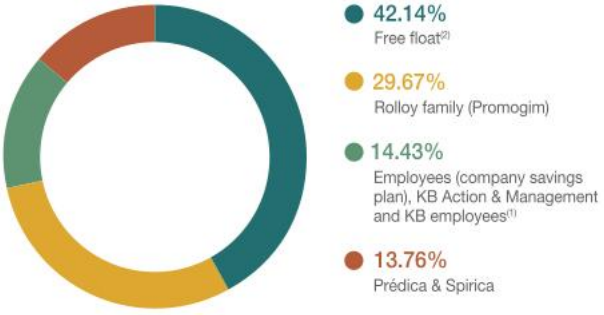
BREAKDOWN OF CAPITAL

(at 2023, November 30)



PERCENTAGE OF VOTING RIGHTS

(at 2023, November 30)

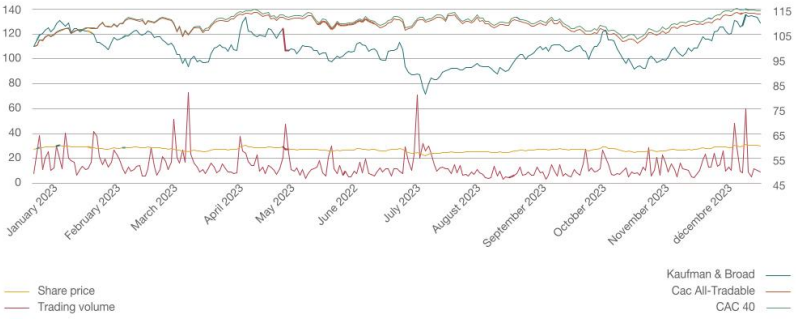


(1) group the company's managers and employees through Artimus Participations, the Kaufman & Broad FCPE (Shareholders' mutual fund of the company saving plan and the KB Actions 2019 and KB Actions 2022 mutual funds.They represent 12.07% of the share capital and 14.43% of the voting rights, including employees holding registered shares in their personal capacity.

Shares held by the Directors are included in the "Public" section of the shareholder structure as of 2023, November 30.

KAUFMAN & BROAD SHARE PRICE EVOLUTION

Compared to CAC40 and CAC All Tradable



Activities

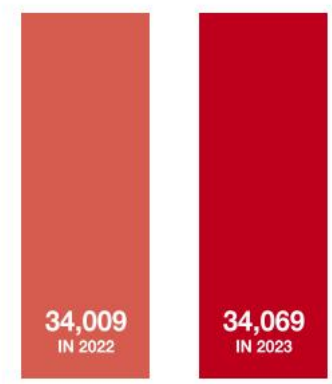
14,317
UNITS UNDER CONSTRUCTION

4.8 months
TAKE-UP RATE IN MONTHS

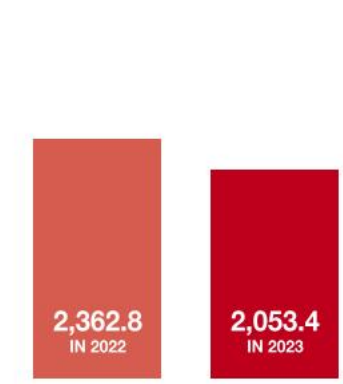
11,954
HOUSING BACKLOG

5,332
HOUSING UNITS ORDERS

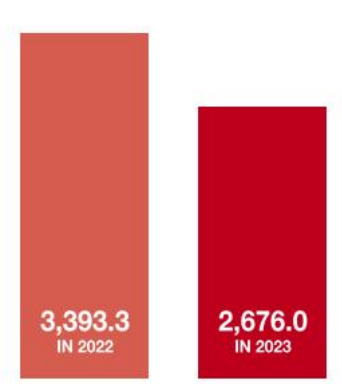
LAND RESERVE
(in number of housing units)



HOUSING BACKLOG
(in € millions excluding VAT)

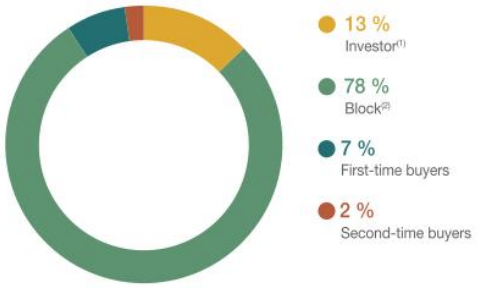


TOTAL BACKLOG
(in € millions excluding VAT)



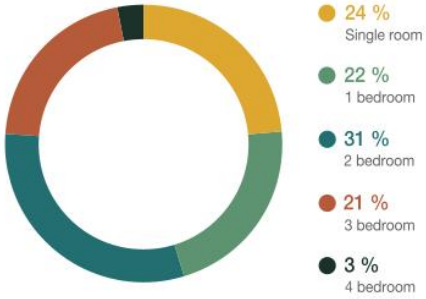
ORDER BY TYPE OF BUYER

(in number at 2023, November 30)



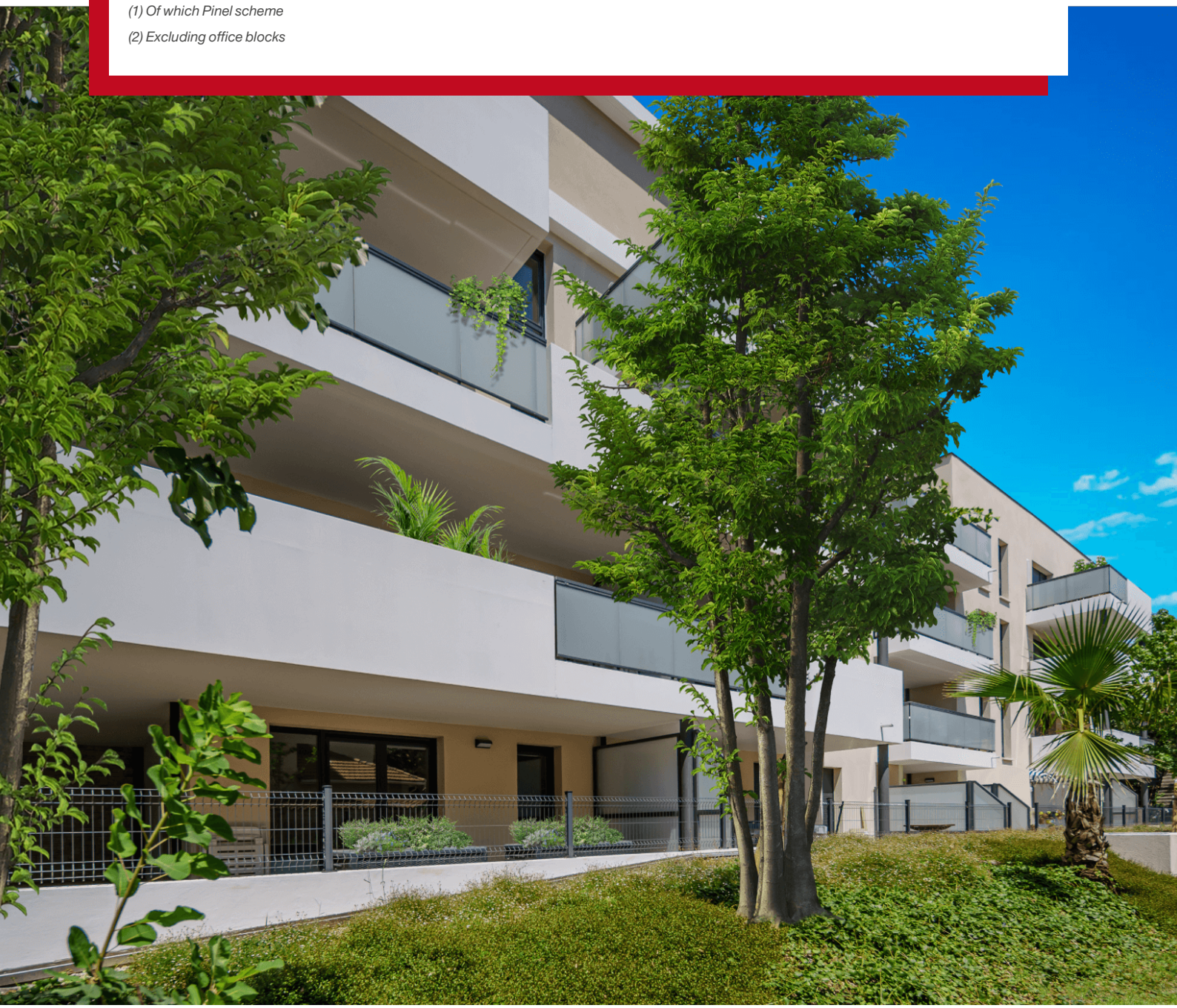
COMMERCIAL OFFER BY APPARTMENT TYPE

(in number at 2023, November 30)



(1) Of which Pinel scheme

(2) Excluding office blocks



Headcount

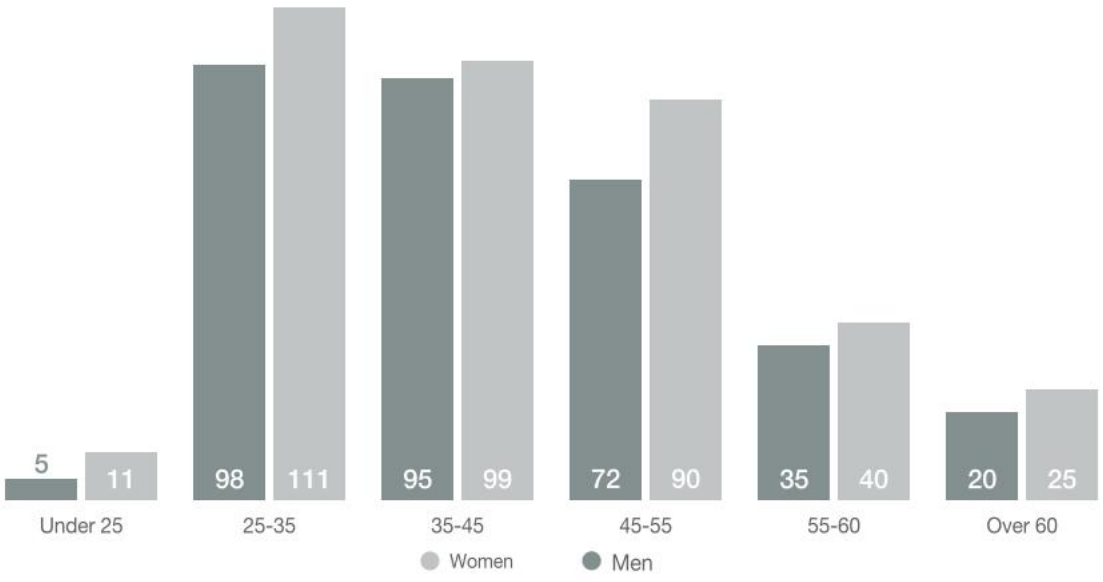
701
EMPLOYEES
(registered at 2023, December 31)

376
WOMEN

325
MEN

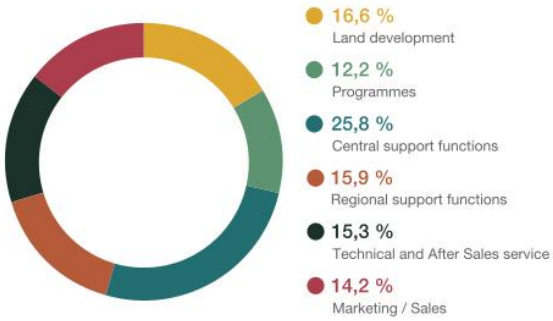
94%
OF THE STAFF TRAINED

AGE PYRAMID
(at 2023, December 31)



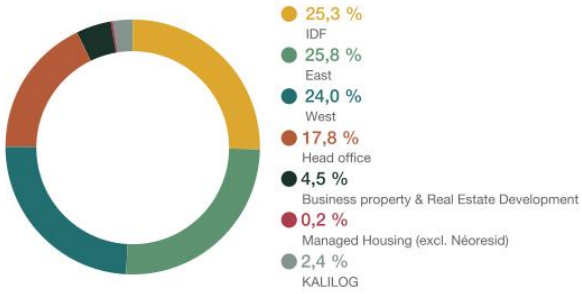
AVERAGE HEADCOUNT BY POSITION

(At 2023, December 31)



AVERAGE HEADCOUNT BY REGION

(At 2023, December 31)



Corporate Governance

BOARD OF DIRECTORS

The main role of the Board of Directors is to determine the Company's business strategy and ensure its implementation.

The Board carries out the controls and verifications it deems appropriate and reviews and approves the half-year and annual financial statements (parent company and/or consolidated), as well as the closing and approval of the related reports provided for by the regulations in force.The Board of Directors of Kaufman & Broad SA currently has ten members, including eight independent members, who bring different and complementary experiences because of their varied profiles:

Nordine Hachemi

Chairman and Chief Executive Officer

Sylvie Charles - ID

Director

Chairman of the Audit Committee

Jean Louis Chaussade - ID

(JLCH Conseil)
Chairman of the CSR Committee

Yves Gabriel - ID

(Yves Gabriel Consulting)
Director

Michel Giannuzi - ID

Director[3]

Sophie Lombard - ID

(Bluester Capital)
Chairman of the Compensation and Nomination Committee[2]

Annalisa Loustau Elia - ID

Director

Michel Paris - ID

Lead Director

Lucile Ribot - ID

Director

Aline Stickel - OD

Director representing employee shareholders[4]

- Audit Committee
- Compensation and Nomination Committee
- CSR Committee
- **ID** Independent Director[1]
- **OD** Other directors

(1) Independent Directors within the meaning of the AFEP MEDEF Code.

On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 2023, January 27 decided to appoint Mrs Sophie Lombard as Chairman of the Compensation and Nomination Committee to replace MrYves Gabriel.

On the recommendation of the Compensation and Nomination Committee, the Board of Directors' meeting of 2023, January 27 decided to appoint MrMichel Giannuzzi as a member of the Compensation and Nomination Committee.

The Annual General Meeting of 2022, May 25 appointed Aline Stickel as Director representing employee shareholders.

EXECUTIVE COMMITTEE AND MANAGEMENT COMMITTEE

The Executive Committee has 7members 🟢.
The Management Committee is made up of 12 members, including those of the ExecutiveCommittee 🔴.

Nordine Hachemi 🟢🔴

Chairman and Chief Executive Officer

Bruno Coche 🟢🔴

Chief Financial Officer

Sylvère Hamel 🟢🔴

Executive Vice-Président
Regions Est and Nouvelle Aquitaine
(Housing)

David Laurent 🟢🔴

Executive Vice-Président Commercial Property, Logistics, Real estate development and Territories, Île de France Region (Housing)

Sophie Letiers 🟢🔴

Executive Vice-Président Human Resources and Operational Excellence

Jacques Rubio 🟢🔴

Executive Vice-Président Occitanie Region, (Housing), Managed Residences and Kalilog

William Truchy 🟢🔴

Executive Vice-President, Sales, Marketing, Communication and Digital

Frédéric Bourg 🔴

Senior Vice-President, Quality, Architecture and Customer Experiences

Bertrand Eyraud 🔴

CSR and innovation Vice-President

Yannick Le Bihan 🔴

Regional Vice-President West

Georges Lopez 🔴

Regional Vice-President Nouvelle Aquitaine

Marc Vettraino 🔴

Senior Vice-President
Grand Paris

01

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1.1. Presentation of the Kaufman & Broad group

Kaufman & Broad is one of France's leading Homebuilder players, both in residential (housing) and commercial property. The group operates in the main cities and geographic sectors with high potential for medium and long term economic and demographic development. It is made up of entrepreneurial men and women who have shared a common vision of their business for over 50 years: Customers, users and end-users are at the heart of their strategy and decisions. Located in all major French demographic regions, Kaufman & Broad has been a major player in urban development since its inception.

The company and its subsidiaries (together referred to as the « group » or « Kaufman & Broad ») operate in France as a developer and builder of new housing, namely single-family houses in communities (grouped Single-family homes in communities), apartments, service residences (business, tourism, students or non-medicalised senior housing), hotels, as well as a Commercial property activity (offices, shops and logistics warehouses).To better meet the objectives of new urban uses, the group has adopted two new directions in recent years:

- *Urban Development and Projects*, which aims to support local authorities in carrying out new generations of eco urban projects. But also to highlight the group's expertise in the assembly and implementation of operations with mixed programming.
- *Portfolio of managed residences: Starting* in 2020, the group also decided to extend its scope of intervention by including an investor operator activity in the managed residences sector, particularly for students and seniors, to that of developer-builder.The managed residence is an important part of the residential path that a city can offer.This provides for the contribution of new populations and the mixing of generations.It is one of the answers to the challenges of cities, which contributes to their attractiveness and their economic dynamism.In 2021, the group became the majority shareholder of Neoresid Holding, in order to form the manager of student residences that the group wishes to develop ,

Kaufman & Broad, since its establishment in France, has been the source of many innovations in favour of comfort and conviviality. The group was the first in France to offer houses with kitchen open to the living room, parental suites or cathedral stays, etc. Since its inception, the group has had an integrated architect service dedicated to the systematic optimisation of its housing plans. Kaufman & Broad also relies on an R & D service to innovate in all aspects of housing: Personalisation and scalability of private areas, conviviality and pooling of common areas, digitalization, home automation and service applications.

The group thus offers a wide range of related products and services, whether in residential or Commercial property, to meet the aspirations and demands of our customers, whether private or institutional, intended for accession (first or second buyer), or investment, namely:

Open acquisition: First and second, buyers or investors, find at Kaufman & Broad an offer that perfectly meets their expectations and supports them during their purchase journey.

Social and affordable housing : They can be integrated into home ownership programs to promote diversity or sold in full to social-housing landlords or institutional investors. The development of social rental usufruct can also meet the expectations of cities in tense areas.

Assisted acquisition : Reduced VAT, controlled prices, ready-to-finish contracts, all of which help low income households gain access to property. And in which the group offers secure solutions, such as the Real Solidarity Lease, set up in partnership with a Solidarity Real-Estate Office.

The issue of housing for all is at the heart of the growth challenges facing local authorities and territories. In 2020, Kaufman & Broad decided to group the development of social housing projects within an entity under the «Kalilog» brand in order to better support them in their policies to develop high quality, diversified and affordable social housing. The aim of this structure is to be able to propose a national response to these social housing challenges, particularly in regions in which the group does not operate. The Group can thus offer turnkey solutions, from the search for land to the delivery of a tailor made project (outside major cities, i.e. in social zones 2 and 3, Pinel B2 and C). (See section 1.4.2.2.4 « Social housing Kalilog »).

To provide complete and effective responses, Kaufman & Broad andits teams put their expertise at the service of the regions and their inhabitants, by mastering the entire real estate chain for the realisation of their projects. They are organised around its main business lines as follows: (See detail in section 1.1.2. « Business lines and expertise «):

The group's main business lines, expertise and related services are:

- Housing Division
  - private housing (collective or individual)
  - Managed Residences
- Commercial Property Division
  - New or restructured offices
  - Logistics and business platforms
  - Hotels
  - Retail areas and business parks
- Real estate Development and Urban Projects
- Managed residences portfolio: Developer-investor-operator
- Converting Office into housing

The Kaufman & Broad brand has more than 50 years of existence and has always cultiVATed the sense of quality and sustainability of its achievements. These requirements are based on the following concepts:

- Make architectural quality a source of heritage for the city
- Search for the best construction quality
- Putting customer relations at the heart of our concerns
- Customer satisfaction-oriented internal tools and processes
- The most advanced customisation of its products

Since its inception, Kaufman & Broad has sold or built over 161,000 homes and 1,208,000 sq.m of office and business premises in France. Kaufman & Broad is one of the leading home builders (Single-family homes in communities in communities and Multi-occupancy housing) in France. Historically, its largest market is the Paris region.

1.1.1. History

1.1.1.1. Key dates

1968

Creation of Kaufman & Broad SA in France

1970

Delivery of the first house in the Paris region

1985

Acquisition of Bati Service

1995 to 1999

Acquisitions of Bréguet, SMCI and Park

2000

KAUFMAN & BROAD LISTED ON THE PARIS STOCK EXCHANGE

Acquisition of Frank Arthur, Sefima, First Promotion and Sopra Promotion

2001

Acquisition of Résidences Bernard Teillaud

2003 to 2005

Acquisitions of Euro Immobilier, the Avantis group and Real Estate Investissement - Malardeau, and programs developed by Lotibat

2007

ACQUISITION OF A MAJORITY STAKE IN KAUFMAN & BROAD SA BY PAI PARTNERS

2010

Acquisition of SM2I

2013

Acquisition of Flandres Promotion

2014

Acquisition of Concerto Développement

2015

Acquisition of Serge Mas Promotion

2016

Acquisition of Safaur group

DISPOSAL OF A PORTION OF KAUFMAN & BROAD'S EQUITY INTEREST BY FINANCIÈRE GAILLON 8 *(ULTIMATELY CONTROLLED BY FUNDS MANAGED BY PAI PARTNERS)*

Acquisition of the Seri Ouest group

2017

SALE OF THE REMAINING INTEREST IN KAUFMAN & BROAD SA BY FINANCIÈRE GAILLON 8 *(ULTIMATELY CONTROLLED BY FUNDS MANAGED BY PAI PARTNERS)*

Creation of Cosy Diem in partnership with Sérénis (senior establishment and healthcare operator)

2019

Creation of the company KB Aménagement

2020

Creation of Kalilog

2021

Creation of the first companies (investment vehicles) and equity investments in management companies of the new business line "developer investor operator" in the field of managed residences.

In December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding.

2022

Commissioning of the first two student residences in the group's managed residences portfolio

2023

Start of work on the Austerlitz station renovation project

1.1.1.2. Origins

In 1968, the company began to develop Single-family homes in communities in communities in France and delivered its first house in the Paris region in 1970. The group moved to Lyon and Marseille in 1972, then to Frankfurt and Brussels in 1973, before withdrawing from these markets and refocusing its activity in France starting in 1983.

From its inception until 10 July 2007, Kaufman & Broad was a subsidiary of KB Home, one of the top Single-family homes in communities builders in the United States. KB Home had been one of the first players in the real estate market in the United States to understand the importance of the brand and the size effect and to make it one of the essential elements of its strategy. This strategy has enabled Kaufman & Broad to establish itself as one of the industry leaders.

On 10 July 2007 and until May 2017, Kaufman & Broad SA was majority controlled by Financière Gaillon 8, a company ultimately controlled by funds managed by PAI Partners (PAI).

On 27 January 2016, Financière Gaillon 8 SA, the main shareholder of Kaufman & Broad SA with 87.95% of the share capital at that date, announced its intention to initiate the sale of its stake in Kaufman & Broad SA, through an offer to the market, if necessary, which could reduce its stake to below 50% of the capital. This private placement with institutional investors took place at the end of April 2016 for 31.5 euros per Kaufman & Broad SA share.

This transaction helped Kaufman & Broad to significantly increase its free float and share liquidity.The gross proceeds from the sale of 8,958,134 shares after the full exercise of the over-allotment option amounted to 282 million euros in favour of Financière Gaillon 8.Financière Gaillon 8 successively sold 43% of the company's share capital in April 2016 and 17.76% in February 2017, through private placements and the balance of the company's share capital in May 2017.Since that date, Financière Gaillon 8, as well as all other companies (to the group's knowledge) ultimately controlled by funds managed by PAI Partners, are no longer present in the company's capital.

Artimus Participations, the company held by certain executives and employees of the group acquired 944,444 shares sold by Financière Gaillon 8 SA at the offer price of 31.5 euros per share, i.e. a price of 30 million euros. As of 28 February 2018, Artimus Participations held 2,321,440 shares, or 10.62% of the capital of Kaufman & Broad SA, after taking into account the shares of Kaufman & Broad allocated under the free share allocation plans that were contributed to Artimus Participations by the executives and employees inacquisition in Artimus Participations, and the shares of Kaufman & Broad that were allocated to Artimus Participations following the contribution by these executives and employees to Artimus Participations of their financial shares of Neuilly, and successive buybacks.

Kaufman & Broad SA had announced following the sale of the stake of companies ultimately controlled by funds managed by PAI Partners , the strengthening of presence within its employee capital. This transaction was part of the group's desire to strengthen the position of its employees as a major shareholder of Kaufman & Broad SA, demonstrating their commitment and confidence in their company. This is achieved through several media:

- A company savings plan that was set up upon the initial public offering of Kaufman & Broad SA in February 2000 , then amended regularly as the group evolves and extended to all employees of the group's subsidiaries and became a group savings plan. The savings received in this respect are invested in the Kaufman & Broad Actionnariat FCPE and in the FCPE KB Actions created in 2017 (see section 3.3.2. « Group Savings Plan » of this Universal Registration Document)
- The announcement of the launch, on 21 September 2017, of its «KB Actions 2017» share ownership plan with leverage and investment guarantee, reserved for Group employees who are members of the savings plan. The very large success of this operation led the group to pursue this policy in the following years, with « KB Actions 2019 » and «KB Actions 2022 » (see section 3.3.2.1 et seq. relating to KB Actions of this Universal Registration Document).

Au November 30, 2023, Kaufman & Broad employees represent 12.07% of the capital held (Artimus Participations, Kaufman & Broad FCPE and KB Actions 2019 and 2022) and 14.16% of the voting rights.

1.1.1.3. External growth policy

Beginning in the second half of 1980, Kaufman & Broad began an external growth policy in 1985 with the acquisition of Bati Service, a company that creates Single-family homes in communities for the first-time buyers, then acquires the goodwill and certain assets of its main competitor of the time, Bréguet, specialized in the construction of Single-family homes in communities for a total amount of 11 million euros.

After focusing its activities during its first years mainly in the Paris region, the group seized the opportunity to develop its activities nationwide. The strategy was not only to develop a geographical footprint, but also to ensure the acquisition of local know how and expertise through recognised, experienced and locally established companies, which is essential for the successful development of regional activities. In the ten years between 1997 and 2017, Kaufman & Broad has been able to seize the many opportunities that have presented themselves, to broaden the group's footprint, which gives it today the richness of its geographical distribution in France. Several successful acquisitions were made, the main ones being the following :

- 1997, Société de Missions et de Coordinations Immobilières (**SMCI**) and CFP SMCI, which carried out apartments in major French cities (Paris, Marseille, Lyon, Strasbourg, Rouen and Besançon), for 2 million euros, taking into account the reversal of assets and liabilities. This acquisition enabled the group to rapidly expand its development in the main French urban areas in which the new housing market is the most sustainable and deepest.
- 1999, **Park** and its subsidiaries (SNC Park Promotion, SNC Park RénoVATion and the SCI hosting their apartment schemes), specialising in the realisation of apartment operations in the Paris region for 15.5 million euros.
- 2000 :
  - **Frank Arthur Promotion**, **Sefima**, two companies specialised in the construction of apartments in Paris and in the inner suburbs of Île de France.
  - **first Promotion** in Lille
  - **Sopra Promotion** in Toulouse.

These four acquisitions represented a total investment of 45 million euros.They illustrate the company's policy of externalgrowth to establish itself in new high potential regional markets.

- 2001, **Progesti SA** (the Bernard Teillaud Residence Group), one of the leading manufacturers in the Grenoble region. The total cost of this investment was 32 million euros.

- 2003, **Euro Immobilier** - a real estate developer based in Toulouse - developing operations in Midi Pyrénées and Gironde, in order to strengthen its presence in the then fast growing southwest of France. The purchase price was 6.8 million euros.
- 2004, Kaufman & Broad continued to expand into New Aquitaine with :
  - the acquisition of**Avantis**, mainly located in southwestern France and more particularly in Midi Pyrénées and Aquitaine for 9.7 million euros ;
  - and the **Société de Développement et de Participation** (Foncier Investissement - Malardeau) was acquired for 15.6 million euros.
- 2005, 15 housing programmes worth 4.7 million euros, previously developed under the **Lotibat** brand and located in the Toulouse area.
- 2010, **SM2I** in Brittany for 5.1 million euros. This acquisition enabled the group to accelerate its presence in the Brittany region with a large land portfolio to be developed.
- 2013, **Flandres Promotion** - a property development company in the Nord Pas de Calais region - for a consideration of 0.4 million euros. This acquisition allows the group to relaunch its presence in this region.
- 2014, **Concerto Développement**, one of France's leading logistics development companies, for 4.4 million euros. This acquisition enables the group to access and develop new markets in its services businesses through this specialist in the construction of logistics warehouses throughout France.
- 2015, **Safaur**, a real estate developer in Normandy for a total amount of 6 million euros. The acquisition of this local player enables the group to strengthen its presence in the Norman region.
- 2015/2016, **SMP** (Serge Mas Promotion), a real estate developer in Toulouse, enabled the group to consolidate its leading position in the Midi Pyrénées region, but also to give it the opportunity to develop its activities in Languedoc Roussillon. This transaction amounted to 1.7 million euros.
- 2016/17, **Séri Ouest** located in Nantes, but also active in Haute et Basse Normandie, Brittany and Pays de Loire, has enabled Kaufman & Broad to extend its scope to the entire north west of France. The final overall price of this transaction was 14 million euros.
- En 2017 Kaufman & Broad created the company **Cosy Diem** with *SERENIS*, operator of senior and healthcare establishments, a joint venture to jointly develop a range of senior residences. The creation of this partnership through a senior residences management company meets the housing needs of an ageing population that wishes to preserve its autonomy.
- In December 2021, Kaufman and Broad acquired a majority stake in the company **Neoresid Holding** ; a recognised operator in the field of short or long stay managed residences, particularly student residences, in order to become the manager of the student activities that the group wishes to develop, particularly through its managed residences investment subsidiary.

1.1.2. Business lines and expertise

Kaufman & Broad has been a developer builder in France since 1968.It is mainly structured around two divisions, "Housing," which covers the development of Single-family homes in communities (grouped homes), Multi-occupancy housing such as apartments (which may include mixed-use buildings containing apartments/business premises/retail space/offices), business residences, tourism, hotels, student residences, homes for elderly people without medical care and the "commercial property services" segment (Commercial property, logistics and shops).Then in recent years ,our ability to better meet the objectives of new urban uses, the group has adopted two new directions: Real estate *Development and Urban Projects* and *Portfolio of managed residences: Developer investor operator.*

Kaufman & Broad's core business remains mainly housing, mainly due to several factors specific to the situation of the new housing market in France, namely:

- A long term need for new housing that far exceeds annual production
- An offer hampered by the prolonged slump in the granting of building permits;
- Opportunities created by the group's environmental performance ambitions and their integration into our projects,
- Based on these findings, its positioning and its know-how, the group is committed to several projects aimed at capturing new areas of profitable and sustainable growth that can be broken down as follows (see section 1.2. "Strategy and creation of financial and non-financial value of this Universal Registration Document"):

a) Development policy (regional construction, industrial and commercial property wasteland),

b) Creation of a portfolio of managed residences as an investor-operator-developer.

In addition, for the Housing Segment, it focuses on two main areas:

- first is the group's geographical presence.The group is present in major French cities where the market is deepest and most dynamic, and where customers are the most solvent.It particularly favours the Paris area and the Atlantic and Mediterranean coasts, as well as the Rhône-Alpes, Lillois and Rhenan areas, which have for several years been offering the strongest economic and demographic growth and the best development prospects;
- The second area concerns customers. Kaufman & Broad's customers are traditional home buyers (first-time buyers and second-time buyers) and investors, whether individual ("Pinel", "LMNP" , "LMP" schemes, etc.) or institutional.

- The group also carries out related activities in connection with the Housing Segment, such as the sale of land, building lots, delegated project management and the sale of services complementary to those designated as "Showroom" (or "*Déco area*"). These activities are grouped under the term "Other activities."

The group generally does not carry out development construction operations outside France.

Housing Segment

private housing (Multi-occupancy or Single-family) and managed residences

Kaufman & Broad works at every stage of a real estate program, from land research to housing marketing, project design, building permit filing and after-revenues service.

Construction is carried out by a general company or by separate state-owned companies.

Kaufman & Broad is a developer real estate builder whose policy is:

- Not to purchase land on a speculative basis but to make only the purchases necessary for its development;
- Not to anticipate a significant increase in selling prices in its property acquisitions, but to focus on the design and quality of its products;
- Obtain information on its customers' financing plans to ensure that they are able to finance their acquisition;
- Ensuring that all group employees are aware of the new Code of Ethics that governs the relations of its employees with its customers, subcontractors and suppliers, and more generally with all of the group's interlocutors, is well respected;
- Ensure that its projects respect the environment.

The Kaufman & Broad brand is an asset in a competitive market, for the following reasons:

- It promotes privileged access to land;
- It generates a certain level of customer loyalty over the long term (first-time buyers are potential second-time buyers);
- Il can accelerate the pace of marketing, thereby partially limiting the financial risk of each project ;
- It establishes a relationship of trust with the various stakeholders (administrative authorities/public persons, suppliers and subcontractors, financial institutions, etc.), enabling the group to optimise the profitability of its operations.

The group allocates its products to homebuyers and private and public investors (social operators, real estate companies, etc.). It sells its Single-family homes in communities and apartments under the brand name "Kaufman & Broad" or, where applicable, brands in its portfolio, resulting from buybacks and benefiting from a local reputation.

By listening to its customers and stakeholders, by observing how they change, their ways of living and working, the group has been able to imagine and create products that meet their aspirations and have become benchmarks in its sector.Kaufman & Broad's reputation has in particular been built on the quality of its design as well as that of the execution of its achievements.A building is a link in the heart of the city, the neighbourhood, the urban fabric, between the present and the future; a link with the group's partners, that is to say between the city, the user, the investor and the developer.This link is crucial for the company.It allows it to create truly bespoke projects, establishing a real relationship, a continuous exchange with its customers and partners.This link does not stop at the delivery of the building: The group continues to advise its customers during the first two years of operation.

Kaufman & Broad offers its customers the opportunity to move into a ready-to-live home, which they will have been able to customize thanks to the wide range of options offered to them. In this perspective, Kaufman & Broad provides its customers with Showrooms (*or* "Espaces déco") where customers can see, choose and buy the options offered to them as part of the group's achievements.

Lastly, the group has been developing tourism, business, senior (non-medicalized) and student residences for more than a decade.

Commercial Property

Kaufman & Broad teams dedicated to Commercial property design, develop and build office projects, Retail areas complexes, hotels and logistics platforms. For the group, building an office building is first and foremost about creating value for the community, the investor, and its user. It depends in particular on the following factors: Quality, sustainability, investment security, long-term profitability, a respected and protected environment and economic attractiveness.

The group carries out this activity, either on behalf of third parties (delegated project management and property development contract) or on its own behalf to sell it, generally respecting a strict policy of buying land once the entire pre-marketed program (sale in the future state of completion).

New offices

For Kaufman & Broad, each project is designed as a single project.Present at every stage of the project, Kaufman & Broad supports its customers in the creation of their bespoke projects.A new office building is the result of a thorough creation process, the compilation of rigorous parameters and decisive choices made in close collaboration with our partners:

- Choose the best locations;
- Aproviding tailored responses to business needs ;
- Ienhancing the expectations of governments and investors ;
- Build the most healthy and comfortable, the most economical and virtuous, the most efficient and profitable buildings.

Restructured offices

In terms of building rehabilitation, the challenges of the restructuring are to recreate attractiveness for all real estate, allowing a new cycle of long-term profitability and optimal liquidity of these real estate assets.

The group is carrying out rehabilitation projects that help to change the use of buildings while retaining the framework structure and structure itself.This approach saves some of the carbon emissions related to materials compared to new construction and also reduces soil sealing.

To further highlight this approach and its expertise in the rehabilitation/restructuring of existing assets, Kaufman & Broad decided to establish its headquarters in 2022 in the Highlight operation it has developed.The "Highlight" project consists of the heavy renovation of a set of existing buildings.The structure of the 14-storey building was retained.With the addition of a brand-new extension, Kaufman & Broad has renovated 17,600 Sq. m of collaborative workspace.

Logistics and business platforms

Through Concerto, created in 1998, Kaufman & Broad is one of the French leaders in logistics engineering in France. A subsidiary of the Kaufman & Broad group since 2014, Concerto strategically complements the expertise and know-how of Kaufman & Broad's Corporate Real Estate Segment and demonstrates its ability to create value for its industrial customers or distributors by offering them bespoke solutions and projects that meet the new technical challenges facing the logistics businesses today.

Concerto offers professionals solutions for logistics functions to enable them to transform fixed costs into variable costs and remain focused on their core business.In this context, Concerto, through its experience in logistics engineering, designs turnkey projects adapted to the needs of its customers in a spirit of a long-term partnership, and carries out operations to reconvert/rehabilitate sites close to urban centers.Concerto is active in the high-value-added logistics sectors in all sectors of industry and distribution, as well as in the development of business parks.

Hotels

To develop new concepts and diversify the heritage of their future customers, Kaufman & Broad offers its know-how in hotel project design to the largest national and international brands.

These teams can offer their future customers *bespoke* projects to:

- Capture the benefits of tourism growth and globalisation;
- Develop new hotel concepts that create more value and are attractive to customers;
- Respond global urban challenges and find their place at the heart of the city.

Retail areas

Kaufman & Broad does not design a project without thinking about its residents, employees, the neighbourhood and the way it is used. The group puts its know-how and expertise in Commercial property at the service of users and the city to develop commercial premises on the ground floor of residencial buildings or managed residences.

Urban Projects and innovation

Kaufman & Broad created an Urban Projects Department in 2014, which aims to support local authorities in carrying out new generations of eco-urban projects.This creation is based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem.To meet the expectations of local authorities, the Urban Projects Department includes the innovation Department, and has introduced a new model of neighbourhood projects that integrate the entire life cycle of the district from the design stage, by establishing a partnership relationship with local authorities both upstream and over the long term.

Finally, to promote the integration of these projects into their urban environment, each program has a component intended to develop and support local initiatives supported by the inhabitants. Kaufman & Broad is committed, alongside local authorities, to promoting and supporting local development players: Local businesses, local associations, integration initiatives, start-ups, etc.

Real estate development, Urban Projects and innovation

The Real estate development Department offers strong expertise and a structured approach in the structuring and implementation of operations with mixed programming, as well as specific resources for the implementation and realization of projects with an urban vision.The Segment is also part of a strategy of integrating and mastering innovations in mobility, energy, the circular economy and new urban services to promote a new generation of sustainable neighbourhoods.This approach establishes for each project, in agreement with local authorities, targets for excellence and measurement indicators to which the group is committed over the long term.The operations that the group is developing are of a wide variety of sizes and are based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem.

Managed residences portfolio: Developer-investor-operator

For several years, the group has been expanding an developper-investor-operator activity in the managed residences business. The objective is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student housing) offering regular returns with a capital risk considered low over 10 to 20 years. This activity benefits from favourable demographic trends among students and, above all, seniors.

Through its expertise and know how, Kaufman & Broad is able to constitute and develop un portfolio of student and senior managed residences, from land exploration, design, realisation and operation. The financing strategy is based on Kaufman & Broad's strong balance sheet structure. It is based on a balance between debt and equity, which can be shared on a case by case basis between Kaufman & Broad and third party investors.

In 2021, Kaufman & Broad and the *Banque des Territoires* (*Caisse des Dépôts* group) joined forces in a new joint venture to strengthen the residential offer dedicated to the ageing in France.51% owned by Kaufman & Broad and 49% owned by the *Banque des Territoires*, *SCI KetB Seniors*' mission is to acquire seniors' residences in the future of completion from the Kaufman & Broad group, then to entrust the operation to *Cosy Diem*, a joint venture of Kaufman & Broad and *Sérénis*.The investment strategy will focus on medium-sized cities, where the supply of managed residences and related services for seniors is reduced, while demand is growing strongly.

In December 2021, Kaufman and Broad acquired a majority stake in Neoresid Holding, in order to become the manager of the student and co living activities that the group wishes to develop, particularly through its managed residences investment subsidiary. Neoresid is a recognised operator in short or long stay managed residences, particularly student residences.

In 2022, the group delivered its first managed residence to operate on its own behalf, the Gagny Student Residence. Kaufman & Broad also took over the operation of a student residence in Amiens , for which a major refurbishment started in fiscal year 2023 and which is expected to be completed in year 2024 .

1.2. Strategy and creation of financial and non-financial value

Kaufman & Broad's value creation strategy is based on a growth model that generates profitability and cash flow. This helps to preserve short term financial balances while maintaining the momentum to prepare for the future.

For several years, the implementation of this financial and non financial value creation model has been based on a threefold obserVATion :

- Long-term demand for new housing, which continues to be driven by demographic trends (population growth, longer life expectancy) and sociological trends (increasing trends in cohabitation, willingness to leave large urban centres for medium-sized cities);
- At the same time, an offer constrained in particular by a still insufficient level in the allocation of building permand starts. While the total French population grew by 2.2 million people between 2013 and 2023 (3.4% over the period), the number of housing starts has declined steadily since 2017 until 2022, with the exception of 2021 due to the catching up of municipal elections and the 2020 health pandemic. During this decade, the number of housing starts increased from 357,891 (at the end of 2013) to 287,058 units per year, a decrease of 19.8%. This is the lowest level in nearly 25 years (except for 2017 with nearly 435,000 homes). In fact, since 2000, the level of housing starts has never fallen below the threshold of 300,000 housing units per year. An insufficient level to maintain the stable housing stock, compared to the 500,000 housing units that should be built each year, and whose deficit increases by nearly 120,000 housing units each year ;
- Finally, growing environmental constraints that create new opportunities.

In this context, Kaufman & Broad's project, already underway, is to capture new areas of profitable and sustainable growth:

The commitment of employees, who create value, at Kaufman & Broad

Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offer motivating career paths, encourage and recognise the performance and commitment of our employees, while supporting the development of business lines and jobs.

The group is convinced that everyone's talent makes a difference and that training and development play a central role throughout the career of employees within our group.

The actions of the Human Resources team are structured around the following focus areas:

- Constantly ensuring that the group's ambition, its organization and our ability to recruit the best talent to meet them are aligned;
- Promote the integration of new employees as soon as they arrive and the appropriation of the group's culture;
- Reveal, develop the potential of employees and promote the transfer of know-how; Reduce a compensation policy that combines external competitiveness and internal equity, while ensuring pay equity between men and women in positions and equivalent profiles.

Human Resources supports all changes in the Company, its organization and its business lines.

Kaufman & Broad allows each employee to:

- Become a shareholder in the company in which they are an employee,
- Working in a positive environment that strives to develop potential and promote new ways of organising work,
- Acquire under favourable conditions a Kaufman & Broad housing in which it participates directly or indirectly
- Contribute, through the group's business, to the environmental and societal challenges which we face and must now respond to, both as citizens and as a company.

This social model is a differentiating asset to attract candidates in the recruitment phase and also to retain our talents. The pandemic has greatly increased the questioning from candidates and employees about the experience offered by the company, the meaning and purpose it gives to the work of employees as well as to business. Obtaining the 2 labels in 2022, Great Place to Work and HappyIndex Trainees, shows the pride of belonging and the commitment of employees. The human resources policy is detailed in section 5.1.4.1. "Building with employees: group human resources policy".

A development policy favouring the development of regional networks and the rehabilitation of industrial and commercial property wasteland

Kaufman & Broad's goal is to produce an offering that meets demographic, sociological, ecological transition, home quality challenges and to reduce the pressure on urban sprawl and housing costs.

The rehabilitation of industrial and commercial property wasteland creates value:

- Economically (preservation of the value of agricultural production, consumption of agricultural land avoided by the higher density of buildings on recycled land than in spreading, revaluation of the market values of property near the project by eliminating wasteland, increase in induced transfer duties, etc.);
- Environmental, with the repermeabilisation of the soil (preservation of flood risk, plant restoration of the site, creation of cool islands), the positive impact on biodiversity (pollination linked to the presence of nature), the "carbon sink" effect (biomass reservoirs, reduction of vehicle journeys vs urban extension), soil decontamination and the reduction of water treatment costs;
- Finally (better use of transport, rebalancing of social diversity in terms of employment/housing/services).
- Kaufman & Broad currently has a reservoir under study of 700,000 sq.m planned for rehabilitation over the medium term, on which many projects are already launched.

Increasing integration of environmental and social impact into projects

New construction has been shown to improve the environmental performance of a carbon impact factor of about 2 to 3 compared to old housing (Energy and Construction), contribute to the change in mobility of occupants and promote the rehabilitation of housing during these rotations.

In addition, the leverage effect of new construction on employment and professional integration is high, with a direct and indirect job multiplier estimated at 2x. Finally, while new construction meets the demands of population growth, the city's factory also helps to catalyse the quality of social interactions.

Kaufman & Broad works simultaneously in several directions to optimise the overall environmental impact of its projects:

- Improvement of pedestrian/cycling potential with projects close to the main services and shops,
- Low carbon approach with the application of the main energy and constructive principles detailed in section 5.1.3.2. "Mitigating climate change." (Example: Tour Silva, the 2 to 5 rooms housing project inaugurated in 2023 in Bordeaux, was carried out through a mixed structure composed of more than 60% wood. The research carried out under this project was filed in the public domain to serve the progress of wood construction.)
- Reduce the impact on resources of materials by giving preference to reuse materials, the strategy of which is detailed in section 5.1.3.7. «Circular Economy» (Example: A reuse approach has been implemented on the office building 'Clésence' with a surface area of approximately 4,400 sq.m, which is scheduled for delivery in 2025. When the building is demolished materials such as grids, false ceiling slabs, technical and decoration luminaires as well as doors have been kept for reuse in future premises.)
- Soil preservation and consideration of biodiversity, the strategy of which is detailed in section 5.1.3.6. «preservation of biodiversity and ecosystems» (Example: General stores in Reims, with the conversion of an old wasteland into a mixed urban project, the deartificialisation of soils for 30%, a biodiversity strategy accompanied by an ecologist, the fight against the urban heat mechanism through the planting of 1,700 trees and the 132% increase in permeable surfaces),
- Social diversity (see Section 5.1.4.6 Community visits): Construction in strained areas and contribution to social diversity in the territories (Example: The "Le Chailly" building in Chilly Mazarin, a mixed project implementing the Solidary Real Lease (BRS) for home ownership). The BRS is a mechanism put in place by the government to contain price increases and allow as many people as possible to access property ownership, particularly in strained areas such as Île-de-France. The buyer thus benefits from the reduced rate VAT of 5.5% and an attractive purchase price.

At the same time, Kaufman & Broad strengthened its CSR system with the establishment of a CSR & innovation Department, reporting directly to the Chairman and Chief Executive Officer of Kaufman & Broad, and the creation of a CSR Committee of the Board of Directors, whose role is to monitor the implementation of the CSR plan in line with the company's strategy. ESG criteria have been an integral part of the Compensation parameters of Kaufman & Broad Management since 2018. In addition, Kaufman & Broad has deployed and continues to develop tools for assessing, consolidating and reporting CSR indicators across its entire production to implement and monitor the company's CSR strategy. This methodology aims to be able to monitor the action plan with non-financial performance indicators linked to ambitious and coherent objectives and/or commitments. In 2021, Kaufman & Broad integrated an evaluation module to explain the environmental and social impacts of projects at the time of the decision-making committees. This tool evaluates each project on societal and environmental issues.

Following the adoption of EU Regulation 2020/852 on 18 June 2020 by the European Parliament and the Council, the European Commission has implemented a mechanism that will allow companies and investors to assess the environmental performance of companies, and to identify "green" economic activities, covering the business sectors with the highest greenhouse gas emissions.In 2023, around 28% of the company's revenue was aligned with European Taxonomy.

ESG assessments accompany Kaufman & Broad's CSR approach which is recognised, among others, by MSCI ESG Ratings, which raised its overall rating from BBB to A in January 2021 and is in the first quartile of its sector.In the CDP Kaufman & Broad rating is rated «A-» thus achieving the Leadership level in a B- rated sector and is ranked in the top 17% globally. In addition, Moody's ESG continues to qualify Kaufman & Broad's «ESG Overall Score» as «Robust.» Finally, the overall score of Kaufman & Broad by Gaïa rating was 73/100 in 2023, a stable score compared to 2022. Gaïa rating also ranks 53rd out of 775 companies in the category of companies with revenues in excess of 500 million euros. Kaufman & Broad is thus in the top 20% of the national ranking.

Creating a portfolio of managed residences as an investor operator

In 2020, the group stepped up its discussions on the development of an Investor Development business operating in the managed residences sector. The objective is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student housing) offering regular returns with a capital risk considered low over 10 to 20 years.This business benefited from favourable demographic changes in student and senior populations over the next two decades.

Kaufman & Broad aims to build a portfolio of around ten student and senior managed residences by 2028. To date, 5 projects are under development, construction or study or in operation.

Office transformation into housing

The rise in interest rates in recent months has revealed the loss of economic value of low occupancy real estate assets; this, combined with housing shortages, low housing starts, scarcity of land and the very high price of sq.m. in city centers and/or large agglomerations (main poles of attraction), now makes it possible to envisage the transformation of offices into housing in an economically realistic way. At present, Kaufman & Broad has nearly 150,000 sq.m of projects under study to transform office space into housing with a potential of around 2,300 housing units.

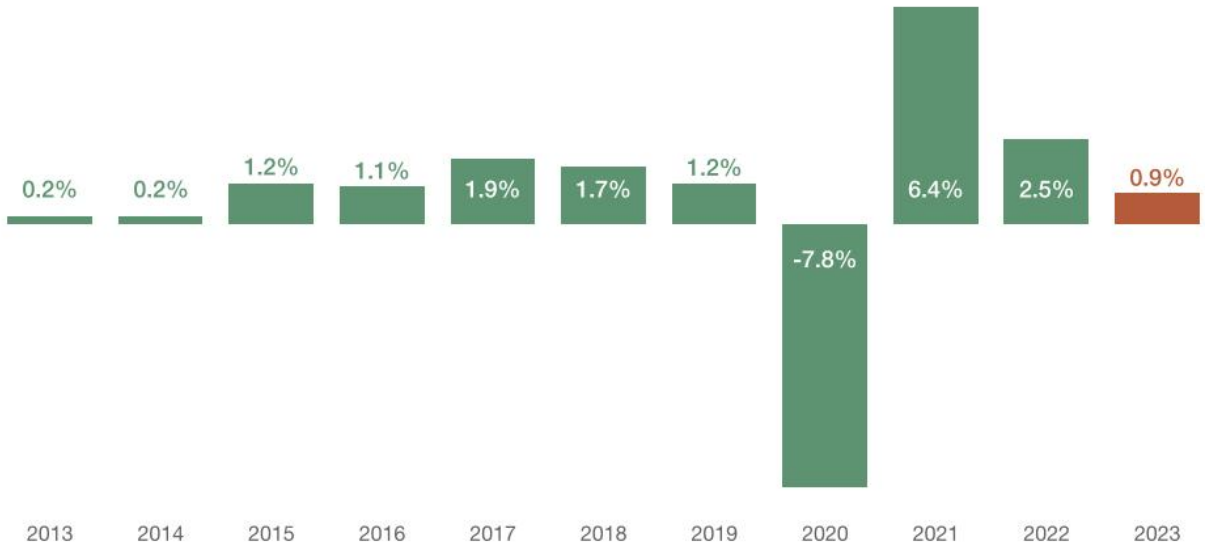
1.3. Key characteristics of the business

Trends in the new housing market are mainly influenced by economic growth (GDP), the unemployment rate, changes in interest rates, tax incentives, and selling prices and levels of housing in stock.

1.3.1. Macroeconomic indicators

The following charts show the evolution of different macroeconomic indicators over the past 10 years.

Change in Gdp Growth Rate



Source: INSEE - Economic Scorecard (February 2024).

Monthly change in consumer confidence index

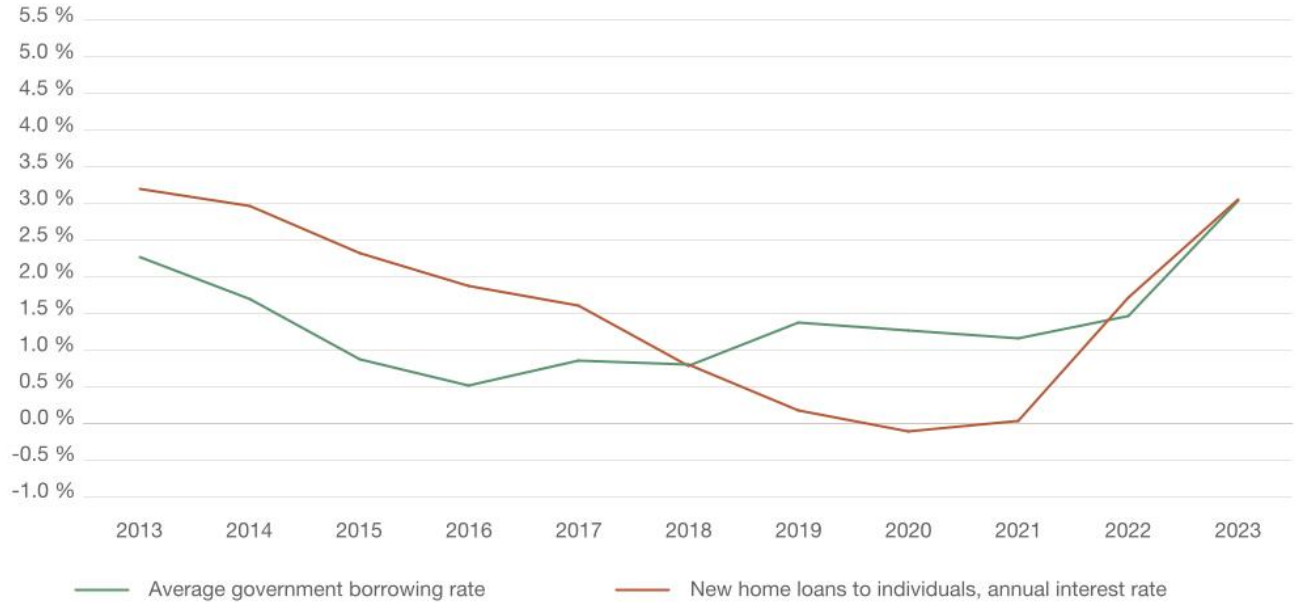
Source: INSEE.

Trend in the unemployment rate in mainland France

Source: INSEE - Economic Scorecard (February 2024).

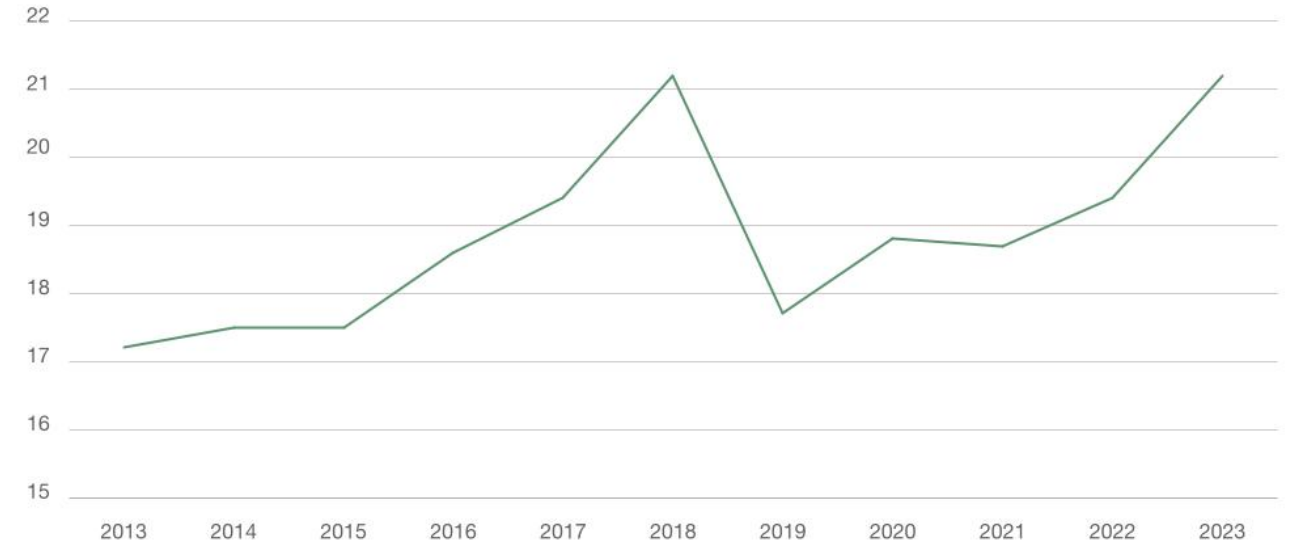
Housing property indicators

Average interest rate on real estate loans



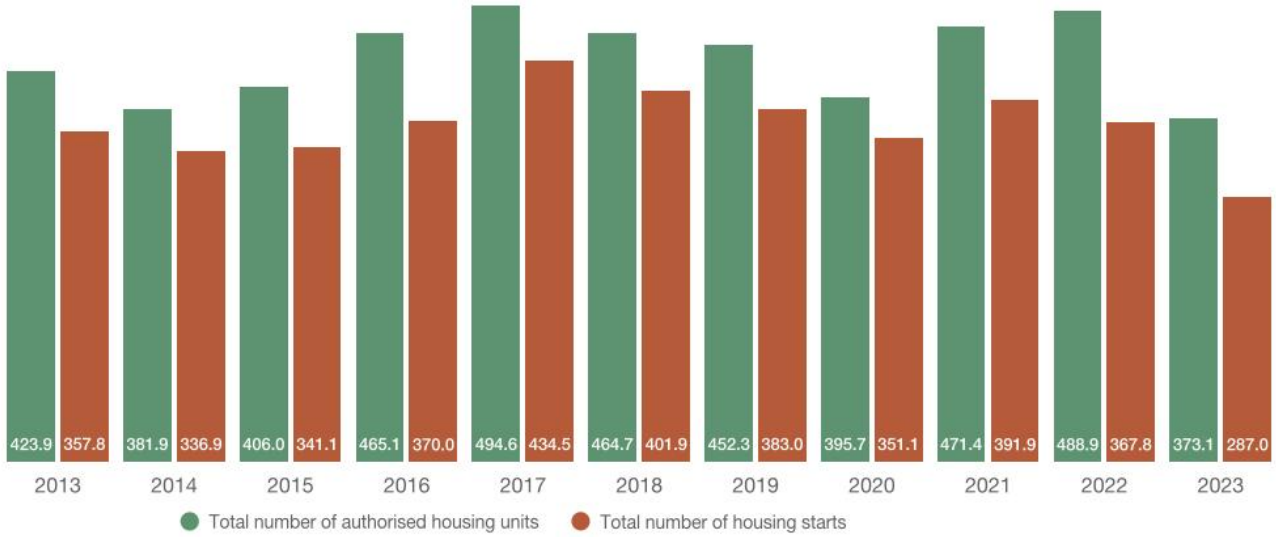
Source: Banque de France.

Average term of housing property loans



Term of housing property loans to individuals. All markets.
Source: Banque de France.

Change in the number of housing units authorised and started in France [a]
(in thousands)



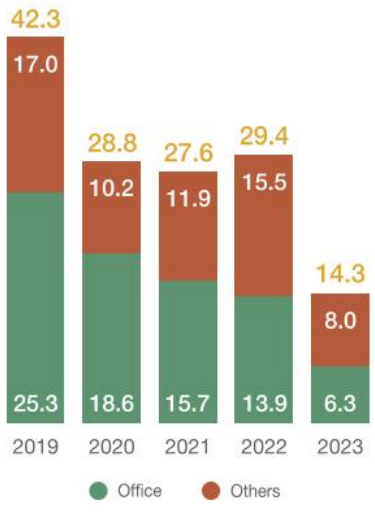
(a) In raw data: Pure individual, grouped individual, collective, residences (new construction and construction on existing buildings).

Source: Ministry of Ecological Transition and Territorial Cohesion, Dido - from 2018 to 2023, the number of housing units authorised and started up was recalculated by the Ministry.

As of 31 December 2023, 373,138 units had been authorised compared to 488,964 units in 2022, a decrease of 23.7%. They can be broken down into pure individual housing units (94,904), single family homes (44,144), Multi-occupancy housing units (186,211) and residences (47,879). As of 31 December 2023, 287,058 housing units had been started (started) compared to 367,874 housing units started in 2022, a decrease of 22.0%. They can be broken down into pure individual housing units (88,933), single family homes (32,304), Multi-occupancy housing units (135,302) and residences (30,459). It should be pointed out that these particularly low levels of new housing production activity correspond to those of the beginning of the decade 2000, more than twenty years ago. The new housing market in which Kaufman & Broad operates corresponds to that of Single-family homes in communities, Multi-occupancy housing and residences excluding those under construction on existing buildings (included in the data by type of housing described above).

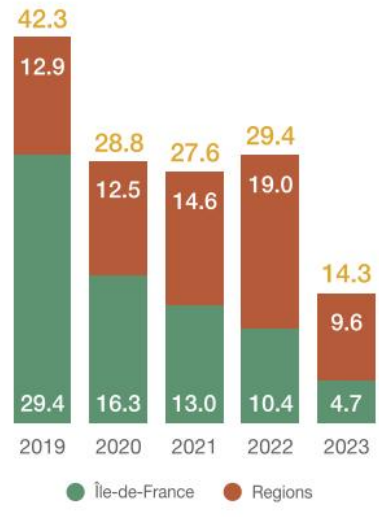
Commercial property indicators

Amounts invested in Business Property in France: "Offices" vs. "Other"
(in billions of euros)



Source: BNP Paribas Real Estate.

Amounts invested in Business Property in France: "Île-de-France" vs. "Regions"
(in billions of euros)

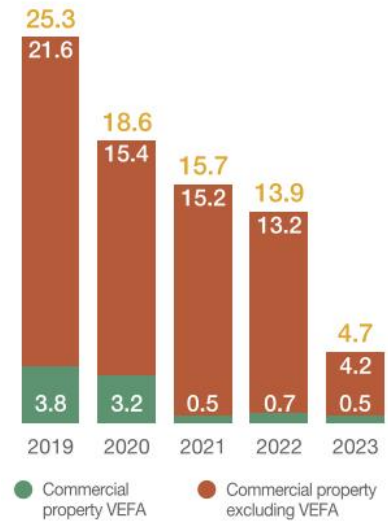


Source: BNP Paribas Real Estate.

Publication: At a Glance Investissement en France -2022 Q4 and Kaufman & Broad estimates

Commercial property in Île de France area

(in billions of euros)



Source: BNP Paribas Real Estate.

Publication: At a Glance Investissement en France -2022 Q4, JLL 2002 Q4 and Kaufman & Broad estimates

1.3.1.1. Tax incentives

For more than twenty years, housing construction has been the subject of various tax incentives. The French government has set up mechanisms to finance home ownership through loans such as the 'PAP', which was replaced in 1995 by the "Prêt à Taux Zéro" (Zero-Rate Loan) reformed in 2005, doubled in 2010 and replaced by the "PTZ +" (Zero-Rate + Loan) since 2011, January 1st.

Introduced by the 2013 Finance Act, the "Duflot" Bill also allowed individuals who purchase new or VEFA housing between the 1st January 2013 and the 31st December 2016 to benefit, under certain conditions, from an income tax reduction.The 2015 Finance Act then amended this latest system, which is now called the "Pinel" scheme, to relaunch the construction of intermediate housing units in strained areas (see Section 1.3.1.1.1 "Pinel" scheme).

Since 2018, January 1st, the tax benefit has been reserved for housing built in areas with an imbalance between housing supply and demand. Thus, only Zones A, Ab and B1 of the territory are eligible.

It should be noted that as of 2021, january 1st, homes are no longer eligible for the Pinel scheme.

Lastly, Article 168 of the 2021 Finance Act extends the Pinel system until 2022, December 31. It is renewed for 2023 and 2024, with declining tax rates).The tax reduction rates for investments made in 2023 and 2024 are maintained at their previous level for operations involving either housing located in a priority area of the city's policy or housing that respects a high level of quality in terms of energy performance, use and comfort (see 1.3.1.1.2. The «Pinel +» scheme). Thus, in 2023 and 2024, the Pinel system is accessible in two forms under different tax conditions: "Pinel Classique" and "Pinel+."

The group believes that these tax incentives have already, and should continue to have, a favourable influence on the new housing market, but it is not possible to quantify exactly the effects (see detail in Section 4.1.5.2. "Risks related to tax systems that may affect the new housing market and changes in tax regulations").

It should be noted that the Pinel rental investment scheme will cease to exist on 2024, December 31.

The diagram below summarises the sequence of the various tax systems concerning the housing market for more than ten years:

1.3.1.1.1. The Pinel system (in force since 2014, September 1th)

The system resulting from the Duflot Act (a system adopted in the context of Act N o . 2012-1509 of the 29th December 2012, known as the "2013 Finance Act"), is now called "Pinel," and amended in 2015 (Act N o . 2014-1654 of the 29th December 2014, known as the "2015 Finance Act"). It was also extended for one year by Article 68 of the so-called "Finance Law for 2017" (Law no. 2016-1917 of 29 December 2016) and extended on an experimental basis to certain municipalities of zone C known as "non-strained zone."

Article 68 of the 2018 Finance Law (Law N o . 2017-1837 of 2017, December 30) renewed the system until 2021, December 31 and refocused it in strained areas. These amendments apply to acquisitions made since 2018, January 1st or to housing constructions for which a building permit application has been filed since that date.

Finally, Article 161 of the 2020 Finance Law (2019-1479 of the 28th December 2019) limited the application of the scheme to Multi-occupancy housing only since 1 January 2021.

Thus, from the 1st January 2013 to the 31th December 2021, buyers of a new property may benefit from a tax reduction if they undertakes to rent it bare and for use as a primary residence.The investment may be made directly by the taxpayer or through a corporation not subject to corporation tax other than a real estate investment trust (SCPI).

For acquisitions before 2014, September 1st, the lease commitment was to be made for a fixed term of nine years. The tax reduction, which is set at 18%, is calculated on the cost price of the home, within the limit of 5,500 euros per square metre of living space, without exceeding 300,000 euros overall.

Now, for acquisitions after the 1st September 2014, the minimum term of the commitment is, by option, six or nine years, and this duration may be extended to twelve years (see below table specifying the tax reduction rate). The investment ceiling is limited to 300,000 euros per fiscal household and per year, up to a maximum of two housing units per year.

	PINEL		
Lease term	**In 2022**	**In 2023**	**In 2024**
6 years	12%	10.5%	9%
9 years	18%	15%	12%
12 years	21%	17.5%	14%

The tax reduction under the "Pinel" scheme is taken into account for the calculation of the overall cap on tax niches, set at 10,000 euros.

The lease commitment must include a statement that the tenant's rent and resources do not exceed the ceilings set by decree (initially Decree 2012-1532 of the 29th December 2012 codified in Articles 199 novovicies III *of* the GTC and 2 terdecies *D* of Annexe III to the GTC).

Finally, in the case of housing units acquired in the future state of completion, for acquisitions after the 1st September 2014, they must be completed within 30 months, no longer the declaration of the opening of construction, but the date of signature of the notarized deed of each buyer.

Lease conditions

The lease must take effect within 12 months of the completion of the building or its acquisition if it is later. It must be effective and continuous for a minimum period of six or nine years, the lease term being calculated from the date on which the initial lease takes effect. The option is irrevocable for the housing concerned.

As part of an initial six-year commitment, the extension is three years, renewable once, or another six years.

As part of an initial nine-year commitment, the extension is three years, non renewable.

The maximum term of the lease commitment is therefore 12 years regardless of the duration of the initial commitment.

The home must be rented bare for use as the tenant's primary residence. Rental to an ascendant or descendant, who is not a member of the purchaser's tax home, is authorised for investments made since the 1st January 2015.

Housing must be located in certain geographical areas characterised by an imbalance between supply and demand: These are areas A, Ab, B1 and B2. The 2018 Finance Law refocused the system in zones A, Ab and B1 of the territory as defined by an Order of 1 August 2014. The refocusing applies to acquisitions made since 2018, January 1st. However, the lots for which the building permit was filed before 2017, December 31th were eligible for the "Pinel" system in zone B2 as soon as the authentic deed takes place before the 15th March 2019.

Adjustment of the lease term and tax reduction rate.

When the taxpayer has entered into a six-year commitment, the rate applicable on the first three-year extension is increased by 6%, from 12 to 18%. On the second extension, the rate is increased by 3%, from 18 to 21%.

When the taxpayer has entered into a nine-year commitment with a rate of 18%, the rate applicable on the three-year extension is increased by 3% to 21%.

For authentic documents signed between 01/01/2023 and 31/12/2023, when the taxpayer has entered into a six-year commitment, the rate applicable on the first three-year extension is increased by 4.5%, from 10.5 to 15%. On the second extension, the rate is increased by 2.5%, from 15 to 17.5%.

When the taxpayer has entered into a nine-year commitment with a rate of 15%, the rate applicable on the three-year extension is increased by 2.5% to 17.5%.

For authentic documents signed between 01/01/2024 and 31/12/2024, when the taxpayer has entered into a six-year commitment, the rate applicable on the first threeyear extension is increased by 3%, from 9 to 12%. On the second extension, the rate is increased by 2%, from 12 to 14%.

When the taxpayer has entered into a nine-year commitment with a rate of 12%, the rate applicable on the three-year extension is increased by 2% to 14%.

Duration of initial commitment	Tax reduction rate		
	In 2022	In 2023	In 2024
6 years	12%	10.5%	9%
First 3-year extension	6%	4.5%	3%
Second 3-year extension	3%	+2.5%	2%
Maximum tax reduction	21%	17.5%	14%
9 years	18%	15%	12%
Extension of 3 years (up to 12 years)	3%	+2.5%	2%
Maximum tax reduction	21%	17.5%	14%

Ceiling on rents

During the rental commitment period, the monthly rent must be lower than the annual ceiling set by decree depending on the location of the housing and its type. This cap is raised at the 1st january depending on the rental benchmark.

The monthly rent caps per square metre excluding charges are set for leases entered into in 2023 at the following amounts:

Zones *(€/sq.m/month)*	Monthly rent caps per square metre 2023
A	€13.56
A bis	€18.25
B1	€10.93
B2	€9.50

To these rent caps, a multiplier coefficient is then applied that varies according to the surface of the dwelling to take into account the reality of the rental market calculated according to the following formula, "S" being the surface of the dwelling: 0.7 + 19/S. The resulting coefficient is rounded to the nearest second decimal place and may not exceed 1.2.

Cap on resources

The tenant's resources to be taken into account for the application of the ceiling are the reference tax income appearing on the tax notice established for the penultimate year preceding that of the signature of the lease.

The maximum amount of resources to be used depends on the composition of the tax home at the date of the signature of the lease. This cap is raised at the 1st january depending on the rental benchmark.

The tenant's resources are assessed once and for all on the date the lease is concluded.

The tenant's annual resource ceilings are set for leases entered into or renewed in 2022 at the following amounts:

Breakdown of tenant household *(in €/year)*	Zone A	Zone A *bis*	Zone B1	Zone B2 and C
Single person	€41,855	€41,855	€34,115	€30,704
Couple	€62,555	€62,555	€45,558	€41,001
Single person or couple with one dependent	€75,194	€82,002	€54,785	€49,307
Single person or couple with two dependents	€90,070	€97,904	€66,139	€59,526
Single person or couple with three dependents	€106,627	€116,487	€77,805	€70,025
Single person or couple with four dependents	€119,897	€131,078	€87,685	€78,917
Step up per additional dependent from the fifth	+ €13,369	+ €14,603	+ €9,782	+ €8,801

1.3.1.1.2. The Pinel + scheme from 2023, 1st

In 2023 and 2024, the "Pinel" scheme was accessible in two forms under different tax conditions: "Pinel classic" and "Pinel+".

The main conditions of the "Pinel" scheme do not change to benefit from the "Pinel +" scheme, namely:

- Housing located in a Multi-occupancy housing building;
- Capping the tent's rent and income;
- Overall minimum energy performance level;
- Housing built in an area with an imbalance between supply and demand;
- Initial lease term of 6 or 9 years which may be extended to 12 years.

Article 168 II of the 2021 Finance Act made it clear that to benefit from the "Pinel+" scheme, in ***addition to fulfilling the conditions of the classic*** **"Pinel"**, only housing:

- located in a priority area of city policy;

Or

- which meets a high level of quality in terms of energy performance, usage and comfort.

Decree No. 2022-384 of the 17th March 2022 specified that housing must achieve a higher level of energy and environmental performance than the regulations in force (RE 2020). It should be noted that the homes acquired in 2024 will also have to present a class A energy performance diagnosis). In addition, it must present a precise level of quality of use and comfort:

- A minimum living area of 28 sq.m for a single room, 45 sq.m for a 1 bedroom, 62 sq.m for a 2 bedroom, 79 sq.m for a 3 bedroom, 96 sq.m for a 4 bedroom;
- The existence of private outdoor spaces with a minimum surface area of 3 sq.m for a single room or a 1 bedroom, 5 sq.m for a 2 bedroom, 7 sq.m for a 3 bedroom, 9 sq.m for a 4 bedroom;
- Two different directions for 2 bedroom and more housing.

The decree provides for more flexible conditions if the building permit application was filed before 1 January 2022.

If the conditions for benefiting from Pinel+ are met, the reduction rates of the "Pinel" scheme prior to 2023 are maintained:

Lease term	PINEL + 2023/2024
6 years	12%
9 years	18%
12 years	21%

1.3.1.1.3. The "Prêt à Taux Zéro - (PTZ+)" (Zero+ Rate Loan)

The "PTZ+," a central enhanced zero+ interest loan scheme, has simplified the existing aid panel.

Born of the overhaul of the "PTZ 2010" as well as the abandonment of the "Pass Foncier" and the tax credit on loan interest dissolved on the 1st January 2011, this interest free loan is issued by credit institutions contracted with the State.

It is intended for natural persons with a view to financing the acquisition, construction or construction of their main residence in respect of first-time home ownership (first-time buyers are considered as such if they have have not owned their main residence during the last two years preceding the issue of the loan offer).

The "PTZ+" is granted to taxpayers subject to resource conditions. It is reserved for natural persons whose total amount of resources is less than a cap set according to the number of persons intended to occupy the dwelling as a primary residence on the one hand, and the geographical area of the home, on the other hand. The resources taken into account correspond to the sum of the reference tax income of the prior last year of the persons intended to occupy the housing. Article 107 of the French Finance Act for 2016 has simplified and extended the Zero+ Rate Loan since the 1st january 2016. Thus, pursuant to the aforementioned Law, Decree No. 2015-1813 of 29 December 2015 amended the resource caps, loan ratios, transaction ceilings and repayment profiles. The repayment of the loan can be deferred by 5, 10 or 15 years depending on the income, and households can rent their home after six years, without waiting for the total repayment of the loan. Finally, income caps have been increased, allowing more households to benefit from them.

The facility was first extended by the French Finance Law for 2018 to loan offers issued until 31 December 2021. Article 164 of the 2021 Finance Act extends the distribution of the zero-rate loan until 31 December 2022 and provides that, as of 1 January 2022, the borrower's resources will be assessed, under the terms and conditions set by decree, on the date of issue of the loan offer and no longer for the penultimate year preceding that of the issue of the loan offer.

The 2022 Finance Act has further extended the scheme until 31 December 2023. It also postponed by one year the terms for taking into account the resources of the beneficiaries of the loan initially planned for January 2022 by taking into account the revenues of the year of the issue of the loan offer, rather than those of the penultimate year preceding the issue.

In existing properties, with construction works, the PTZ has refocused on the least strained areas for loan offers issued since the 1st January 2018 (in practice, zones B and C). Similarly, dwellings located in zones A and B1 are no longer eligible for the PTZ from that date. On the other hand, the PTZ, in the former condition of sale of the social park to its occupants, is not modified. It can be granted regardless of the location of the housing.

For new housing, the PTZ has refocused on areas A, Ab and B1 from 1 January 2021. Zones B2 and C remained eligible until 31 December 2020 with a cap reduced to 20% of the maximum amount of the transaction compared to 40% today.

In addition, acquisitions of existing homes made as part of a sale of buildings to be renovated mentioned in Article L. 262-1 of the CCH can now open the right to PTZ in existing properties with construction.

The 2024 Finance Act extends for 4 years, until 31 December 2027, the possibility for credit institutions and financing companies to grant PTZ to individuals for the acquisition or construction of their main residence on first time home ownership.

Several adjustments have been made:

- For new housing, the PTZ will be refocused on housing located at once (CCH art. L 31-10-02 as amended):
  - In a Multi-occupancy housing building (a residential building with more than 2 units partially or totally superimposed);
  - In tense areas (geographical area characterised by a significant imbalance between the supply of and demand for housing resulting in difficulties of access to housing in the existing residential stock), in other words in a municipality classified in zones A and B1.

By way of derogation, these new terms will not apply to :

- The fitting out, with or without acquisition, of premises not intended for residential use;
- The acquisition of new housing subject to a lease of ownership, a real joint and several lease or a social home ownership contract in areas targeted by the city's policy.

- In the former, the PTZ will no longer be able to finance the costs of the work relating to the installation of a heating system operating on fossil fuels (CCH art. L 31-10-10 as amended).

The resource ceilings determining the eligibility of households for the PTZ are increased, by increasing from €37,000 to €49,000 the maximum amount provided for in Article L 31-10-03, II of the CCH and the maximum portion of the total cost of the operation that can be financed by the PTZ is increased from 40% to 50% by amendment of Article L 31-10-09 of the CCH.

Finally, the family coefficient used to determine the ceiling within which the total cost of the operation is retained is modified: 1.5 (instead of 1.4) for 2 occupants of the housing, 1.8 (instead of 1.7) for 3 occupants, 2.1 (instead of 2) for 4 occupants and 2.4 (instead of 2.3) for 5 and more occupants.

It is expected that these provisions will apply to loan offers issued from a date set by decree and no later than the 1st April 2024.

1.3.1.1.4. Trend in the VAT rate in housing

The VAT rate applicable to revenues of new housing has undergone many changes in recent years, particularly in the social sector.

The table below sets the VAT rate applicable to the various systems from the 1st December 2019:

Sectors or local areas concerned	SubSegment of Article 278 *sexies*	Interest rate
Social rental housing financed by an integration subsidised rental loan	1° of A of II	5.5%
Social rental housing financed by a rental loan for social use and covered by the urban renewal policy	2° of A of II	5.5%
Other social rental housing	3° of A of II	10%
Premises subject to an acquisition improvement, an assimilated transaction under certain financing conditions or an assimilated transaction within the meaning of 2° bis of B of II of this article	2° of B of II	5.5%
Housing similar to social rental housing	C of II	10%
Social home ownership	III	5.5%
Social and medical-social sector	IV	5.5%
Building land for premises subject to a reduced tax rate	V	10%

1.3.1.2. Social home ownership

1.3.1.2.1. The ANRU zones

In application of the ENL (National Commitment for Housing) Act of the 13th July 2006, social home ownership operations for new housing located in neighbourhoods undergoing urban renewal and 500 metres around benefited from the reduced rate of VAT at 5.5%. The Amending Finance Act for 2011 increased the reduced VAT rate by 5.5%.

The Amending Finance Law for 2012 announced the increase of the VAT rate from 7% to 10% in the above mentioned areas as of the 1st January 2014.

However, the 2014 Finance Act amended the system before it came into force. Thus, since 1 January 2014, the VAT rate has been lowered to 5.5% in the ANRU zones and, on the other hand, made applicable in a reduced scope of 500 to 300 meters around these zones. Finally, for operations not completed as of the 1st January 2014 and located in the same zone, the VAT rate was retroactively reduced from 7% to 5.5%.

In addition, the 2016 Finance Act extended the maintenance of the 5.5% rate until December 31, of the second year following the expiry date of the agreement signed with the National Agency for Urban renovation (ANRU) for operations whose construction permit application was filed during these two years.

On the other hand, for operations located beyond 300 metres of an ANRU area, the VAT rate has been raised to 20%, with the exception in particular of operations located within the 300-500 metres perimeter for which a building permit was filed before 2013, December 31, which retain the rate of 7%.

To benefit from this system, the following conditions must be met:

- the districts concerned by this system are sensitive urban areas (and districts subject to a derogation from Article 6 of Law n°2003-710 of 1er August 2003) in which an urban renewal agreement has been signed with the National Urban renovation Agency or wholly located within a distance of less than 300 metres from the limit of these districts. Neighbourhoods subject to an urban renewal agreement are available on the ANRU website ;
- Housing acquired by natural persons is intended for use as a primary residence;
- The acquirer's resources do not exceed a certain amount (corresponding to the resources ceilings of the PLS- social rental loan - plus 11%). The resource condition is assessed on the date of signature of the pre contract or preliminary contract or, failing that, on the date of the sale contract or sale contract for the purpose of building the housing. This amount corresponds in principle to the sum of the income constituting the reference tax income appearing on the tax notices of each person making up the household established for the penultimate year preceding that of the signature of the preliminary contract or the preliminary contract or, failing that, the sale contract or the contract for the construction of the housing (tax notice 2023 relating to income 2022 for a order contract signed in 2024);
- The selling price must not exceed the applicable caps for transactions carried out under the PSLA lease ownership social loan. These prices are updated each year on January 1 according to the annual change in the Cost of Construction Index (ICC).

1.3.1.2.2. Priority districts in urban policy

The 2015 Finance Act (Act N o . 2014-1654 of the 29th December 2014, known as the "Finance Act for 2015") introduced a reduced VAT rate of 5.5% for the delivery of housing in the context of home ownership transactions for the primary residence, intended for people in modest circumstances and located in priority neighbourhoods of city policy.

These districts have gradually replaced ANRU zones. Benefiting from taxation similar to that of ANRU zones, these districts allow for the construction of housing in new territories.

The city contracts in question are concluded at inter-municipal level between, on the one hand, the Government and its public institutions and, on the other hand, the municipalities and public institutions of inter-municipal cooperation with its own taxation, the departments and the Regions in order to implement the actions contributing to the achievement of the objectives of the city's policy.Priority neighbourhoods of the city policy are located in urban areas and are characterised by a minimum number of inhabitants and a gap in economic and social development assessed by a criterion of income of the inhabitants.

Article 30 of the 2017 Finance Act extended, subject to conditions, the eligible geographical scope of up to 500 metres around the priority neighbourhood for the QPVs covered by a city contract and an agreement signed with the ANRU under the New National Urban Renewal program (NPNRU) as of the 1st January 2018.

Therefore, for accession operations in priority neighbourhoods of the city policy for which the PC has been filed since the 1st January 2017, buildings for which the sale price does not exceed the ceiling must now meet new geographical conditions assessed on the date of filing of the building permit, namely:

- Be located in a QPV that is the subject of a city contract; or
- Fully located at a distance of less than 300 metres from the boundary of a QPV; or
- provided that the QPV is the subject of a multi-year urban renewal agreement, signed with the ANRU under the NPNRU, be integrated into a real estate complex entirely located, on the same date, less than 500 meters within the boundary of a QPV and partially less than 300 meters of the same limit.

Priority neighbourhoods were defined by the Urban Planning and Cohesion Act of the 21th February 2014, which entered into force on the 1st January 2015. Natural persons can only benefit from this scheme if they are dependent on income.

Thus, the acquirer's resources must not exceed more than 11% the maximum caps provided for in Article L. 411-2 paragraph 8 of the French Construction and Housing Code. In addition, this reduced rate only applies subject to compliance with the conditions relating to the sale price.

Lastly, this system only applies to transactions for which a building permit application is filed between the 1st January 2015 and 31th December 2024.

Decree no. 2023-1314, issued on the 28th December 2023 and effective from 2024, january 1st, modifies the geography of the *QPV*.

The 2024 Finance Act takes into account the evolution of the QPV mapping and provides for transitional measures for the implementation of the reduced VAT rate in the social housing sector (new Article 278 sexies B of the General Tax Code):

- Certain districts removed from the QPV list as of 2023, December 31 continue to benefit from the measures provided for in Articles 278 sexies et seq. of the General Tax Code provided that they are subject to an urban renewal agreement entered into on or before 2023, December 31;
- Thus, the reduced VAT rate of 5.5% applicable to deliveries of homes subject to a home ownership contract, located in the areas provided for by Article 278 sexies III 2° of the General Tax Code also applies in the old QPV as defined above (or in the adjacent areas) until 2026, December 31th.

1.3.1.3. New housing market indicators

1.3.1.3.1. Market volume

A. Single-family homes in communities

The French market for single family homes in communities represented 6,199 and 3,725 orders in 2022 and 2023, respectively.

Trend in orders, inventories and the average price of Single-family homes in communities over the past 10 years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Orders	8,454	7,214	8,387	11,027	10,426	9,312	8,806	7,109	7,887	6,199	3,725
Inventories	10,957	10,546	9,593	9,332	8,519	8,959	7,937	6,652	6,833	8,314	8,467
Average price *(€)*	244,672	251,845	248,928	255,735	262,363	266,900	278,441	292,482	331,000	343,260	348,506

Source: Ministry of Ecological Transition and Territorial Cohesion, survey on the marketing of new housing (ECLN) (excluding block sales and on existing buildings).

Trend in the Single-family homes in communities market in communities

(Data on a 100 - 2013 basis) (excluding block sales and on existing buildings).
Source: Ministry of Ecological Transition and Territorial Cohesion, New Housing Marketing Survey (ECLN).

B. Apartments (multi-occupancy housing)

The French market for new apartments represented 96,917 and 60,760 orders in 2022 and 2023, respectively.

Evolution of orders, stocks and average price per square metre of apartments for 10 years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Orders	76,494	75,618	91,497	115,876	119,931	119,930	122,313	94,596	111,711	96,917	60,760
Inventories	89,494	93,377	92,717	94,207	99,148	102,612	96,654	91,488	902,99	100,944	107,687
Average price *(in €/ sq.m)*	3,850	3,837	3,875	3,954	3,965	4,084	4,256	4,317	4,418	4,645	4,742

Source: Ministry of Ecological Transition and Territorial Cohesion, survey on the marketing of new housing (ECLN) (excluding block sales and on existing buildings).

Trend of the apartments market

(Data on a 100 - 2013 basis) (excluding block sales and on existing buildings).
Source: Ministry of Ecological Transition and Territorial Cohesion, New Housing Marketing Survey (ECLN).

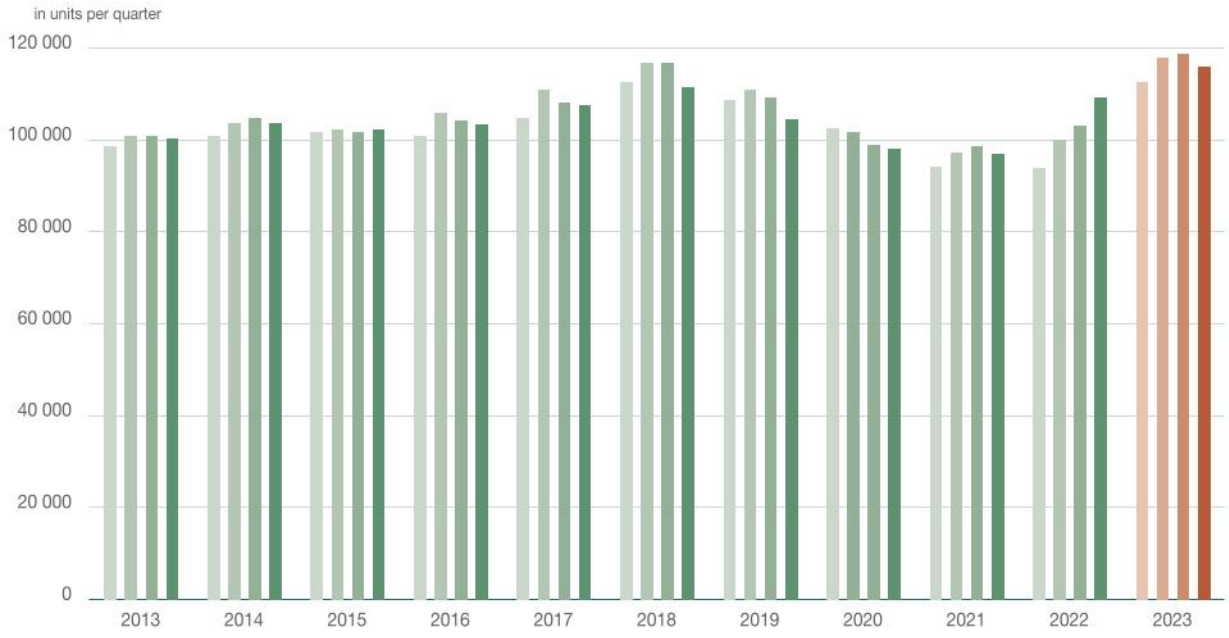
C. Regional housing markets in France (individual and collective)

The table below shows the regional housing markets in France:

Orders	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Île-de-France	22,413	21,550	24,598	33,623	35,416	38,914	40,605	27,703	28,233	24,313	17,301
Auvergne-Rhône-Alpes	12,946	13,473	16,165	19,532	19,590	17,882	18,368	14,548	17,869	16,874	10,254
Provence-Alpes-Côte-d'Azur	9,839	10,313	11,767	14,165	13,490	12,973	12,540	10,501	13,211	10,766	6,494
Occitanie	9,620	9,479	11,549	13,900	15,582	15,832	15,479	11,951	13,826	11,197	6,072
Nouvelle Aquitaine	6,764	6,487	7,383	98,23	10,149	8,212	8,141	7,359	8,454	6,751	4,167
Grand-Est	4,847	4,574	6,200	7,887	7,322	7,641	8,030	6,346	8,493	6,628	4,058
Hauts-de-France	3,646	3,692	4,909	5,875	5,864	5,845	6,262	4,698	6,563	6,292	3,852
Pays-de-la-Loire	4,624	4,435	6,036	7,198	7,462	6,404	6,061	4,977	6,546	4,821	3,146
Normandy	2,463	1,905	2,501	3,458	3,354	3,590	3,689	3,375	3,942	4,227	2,986
Brittany	3,386	3,012	3,983	5,384	5,966	6,163	5,883	4,880	5,734	4,781	2,978
Centre Val de Loire	1,716	1,421	1,774	2,226	2,702	2,551	2,479	2,432	3,186	3,370	1,587
Bourgogne-Franche-Comté	1,317	1,429	1,783	2,089	1,913	1,849	1,865	1,773	1,897	1,961	1,030
Corsica	1,367	1,062	1,236	1,743	1547	1386	1717	1162	1644	1135	560
TOTAL France	**84,948**	**82,832**	**99,884**	**126,903**	**130,357**	**129,242**	**131,119**	**101,705**	**119,598**	**103,116**	**64,485**

Source: Ministry of Ecological Transition and Territorial Cohesion, Survey on the Marketing of New Housing (ECLN) - Dido - Sales to Individuals (excluding block and existing construction sales) (in regional data).

1.3.1.3.2. Housing inventory units avalaible for sale in France



Source: Ministry of Ecological Transition and Territorial Cohesion, New Housing Marketing Survey (ECLN).
Housing inventory: Housing projects, housing under construction and completed housing units.

The stock of homes offered for sale rose at the end of December 2023 (+6.3%) to 116,154 units, compared to 109,258 units at the end of December 2022. During 2023, 64,485 units were reserved, down 37.4% compared to 2022 with 103,116 orders. Sales were down 30.8% between 2022 and 2023, from 104,644 homes in 2021 to 72,392 homes in 2022. Finally, cancellations increased by 4.8% between 2021 and 2022, according to data from the Ministry of Ecology, Sustainable Development and Energy, survey on the marketing of new housing (ECLN) in the fourth quarter of 2022.

At November 30, 2022, the group had 35 completed housing units to be reserved, or 1.6% of its commercial offer, compared to 51 units at the same date in 2021.

1.3.1.4. Main market players

In addition to competition from regional developers with a good geographical presence, Kaufman & Broad is faced with large national operators operating in the group's markets.

The following table shows the number of housing orders by the main players in the new housing market in France:

Market operators	2023	2022	2021
Nexity [(a)]	14,602	18,015	20,101
Cogedim [(b)]	8,004	10,017	11,521
Bouygues Immobilier [(c)]	5,867	7,884	9,510
Kaufman & Broad	**5,332**	**6,214**	**6,609**
ICADE [(d)]	4,214	6,059	7,325
Bassac [(e)]	5,256	6,014	6,004
Vinci [(f)]	4,272	5,205	5,860
Eiffage[(g)]	1,941	2,481	4,164

Sources:

(a)Nexity: Press release 2023 results of 28 February 2024 (2021 data restated according to Nexity's rating: Excluding discontinued operations in 2021 (Century 21 and AEgide-Domitys) and non-recurring items).

(b)Cogedim: Press release 2023 results of 27 February 2024;

(c)Bouygues Immobilier: "2023 Universal Registration Document" (22 March 2024) - including international orders - share in France not published.

(d)ICADE: Press release 2023 results of 19 February 2024;

(e)Bassac (formerly Les Nouveaux Constructeurs): France only - Press release 2023 Activity report of 1st March 2024 - (Pro forma Maisons BAIJOT, as if the company had been consolidated over 12 months as of 1 January 2022 - Pro forma Marignan indicators, as if the company had been fully consolidated as of 1 January 2021)

(f)Vinci: Press release 2023 results of 7 February 2024;

(g)Eiffage: Press release 2023 results of 28 February 2024.

1.3.1.5. group market share

The group's estimated market shares, in terms of orders for each of its business segments, were as follows:

Market share	2023	2022
Individual and Multi-occupancy housing [(a)]		
Île-de-France	6.1%	6.8%
Auvergne-Rhône-Alpes	1.2%	0.9%
Provence-Alpes-Côte-d'Azur	5.7%	5.6%
Occitanie	18.7%	10.7%
Nouvelle-Aquitaine	16.8%	10.5%
Grand-Est	16.0%	3.3%
Hauts-de-France	13.8%	9.2%
Pays-de-la-Loire	6.2%	4.6%
Normandy	5.0%	10.6%
Brittany	1.8%	2.7%
Centre Val de Loire	21.3%	3.7%
Bourgogne-Franche-Comté	3.6%	9.4%
TOTAL MARKET KAUFMAN & BROAD LOCATIONS	**8.3 %**	**6.1 %**
Corsica	-	-
Total LOGEMENT FRANCE	**8.3%**	**6.0%**

Source: Kaufman & Broad and Ministry of Ecological Transition and Territorial Cohesion, New Housing Marketing Survey. (Excluding block sales and on existing buildings).

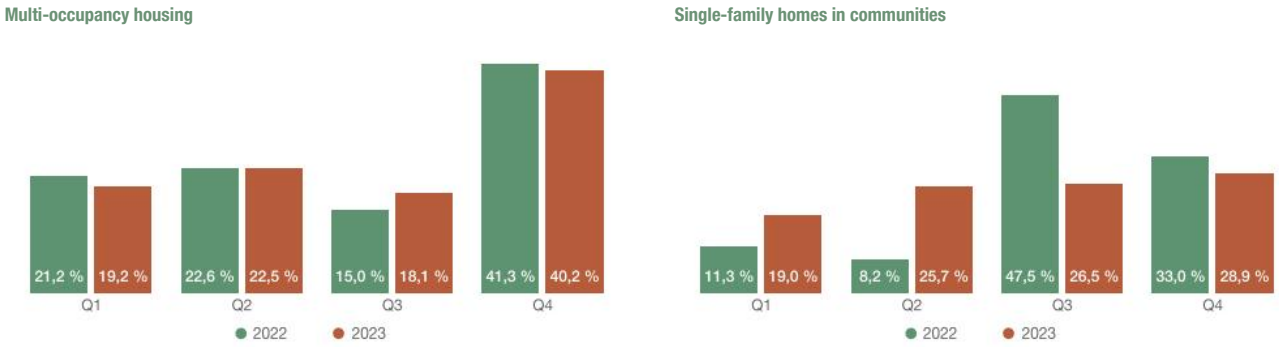
(a)Represents the Multi-occupancy housing business, namely: Apartments, serviced residences and hotels.

1.3.1.6. Cyclicality and seasonality

The sector in which Kaufman & Broad operates is cyclical in nature and can be influenced by many macroeconomic factors, including financial, economic, demographic, sociological or other (see section 1.3.1. "Macroeconomic indicators").

The group's commercial activity, which is reflected in orders, was as follows for the last two financial years:

Breakdown of orders by quarter



See cycle analysis and seasonal orders in section 2.1.3.1.1.1. "Housing Segment" paragraph "Cycles and seasonality of housing orders by type of product (in volume)."

1.4. Business model

1.4.1. Group operational organization

Kaufman & Broad intervenes at all stages of designing and carrying out a real estate operation and coordinates all the players involved in the operation, from the purchase of the land to delivery. The Group has in depth knowledge of each local market in which it operates, enabling it to:

(I) purchase under the most favourable conditions the land with the best situation, (II) designing products adapted to demand by anticipating changes in demand and (III) best manage relations with local authorities, construction companies and subcontractors.

1.4.1.1. Group operational structure

The group is organised around two operating divisions: Housing (multi-occupancy housing, single family homes managed residences) and Commercial services (commercial property, retail areas, hotels, logistics platforms), and the cross functional Departments of real estate development and Territories, Major Urban Projects and Kalilog for social housing. These operations are supported by the functional departments.

- Housing division is structured around four operational departments, led respectively by:
  - David Laurent for Île de France, Marc Vettraino for Greater Paris, Krystel Briant for Île de France Est and Jean François Ruhaut for Île de France Ouest ;
  - Sylvère Hamel for the Eastern region (Haut de France - Est - Rhône Alpes - Savoie - Côte d'Azur - Méditerranée - Provence), supported by Georges Lopez for the Nouvelle Aquitaine region (Gironde - Pyrénées Atlantiques);
  - Jacques Rubio for Occitanie, (Midi Pyrénées, Languedoc Roussillon and Pyrénées Orientales), as well as the managed residences and Kalilog;
  - Yannick Lebihan for the Northwest Region (Brittany - Loire Atlantique - Normandy).
- The Commercial property services, headed by David Laurent, includes the Operational Departments Commercial Property, Logistics and Real Estate Development and Territories.

Kaufman & Broad also has 21 agency divisions and local offices: The Île-de-France region (comprising 6 agencies: Paris Nord (75-93); Paris Sud (92-94); Yvelines (78) and a regional head office regrouping the three agencies of Essonne (91), Val-d'Oise (95) and Seine-et-Marne (77)), Loire-Atlantique (Nantes, Val-de-Loire), Brittany (Rennes), Normandy (Caen, Le Havre and Rouen), Nord Flandres (Lille), Est (Strasbourg and Reims), Bourgogne-Rhône-Alpes (Dijon and Lyon), Savoie (Annecy and Grenoble), Côte-d'Azur (Nice), Mediterranée (Marseille), Languedoc-Roussillon (Montpellier and Perpignan), Midi-Pyrénées (Toulouse), Serge Mas Promotion (Toulouse), Pyrénées-Atlantiques (Bayonne), Aquitaine (Bordeaux and La Rochelle) and Kalilog (National Agency for Social Housing) as well as a directorate for the Commercial Property. In addition, Kaufman & Broad regularly strengthens its local network in smaller urban areas by opening local satellites. These agencies, whose staff is reduced to the development, structuring and monitoring of programs, and marketing functions where appropriate, benefit from the resources made available by the agencies on which they depend to develop their real estate operations. The management teams of each of these agencies have extensive experience in their markets.

In addition, agency management has considerable autonomy in the search for land, the development of revenues strategies, the conduct of land development and construction operations and the control of costs.

Each operational agency has an Business Development and Project Management Department, a Technical Department, a Sales Department and *a* Showroom (or "Espaces déco") where applicable; and for local agencies, all or parts of these departments are shared between agencies. In addition, the agency departments also benefit from the support of shared regional resources (legal, management control, technical purchases, sales administration) as well as the group's central resources, namely the corporate divisions, which are in particular the Finance, Audit, IT, Legal, Tax, Marketing/Digital and Communication, Human Resources, Architecture and Quality, CSR and innovation Departments.

The company provides its various subsidiaries and regional Segments with administrative and management services, including advice on:

- Project financing;
- organization development, recruitment, training in individual and collective management of employees, career management, salary policy and administration of payroll and personnel files;
- Accounting, legal, tax and cash management;
- Processing and implementation of IT systems;
- Assistance and consulting on sales to individuals;
- Dept. of Client, Quality and Architecture Experience)
- CSR and innovation

The cost of these services, excluding head office and It costs, is fully reinvoiced by the company.

In order to ensure the long term development of the group and to contribute its know how to major real estate development projects, the group has set up transversal departments, namely:

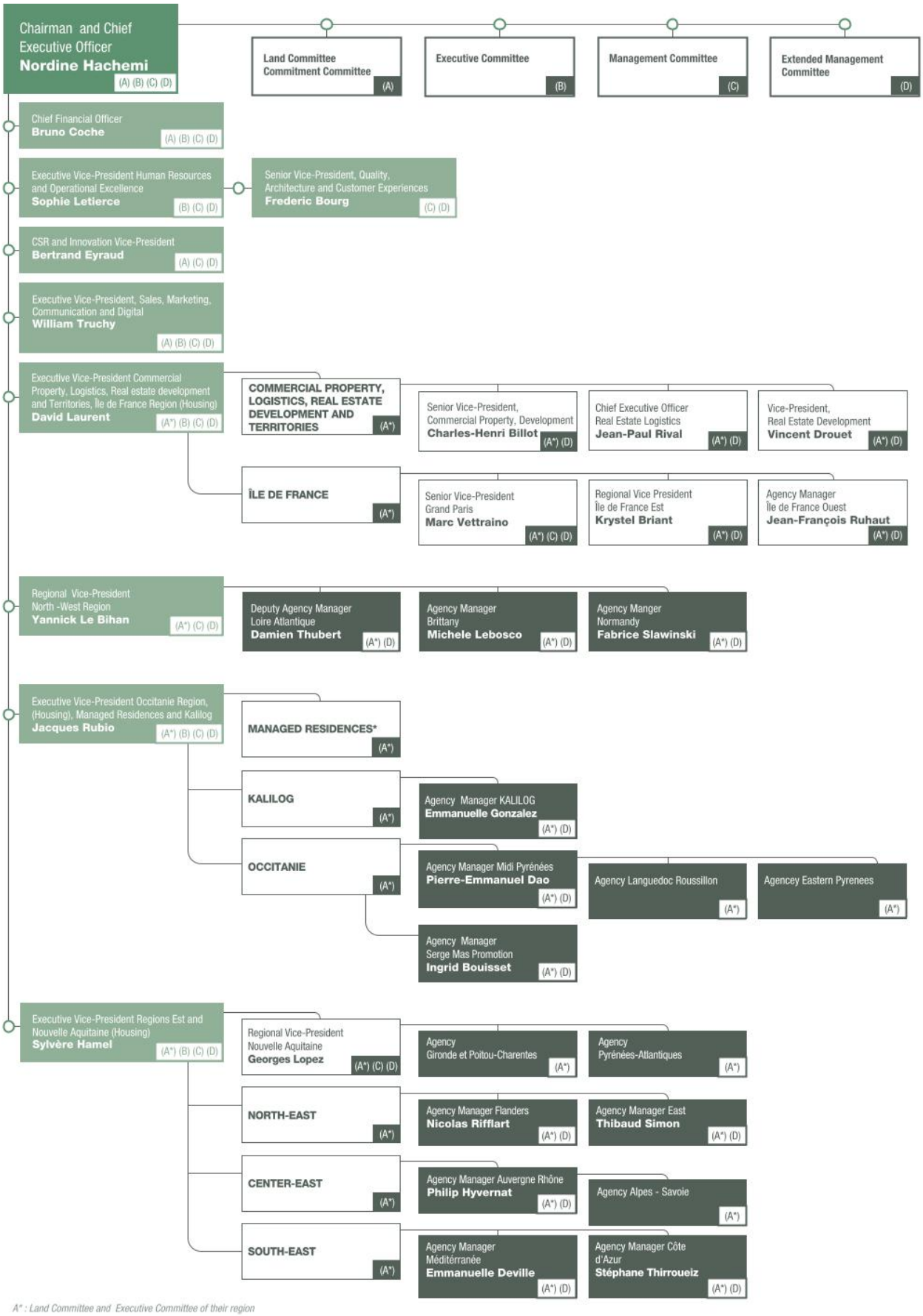
- A Planning and Territories department, which is a brand of the group, and whose objective is to develop the group in the long term (from 5 to 10 years). It also focuses on development operations, particularly on urban wasteland and on more complex (multi product) large scale projects; but also, to support local authorities in carrying out new generations of eco rail projects
- A Major Urban Projects Department, which aims to support local authorities in eco-urban projects. It is a global "bespoke" response to the expectations of communities, for the realization of a new generation of sustainable neighbourhoods.
- In 2017, Kaufman & Broad created, through two structures, a new way of developing co-development, through Kapital Partners Promotion, the purpose of which is to take minority stakes in residential real estate development operations carried out by local developers and, secondly, the group is in charge of marketing homes through the company KETB partners, specialized in marketing networks;
- In 2020, the group created Kalilog, which is dedicated to the implementation of social housing projects, particularly in the territories in which the group does not operate (outside the major cities, i.e. in zones 2 and 3 social, zones Pinel B2 and C), to propose a national response to these challenges. (See section 1.4.2.2.3 "Kalilog Social housing").

The cost of services and services provided to branches is allocated among group companies through the groupement d'Intérêt Économique (Groupement d'Intérêt Économique - Groupement d'Intérêt Économique) according to a distribution key set on the basis of the number of people assigned to each activity and the volume of activity of each group company.

Head office and It costs are fully reinvoiced by the company to its subsidiaries according to a distribution set for each financial year when the budget is drawn up on the basis of the activity volume of each subsidiary and the area used by each of them.

The company's main subsidiaries (Kaufman & Broad Homes, Kaufman & Broad Développement, Kaufman & Broad Real Estate, Concerto Développement, Kaufman & Broad Nantes, Kaufman & Broad Rhône-Alpes, Kaufman & Broad Savoies, Résidences Bernard Teillaud, Kaufman & Broad Côte-d"Azur, Kaufman & Broad Provence, Kaufman & Broad Méditerranée, Kaufman & Broad Languedoc-Roussillon, Kaufman & Broad Midi-Pyrénées, Kaufman & Broad Pyrénées-Atlantiques, Kaufman & Broad Gironde, Kaufman & Broad Bretagne, Kaufman & Broad Flandres, Safaur, SMP (Serge Mas Promotion), Seri Ouest, Kaufman & Broad Poitou-Charentes, Kaufman & Broad Pyrénées Orientales, Kaufman & Broad Normandie, Kaufman & Broad Est, Kaufman & Broad Champagne, Kaufman & Broad Bourgogne-Franche Comté, Kaufman & Broad Europe, Kaufman & Broad Financement, Kaufman & Broad Immo, Kaufman & Broad Territoires et Aménagement, Kaufman & Broad innovation et Technologies, Kaufman & Broad Marketing et Ventes, Kaufman & Broad Investments, KETB Partenaires, Kapital Partenaires Promotion, Cosy Diem, Kalilog et Néorésid) provide development and management, marketing and project management services to the companies hosting the property programs. As compensation for the services provided, service providers receive fees under the agreements entered into. These agreements generally provide for a Compensation of 4.8% (excl. VAT) of revenues (excl. VAT) for management and administrative, legal, financial and accounting services, 5.5% (excl. VAT) of revenues (excl. VAT) for marketing and making brands available and 3% (excl. VAT) of technical costs (excl. VAT) for technical management assistance services.

Kaufman & Broad organization



A : Land Committee and Executive Committee of their region*

1.4.1.2. Geographic presence

Kaufman & Broad's policy is to deploy its business in geographical sectors with medium and long term potential for economic and demographic development. This objective led the group to focus its activity in the most dynamic regions to increase its market share. In 2023, revenue from the Housing business was 43% in the Paris region and 57% in the regions.

Kaufman & Broad intends to continue to develop its activities in the major economic and demographic hubs where it believes it can still benefit from growth potential, such as: The Hauts de France, the Great East, Brittany and Normandy, the Atlantic façade with the countries of Loire and Nouvelle Aquitaine, Occitanie, the Mediterranean arc with the PACA region, the Auvergne-Rhône-Alpes but especially in the Île de France region, which remains the deepest and most perennial market.

Kaufman & Broad believes that the positioning of its various achievements across the country is in line with the identified customer pools. Kaufman & Broad has established itself in more than twenty new cities since 2015: Aix en Provence, Amiens, Angers, Annemasse, Arcachon, Besançon, Brest, Caen, Clermont Ferrand, Dijon, Dunkirk, La Baule, Le Mans, La Rochelle, Metz, Nancy, Nîmes, Perpignan, Poitiers, Reims, Strasbourg, Thonon les Bains and Tours, etc.

The map below reflects the group's locations in France in 2023:

1.4.2. Customers and products

1.4.2.1. Customers

The group's policy is to develop a range of housing units in cities with a proven market depth (Multi-occupancy housing, Single-family homes in communities, residences with services, etc.) that meet the requirements and developments of a large customer base. This is made up of private individuals (first-time home buyers in main and secondary residences or investors) and private, social and institutional block investors.

This diversification of customer targets gives the group flexibility to adapt quickly to market changes.

Building on its roots as a specialist in Single-family homes in communities and the small standing collective, Kaufman & Broad is today a general promoter offering a broad commercial offer, adapted to the markets in terms of typologies, surfaces or type of residence.

	Share orders in number		Share of revenue from orders (excl. VAT)	
Type of buyer	**2023**	**2022**	**2023**	**2022**
Investor [(a)]	13%	31%	13%	33%
Block	78%	56%	72%	45%
First-time buyers	7%	8%	11%	13%
Second-time buyers	2%	5%	4%	9%
Total	**100 %**	**100%**	**100 %**	**100%**
(a)Of which "Pinel" scheme	*4%*	*21%*	*4%*	*24%*

In an economic environment impacted by the geopolitical context, the energy crisis and rising interest rates, the search for housing remains a solid fundamental for the French, on which Kaufman & Broad supports a two pronged strategy:

- first, to strengthen its activity focused on first-time buyers, supported by the "Zero Plus Rate Loan" and private investors under the "Pinel" scheme,
- second, to further strengthen its offer of managed residences, especially for students and seniors - sectors where the needs are extremely high.

Furthermore, in 2023, the group made a significant portion of its block orders, i.e. 78% in number and 72% in value terms (up 20% in number and in value compared with 2022, where they were 56%) and 45%, respectively. Investor orders accounted for 13% of all orders in terms of number and value, compared with 31% and 33% respectively in 2022. The proportion of orders in terms of sales (excluding VAT) intended for rental investments made under the Pinel scheme was 4% in number and value, down from 21% in 2022 and 24% respectively. The share of first time buyers and second time buyers fell by 48.6% to 15%, compared with 22% in value terms in 2022 (including VAT).

1.4.2.1.1. Buyers of primary residences

First time buyers are couples between the ages of 25 and 35, without or with a child, who have a monthly family income of approximately 3,000 to euros 4,000. Their purchases usually relate to a dwelling of about 60 sq.m habitable in apartment and 85 sq.m habitable in house. To finance the purchase of his home, the first buyer can possibly benefit from the «Zero Plus Rate Loan» for Multi-occupancy housing, and the 1% patronal loan.

Kaufman & Broad believes that first time buyers still represent significant business potential, although in 2023 they accounted for only 7% of the group's orders in number compared to 8% in 2022 and 11% in value compared to 13% in 2022, experiencing increased financing difficulties due to the rapid and significant increase in interest rates.

Second time buyers who already own and resell their main residence are couples aged 35 to 60 and over, with one or more children. Their monthly family income is generally between 4,500 and euros 9,000. The typical purchase of the second time user concerns a dwelling of 70 to 95 sq.m habitable. Their share in the market has remained stable at low levels since the 2007 crisis, with 4% in 2021 and 5% in 2022, respectively, of orders in number within the group compared to 9% in value for 2022 compared to 8% in 2021.

- In 2023, the selling price (including VAT) of single family homes sold by the group ranged from approximately 96 00 to euros1,716,000. Its average price was euros 304,426 in the Paris region and euros 233,277 in the Regions. Except for specific features, the housing surface area was between 75 and 140 sq.m depending on the programme (see section 2.1.3. «Indicator monitoring»).
- The sale price (including VAT) of Multi-occupancy housing units sold in 2023 varies between around 3,000 and euros9400 per square metre in the Paris region and varies between around euros 1,400/sq.m and euros 6,700/sq.m in the Regions. The average selling price (including VAT) of Multi-occupancy housing units (including parking) was nearly euros 4,215/sq.m. in the Paris region and euros 3,740/sq.m. in the Regions.

(See section 2.1.3. "Monitoring of indicators" table showing the characteristics of individual houses in communities and Multi-occupancy housing units.)

The following tables show the evolution of the average price (including VAT) and the average surface area (excluding land) of Single-family homes in communities in the Paris region and the average price of Multi-occupancy housing units delivered by the group over the past 10 years:

Average price and average surface area of Single-family homes in communities in Île-de-France

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average price *(including VAT in €)*	252,500	313,100	381,400	367,000	325,000	365,500	375,200	351,775	306,840	334,285	453,281	304,426
Average surface area *(sq.m)*	80	90	-98	88	87	94	94	92	94	97	95	94

Average price of Multi-occupancy housing in Île-de-France and the Regions

(incl. VAT in euros)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Île-de-France	238,800	207,800	205,800	256,300	225,900	235,800	256,200	283,077	267624	298,739	310,409	396,264
Other Regions	212,000	198,500	183,700	197,500	194,000	205,800	227,300	213,975	236103	265,641	263,876	311,964

1.4.2.1.2. Individual investors

The group designs programs whose characteristics meet the quality and profitability requirements of individual investors, regardless of whether they are seeking to tax out or build up assets. In 2023, the group estimates that it made 13% of its orders to individual investors through wealth management advisers, specialised sales networks, banking networks and internal sales, compared with 31% in 2022.

Based on the declarations of intent made by private investors, the group estimates that 21% of the number of orders made by private investors under the "Pinel" system, compared with 24% in 2021.

1.4.2.1.3. Institutional investors and Public housing operator

Kaufman & Broad has for several years been developing a strong partnership with the main French and foreign institutional investors (insurance companies, pension funds, real estate companies and social operators) and enjoys a great reputation in this environment.

1.4.2.2. Products

Kaufman & Broad's products consist of four major types of products: (I) apartments, Single-family homes in communities (III) managed residences (business, students, tourism and services) and (IV) Commercial property.

Kaufman & Broad's reputation is built on the quality of its achievements. With this in mind, the group closely monitors the achievements of the construction companies it uses, which allows it to select the best subcontractors for future programs. For this purpose, and, generally, at the end of each project, companies are assessed by the group's technical departments.

In its single family home programmes in communities, Kaufman & Broad focuses on ensuring that its houses have harmonious architecture and functional interior design (large reception lounge, separation of day and night parts, parental suite...). The group also attaches great importance to the landscaped environment of its real estate complexes.

Similarly, in its Multi-occupancy housing programs, the group, which favours integrated architecture in urban sites, may use renowned architects.With an internal service dedicated to this function, which reworks the plans proposed by architectural firms, the plans of the apartments are optimized in terms of volume and functionality.

private housing (collective or individual)

The group offers its future customers who plan to become the owner of new housing, and thus take advantage of the many assets reserved for this type of property, namely: Increased comfort and safety, energy savings (labels and respected standards), financing aid, specific legal provisions, etc.

The benefits can be broken down as follows:

1) "Bespoke" real estate projects: The group offers its customers many possibilities to develop and customise their accommodation, such as moving partitions or doors, replacing a bath with a shower, etc. Depending on the stage of progress of the work, dedicated teams may propose more or less important adaptations.Acquiring a new home at Kaufman & Broad also offers customers the opportunity to personalise their decoration: Paint color, choice of tiles and floors, type of parquet floors; installing a kitchen equipped to do this the group has *Showrooms* to discover both the range of contractual services as well as a wide choice of options;
2) Labels and certifications: Acquiring new housing makes it possible to benefit from many advantages that this type of property holds. Labels and certifications thus guarantee the quality of goods on various themes: Health, safety and well being of occupants, the environment and energy performance and the quality of the property. All our housing projects incorporate quality and environmental certification by an independent third party accredited by COFRAC (NF Habitat, Prestaterre Bâtiment Environnement or Promotelec). COFRAC is the French national accreditation body internationally recognised by the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF).And the European Co operation for Accreditation (EA).
3) Financing assistance, tax benefits and reduced costs, such as:
   - Zero_interest Plus Loan (PTZ+): This is an interest-free advance, granted by the French State, intended to finance the borrower's primary residence and which may cover up to 40% of the acquisition,
   - Notary fees (or registration fees) are reduced for the acquisition of new housing, ranging from 1.8 to 3% of the acquisition price (compared to 7 to 8% in the case of old property),
   - Or a reduced VAT rate, by buying a new home as a principal place of residence, in an area called ANRU (or QPV), buyers can thus benefit from a reduced VAT of 5.5% compared to 20%. This benefit can be combined with the benefits offered by the PTZ+ loan,
   - Tax benefits related to the investment. These incentives on the part of the State are intended to increase the private rental stock while maintaining a social commitment by capping rents. The main scheme is the Pinel scheme, which allows, in 2023, a tax reduction of 10.5%, 15% or 17.5% of the amount of the transaction in exchange for a rental commitment of 6, 9 or 12 years (see section 1.3.1.1. "Tax incentives"). However, other schemes applicable to the new are possible, such as the recovery of VAT for managed residences and the LMNP for furnished apartments,
   - The exemption from the communal portion of the property tax when it has been passed by the City in which the building is built, because by purchasing a new home (apartment or individual house for sale in the state of future completion) buyers can be exempt from property tax for two years from January 1 of the year following that of completion of the construction;
4) Guarantees: The purchase of new housing benefits from various guarantees such as:
   - The guarantee of repayment or completion,
   - The guarantee against apparent defects,
   - The guarantee of perfect completion,
   - The biennial guarantee,
   - The ten-year good perfomance warranty.

1.4.2.2.2. Single-family homes in communities

For more than 50 years, the group has developed the concept of Single-family homes in communities in France. Particular attention is paid to site selection.

Each village, depending on its size, has different models, the size of a program generally varying from 20 to 60 homes.

The strengths and reputation of Kaufman & Broad in Single-family homes in communities are as follows:

- Strong identification of our programmes and models;
- Operations with high landscape quality:
  - *open space* ,carefultreatment of programme entries and plantations;
- Expertise in home design:
  - Parental suite,
  - *family room* ,
  - *extra room* ... ;
- Particular attention is paid to light and volume optimisation.

Each detached house comes with a landscaped private lawn with garden.

These house models are offered with several architectural styles.

In the Paris region, individual village houses generally offered by the group are:

- Either single-or semi-detached houses with a surface area of 75 to 90 sq.m intended mainly for the first-time buyers or market investors; for prices generally starting from 320,000 euros.
- i.e. individual village houses with a living area generally ranging from 42 to 106 sq.m and which are mainly intended for the catering market; for prices generally ranging from 360,000 to 800,000 euros.

In this type of transaction, the group proposes taking into account and integrating considerations based on the following criteria:

- A project adapted to the wishes and needs of our customers and municipalities;
- Quality urban planning incorporating environmental considerations;
- Minimising the impact of taxiways and cars;
- Special treatment for pedestrian areas and soft traffic;
- Rainwater collection in landscape nodes;
- A variety of house models, in typology, volume and architectural treatment.

In the Regions, the group is developing its activity as Single-family homes in communities with products intended for both first- and second-time buyers at prices generally ranging from 260,000 to 650,000 euros.

To keep pace with customer expectations, Kaufman & Broad regularly develops its range of houses to offer new models, taking into account today's requirements in terms of Sustainable Development and energy savings.

1.4.2.2.3. Multi-occupancy housing

To develop its apartments, Kaufman & Broad is very attentive to the selection of its sites. In the Paris region, they are often close to public transport and local services. In the Regions, they are also located in the city centre or near the outskirts of the main cities.

Kaufman & Broad pays great attention to the architecture of its buildings, the treatment of common areas (entrance halls, floor level, shared areas, gardens and green spaces), the development and optimization of spaces and openings to the outside. The group also constructs buildings taking into account the latest energy saving requirements, in accordance with the RT 2012, RE 2020 legislation in force since 2022, January 1st or even higher.

- In the Île-de-France region, the group builds Multi-occupancy housing intended primarily for:
  - first-time buyers or investors, in the first, second and third orders of Greater Paris, with an average surface area of between 40 and 65 sq.m, for prices generally varying between euros 3,700/sq.m and euros 5,700/sq.m (incl. VAT);
  - Second time buyers, in the first and second crown, with an average surface area of between 65 and 95 m^2, for prices generally varying between euros 4,500/sq.m and euros 7,900/sq.m (including VAT);
- In the Regions, the group carries out its Multi-occupancy housing programs under the Kaufman & Broad brand, mainly aimed at:
  - first-time buyers or investors with an average surface area of between 40 and 65 sq.m, with prices generally varying between 2,700 euros/sq.m and 4,800 euros/sq.m,
  - Second time buyers with an average surface area of between 60 and 90 sq.m, with prices generally varying between euros 4,000/sq.m and euros 7,000/sq.m.

The development of the Kaufman & Broad group in Regions allows it to build Multi-occupancy housing for first-time buyers, second-time buyers and investors in the main urban areas but also in secondary cities with high economic activity.

In addition, on the Atlantic, Normandy, Breton and Mediterranean coasts, Kaufman & Broad's achievements in qualitative sites attract a clientele of pensioners and remain highly attractive areas on which Kaufman & Broad has been positioned for several years.

1.4.2.2.4. Social housing (Kalilog)

To meet the need to implement social housing programs, particularly in regions where Kaufman & Broad does not operate (outside the major cities, i.e. in social zones 2 and 3, Pinel B2 and C), the group has created a dedicated structure that operates throughout the country.This activity is for the group a new diversification and additional development for 100% VEFA social projects.This is a "bespoke" offer for local authorities, adapted to each region; namely: A municipality, a need, a project, and this, within an optimised time.Kalilog is a response that will allow local authorities to reach the 25% threshold of social housing imposed by the *SRU* law, but also to acquire a real estate offer that meets all the real estate paths of their inhabitants.

1.4.2.2.5. Managed Residences

Kaufman & Broad develops tourism, student, business and seniors residences throughout the country.

The operation of managed residences is entrusted to selected managers with recognised know-how, reputation and proven financial strength, ensuring owners a rental guarantee. These specific housing units are marketed as part of the decpreciable LMNP investment schemes, allowing buyers to benefit from the recovery of VAT.

The development of this activity is based on three major strategic priorities:

- Student residences: The group's objective is to maintain the level of development in "traditional" student residences to meet the growing need for housing in this sector while developing "new generation" student residences concepts;
- Senior residences: Kaufman & Broad is positioned as a key player in the *Silver* Economy and responds to the national challenge of maintaining people with a loss of autonomy at home, by offering two solutions: to adapt housing for most of purposes and, for people seeking social ties, housing residences grouped for seniors in partnership with nationally recognized service providers. These Multi-occupancy housing units are offered in home ownership, free investment furnished, LMNP or "Pinel" schemes.

According to the INSEE , population growth may be +7.0 million by 2070, bringing the French population from 68.3 million (at the end of 2022) to nearly 76.5 million by 2070. The continued increase in life expectancy is expected to profoundly change the age pyramid towards a growing ageing population. By 2060, nearly one third of the French population will be over 60. People aged 75 or over would be almost twice as large in 2060: 16.2% of the population at that date, compared with 8.7% of the population currently, an increase of more than 6.0 million. To meet this trend, Kaufman & Broad launched an innovative concept in 2017: «Cosy Diem». This concept aims to meet the need for autonomy and independence of this population wishing to extend their autonomy while taking advantage of a presence and a friendly environment.

It is structured around the following elements:

- a personalised coaching program developed with the help of the gerontopole to maintain the capacities of residents according to their wishes;
- on-site dining based on healthy, organic and fresh products designed for the health of local residents and from short supply chains;
- maintaining social ties and developing intergenerational ties through a presence in the heart of cities and opening the residence to its immediate environment, both geographical and societal (e.g. accessibility of the local market, shops, partnership with nurseries, etc.).

1.4.2.2.6. Commercial property

In the past, Kaufman & Broad developed a major business in commercial property that strengthened its reputation in the Paris region.Since 2011, the group has relaunched this business at an average of one to two office operations per year and, since the acquisition of Concerto at the end of 2014, one to two logistics platforms per year. As part of its service activities, the group may also develop hotel or Retail areas operations.The group carries out this activity, either on behalf of third parties (delegated project management and property development contract) or on its own behalf to sell it, generally respecting a strict policy of buying land once the entire pre-marketed program (*VEFA* system :sale-before-completion agreement *VEFA* contract).

Kaufman & Broad strives to address the key concerns of users in all of its commercial propertu projects by designing:

- Quality, pleasant spaces for use and adapted to new ways of working,
- Efficient buildings (optimisation of the surface area per workstation), with technical, energy and environmental performance and optimised operating costs;
- These buildings also respond perfectly to investors' expectations, by maximising the value of the investment made by a high-quality design (high-end building), favouring the flexibility of spaces and their ability to evolve over time and therefore their sustainability.

New offices

Each project for a new set of offices is unique.The Kaufman & Broad Commercial Segment teams are therefore present at every stage of the project, from design to construction, to support customers, investors and occupants in the creation of a "bespoke" project.A new office building is the result of a careful creation process, the compilation of rigorous parameters and decisive choices made in close collaboration with the group's partners to:

- Choose the best locations;
- Providing tailored responses to the needs of companies;
- Integrate the expectations of governments and investors;
- Build the most healthy and comfortable, the most economical and virtuous, the most efficient and profitable buildings.

Restructured offices

Since 2010, Kaufman & Broad has been involved in the commercial building restructuring market to address building managers who wish to avoid the discount of their property holdings due to obsolescence.This renovation offer should enable them to benefit from both a revaluation of their real estate assets, significant reductions in energy consumption, compliance with standards and the customised restructuring of buildings.

For the group, the challenges of restructuring can be broken down as follows:

- Create "core" assets by repositioning them through their restructuring into the premium segment of the Commercial property market in *VEFA* contract;
- Restoring the functional and technical qualities of new buildings;
- Optimise surfaces and spaces;
- Enhance the charm and authenticity of the original architecture or propose a new interpretation of the site.

With this in mind, Kaufman & Broad strives to:

- Anticipate the legal and regulatory framework;
- Reducing the energy consumption and carbon footprint of user companies;
- Protect the health of users.

The objective is to recreate an appeal that will allow for a new cycle of long term profitability and optimal liquidity of real estate assets.

Logistics and business platforms (Concerto)

Created in 1998, Concerto is one of the French leaders in logistics engineering in France. A subsidiary of the Kaufman & Broad group since 2014, Concerto strategically complements the expertise and know-how of Kaufman & Broad's Corporate Real Estate Segment and demonstrates its ability to create value for its industrial customers or distributors by offering them bespoke solutions and projects that meet the new technical challenges facing the logistics businesses today.

Concerto offers professionals solutions for real estate/logistics functions to enable them to transform fixed costs into variable costs and remain focused on their core business.In this context, Concerto, through its experience in logistics engineering, designs turnkey projects adapted to the needs of its customers in a spirit of a long-term partnership, and carries out operations to reconvert/rehabilitate sites close to urban centers.Concerto is active in the high value-added logistics sectors in all sectors of the industry, local logistics (large Retail areasers, Retail areasers) and logistics for new locations.

Hotels

To develop new concepts and diversify the heritage of its future customers, Kaufman & Broad offers its know-how in hotel project design to the largest national and international brands.

These teams can offer their future customers bespoke projects to:

- Capture the benefits of tourism growth and globalisation;
- Develop new hotel concepts that create more value and are attractive to customers;
- To meet global urban challenges and find their place at the heart of the city.

Retail areas

Kaufman & Broad does not design an operation without thinking about the inhabitants, the employees, the neighbourhood and the customs of each of these parties. The group puts its know-how and expertise in Commercial property at the service of users and the city to develop commercial premises on the ground floor of housing buildings or managed residences.

Real Estate Development, Urban Projects and innovation

The group believes that the development of complex projects on an urban scale could offer it growth potential in the coming years. Kaufman & Broad therefore created at the end of 2019 a Development Department, which aims to support and meet the expectations of local authorities in their eco-urban projects. This department introduces a new model of neighbourhood projects that integrate the entire life cycle of the neighbourhood from the design stage, establishing a partnership relationship with local authorities both upstream and over the long term.

The Planning Department offers strong expertise and a structured approach in the structuring and implementation of operations with mixed programming, as well as specific resources for the realization and realization of projects with an urban vision.The Segment is also part of a strategy of integrating and mastering innovations in mobility, energy, the circular economy and new urban services to promote a new generation of sustainable neighbourhoods.This approach establishes for each project, in agreement with local authorities, targets for excellence and measurement indicators to which the group is committed over the long term.The operations that the group is developing are of a wide variety of sizes and are based on the conviction that the success of a sustainable neighbourhood requires the coherence of all the components of its ecosystem.

1.4.2.2.7. Managed residences portfolio: Developer-investor-operator

In 2020, the group decided to create a developer-investor operator activity in the managed residences sector. The aim is to offer a new class of institutional, private and public investors portfolios of managed residences (senior and student) offering regular returns with low capital risk over 10 to 20 years.

1.4.3. Marketing and sales

Kaufman & Broad deploys a marketing organization to meet two major strategic objectives:

- Provide the sales force with a continuous flow of qualified and mature prospects or contacts in their acquisition project, thanks to appropriate marketing mechanisms;
- Improve acquisition costs and transformation rates through rigorous control of the effectiveness of the actions implemented, and a test and learn *policy* .

For Kaufman & Broad, marketing is a key step in the customer journey and one of the important criteria for its final satisfaction.

1.4.3.1. Sales team

Kaufman & Broad relies on all the sales channels available to it according to the nature of its offer and to always find the best ratio between marketing costs and flow rates. These channels are as follows:

Internal Direct sales

At November 30, 2023, the sales teams consisted of 88 people, including 36 new real estate advisers with an average seniority of 10.6 years in the group. Sellers receive a fixed remuneration plus a commission related to the sales made. Kaufman & Broad believes that its sales team is particularly efficient, professional and efficient. It benefits from dedicated guidance and training that allows it to adapt quickly to the expectations of customers, whether individual investors or future residents of their acquisition.

The revenues team is equipped and trained to offer the same customer experience to potential buyers in all geographic sectors. They are trained to discover and support customer needs and to be able to offer Kaufman & Broad's national offering.

To be as close as possible to its customers' expectations, Kaufman & Broad has developed modern, multi-program revenues spaces that allow for a personalised digital experience, but has also equipped its sales force with tools to offer buyers meetings at home or in a third place of their choice, as well as the possibility of video conference interviews supported by a particularly efficient document sharing platform.

Since 2017, Kaufman & Broad has developed the concept of shopping spaces as multi-program and offer a digital and personalised experience.

Intermediated sales

Kaufman & Broad also relies on:

- Independent wealth management advisers;
- Banking networks;
- Marketing networks;
- revenues platforms

whom it mandates to distribute the products developed by the brand to a clientele mainly composed of private investors. This revenues channel is managed by an internal team of Prescription Managers, who are responsible for leading these players, facilitating product selection and presentation to their customers using dedicated marketing tools, including an extranet site www.kbpatrimoine.fr.

Block sales

Finally, Kaufman & Broad sells part of its production to institutional investors. To do this, its General Management in charge of sales and institutional sales, is in constant contact with major «social housing» or «intermediate» landlords, institutional investors, banks and financial institutions, to identify needs and opportunities and relies on regional departments to develop appropriate proposals.

1.4.3.2. Points of sale

Kaufman & Broad marks the customer journey by adapting its points of sale according to the time of marketing and the needs of the targeted prospects. As a result:

- On an ad hoc basis, conventional sales offices at construction sites in dense catchment areas and in commercial zones;
- The BoutiK , which are generally open 6 days out of 7 and are located in the centre of a given sector of operations; they offer a permanent address for the Kaufman & Broad brand in a given geographical sector and allow all of its operations to be marketed;
- Appointments at the customers' home or in any other place that allows them according to their schedule of time and availability;
- Decorated apartments or Show homes that have not only the function of point of sale but also of tools to visualise the product sold.

The health crisis has had the effect of generalizing distance selling, which relies on effective online presentation and signature tools.

1.4.3.3. *Showrooms*

One of the first expectations of new real estate customers is the personalisation of their homes before delivery. This is why Kaufman & Broad offers a wide range of services and services to support buyers in this approach. Kaufman & Broad welcomes its customers in Showrooms in Courbevoie, Lyon, Toulouse, Fréjus and Nantes. These spaces have many references (carpets, tiles, floors, fireplaces, closets, storage rooms, bathrooms, kitchens, etc.) In simulation, allowing customers to view and make local choices with expert advice. This service provides Kaufman & Broad's customers with a genuine link between commercial and technical services. Digital tools also enable customers to make their choice remotely.

1.4.3.4. Operational Marketing and Advertising

The contacts made to the revenues force come from two types of levers:

- "Production-centric" advertising campaigns geolocated and targeted according to the characteristics of the program, the market and the competitive context. These campaigns are implemented in particular when programs are launched.
- Transversal "client-centric" campaigns that are geolocalized and thematized.These campaigns have the dual objective of nurturing Kaufman & Broad's prospects and maintaining or developing its brand image and reputation.They rely largely on targeted digital marketing actions.

These actions are determined and managed using data reporting tools, which enable the team to accurately and in real-time ensure the return on investment of the actions carried out.

1.4.3.5. Digital tools

All operational marketing and advertising initiatives focus on digital tools dedicated to supporting customers. The main B2C www.kaufmanbroad.fr website is constantly benefiting from functional changes aimed at continuously improving the user experience on the one hand and natural referencing on the other.

Kaufman & Broad offers a 3D view of the residence for all its programs sold to individuals. This special feature contributes to customer satisfaction and allows all marketing channels to be particularly effective in selling remotely and meeting the needs and wishes of their customers in this new mode of consumption for real estate.

The digitisation of sales assistance tools is at the service of all sales channels and in particular intermediated revenues through the provision of the www.kbpatrimoine.fr website to all mandated partners. This extranet presents the majority of the offer and offers intermediaries several tools (tablets, selection tools, dashboard, etc.) that will facilitate their presentation to their customers.

The entire offer is also distributed via secure and automated flows on various distribution or marketing platforms.

Lastly, an extranet site dedicated to orders, www.mon-espace.kaufmanbroad.fr, supports customers in their journey from order to delivery and allows them to communicate with their internal contacts directly from their secure space.

1.4.4. Marketing method

To limit its financial commitments, Kaufman & Broad generally begins the process of marketing its programs before the final purchase of the land.

This pre-marketing of the operation is launched if possible at the beginning of the construction permit investigation. As soon as the cost of the operation has been established and the delivery deadlines for the housing units are fixed, order contracts may be offered to customers.

Kaufman & Broad must comply with the laws protecting purchasers, in particular, the *SRU* Law included in the Construction and Housing Code. As a result, the revenues administration department notifies the customer, by AR 24 (Registered letter with recorded delivery), of a copy of the signed order contract. All customers have a legal reflection period of 10 clear days from the receipt of the contract during which they may withdraw.

In the absence of withdrawal, the sale to be made following the order is no longer subject to the usual condition of obtaining loans and the related insurance contract. The bookrunner nevertheless retains the right to withdraw in return for the loss of the security deposit.

1.4.4.1. Customer assistance during the marketing process

revenues teams can help customers set up a financing project if they wish and in view of the elements they provide. This initial analysis makes it possible to approximate the financial capacity of each buyer and to limit the risks of calling into question the cancellation condition related to the non-receipt of financing.

As part of its customer service development strategy, Kaufman & Broad generally provides its customers with financial institutions (leading banks in the marketplace) and brokerage platforms with which the group has partnered to offer its customers loans in the best possible conditions. A financial adviser may also be present in a sales area when launching a significant transaction.

The group's revenues administration department supports customers until the signature of the authentic deed of sale. It generally monitors customers in the financial structuring of their loans, particularly in the structuring of their loan files and their insurance. It ensures that the notary makes the notifications of the draft revenues contracts of the customers which must, in accordance with the legal provisions, be sent to the customers at least one month before the provisional date of signature. Lastly, it ensures that the notice of signature of the notarial deed is sent according to the timetable set.

1.4.4.2. Form of revenues and timing of payments

Since 1 September 1999, the group has marketed all its operations under the rules governing sales before completion ("*VEFA*") regime, as do most of its competitors.

Through the sale-before-completion agreement VEFA contract, the legislator has given real estate developers the option to call customers funds according to the progress of the work according to a schedule governed by the Law, on the one hand, and the obligation to issue in consideration to customers a financial guarantee of completion (GFA) (see paragraph 1.5.4. "Financing of programs"), on the other hand. Payments may not exceed in total 35% of the price upon completing the foundations, 70% at the provision of water and 95% at the completion of the building. The balance is due at delivery. The signing of the *VEFA* contract makes the buyer immediately the owner of the land and then the building as it is built.

In a sale before completion, most of the calls for payment (*VEFA*) , the deadlines for customers follow this schedule, for most Single-family homes in communities programs: 5% deposit guarantee upon order on an escrow account if the authentic deed has occurred in the year following the order, 25% at the declaration of the opening of the site with works actually started, 5% upon completing the foundations, 20% upon completing the framework, 15% at the provision of water, 15% upon completing the interior partitions, 10% upon completing the final works and 5% at the delivery. For Multi-occupancy housing programs, the deadlines follow this schedule in most cases: 5% deposit guarantee deposit at the order on an escrow account if the notarized deed has passed in the year following the order, 25% declaration of the opening of the site with works actually started, 5% upon completing the foundations, 20% upon completing the lowest or ground floor, 10% upon completing the lowest floor 2nd floor, 5% upon provision of water, 10% upon completing the external joinery, 10% upon completing the interior partitions, 5% upon completing the final works and 5% upon the delivery. Calls for funds are sent to customers on the basis of certificates of work drawn up by the execution project manager. It is specified, however, that if the signature of the deed of sale occurs after the completion of one of the above events, the fraction of the price payable at the signature will be that provided according to the progress of the work, as determined by the said schedule. Kaufman & Broad is likely to adjust this schedule for customers as part of one-off promotional operations to increase the pace of marketing of certain programs. Except for exceptions related to the particularities of the order contracts entered into by the external revenues networks, on the one hand, and exceptional commercial conditions, on the other hand, 2 to 5% of the price including VAT of the accommodation are generally paid by the customer when signing the order contract, this amount must be deposited by the group in a deposit escrow account. This amount is frozen until the signature of the definitive sale agreement, the date on which the sums are definitively acquired by the group. This amount is returned to the customer if (i) the sale contract is not concluded by the group within the time period provided for in the order contract, (ii) the loan(s) provided for in the order contract are not obtained by the customer or their amount is 10% lower than the forecast of the order contract, (iii) one of the equipment elements provided for in the order contract must not be realized or (iv) the building or part of the building that was the subject of the order contract presents, in its consistency or quality of the planned structures, a value reduction, assessed by an expert, greater than 10%.

1.4.4.3. Customer service

In the interest of customer satisfaction, Kaufman & Broad has set up a customer service department to provide answers to all questions buyers may have about the operation of their property and any defects they may have found.

This service comes from the delivery of the property and becomes the point of contact for customers able to provide them with all the information necessary for the proper operation of their property and their proper installation, and to assist them in their procedures.

Thus, when a defect in the functioning of the property is reported, customer service contacts the responsible construction company and ensures its rapid intervention. Similarly, in the event of the guarantee of perfect completion (one year), the biennial guarantee of good operation or the ten-year guarantee, the customer service assists the customer in its procedures by contacting the works companies concerned or the insurance companies (for a description of these guarantees, see section 4.2.3. "Insurance").

To ensure customer satisfaction and the constant improvement of its customer service, Kaufman & Broad has entrusted a third-party organization (*BVA*) with the implementation of a customer satisfaction survey. Thus, customers are asked at different stages of their journey about both the general quality of construction and the different services of the group (sales team, technical service, interior design advisor and customer service). The analysis of results allows the group to better understand customer requirements and continuously improve the products and services it offers them.

1.5. Operations sequence

1.5.1. Product typology

1.5.1.1. Single-family homes in communities, multi-occupancy housing and managed residences

The development of a program of Single-family homes in communities and for Multi-occupancy housing generally takes place in four stages: Obtaining administrative permits, buying land, marketing housing and building it.

If possible, marketing (order contracts) begins when the building permit is filed and even before the land is purchased.

The normal cycle of implementation of a traditional program (construction of various roads and networks and construction) of Single-family homes in communities is on average 18 months.

The cycle for a multi-occupancy housing program is approximately 18 months, this period does not take into account the prior period necessary for the assembly and pre-marketing of the operation.

1.5.1.2. Commercial property

Commercial property transactions are generally carried out only on behalf of third parties or sold in the future to an identified end user or end investor.In the context of restructuring or renovation operations, the group is entrusted with a property development contract (the group designs and builds the project on behalf of an investor who owns the building at a fixed price including his fees) or delegated project management (the group does not advance any funds for construction and receives only fees).As part of a sale on completion, the group designs the real estate project with the assistance of external architects.As soon as the sale agreement is signed, the group looks for a tenant or user of the future premises, as well as the final investor who will be the buyer of this real estate transaction.The acquisition of the land or building is only carried out if this research has been completed, in whole or in part.

Generally, the purchase of the land takes place and the construction of the offices is only started when the real estate project is fully sold.

1.5.2. Purchase of land

1.5.2.1. Land selection

Kaufman & Broad's strategy is to purchase only the land necessary for the development of its activities and never to purchase land as a speculative investment.

Land purchased by the group in the last three financial years (including land purchased by the companies acquired in the financial year in which their acquisition took place) represented a total investment of 325.8 million euros including the acquisition of land from the Austerlitz station renovation operation, compared to 209.2 million euros for the financial year 2022 and 242.3 million euros for the financial year 2021.

Kaufman & Broad has its own teams specialising in real estate research and transaction structuring.

These teams search for land, study the administrative, legal, commercial and technical aspects and also prepare a forecast financial balance sheet of the project. They are looking for land that meets the selection criteria set by the group, particularly regarding:

- Their geographical location (near a dynamic city with a good image for Single-family homes in communities and in downtown areas or close to an attractive urban area with a good image for Multi-occupancy housing);
- Their environment (proximity to job pools, public transport, public facilities such as nurseries and schools, shops and cinemas, green spaces, sports infrastructure - golf, swimming pool, etc,);
- Their quality (soil and exposure);

The group's investment criteria are as follows: Land for Single-family homes in communities to carry out programs ranging from 15 to 90 houses and, for Multi-occupancy housing units, operations ranging from 10 to 200 units or more, with a minimum projected gross margin of 19.0% (excluding social housing).

The quality control of the land is carried out by Kaufman & Broad. A study of the nature of the land to be acquired, usually including a study of pollution and the land history, is systematically commissioned from a specialised office.

For Single-family homes in communities programs, a technical study of various roads and networks is generally conducted to determine the amount of land improvement work to determine the overall cost of land development. Kaufman & Broad has since established a team of technicians specialising in various roads and networks. This team prepares the mass plan (overall project implementation plan) and monitors the development of the operation.

1.5.2.2. Approval of projects by the Land Committee

The Land Committee unanimously approves the strategic and financial relevance of the proposed projects of operations and the preliminary provisional expenditure budget (until the filing of the application for a building permit) and authorises the implementation of an Indemnity for the Immobilisation of Land (in particular in the case of unilateral promises to sell).

This Committee is composed of the Chairman and Chief Executive Officer, the Chief Financial Officer, the Chief Commercial and Marketing Officer, the CSR and innovation Director, the Chief Executive Officer in charge of the region concerned and the Agency Director.

The file presented by the Director of the Agency to the members of this Committee in general includes the following information:

- A presentation of the land and its environment (situation in the municipality, proximity to shops, public facilities and services);
- The nature of the legal commitments envisaged (type of promise to sell or proposed company buy back, form and amount of compensation for land assets);
- A market study to analyse the local market, infrastructure, the price of new and old housing in the geographical sector, the number of operations in progress and under development in the sector, to propose an average selling price of housing for the proposed project;
- A technical and architectural feasibility study;
- Forecast distribution by distribution channel;

- A forecast schedule for completion;
- A financial balance sheet and a cash flow plan based on forecast selling prices resulting from market research;
- The provisional amount of the preliminary expenses for the filing of the building permit.

1.5.2.3. Project management and development costs

If the project is selected by the Land Committee, a preliminary, generally unilateral sale agreement subject to the condition precedent of obtaining a permanent building permit and subject to the conditions of use (conditions relating to the release of the premises, conditions relating to the nature of the soil, the presence of pollution or the presence of classified facilities as covered by the French Environment Code, as well as the absence of an archaeological prescription) may be signed.

This promise includes, in particular:

- The sale price of the land;
- The terms and conditions of the transaction: Obtaining the necessary administrative permits to produce a minimum number of square metres of building capacity or, for Single-family homes in communities, a minimum number of houses;
- The period for exercising the planned purchase option, which must be compatible with the time required to obtain the administrative authorisations served by third parties, or even administrative withdrawal;
- Generally, a marketing clause.

In some cases, the group enters into commitments to acquire shares in companies that own land.In addition to the conditions precedent described above, these promises to sell units contain conditions precedent relating to carrying out accounting, financial and legal audits.

1.5.2.4. Commitment Committee

Prior to the filing of the building permit application (as well as after the signature of the synallagmatic revenues promise if the use of this type of commitment was necessary) and the launch of the marketing, the members of the Land Committee meet in Commitment Committee to validate the strategic approach of the transaction (in particular for commercial and technical aspects), validate the updated budget of the transaction, which will be considered as the reference budget, validate the typology and composition of the transaction, authorize the filing of the building permit application and authorize the launch of the company consultation file (DCE) and marketing and commercial tools. These decisions constitute a unanimous authorisation granted to the Director of the agency concerned to continue the study of the real estate project.

The information presented to Committee members is an update of the file initially presented to the Land Committee.

An application for a building permit is then filed with the town hall of the municipality in which the operation is carried out. Kaufman & Broad teams follow the examination of the files with the technical departments of the cities concerned or the competent Departmental Equipment Department (DDE). The normal time limit for examining the building permit file is generally three to five months. To this time limit, the third-party appeal period must be added, which is two months from the posting of the building permit on the site and take into account, in some cases, the withdrawal period by the mayor, which is three months. Third parties (associations, local residents) may challenge building and demolition permits, basing their appeal on non-compliance with local urban planning rules (local urban planning plan, commercial zone development plan, etc.) and the Urban Planning Code.

In the event of an appeal, the group has three options:

- Renounce the continuation of the operation by relying on the non-fulfilment of the condition precedent of obtaining a building permit served by all appeals provided for by the promise to sell the land;
- Defend the case before the competent administrative court (however, this solution is rarely used because of the significant delays related to the congestion of these courts);
- Attempt to reach an amicable agreement with the applicant whereby they agree to waive any recourse.

1.5.2.5. Final decision to purchase land

The final decision to acquire the land is made by the members of the Land Committee.The general rule adopted by Kaufman & Broad provides that the land is definitively acquired if (I) the administrative authorisations required to carry out the proposed programme are obtained and served from third parties' appeals (the latter condition applies in most cases), on the one hand, if (II) the profitability of the program as presented in the forecast financial balance sheets is verified, on the other hand, and finally if (III) the pre marketing rate is satisfactory.

In most cases, operational managers submit their land acquisition request when their project has reached a marketing rate of around 50% in value. Exceptions, such as meeting the deadline for the promise, may lead the group to acquire land before this marketing rate has been reached.

The Group regularly monitors the level of marketing of its real estate programmes when the land is purchased during each fiscal year. At November 30, 2023, the average pre marketing rate for all programmes purchased during the year was 72%, compared with 63% for 2022 .

Exceptionally, the members of the Land Committee may authorise an acquisition without all of the conditions listed above being met, for example outside the target pre-marketing rate or in the absence of all the administrative authorisations served with all appeals.

If the projected financial statements on the basis of which the Commitment Committee has decided cannot be respected, the final acquisition of the land concerned is subject to a further review by the members of the Land Committee.

Any application for land acquisition by the Agency's management takes the form of a file containing the following elements:

- Memo on the administrative situation on the ground and marketing;
- Updated budget;
- Forecast cash flow plan;
- Status of the case;
- Status of orders updated by distribution channel with comparison of the objectives of the Commitment Committee;
- Comment by the Agency Director on the reserVATion rate if it is less than 50%;
- Draft notarized deed;
- Status of the Business Consultation File (DCE).

1.5.3. Land development and construction monitoring

1.5.3.1. Single-family homes in communities

Most of the land that Kaufman & Broad buys to develop its Single-family homes in communities programs is not yet serviced. The land development study is carried out prior to the final acquisition of the land by a team of technicians specialising in the problems of roads and various networks, assisted by an external design office.

Generally, construction work is only started after reaching a marketing rate of around 50% in value of the unit of houses to be built.

The technical department of the Individual Houses Segment, made up of the group's specialised engineers and technicians, is the project manager for Single-family homes in communities programs and monitors their implementation and all phases of progress. It ensures that they comply with the signed markets and the quality standards of Kaufman & Broad and ensures compliance with the schedule.

To this end, works managers regularly check the progress of the works on the spot, with each manager having the responsibility for two or three programs. Field control offices are also mandated to ensure the good quality of project execution.

Unit delivery of Single-family homes in communities programs provides very high security by allowing the start of work on the first and subsequent units depending on the pace of marketing.

Tranche delivery also offers a great deal of flexibility as it makes it possible to change the distribution of the types of houses planned according to the preferential choice of buyers. If such a change is decided, the group administratively regularises this new choice by filing a modification building permit.

1.5.3.2. Multi-occupancy housing and Commercial property

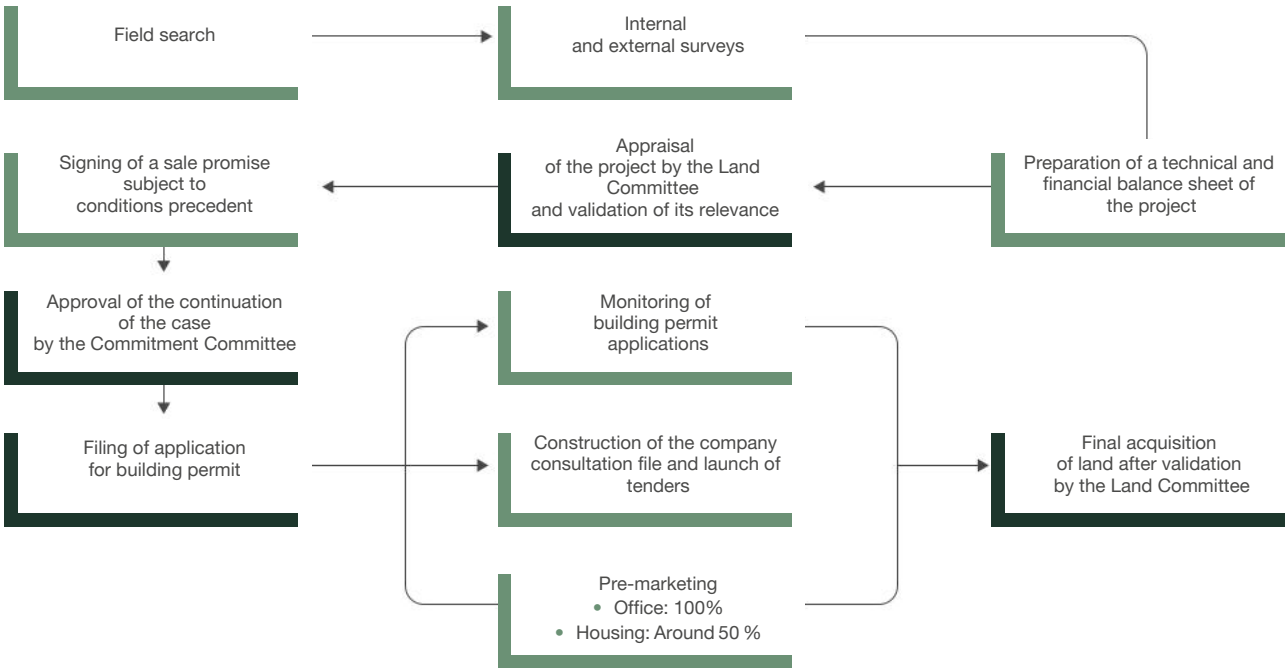
As a general rule, construction work on Multi-occupancy housing starts only after reaching a marketing rate of around 50% in value of the total operation.

On the other hand, land purchases take place and construction work on Commercial property operations is only started after having generally reached a marketing rate of 100%.

For its Multi-occupancy housing and Commercial property programs, Kaufman & Broad does not generally act as Project Manager (except in regional cases) but uses external architects and/or Project Managers who, in agreement with the group, prepare the architectural project and the schedule of the program, and control the quality and the proper execution of the services.

Centralisation of risk analysis and control

The diagram below summarises the *business model* described above:



1.5.3.3. Monitoring of operating budgets

Every quarter, the operating budgets of all real estate programs are reviewed and updated by the operational players concerned in the agency (land, technical, commercial) under the responsibility of the relevant regional management controller, to be validated by the Agency Director. The financial balance sheets are presented quarterly by each Agency Director concerned, to the Finance Department and to the Chief Executive Officer in charge of the Region within the framework of the quarterly Committees, where they are then approved jointly.

1.5.4. Program financing

The group's financial structure is described in section 4.1.3.3 "Risks related to the company's indebtedness" and in section 6.1.5. "Notes to the financial statements," Note 6 "Financing and financial instruments."

To minimise the risk of exposure to a decline in the number of institutions able to grant such guarantees to the group, it uses an expanded and diversified number of leading banking institutions. The group's main banking institutions are: Crédit Mutuel ARKÉA, Crédit Mutuel group (CIC, BECM, etc.), Banques Populaires group and Caisses d'Épargne group (Palatine, SOCFIM, Natixis, Caisse d'Épargne Midi Pyrénées), Crédit Agricole Corporate Investment Bank (CACIB), Société Générale, and BNP Paribas, and then, in addition to these, financial institutions specialising in guarantees and insurance brokers, such as: Atradius, MB cautions (QBE, ERGO, Tokio Marine Europe), CGI Bâtiment, Weez'Us (Liberty), and Allianz (formerly Euler Hermès).

Article L. 261-10-1 of the French Construction and Housing Code provides that a financial guarantee of the completion of the building or a financial guarantee of the reimbursement of payments made in the event of the termination of the contract if it is not completed is provided to customers before the signature of the authentic deed of sale. For revenues of buildings to be built whose building permit was filed before 1 January 2015, this guarantee could result either from a guarantee specific to the transaction (so-called "intrinsic" guarantee) or from a bank guarantee (so-called "extrinsic" guarantee). The intrinsic guarantee was abolished by Order No. 2013-889 of 3 October 2013, ratified by Article 172, IV, 6o of the Alur Law of 24 March 2014.

For all its programs, the group systematically uses the extrinsic guarantee system by obtaining a financial guarantee, transaction by transaction, from the group's banking and financial institutions mentioned above. This method allows it to accelerate the signing of revenues contracts and the fund raising scheme.

1.5.5. Builders and suppliers

Kaufman & Broad's policy is to generally choose all of its companies and suppliers on tender, whether they are general companies responsible for carrying out all the works or different companies in the event of tenders by separate state bodies.

As available, Kaufman & Broad checks the financial strength of companies and their financial capacity to provide the program (given their size and that of the program) by using, for example, the services providing financial information about companies. Kaufman & Broad also ensures that these companies are covered by appropriate insurance. The group verifies the quality of their previous achievements and compliance with worksite schedules. Finally, the companies are selected and the contracts signed by state body and program by program.

Since 2008, the group has implemented a national purchasing policy for the second project, which rationalises the services provided to customers and optimises the associated costs (see sections 5.1.4.3.1. "Purchasing and subcontracting" and 5.1.4.3.2. "Compliance and ethics at Kaufman & Broad,").

For its Single-family homes in communities programs, the group mainly uses separate state-owned companies.Most general enterprises do not build Single-family homes in communities or do so at higher prices than those offered by separate state-owned companies.The majority of Multi-occupancy housing programs are also carried out by separate state-owned companies.A smaller portion is entrusted to general companies.

Most of the Commercial property operations are carried out in general companies, which have the know-how necessary for the complexity of these programs and for meeting the resulting deadlines.

Architects, design offices and surveyors are chosen either by tender or by contract. The choice is based on their expertise, their financial proposal, their organization and the quality of their previous achievements.

The group considers it important to assess its dependence on its main suppliers.

To better assess its risk of exposure to supplier default, a procedure has been in place since November 1, 2023 the selection of a supplier, partner or partner and the signature of the contract during a call for tenders. The use of financial ratings aims to guarantee the solidity and reliability of the companies with which the group contracts.

1.6. Intellectual property

1.6.1. Brand differentiation

1.6.1.1. Kaufman & Broad brand

The group sells its Single-family homes in communities and Multi-occupancy housing (apartments) mainly under the brand name "Kaufman & Broad," as well as, where appropriate, under brands in its portfolio, resulting from buyouts and benefiting from a local reputation.

Kaufman & Broad ranked in the Top 3 French real estate developers for the 2th year running, according to the «Best Brands» survey, conducted by the economic magazine Capital, among 20,000 consumers, Kaufman & Broad won its place on the developers' podium with an average score of 6.78 out of 10 for its quality of service. This very good score rewards the constant commitment of the group's employees to serving its customers. The questionnaire, prepared by the Statista Institute of Studies, covered three areas: the attention paid to customers by employees, their level of expertise and the desire to recommend the brand to friends and family members.Conducted since 2016, this highly monitored, relayed and publicised survey allows the magazine to list the 500 favourite French banners in 5 key areas: leisure, food, home, personal services and transportation.This distinction highlights our group's demand for service and expertise, and the quality of support offered to each of our customers.

Since 2007, Kaufman & Broad has owned the Kaufman & Broad brands and logos for the European Economic Area, the United Kingdom and Switzerland. To this end, Kaufman & Broad SA acquired the shares of Kaufman & Broad Europe Sprl (a Belgian company to which KB Home had previously contributed the brands and logos, which has since become Kaufman & Broad Europe SAS, a company incorporated under French law).

Licencing agreements have been concluded between Kaufman & Broad Europe SAS and Kaufman & Broad SA and between Kaufman & Broad Europe SAS and the main operating subsidiaries of Kaufman & Broad SA. Under the terms of these agreements, Kaufman & Broad Europe SAS granted Kaufman & Broad SA and its subsidiaries an operating licence for Kaufman & Broad trademarks, logos and domain names in France for an indefinite period, unless terminated by either party subject to three (3) months' notice. The licence is granted free of charge by Kaufman & Broad Europe SAS to Kaufman & Broad SA and in exchange for a royalty of 0.7% (excl. VAT) of the annual notarial revenues amount for the subsidiaries of Kaufman & Broad SA (payable quarterly) (see section 3.2.4. "Information on transactions with companies with executives in common with the company or group companies").

1.6.1.2. Other brands

The group owns other brands that it may use in the course of its business, including Bréguet, SMCI, Park, Frank Arthur, Sefima, First, Sopra, Résidences Bernard Teillaud, Avantis, Malardeau, SM2I, Concerto, Safaur, Serge Mas Promotion and Seri Ouest.

The group also acquired stakes in the following companies: Serge Mas Promotion (since December 2015), which develops operations under its brand; "Cosy Diem," which builds and operates senior residences (see section 1.4.2.2.4 "Managed residences"). In December 2021, Kaufman and Broad acquired a majority stake in Neoresid Holding; Recognised operator in short- or long-stay managed residences, especially student residences.

The group has also put in place service packages that it offers to its customers, to meet specific needs according to customs (students, seniors, first-time buyers, investors, etc.).

1.6.2. Main offices

The group leases offices in Annecy, Bayonne, Bordeaux, Caen, Courbevoie, Dijon, La Rochelle, Lyon, Marcq en Baroeul, Marseille, Montpellier, Nantes, Nice, Perpignan, Rennes, Rouen, Saint-Jacques-de-La-Lande, Strasbourg and Toulouse from external lessors for the conduct of its business. These offices are occupied under commercial leases, generally for nine years.Showrooms are also present in large urban areas where Kaufman & Broad has branches (see section 1.4.3.3 . *Showrooms* "), as well as a shared showroom between the Marseille and Nice branches in Fréjus. In addition, a «BoutiK» concept has been developed. These are modern sales spaces installed in most cities where the group develops and markets its housing programmes (see chapter 1.4.1.1 «Geographical presence»);

For Group companies as of November 30, 2023, IFRS 16 «Leases» provides for the recognition of leases in the lessees' balance sheet, with recognition of an asset representing the right to use the leased asset and a liability for the obligation to pay rents (See section 6.1.5. «Notes to the Financial Statements» in Note 5.3. «Property, plant and equipment» in the paragraph «Rights of use (IFRS 16)»). The amount of the IFRS 16 lease liability as of November 30, 2023 was 39.2 million euros for the remaining periods (see section 6.1.5. "Notes to the financial statements" in Note 6.1.3. "Net financial debt" lease debt).In addition, the repayment of lease debt in respect of 2023 amounted to 6.5 million euros (excluding of tax) (see section 6.1.3." Statement of Cash Flows «of this Universal Registration Document) compared to 8.6 million euros (excluding VAT) in 2022.

1.7. Investment policy

1.7.1. Research and development

On 10 July 2007, the Licence Agreement between KB Home and Kaufman & Broad SA was terminated, under which the group benefited from an exclusive know-how concession and the licence to use the Kaufman & Broad brand. Since that date Kaufman & Broad SA has owned the brand, logo and know-how previously owned by KB Home. The transfer process is described in paragraph 1.6.1.1. "Kaufman & Broad brand."

For the Kaufman & Broad group, development costs are mainly related to real estate development operations. They consist of land expenditure (commitments on projects for which land purchase commitments have been signed) and are treated in inventory as part of the cost price when it is probable that the program will be developed (see section 6.1.5. "Notes to the financial statements," note 5.2. "Other intangible assets," paragraph "Research and development expenses").

In addition, Kaufman & Broad has an integrated team led by an architect who constantly studies new products (including single family homes, eco design of buildings, development of a range of economically more accessible housing, etc.) that can be developed as well as a team of engineers who work to improve the quality of construction (sound insulation, thermal insulation - RE Label 2020 -, *PassivHauss* , waterproofing, Materials, energy solutions).

The group also occasionally conducts studies on consumers, their choice criteria in their purchasing process and the products offered by its competitors to adapt the products it sells.

innovation in business lines, products and uses: An innovation strategy serving the customer

The innovation and CSR Department, in conjunction with the Management Committee, in which it participates, defines innovation strategies. It ensures the development of a culture around innovation by coordinating two networks of internal employees composed of different business line managers responsible for sharing and disseminating know-how between the Agencies. It coordinates this internal collective innovation system to coordinate, crystallise, share and disseminate internal and external experiences and best practices. The strategy and organization of Kaufman & Broad innovation is detailed in section 5.1.1.1.2 "innovation within the CSR and innovation Department."

No significant research and development costs are currently in progress.

1.7.2. Main investments

In the conduct of its property development operations, Kaufman & Broad makes numerous purchases to build up its inventories and works in progress related to its programs.The inventories of programs in progress are evaluated at the cost price.The latter includes the purchase price of land, ancillary costs, taxes, the cost of public works (various network and roads), the cost of construction and development of model areas, land costs, and the fees and commissions inherent to the mandates issued by Kaufman & Broad for the revenues of property programs.The group sells all its property development operations under the sale for completion (SFSC) regime, i.e. the buyer becomes the owner of the land and building as it is built.In addition, revenue is recognised according to, among other things, the terms of IAS 11 "Construction Contracts" in terms of progress, that is to say in proportion to the technical progress, the starting point of which is the acquisition of the land, and the commercial progress (signature of deeds of sale) of each program.As a result, the stock of ongoing programs is therefore reduced as work progresses on the basis of forecasts made by program (see section 6.1.5. "Notes to the financial statements," note 3.4. Inventories).

Apart from these operating cycle investments, investments can be classified into three categories:

- The investments necessary for the day-to-day operation of the group's activities: IT investments (software and hardware), improvements to administrative sites (purchase of furniture and office equipment, etc. - see section 6.1.5. "Notes to the financial statements," note 5.3."Property, plant and equipment" et seq. of the notes to the consolidated financial statements). These cash flows from operating activities for the group as a whole represented 5.4 million euros in 2023 compared to 19.5 million euros in 2022 and 17.0 million euros in 2021;
- Investments made for external growth operations aimed at developing its activities. These investments are made either through the acquisition of companies or real estate projects, or through equity investments. The group's various external growth operations are described in section 1.1.2.3. "External growth policy";
- Financial investments made through the acquisition of minority interests (investments in joint development transactions). These transactions are recorded as financial assets and recorded under "Associates and joint ventures" on the assets side of the group's balance sheet. The book value of Equity affiliates and joint ventures corresponds to the proportionate share of the net situation held. This item includes, regarding the development activity, investment in capital and similar, namely current account financial advances made by the group to finance the programs. Kaufman & Broad regularly carries out share buybacks in co promotion programs, when the opportunity arises and to the extent that the transaction is of financial interest to the group (see section 6.1.5. "Notes to the financial statements," note 2.1.2. "Equity method of joint ventures and associates" et seq. of the notes to the consolidated financial statements).

1.7.3. Current and future main investments

Starting in 2020, the group also decided to extend its scope of intervention by including an investor operator activity in the managed residences sector, particularly for students and seniors, to that of developer-builder.

In 2021, Kaufman & Broad and the Banque des Territoires (Caisse des Dépôts group) joined forces in a new joint venture to strengthen the residential offer dedicated to the ageing in France. 51% owned by Kaufman & Broad and 49% owned by the Bank of Territories, SCI KetB Seniors' mission is to acquire seniors' residences in the future of completion from the Kaufman & Broad group, then to entrust the operation to Cosy Diem, a joint venture of Kaufman & Broad and Sérénis. (See section 1.1.2. Business lines and know-how in the paragraph "Portfolio of managed residences: Developer investor operator.")

In December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding, so that it became the manager of the student and co living activities that the group wishes to develop, particularly through its investment subsidiary in managed residences.

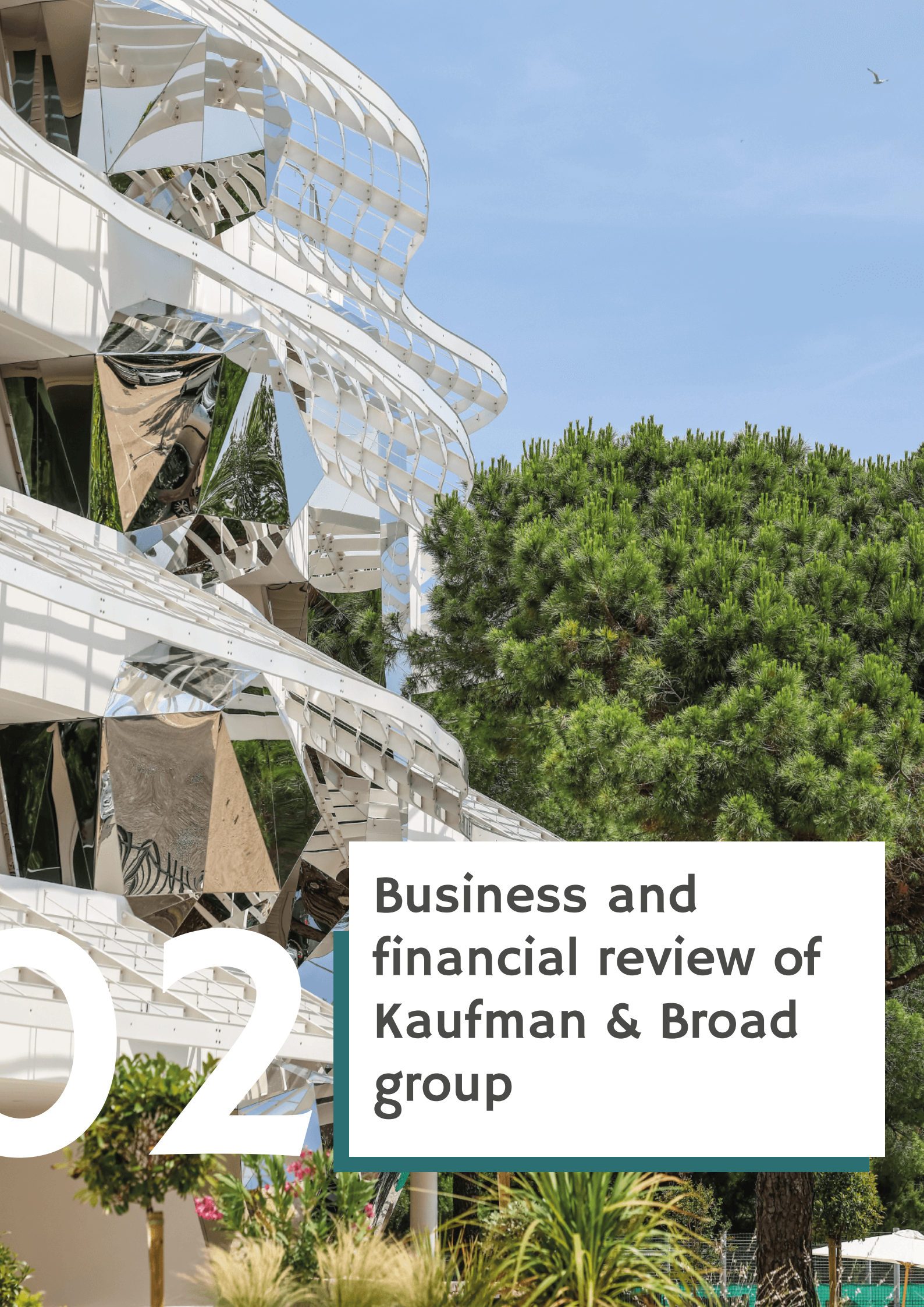
These managed student and senior residences projects represented an amount of 32 million euros for the 2023 financial year (partially treated as acquisitions of property, plant and equipment and intangible assets and the rest in flows with "Associates and joint ventures."

In addition, apart from the investments and equity investments mentioned above, the group did not make any major investments in 2023.

The group does not rule out the possibility of pursuing its development policy through external growth, provided that these also meet the group's financial requirements and its general strategy.

1.8. Principal subsidiaries and affiliates

See the organization chart in section 7.3.4. "group organization chart."



02

Business and financial review of Kaufman & Broad group

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2.1. Key business indicators for the Kaufman & Broad group

Kaufman & Broad has been a developer builder in France since 1968. It is mainly structured around two divisions, "Housing" segment which covers the development of Single-family homes in communities (grouped homes), Multi-occupancy housing such as apartments (which may include mixed-use buildings containing apartments/business premises/retail space/offices), business residences, tourism, hotels, student residences, homes for elderly people without medical care and the "Commercial property" services segment (Commercial property, logistics and retail area).

The group also carries out related activities but in connection with the Housing Segment, such as the sale of land, building lots, delegated project management and the sale of services complementary to those designated as "Showroom" (or "*Espace Déco*"). These activities are grouped under the term "Other activities."

Kaufman & Broad's core business remains primarily housing, which focuses on two areas:

- first is the group's geographical presence. The group is present in major French cities where the market is deepest and most dynamic, and where customers are the most solvent. It particularly favours the Paris area and the Atlantic and Mediterranean coasts, as well as the Rhône-Alpes, Lillois and Rhenan basins, which have for several years been offering the strongest economic and demographic growth and the best development prospects;
- The second area concerns customers.In fact, Kaufman & Broad's customers are traditional home buyers (first time buyers and second time buyers) and investors, whether individual (Pinel, LMNP, LMP scheme, etc.) or institutional.

For several years, Kaufman & Broad has become one of the leading French real estate players in both residential and Commercial property.In order to meet the major challenges for local authorities, real estate developers and local residents, as well as for investors (private, institutional or public) and future users, in 2015 the group set up an Urban Projects Department, which aims to support local authorities in carrying out new generations of eco urban projects. In 2019, the group set up a real estate developpment Department to offer strong expertise and a structured approach in the structuring and implementation of operations to mixed programming. Finally, in 2020, Kaufman & Broad decided to group the development of social housing projects within an entity and under the "Kalilog" brand, to propose a national response to these social housing challenges, particularly in regions where the group does not operate.

Since 2020, the group has been developing an operating investor activity linked to its real estate developper business (developer-builder) by adding an Developer-investor-operator activity in the managed residence sector. The aim of this activity is to ultimately offer institutional investors the acquisition of portfolios of managed residences in operation for seniors and students and young professionals.

- In 2017, Kaufman & Broad created in association a joint venture with SERENIS (operator of senior and healthcare establishments) intended as part of this portfolio of residences, to become the manager of the park of senior residences that the group plans to develop. Currently, this joint venture has five residences in its portfolio (two in operation, three under construction, two of which are scheduled for delivery in mid-2024);
- Then, in December 2021, Kaufman and Broad became the majority shareholder of Neoresid Holding, to form the manager of the student and co-living activities that the group wishes to develop, particularly through its investment subsidiary in managed residences.Currently, the group holds in portfolio and operates two managed residences, namely, those of Gagny and Amiens.

To date, the group has not carried out any development construction and/or operation of residences outside France.

2.1.1. Key data

Macroeconomic data

Growth in the euro zone, and particularly in France in 2023, is struggling because the traditional growth drivers (real estate, investment) seem to be running out of steam

At the end of 2023, economic activity in France continued to slow down. Indeed, the level of interest rates weighs unfavourably on investment and spending on credit. In addition, fluctuations in oil prices and, more generally, geopolitical developments (the ongoing war in Ukraine, as well as the recent Israeli Palestinian conflict, the upcoming US elections, etc.) may affect growth forecasts in the coming months. Similarly, the impact of monetary tightening on European economies remains difficult to predict.

During 2023, the main characteristics of the macroeconomic situation in France were as follows:[1]

- In a lacklustre context, French GDP was virtually stable (+0.9% year on year). While household consumption rebounded, business investment slowed down and foreign trade deteriorated, weighing on GDP developments. In addition, construction activity continued to decline, particularly with regard to the construction of new homes.
- After having remained for almost a year on a plateau of around +6%, the annual trend in consumer prices in France a started to decrease from spring , of fact notably from slowdown of price of petroleumproducts and food products.). On an annual average, inflation was +4.9% in 2023, after +5.2% in 2022;
- In the fourth quarter of 2023, the ILO unemployment rate stood at 7.5% of the labour force in France (excluding Mayotte), 0.4 points higher than at the end of 2022, but remained well below its peak in mid-2015 (-3.0 points). The long term unemployment rate increased very slightly (+0.1 point) to 1.9% of the working population, when the employment rate for the 15-64 age group recovered very slightly and stood at 68.4% of it. In the first half of 2024, the unemployment rate would increase by 0.1 points compared to the fourth quarter of 2023;
- On average over the whole of 2023, the average salary per employee (SMPT) and the monthly base salary (SMB) showed a positive trend (+4.2% and +4.3% respectively), but they declined again in real terms (-0.7% and -0.6% respectively). As in 2022, these declines reflected the sharp rise in prices.

(1) *INSEE - Economic review 2022 - January 2023.*

- For the year 2023, the gross disposable earning *(RDB)* of households increased by 7.3% compared to 2022 while at the same time the purchasing power of the RDB increased by only 0.3% compared to the previous year. ;
- According to INSEE , the number of salaried job creations in the private sector in 2023 was three times lower than in 2022 (+346,600 jobs). In 2023, salaried employment increased by 1.0% in the commercial property business excluding temporary workers and by 1.1% in industry. Conversely, it declined for the fourth consecutive quarter in the interim (-7.0% in the fourth quarter of 2023), and for the third consecutive quarter in construction (-0.7%). Agriculture was down 1.5% year on year in the fourth quarter of 2023 ;

New housing market

The unprecedented crisis in the sector is rooted in the continuous decline in the allocation of building permits since 2018, which has led to a tightening of housing supply, plus rising interest rates, inflation of regulations and excessive taxation. However, demographic and sociological factors continue to fuel sustained and unmet demand for housing.

The main characteristics of this market are as follows:

- In 2023[1], new home orders were down by over 37% compared to the same period in 2022, at 64,485 new home orders, equivalent to 1995. This sharp fall comes after a year 2022 down 13.8% (103,116 sales at the end of 2022 compared to 119,598 sales at the end of 2021).

(1) In terms of types of buyers (source: FPI), the situation breaks down as follows:

- Compared with 2022, retail sales were down nearly 38.4%, accounting for 72.1% of new home sales [2], while block sales (excluding Residential Services) were up 11.5% compared to 2022 and accounted for 23.1% of sales[2];
- Sales to retail investors decreased by 50.9% compared to 2022 and accounted for 21.2% of total sales in 2023. Investor sales[2] accounted for 34.5% of retail sales in 2023 at 20,140 homes compared to 41,014 homes in 2022;
- Sales to owner occupiers (including reduced VAT) representing 64.5% in 2023 compared to 55.6% in 2022) from 51,366 homes in 2022 to 36,760 homes in 2023
- Sales of serviced residences were down 21.0% in 2023 compared to 2022. They represented 4,900 housing units, or 5.2% of total housing orders in 2023, compared with 6,200 housing units in 2022, or 4.8% of total housing orders.

(2) In terms of offer [1] :

- In 2023 [3], the commercial supply of new homes increased by around 6% compared to the comparable period of 2022 (Commercial inventory at the end of the fourth quarter on new buildings): To 116,154 homes offered for sale at the end of 2023 compared to 109,258 homes offered for sale at the end of 2022.
- Sales were also down sharply by nearly 31% in 2023 compared to 2022 and amounted to 72,392 homes (compared to 104,644 homes in 2022);
- The take-up rate [4] (12 months) rose from 12.7 months at the end of 2022 to 21.6 months at the end of 2023.

(3) In terms of building site [1] :

- Approvals for housing starts (*all types of housing*) were down +23.7% at the end of December 2023 over 12 months, reaching 373,138 units;
- The number of housing starts fell by 22.0% over 12 months to 287,058 at the end of December 2023 compared to 367,874 units at the end of December 2022.

(4) In terms of financing [5]:

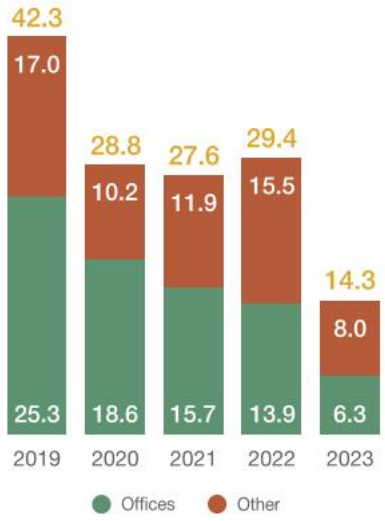
- After two years of rapid growth, the average lending rate stood at 3.55% in December 2023 (compared with 1.03% at its historical minimum in October 2021). While the increase was rapid until October, averaging +18 basis points (or bps) per month, it is now flat: +9 bps in November and +2 bps in December 2023. For ¾ of borrowers, the 4.20% barrier is clearly crossed, even over 15 years. It is necessary to return to spring 2009 to observe a comparable rate configuration. Lending rates, however, remain well below inflation;
- Borrowers with little personal contribution and/or whose income level no longer allows them to meet the effort rate requirements imposed by banks' supervisory authorities face difficulties in accessing credit;
- Under these conditions, the production of credit fell sharply in 2023: With -40.3% for the production of loans (compared to -19.6% in 2022) and -36.7% for the number of bank loans granted (compared to -21.9% in 2022).
- In terms of maturity: In the fourth quarter of 2023, according to the credit obserVATory, the term of the loans granted remained stable at 248 months on average, i.e. 20.7 years in 2023 (of which 270 months for accession in the nine and 259 months for accession in the ancient).

(1) Calculated on the basis of new housing construction data published by the Ministry of Ecological Transition and Territorial Development, DiDo, at the end of December 2023 - January 2024).
(2) Changes based on total new home sales estimated by the "Fédération des Promoteurs Immobilier" (FPI) for2023 (15 February 2024).
(3) Calculated on the basis of data published by the Ministry of Ecological Transition and Territorial Development in the fourth quarter of 2023, 16 February 2024.
(4) Calculated on commercial inventory cad the outstanding amount of new homes available for sale to individuals divided by the number of new homes reserved for sale by individuals during the year (gross data excluding cancellation and excluding existing buildings) divided by 12 months.
(5) "ObserVAToire du Crédit Logement/CSA" fourth quarter 2023 dashboard - January 2024.

Commercial property market

In France in 2023, 14.3 billion euros was invested in commercial real estate. During this period, the total volume of investments decreased by 51% compared to 2022, which amounted to 29.4 billion euros. The breakdown of investments in 2023 shows a predominance of offices with 6.3 billion euros invested for 2023, compared to 13.9 billion euros, or 44% of the total amounts invested in France in 2023 (down nearly 55% compared to 2022). With 2.9 billion euros, the amounts invested in Retail areas also showed a decrease of 48% compared to 2022 (to 5.6 billion euros). The Logistics and Business premises segment represented 3.0 billion euros in 2023 compared to 6.4 billion euros in 2022[1] (down 52%).

COMMERCIAL PROPERTY IN FRANCE



Source: BNP Paribas Real Estate.. (At Glance 2023 Q4)
Publication: Press release: Commercial property in 2023

Kaufman & Broad

The group's 2023 results are in line with the guidelines and confirm Kaufman & Broad's ability to maintain a solid economic performance in a deteriorated environment. For the year as a whole, the decline in housing orders was 14.2%, compared to a decline of over 37 %[2] for orders in the French new housing market. These stood at less than 65,000[3] in 2023, the same level as in 1995. In this environment, Kaufman & Broad continued to apply a rigorous policy of rapid adjustment to market conditions. A high level of requirement was maintained in terms of pre marketing rate. This strategy resulted in a 4.8 month take-up rate for our programs, compared to nearly 20 months for the market. In addition, the group still relies on a solid land reserve and a global backlog of 2.7 billion euros representing approximately 2 years of activity.

The financial structure remains extremely strong. For the full year, operating cash flow amounted to 374.8 million euros[4]. At the end of November 2023, net cash and cash equivalents[5] amounted to 180.5 million euros and cash equivalents amounted to 600.0 million euros. Last September, Fitch confirmed the *Investment Grade* rating of Kaufman & Broad.SA, the only European developer to have this rating.

The pace of marketing remains strong, as evidenced by the 4.8 month take-up rate as of 2023, November 30 reflecting the adaptation of Kaufman & Broad's supply to demand.

Residential sales, although down on 2022, demonstrated the group's ability to adapt its offering and sales policy in line with the dynamism of its customer segments. This resulted in a strong increase in sales to institutional, public and private investors. Their orders accounted for 72% of residential orders in value terms, compared with 45% in 2022.

The results for 2023 are characterised by the following:

- Housing portfolio: 34,069 units; stable compared to 2022 (+0.2%); it corresponds to potential revenue of more than six years of activity.
- Home orders: Down 14.2% in number to 5,332 units and representing an amount of 1079.4 million euros including VAT in 2023 compared to 1433.8 million euros including VAT in 2022;
- Types of orders in value:
  - Blocks: 72% in 2023 *vs.* 45% in 2022,
  - New Home buyers: 15% (11% first time home buyers and 4% second time home buyers) in 2023, compared with 22% in 2022 (13% first time home buyers and 9% second time home buyers),
  - Investors: 13% in 2023 *vs.* 33% in 2022, mainly due to the withdrawal of Pinel investors from 24% to 4% of total orders in value terms;
- Take-up rate: 4.8 months (4.3 months in 2022);
- B*acklog* overall (including Commercial): 2676 million euros excl. VAT; -21.1% compared to 2022;
- Total Revenue: 1,409.1 million euros excluding VAT; +7% compared to 2022.

(1) BNP Paribas Real Estate - February 2024
(2) Source: ECLN - Gross sales to individuals (excluding cancellations and on existing construction)
(3) Calculated on the basis of ECLN data at end December 2023
(4) Or Cash flow from operating activities is equal to cash flow from operating activities after working capital and tax paid
(5) Excluding IFRS 16 and Put Neoresid debt

- In commercial property, the trends in the office market since the health crisis remain characterised by a sharp deceleration in the market.
  - In this context, the group recorded 33.7 million euros in office orders, mainly represented by an operation in Compiègne for the future headquarters of Clesence, as well as additional services on the contracts for the renovation of the Austerlitz station. In December 2022, the appeals on the construction permit of the Austerlitz station were fully lifted, the signing of the contracts could be completed and the works also started in early 2023.
  - Two logistics platforms were delivered in fiscal year 2023, the first, on the municipality of Montbeugny, near Moulins (Allier) for 22,000 sq.m, and the second, a 6,600 sq.m (two cells) Messaging on the municipality of Petit Couronne, near Rouen (Seine Maritime).
  - Kaufman & Broad currently has 92,000 sq.m. of office space and about 228,800 sq.m. of logistics space on the market or under consideration. In addition, 119,500 sq.m. of office space is currently under construction or in start up in the coming months. Finally, the company has nearly 13,500 sq.m of office space to be built in *MOD* (management *of delegated work)*.
  - The Commercial property business saw continued work on Austerlitz's A7/A8 operation in accordance with schedule. Furthermore, a building permit has been filed for an operation of over 30,000 sq.m of office space in Marseille, Edf's future regional headquarters.

The continuous reinforcement of the CSR policy resulted in Kaufman & Broad's progression to the CDP ranking(1) with an A- rating in 2023 in a B- rated sector. Kaufman & Broad's CSR approach integrated into the project production cycle is evaluated annually by independent bodies (Vigeo Eiris, Gaia, CDP, etc.). Kaufman & Broad is committed to reducing its carbon emissions by 2030, in line with the Paris Agreements. This commitment is subject to evaluation and monitoring by the SBTi (Science Based Targets initiative).

Kaufman & Broad obtained Great Place to Work ® France certification. This distinction highlights the quality of working conditions and the attractiveness of the company in terms of recruitment.In addition, for the second year in a row, the company obtained «Best Managed Companies» certification in July 2023, rewarding the excellence of companies that stand out for the quality of their management and performance, particularly CSR.

Finally, Kaufman & Broad ranked in the Top 3 French Homebuilder for the 2th year running (Best Brands - Capital)

In this environment and in view of its results, the group is thus in a position to take full advantage of the recovery in a healthy market.

Significant events during the period

Conclusion of contracts for the Austerlitz railway station

Following the rejection by the Council of State, on 19 October 2022, of the appeal in cassation against the building permit for the redevelopment project of the Austerlitz station district (lots A7/A8, obtained on 14 December 2020), the aforementioned building permit became final and served any appeal. On 19 December, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz railway Station transaction and that it had signed the contracts necessary for the completion of the project. Construction work began in December 2022.

Capital reduction by cancelling treasury shares

Pursuant to the authorisation granted at the Company's Shareholders' Meeting of 5 May 2022, the Board of Directors' meeting of 27 January 2023 reduced its share capital by cancelling 500,000 treasury shares, thereby increasing the number of shares comprising the Company's share capital from 21,613,022 to 21,113,022 shares.

Cash payment of the dividend for the financial Fiscal Year ended November 30, 2022

The Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on 2023, May 4 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of 2.4 euros per share for the financial year ended November 30, 2023. The cash dividend was paid on 2023, May 11.

Buyback and cancellation of 5.93% of the Company's share capital from Artimus Participations

Kaufman & Broad (the «Company») announces that on 2023, September 5, as part of its share buyback program, it entered into an acquisition agreement for a block of 1,251,000 shares of the Company held by Artimus Participations at a price of €25.92 per share, a discount of 2.0% to the closing price of the day, representing a total investment of 32.4 million euros. Artimus Participations, a company bringing together managers and former managers of the Company, including Mr Nordine Hachemi, its Chairman and Chief Executive Officer, previously held 11.01% of the share capital and 16.50% of the voting rights of the Company. All proceeds from the sale of Kaufman & Broad.SA shares were allocated to the repayment of Artimus Participations' debt.

Following the transaction, the repurchased shares were cancelled and the interest of Artimus Participations in the capital of Kaufman & Broad was reduced to 5.40% and 8.36% of the voting rights of the Company

This operation relfects all the Company's shareholders in the same proportions, without compromising its investment capacity, while stabilising the Company's shareholding. This redemption was made using a limited portion of the Company's available cash. The Board of Directors unanimously approved the buyback, as the directors concerned did not take part in the vote, in accordance with the applicable legal provisions. The independent expert, Ledouble, has previously provided the Board with a statement of fairness concluding that

- From a financial point of view, the redemption price is fair for the Company and its shareholders, given the value of the share resulting from a multi criteria valuation;
- The transaction does not affect the Company's financial equilibrium and investment capacity;
- The transaction, carried out in the interest of the Company, will be accretive to its shareholders and treated as a regulated agreement.

At the end of this transaction, Group employees remained the Company's core shareholders, either directly or indirectly, with 12.2% of the share capital and 14.6% of the voting rights to date; Kaufman & Broad's management has also indicated that it intends to remain a significant shareholder of the Company.

This transaction was carried out as part of the authorisations granted by the Combined Shareholders' Meeting of 2023, May 4 in respect of its 11th and 12th resolutions.

(1) (Formerly "Carbon Disclosure Project"): Measurement of the environmental impact of companies.

Fitch Rating confirms Kaufman & Broad's Investment Grade rating

Fitch Rating has just confirmed Kaufman & Broad.SA 's *Investment Grade* rating with stable outlook. Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the development phase of projects. Kaufman & Broad is currently the only pure European developer to be rated I*nvestment Grade* . Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows.

Main financial data of the group

The table below presents the significant elements of the group's financial statements and key indicators for the last two financial years:

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Revenue	1,409,055	1,314,878
including housing	957,796	*1,152*,514
Gross margin	257,232	228,173
margin rate	18.3%	*17.4 %*
current Operating Income (COI)	109,332	98,212
Operating profit	109,332	98,212
Income (loss) of the consolidated group	76,476	69,251
ATTRIBUTABLE NET INCOME	**60,154**	**49,008**
Earnings per share [(a)]	3.03 €	€2.27
TOTAL ORDERS (INCL. VAT)	**1,113,151**	**1,481,675**
Backlog total (HT)	*2,676,006*	*3* 393 281

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 19,862,022 as of November 30, 2023 and 21,613,022 shares as of November 30, 2022.

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Asset		
Non-current assets	265,447	268,662
Current assets	1,444,162	1,253,223
TOTAL ASSETS	**1,709,609**	**1,521,885**
Liabilities		
Shareholders' equity	234,463	256,350
Non-current liabilities	233,854	290,370
Current liabilities	1,241,292	975,165
TOTAL LIABILITIES	**1,709,609**	**1,521,885**

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Cash flow from operations before cost of financial debt and taxes	124,822	114,518
Taxes paid	4,632	-36,410
Change in working capital requirement	245,298	-58,383
CASH FLOW FROM OPERATING ACTIVITIES	**374,752**	**19,725**
CASH FLOW FROM (USED IN) INACQUISITION ACTIVITIES	**-11,083**	**-20,720**
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	**-114,623**	**-87,467**
Increase (decrease) in cash	**249,046**	**-88,462**
Cash at opening of period	100,998	189,460
Cash at closing of period	350,044	100,998

The group's consolidated revenue for 2022 was 1,314.9 million euros, up 2.6% from 1,281.8 million euros in 2021.

Revenue for the Housing Division fell by 17% to 957.8 million euros, compared with 1152.5 million euros in 2022. This decrease was due to the 193.3 million euros (-18%%) decrease in revenue from the group Housing business between 2022 and 2023, as well as a slight decrease in revenue from the Individual Houses business of 1.4 million euros (-1.8%). The Housing business accounted for 68% of total revenue in 2023, compared with 87.7% in 2022.

Group Housing revenue was 883 million euros in 2023, compared with 1076.3 million euros in 2022. It was 41.2% in the Paris region compared with 33.4% in 2022 and represented 92.2% of the total of the Housing Division in 2023 .

Single family homes in communities amounted to 74.8 million euros compared to 76.2 million euros in 2022, a slight decrease of 1.8%. Île de France accounted for 67.2% of this activity's revenue, compared with 47.0% in 2022.

The Commercial property Division posted revenue of 437.5 million euros, compared with 150.2 million euros in 2022.

Overall Gross margin increased by 12.7% to 257.2 million euros from 228.2 million euros in 2022. The overall gross margin was 18.3% compared to 17.4% in 2022. The gross margin for housing amounted to 177.2 million euros, down from 199.9 million euros in 2022. However, the housing gross margin increased by 1.2 point to 18.5% in 2023 compared to 17.3% in 2022.

Recurring operating income increased by 11.3% from 98.2 million euros in 2022 to 109.3 million euros in 2023. This increase was due to the 29.1 million euros increase in gross margin, driven by an increase in revenue generating an additional gross margin of 16.3 million euros and an increase in the gross margin due to the product mix effect of nearly one percentage point, contributing an additional 12.7 million gross margin. The increase in Gross margin margin was partially offset by the increase in operating expenses (+13.8%) or 17.9 million euros, from 130.0 million euros in 2022, to 147.9 million euros, mainly due to the increase in development expenses, linked to the additional expenses of abandoned projects (see section 2.3.2. «Operating expenses»).

The cost of financial debt decreased by 3.7 million euros (13.8 million euros in 2023 compared to 17.5 million euros in 2022) mainly due to higher interest on financial investments. The increase in operating income, as well as the decrease in the cost of debt, led to a 18.3% increase in the pre tax income of consolidated companies, which reached 95.5 million euros, compared to 80.7 million euros in 2022.

Consolidated net income amounted to 76.5 million euros, up 10.4% from 69.3 million euros in 2022. Non controlling interests decreased by 3.9 million euros to 16.3 million euros from 20.2 million euros in 2022. Attributable net income was 60.2 million euros, up 22.7% from 11.1 million euros in 2022.

At 2023, November 30, Kaufman & Broad's balance sheet total amounted to 1709.6 million euros, compared with 1521.9 million euros at 2022, November 30. Shareholders' equity amounted to 234.5 million euros at the end of 2023, a decrease of 21.9 million euros compared to 2022, mainly due to the distribution of the 2022 result in the amount of 49.5 million euros, as well as the net impact of transactions on its own shares (share buybacks, delivery of free shares, etc.) for 33.0 million euros offset by the increase related to the integration of the 2022 result in the amount of 60.1 million euros.

Net financial debt at 2023, November 30 amounted to a net financial cash position of 137.6 million euros (including IFRS 16 lease debt of 39.1 million euros and Néoresid put 3.7 million euros) compared to a net financial debt of 113.3 million euros, an improvement of 250.9 million euros compared to 2022, November 30. At 2023, November 30, it recorded a surplus position of 250.9 million euros, represented almost exclusively by a positive change of 249.0 million euros in positive cash generation. Lastly, excluding Put Neoresid debt, net financial cash amounted to 180.5 million euros, compared with net financial debt of 67.8 million euros at 2022, November 30. The components of this improvement in net debt are described in section 2.4.1. «Cash flow.» Gearing (net debt to equity ratio) at the end of November 2023 was -78.9% compared to 32.1% at 2022, November 30.

The group's cash position increased from 101.0 million euros at year end 2022 to 350.0 million euros at 2023, November 30. Kaufman & Broad's financial capacity thus amounts to 600.0 million euros. A detailed analysis of this change is provided in section 2.4.1. "Cash flows."

2.1.2. Business indicators

The main business indicators are (I) the volume of orders, (II) the number of Unit Equivalent Housing (LEU) delivered and (III) the *backlog*.

Orders (volume and rate per month) reflect the group's commercial activity and a barometer of its performance. Their inclusion in revenue is subject to the time necessary for the "transformation" of a order into a notarial signature, which triggers the income statement (see section 2.2.2. "Origins of net income").

Volume orders are expressed in *units* or units within the group. In addition, in Multi-occupancy housing programs, i.e. apartments including mixed buildings (apartments/business premises/shops/offices), and managed residences (business, tourism, students residences and non-medicalized homes for the elderly), all surfaces are converted into housing equivalents.

The *commercial offer* is represented by the sum of the stock of available for sale homes on the date in question, i.e. all homes not reserved at that date (net of unopened commercial tranches).

The *take-up period* for stocks is the number of months required for available housing to be sold if revenues continued at the same pace as previous ones, i.e. the outstanding housing (available supply) per quarter divided by orders per quarter just ended themselves divided by three.

Units are used to define the number of homes or housing equivalents (for mixed programs) of a given program ; units are calculated by program, being considered as homes: "Apartments," "Single-family homes in communities" and "housing and building lots." As a result, a home (lot) is equal to a unit . For business premises, shops and small "office" areas, a housing equivalent calculation is then applied based on the average surface area of the housing units of the program. The average floor area is calculated by dividing the total usable floor area by the number of housing units in the program.

The number of *units* of housing equivalents is determined by dividing the surface area by type (business premises/shops/offices) by the average surface area of previously obtained housing units.

HEU is a direct reflection of activity. The number of *HEU* is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarial deed of sale has been signed and (ii) of the ratio between the amount of land expenditure and construction expenditure incurred by the group on the program and the total budget of expenditure of the program; thus a housing sold on a program whose expenditure rate represents 30% results in 0.3 *HEU* .

The *backlog* includes, for revenues in the sale-before-completion agreement contract (*VEFA*), undelivered reserved housing units for which the notarized bill of sale has not yet been signed and undelivered reserved housing units for which the notarized bill of sale has been signed up to the portion not yet taken into revenue (on a 30% advanced program, 30% of the revenue of a housing unit for which the notarized bill of sale has been signed is recorded in revenue, 70% are included in the *backlog*).

The *backlog* is a summary at a given time that makes it possible to estimate the revenue remaining to be recognised in the coming months and thus to support the group's forecasts, it being specified that there is an uncertain portion of the *backlog* transformation into revenue, particularly for orders not yet recorded.

The *land portfolio represents* all the land for which any commitment (a promise to sell, etc.) has been signed.

The *land reserve* includes land to be developed (otherwise referred to as the "land portfolio"), i.e. land for which an act or promise of sale has been signed, as well as land under study, i.e. land for which an act or promise of sale has not yet been signed.

The *take-up rate (Te*) represents the percentage of the initial stock that sells monthly on a real estate program (revenues/month divided by the initial stock), i.e. the monthly net orders divided by the ratio of the stock at the beginning of the period plus the stock at the end of the period divided by two.

2.1.3. Tracking indicators

The following table shows the group's development in terms of orders, program launches and headcount over the last two years.

	Commercial inventory on sale at end of period[a]	Net orders [b]	Housing units offered for sale [c]	Programs being marketed[d]	Headcount at November 30 [e]
Fiscal year 2023	**2,114**	**5,332**	**5,228**	**131**	**719** (Including 106 members of the marketing and revenues departments, 203 land and developments, 210 members of the technical department and 200 administrative staff and members of centralised functions)
Fiscal year 2022	**2,218**	**6,214**	**6,420**	**142**	**795** (Including 134 members of the marketing and revenues departments, 220 land and developments, 209 members of the technical department and 232 administrative staff and members of centralised functions)

(a)Total inventory of housing units available for sale at November 30, i.e., all units not covered by orders at the fiscal year-end.

(b)Number of orders recorded during a given fiscal year, i.e., the number of orders signed by customers during the year, less the number of orders canceled by the year-end.

(c)Total net number of housing units put on sale when the marketing offer was launched, for programs whose marketing launch took place during the relevant accounting period.

(d)Number of programs that had entered the marketing phase at the end of the period.

(e)GIE Kaufman & Broad Excluding professionals and interns.

The individual village houses and Multi-occupancy housing units offered by Kaufman & Broad have the following characteristics:

	Living area *(excluding parking)*	Range of selling price *(including VAT)* [a]	Average price [a]
Île-de-France			
Single-family homes in communities	75 to 137 sq.m	146,000 to €967,000	€304,426
Multi-occupancy housing [b]	25 to 121 sq.m	2,975 to €9,489/sq.m	€4,215/sq.m
Other Regions			
Single-family homes in communities	42 to 106 sq.m	95,961 to €1,716,000	€233,277
Multi-occupancy housing	16 to 182 sq.m	1,362 to €6,737/sq.m [d]	€3,740/sq.m

(a) Based on housing units reserved, sold and delivered in 2023 (atypical excluded).

(b) Including student rooms and managed products.

The Single-family homes in communities and Multi-occupancy housing units offered by Kaufman & Broad clearly reflect the positioning with the most present clientele in the new housing market for several years, namely first-time buyers and investors (institutional or private).These products have optimised surfaces that better meet the financial and tax return criteria of investors as well as the solvency criteria of first time buyers.Multi-occupancy housing units have a minimum surface area of 25 sq.m (excluding managed residences, particularly student residences of about 16 sq.m) and range up to 182 sq.m for an average price of euros 3,740/sq.m in the provinces and euros 4,215/sq.m in the Paris region. The maximum price per square metre is nearly euros9489 for programmes in the small suburbs of Paris, where the price of real estate remains high. As for single family homes, their surfaces vary between 42 sq.m and 106 sq.m in the regions. Average single family home pricessq.m amounted to euros 233,277 in the Regions and euros 304,426 in the Paris region.

2.1.3.1. Orders, deliveries and *backlog*

The following tables show, for individual houses in communities, Multi-occupancy housing and Commercial property, changes in orders and *backlog* in volume and value over the four quarters of fiscal years 2022 and 2023.

Housing	Number of orders [a]	Orders in value *(in thousands of euros incl. VAT)*	Deliveries *(HEU)* [b]	*Backlog(LEU)*	*Backlog* in value *(in thousands of euros excl. VAT)*	*Backlog* in months of activity [c]
Single-family homes in communities						
Year ended November 30, 2023						
First quarter	94	29,082	(54)	1,176	224,839	35.1
Second quarter	127	20,087	(53)	1,250	225,506	34.6
Third quarter	131	32,055	(53)	1,203	219,773	30.4
Fourth quarter	143	34,774	94	1,197	218,861	31.4
TOTAL	**495**	**115,998**	**254**			
Year ended November 30, 2022						
First quarter	90	25,782	24	623	154,431	45.4
Second quarter	65	19,093	56	726	168,681	43.7
Third quarter	377	64,027	92	917	184,106	35.7
Fourth quarter	262	56,687	91	1,152	214,138	33.7
TOTAL	**794**	**165,589**	**263**	**–**	**-**	**-**

(a)This is the number of net orders recorded during the period under review, i.e. the number of orders signed by customers during the period less the number of orders cancelled at the end of the period.

(b)The number of Equivalent Housing Units delivered, hereinafter "HEU," is calculated per program and is equal to the product (i) of the number of housing units of a given program for which the notarial deed of sale has been signed and (ii) the ratio between the amount of the land expenditure and the construction expenditure incurred by the group on the said program and the total budget of the expenses of the program; thus a housing sold on a program whose expenditure rate represents 30% incurred results in 0.3 HEU.

(c)The backlog or backlog in months of activity corresponds to the product (i) of the ratio between the backlog at the end of a month "m" and the sum of the revenue excluding VATes of the previous twelve months from m-1 to m-12 and (ii) 12 (i.e. the last twelve months of business).

Housing	Number of Net orders [a]	Value orders *(in € thousands including VAT)*	Deliveries *(LEU)* [b]	*Backlog(LEU)*	*Backlog*in value *(€ thousands excl. VAT)*	*Backlog*in months of activity [c]
Multi-occupancy housing						
Year ended November 30, 2023						
First quarter	927	205,001	1,010	10,908	1,964,370	24.9
Second quarter	1,090	249,050	1,030	10,838	1,923,385	22.5
Third quarter	876	184,857	883	10,442	1,828,754	22.1
Fourth quarter	1,944	324,524	1,435	10,757	1,834,498	22.2
TOTAL	**4,837**	**963,432**	**4,358**	**-**	**-**	**-**
Year ended November 30, 2022						
First quarter	1,147	252,200	1,324	11,935	2,124,253	24.1
Second quarter	1,223	327,594	1,206	11,850	2,157,630	24.8
Third quarter	812	194,828	1,401	11,405	2,081,976	23.9
Fourth quarter	2,238	493,545	1,807	11,821	2,148,629	24.00
TOTAL	**5,420**	**1,268,168**	**5,739**	**-**	**-**	**-**

(a)This is the number of net orders recorded during the period under review, i.e. the number of orders signed by customers during the period less the number of orders cancelled at the end of the period.

(b)The number of Unit Equivalent Housing Units delivered, hereafter referred to as LEU, is calculated per programme and is equal to the product (I) the number of housing units in a given programme for which the notarially signed deed of sale has been signed and (II) the ratio between the amount of land expenditure and construction expenditure incurred by the group on the said programme and the total expenditure budget of the said programme; thus a housing sold on a programme whose expenditure rate represents 30% results in 0.3 LEU.

(c)The backlog or backlog in months of activity corresponds to the product (i) of the ratio between the backlog at the end of a month "m" and the sum of the revenue excluding VATes of the previous twelve months from m-1 to m-12 and (ii) 12 (i.e. the last twelve months of business).

Commercial property	SQ.M reserved	Value Orders *(in € thousands including VAT)*	*Backlog* in value *(€ thousands excl. VAT)*
Year ended November 30, 2023			
First quarter	10,932	24,489	691,671
Second quarter	-	-	665,093
Third quarter	-	-	641,877
Fourth quarter	-	9,231	622,646
TOTAL	**10,932**	**33,720**	**-**
Year ended November 30, 2022			
First quarter	-	-	1,095,424
Second quarter	21,554	28,483	1,076,079
Third quarter	0	1,200	1,048,679
Fourth quarter	0	18,235	1,030,515
TOTAL	**15,433**	**53,729**	**-**

2.1.3.1.1. Orders

2.1.3.1.1.1. Housing Segment

In fiscal year 2023, 5,332 net housing orders were recorded compared to 6,214 in 2022, a decrease of 14.2%. In value terms, these orders fell by 24.7% to 1,079.4 million euros (including VAT), compared to 1433.8 million euros (including VAT) in 2022. The rate of home sales in 2023 was 20.7% compared to 21.7% in 2022. The Housing Division accounted for 97% of total orders in value terms, compared with 96.8% in 2022.

The following table shows the number and proportion of housing reserved by type in the Paris area and in the Regions during fiscal years 2023 and 2022 (from December 1 to November 30).

	Number of Single-family homes in communities ordered				Number of Multi-occupancy housing units ordered			
	2023	%	2022	%	2023	%	2022	%
Île-de-France	128	26%	207	26%	956	18%	1,421	26%
Other Regions	367	74%	587	74%	4,376	82%	3,999	74%
TOTAL	**495**	**100%**	**794**	**100%**	**5,332**	**100%**	**6,302**	**100%**

Multi-occupancy housing

For the full year 2023, 4,837 Multi-occupancy housing units were reserved compared to 5,420 in 2022, a decrease of 10.8%. orders for Multi-occupancy housing amounted to 963.4 million euros (including VAT), compared to 1268.2 million euros (including VAT) in 2022, a decrease of 24% (-304.7 million euros). This decrease is due to the decrease in value of orders made in the Paris region (-35.3%), representing a decrease of 140.8 million euros, as well as in the regions, with a decrease in value of 163.9 million euros (-18.9%).

In 2023, Multi-occupancy housing orders were made at 17.1% in volume and 26.8% in value in the Paris region, compared with 26.2% and 31.5% respectively in 2022. The share of Multi-occupancy housing remains the largest in the group's orders, accounting for 86.6% in value and 90.8% in volume of the total, compared with 85.6% and 87.2% of these orders in 2022, respectively.

Single-family homes in communities

Orders for individual Maisons in communities amounted to 495 units for 116 million euros, compared with 794 units for 165.6 million euros in 2022. The number of single family homes in communities reserved was down 79% and 220% respectively in the Paris region and the Regions. L'Île de France contributed 25.9% in volume and 33.1% in value of these orders, compared with 26.1% and 37.6% respectively in 2022. The Regions contributed 74.1% in volume and 66.9% in value of these orders compared to 73.9% and 62.4% respectively

Orders by operating segment

Year ended November 30,	2023 Net number of orders	2023 Orders in value *(in thousands of euros incl. VAT)*	2023 Average price *(in thousands of euros incl. VAT)*	2022 Net number of orders	2022 Orders in value *(in thousands of euros incl. VAT)*	2022 Average price *(in thousands of euros incl. VAT)*
Île de France	**956**	**296,285**	**309.9**	**1,628**	**461,557**	**283.5**
Housing	956	296,285	309.9	1,628	461,557	283.5
Commercial	0	0	-	0	0	-
Other	0	0	-	0	0	-
West	**1,804**	**338,953**	**187.9**	**2,133**	**410,066**	**192.2**
Housing	1,804	338,953	187.9	2,133	409,783	192.1
Commercial	0	0	-	0	283	-
Other	0	0	-	0	0	-
East	**1,561**	**267,687**	**171.5**	**1,768**	**446,005**	**252.3**
Housing	1,561	267,687	171.5	1,768	446,005	252.3
Commercial	0	0	-	0	0	-
Other	0	0	-	0	0	-
National Agencies	**1,011**	**164,480**	**162.7**	**685**	**116,411**	**169.9**
Housing	1,011	164,480	162.7	685	116,411	169.9
Commercial	0	0	-	0	0	-
Other	0	0	-	0	0	-
Commercial real estate and logistics [b]	**-3**	**34,381**	**-**	**-1**	**47,635**	**-**
Housing	0	661	-	0	0	-
Commercial	-3	33,720	-	-1	47,635	-
Other	0	0	-	0	0	-
Other	**0**	**11,364**	**-**	**0**	**0**	-
Housing	0	11,364	-	0	0	-
Commercial property	0	0	-	0	0	-
Other	0	0	-	0	0	-
GROUP TOTAL	**5,329**	**1,113,151**	**208.9**	**6,213**	**1,481,675**	**238.5**
Housing	5,332	1079431	202.4	6,214	1,433,757	230.7
Commercial [c]	-3	33720	-	-1	47,918	-
Other [a]	0	0	-	0	0	-

(a) Land, building lots.

(b) See section 2.1.3.1.1.2. "Commercial property"

(c) Offices, retail areas, business premises, logistics warehouses, etc.

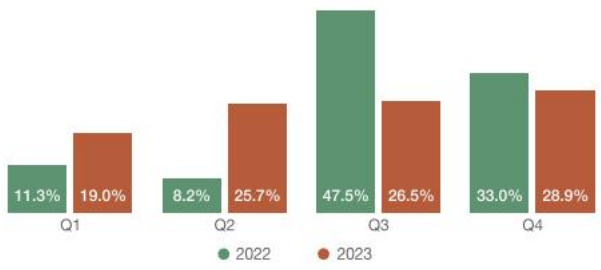
Geographically, the housing Division in the Paris region[1] recorded a decrease in orders of 41.3% in volume and 35.7% in value compared to 2022. The Regions, for their part, posted a drop in orders of 4.6% in volume and 19.5% in value. The proportion of Regions in the Housing Division increased significantly compared to the Paris region. The Regions accounted for 82.1% in volume and 72.5% in value of the group's housing orders in 2023, compared to 73.8% in volume and 67.8% in value in 2022.

In fiscal year 2023, the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) accounted for 33.8% of the housing order volume. L'Est (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) represents 29.3% of the housing order volume. National branches and commercial property account for 19.0% of the housing order. At the same time, the Paris region's share decreased from 26.2% to 17.9% in volume terms and increased from 32.2% to 27.4% in value[1].

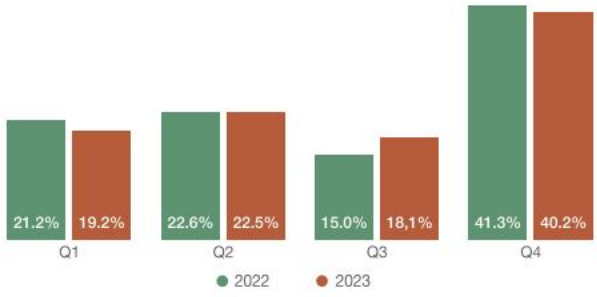
Within one year, the average price of the group's housing orders fell by 12.3%, from 230.7 thousand euros (including VAT) per unit in 2022 to 202.4 thousand euros (including VAT) per unit in 2023. The decrease in the average price is essentially linked to the decrease in average prices in the Regions and particularly in the East with a 32.0% decrease in average prices compared to 2022. The Ile de France region[1] saw average prices rise by 9% compared to 2022.

Cycles and seasonality of housing orders by type of product (in volume)

Single-family homes in communities



Multi-occupancy housing



The fourth quarter recorded the highest number of Multi-occupancy housing orders, while the second and third quarters recorded a slight decline. The first quarter remains in the historical trend and even marks a slight increase. The seasonality is highly marked and less regular on the programs of Single-family homes in communities due to a lower volume of activity, which is therefore more sensitive to variations in Commercial Financing from one quarter to the next.

2.1.3.1.1.2. Commercial property

In fiscal year 2023, commercial property orders amounted to 33.7 million euros (including VAT), mainly related to the project for the future Clesence headquarters of 4,400 sq.m. in Compiègne, compared to 47.9 million euros (including VAT) in 2022.

The Group also started construction work on the Austerlitz railway station Redevelopment Project (lots A7/A8), whose building permit has become final and has been cleared of any appeal. In December 2022, Kaufman & Broad completed the acquisition of all the building volumes of the A7/A8 transaction as well as the signing of the contracts necessary for the completion of the project. Construction work started in December 2022 .

2.1.3.1.2. Backlog

The total *backlog* amounted to 1,481,675 million euros (excluding VAT) at 2023, November 30 compared with 3,393.3 million euros (excluding VAT) at 2022, November 30, down 56.3%.

The following table shows the number and share of housing units in *backlog* by product type in the Paris region and in the Regions during fiscal years 2023 and 2022 (from November 1st to November 30):

	Backlog in number of Single-family homes in communities				Backlog in number of Multi-occupancy housing units			
	2023	%	2022	%	2023	%	2022	%
Île-de-France	178	15%	302	26%	2,498	33%	3,851	33%
Other Regions	1,019	85%	850	74%	8,259	67%	7,970	67%
Total	**1,197**	**100%**	**1,152**	**100%**	**10,757**	**100%**	**11,821**	**100%**

The *backlog* Housing amounted to 11,954 units compared to 12,973 units at 2022, November 30, a decrease of 7.9%. In value terms, it decreased by 13.1% compared to the end of 2022, to 2053.4 million euros (excluding VAT) compared to 2362.8 million euros (excluding VAT) at the end of 2022 .

(1) For the Île-de-France region, excluding Commercial property hotel residences.

Multi-occupancy housing

The *backlog* Multi-occupancy housing amounted to 1,834.5 million euros in 2022, down 14.5% from 2,148.6 million euros at the end of 2022. In volume terms, it amounted to 10,757 units compared to 11,821 units in 2022, a decrease of 9%. In the Paris region, the *backlog* Multi-occupancy housing declined by 35.1% in volume and by 35.7% in value. In addition, the *backlog* Multi-occupancy housing in the Region recorded a slight increase of 3.6% in volume and a decrease of 1.3% in value.

Single-family homes in communities

The *backlog* individual village houses amounted to 218.9 million euros for 1,197 units, an increase of 3.9% in volume and 2.2% in value compared to November 30, 2022, when it amounted to 214.1 million euros for 1,152 units. This increase is located in the regions with a 19.9% increase in volume and a *backlog* that reached 1,019 units for 165.8 million euros compared to 850 units for 130.0 million euros in 2022. The Île de France region recorded a 41.1% decline in volume compared to 2022. At November 30, 2023, the Paris region had 178 single family homes in *backlog* for 53 million euros, compared with 302 units for 84.2 million euros at the end of 2022.

Backlog by operating segment

	2023			2022		
Year ended November 30,	***Backlog* in number**	***Backlog* in value** *(in thousands of euros excluding VAT)*	**Average price** *(in € thousands excluding VAT)*	***Backlog* in number**	***Backlog* in value** *(in thousands of euros excluding VAT)*	**Average price** *(in € thousands excluding VAT)*
Île-de-France	**2,542**	**551,084**	**217**	**3,717**	**803,136**	**216**
Housing	2,542	551,084	216.8	3,717	803,136	216.1
Commercial	0	-	-	0	-	-
Other	0	-	-	0	-	-
West	**4,370**	**691,142**	**158**	**4,403**	**704,075**	**160**
Housing	4,370	683,647	156.5	4,403	690,297	156.8
Commercial	0	7,495	-	0	13,778	-
Other	0	0	-	0	0	-
East	**2,848**	**489,578**	**172**	**3,302**	**603,006**	**183**
Housing	2,848	489,441	171.8	3,302	599,469	181.5
Commercial	0	137	-	0	3,536	-
Other	0	0	-	0	0	-
National Agencies	**2060**	**290362**	**141**	**1115**	**154,334**	**138**
Housing	2060	290362	141.0	1115	154,334	138.4
Commercial	0	-	-	0	-	-
Other	0	-	-	0	-	-
Commercial real estate and logistics [b]	**134**	**653842**	**4879**	**439**	**128,732**	**2571**
Housing	134	38,828	289.8	436	115,532	265.0
Commercial	0	615,014	-	3	1,013,201	337,733.6
Other	0	-	-	0		-
Other	**0**	**-3**	**13**	**0**	**-3**	**-2510**
Housing	0	-3	13.1	0	-3	-2510.0
Commercial	0	-	-	0	-	-
Other	0		-	0	-	-
GROUP TOTAL	**11,954**	**2,676,006**	**224**	**12,976**	**3,393,281**	**261**
Housing	11,954	2,053,359	171.8	12,973	2,362,767	182.1
Commercial [c]	0	622,646	-	3	1,030,515	3,435,05.0
Other [a]	0	0	-	0	0	-

(a) Land, building lots.

(b) See section 2.1.3.1.1.2. "Commercial."

(c) Offices, retail areas, business premises, logistics warehouses, etc.

The Housing backlog in the Paris area fell by 7.7% in volume and by 3.1% in value compared to the previous year. At the same time, the Regions were up 5.2% in volume and 1.3% in value. The Île de France (1) share of the housing backlog fell slightly compared to the Regions, standing at 21.3% in volume and 26.8% in value at the end of November 2022, compared with 28.7% in volume and 34% in value at the end of November 2022. The West (Caen, Haute-Normandie, Rennes, Nantes, Val-de-Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) represented 29.2% in value terms compared to 25.5% for the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan).

The *backlog* Housing at November 30, 2023 represented 25.7 months of activity compared with 24.6 months at 2022, November 30.

2.1.4. Outlook

Land reserve

Lots that can be developed by 2025 *(at November 30, 2023)*	**In units**	**In Sq.m estimated** [(c) (d) (e)]
Land to be developed [(a)]	**34,134**	**2,528,528**
Single-family homes in communities	2,677	287,295
Multi-occupancy housing	31,392	1,792,963
Commercial property	-	416,679
Building lots	65	31,591
Land under development [(b)]	**10,744**	**729,066**
Single-family homes in communities	1,012	76,578
Multi-occupancy housing	9,732	565,888
Commercial property	-	86,600
Building lots	-	-
Total France	**44,878**	**3,257,594**

(a) Land for which an agreement or promise to sell has been signed (Land Reserve).

(b) Land for which an agreement or promise to sell has not yet been signed.

(c) Based on estimated floor area.

(d) Based on a single family home with an average surface area of 100 sq.m.

(e) Based on an apartment with an average surface area of 60 sq.m plus 15% for common areas.

As of November 30, 2023, all land for which an agreement or promise to sell has been signed (Total Land Reserve) amounted to 2,528,528 sq.m, representing 34,134 units. The group's hiusing portfolio is 34,009 units, representing more than 5 years of activity. The real estate portfolio of commercial real estate represents 416,679 sq.m. Lastly, the group's business potential by 2025 (including land for which a deed or a promise to sell has not yet been signed in addition to the land reserve) represents 44,878 units, including 86,600 sq.m of office space from land under consideration.

2.2. Significant items in the income statement

2.2.1. Key figures

The table below shows the significant items in the group's consolidated income statement for the last two years.

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Revenue	1,409,055	1,314,878
Gross margin	257,232	228,173
Gross margin *(%)*	18.3%	17.4%
Current Operating Income (COI)	109,332	98,212
Operating profit	109,332	98,212
Consolated net Income	76,476	69,251
Attributable net income	60,154	49008
Earnings per share [(a)]	€3.03	€2.27

(a) Based on the number of shares making up the share capital at the end of the reporting period, i.e. 19,862,022 as of November 30, 2023 and 21,613,022 as of November 30, 2022.

2.2.2. Origin of net income

The accounting principles, estimates and assumptions used to prepare the consolidated financial statements for the year ended 2023, November 30 are described in Note 1 to the consolidated financial statements for the year ended 2023, November 30 in Section 6.1.5. «Notes To The Financial Statements.»

The group accounts for its revenue and margin according to the progress of the programs according to the following rule: The revenue recognised for a given program is equal to the revenue of the cumulative revenue of the lots for which the notarial deed of sale has been signed and the ratio between the amount of the land expenditure and the construction expenditure incurred by the group on that program and the total budget of the expenditures of that program.

Gross margin corresponds to revenues less cost of revenues. Cost of revenues consists of the price of land, related land costs (taxes, etc.), commissions paid to Kaufman & Broad developers and revenuespeople, fees and commissions inherent in the mandates issued by Kaufman & Broad to sell real estate programs, and construction costs.

Current operating income corresponds to the gross margin adjusted for revenues and marketing expenses, administrative expenses, technical expenses and after-revenues services and other operating income and expenses:

- revenues and marketing expenses include salaries for the fixed portion and social security charges for revenuespeople, revenues *management* and showroom staff, installation and maintenance costs for model areas, design costs, long-shelf billboards and advertising costs, as well as various ancillary expenses (employee travel expenses, showroom and revenues office rent in case of leased premises). The level of these expenses recorded during the year should be linked to the number of programs opened for sale during the year;
- Administrative expenses include salaries of administrative staff, rent and rental expenses (headquarters and agencies), external fees, travel expenses, taxes (mainly territorial economic contribution), maintenance costs, supplies;
- Technical charges and after-revenues services include the salaries of staff in charge of technical monitoring of real estate programs as well as services related to after-revenues operations, travel expenses, maintenance costs and supplies;
- Development and program expenses include the salaries of personnel in charge of land development, the setting up and monitoring of real estate programs, as well as services related to travel costs, maintenance costs and supplies.

In accordance with CNC recommendation 2009-R.03, the group uses "Other non-recurring income and expenses" to present unusual, infrequent and material items separately to facilitate an understanding of operating performance.

Operating profit corresponds to current operating income adjusted for non-current income and expenses.

- The net income (loss) of consolidated companies corresponds operating income adjusted for:
- The cost of net financial debt (financial income and expenses) consisting of interest expenses on the syndicated lines of credit, interest expenses on swaps, expenses paid on overdrafts, commitment fees and amortisation of expenses related to credit lines, capital gains on disposals of money market funds and income on term accounts;
- Other financial income and expenses;
- Income tax.

Consolidated net income corresponds to consolidated net income adjusted for:

- Share in net income (loss) of equity associates and joint ventures (accounted for by the equity method).

Net income attributable corresponds to consolidated net income adjusted for:

- Income from non-controlling interests (minority interests), which includes all income and expenses attributable to minority interests in fully consolidated companies.

2.3. Comments on the results

Statement of consolidated comprehensive income

Consolidated income statement

(in € thousands)	November 30, 2023	November 30, 2022
Revenue	1,409,055	1,314,878
Cost of revenues	-1,151,823	-1,086,705
GROSS MARGIN	**257,232**	**228,173**
Marketing expenses	-20,875	-26,892
Administrative expenses	-64,780	-60,911
Technical and customer service expenses	-22,021	-23,175
Development and program expenses	-40,224	-18,983
CURRENT OPERATING INCOME (COI)	**109,332**	**98,212**
Other non-recurring income	-	-
Other non-recurring expenses	-	-
OPERATING PROFIT	**109,332**	**98,212**
Financial expenses	-24,770	-19,596
Financial income	10,992	2,094
NET COST OF FINANCIAL DEBT	**-13,848**	**-17,502**
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**95,484**	**80,710**
Income tax	-19,857	-13,483
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES	**75,627**	**67,228**
Share of income (loss) of equity affiliates and joint ventures	849	2,023
CONSOLIDATED NET INCOME	**76,476**	**69,251**
Non-controlling interests income (loss)	16,322	20,243
Attributable net income	60,154	49,008
Average number of shares	20,300,383	20,990,005
BASIC EARNINGS PER SHARE [(A)]	**€2.96**	**€2.33**
DILUTED EARNINGS PER SHARE [(A)]	**€2.93**	**€2.31**

(a) Earnings per share calculated on the basis of the average number of shares and diluted average number of shares

2.3.1. Breakdown of deliveries, revenues and gross margin

2.3.1.1. Breakdown by line of revenue

The following table breaks down the number of housing units delivered (HEU), revenue and gross margin by product line for 2023 and 2022:

	2023			2022		
Year Ended November 30 *(in € thousands)*	**Deliveries (HEU) (units)**	**Revenue**	**Gross margin**	**Deliveries (HEU) (units)**	**Revenue**	**Gross margin**
Multi-occupancy housing	4358	883008	163141	5,739	1,076,336	185,816
Single-family homes in communities	254	74788	14071	263	76,178	14,123
TOTAL HOUSING	**4612**	**957796**	**177212**	**6,002**	**1,152,514**	**199,939**
Commercial property	-	**437457**	**75048**	**1**	**150,172**	**24,250**
Other [(a)]	-	6385	1626	0	5,449	1,342
Student residence operations	-	7417	3346	0	6,743	2,642
GRAND TOTAL	**4,612**	**1,409,055**	**257,232**	**6,003**	**1,314,878**	**228,173**

(a)Corresponds mainly to revenues of bare lots and external fees (Deputy Project Management).

Deliveries (*HEUs*)

The number of unit equivalent units delivered (*HEUs*) decreased by 23.2% between 2023 and 2022, from 6,003 units delivered in 2022 to 4,612 units delivered in 2023. Deliveries of Multi-occupancy housing fell by 24.1% to 4,358 units in 2023 and deliveries of individual houses in communities fell by 3.4% to 254 units delivered. Multi-occupancy housing accounted for 94.5% of the units delivered, compared with 95.6% in 2022 of the Housing business.

Revenue

The group's total revenue (excluding VAT) was 7.2% higher than in 2022, at 1409.1 million euros compared to 1314.9 million euros in 2022. This change is essentially explained by the sharp rise in commercial real estate, the turnover of which has been multiplied by 3. This sharp rise offsets the 16.9% decline in the housing division

Multi-occupancy housing activity

Revenue from the group Housing business decreased by 18% from € 1,076.3 million in 2022 to 883 million euros in 2023. 41.2% of this was generated in the Paris region, compared with 33.4% in 2022. The regions represented 58.8% in 2023 compared to 66.6% in 2022. Multi-occupancy housing accounted for 62.7% of total revenue, compared with 81.9% in 2022.

Single-family homes in communities activity

Single-family homes in communities revenues were down 1.8% compared to 2022, from 76.2 million euros in 2022 to 74.8 million euros in 2023. Its share of total revenue was 5.3%, compared to 5.8% in 2022. The Île de France region accounted for 67.2% of individual Maisons revenue and 32.8% in the Region in 2023.

Commercial property activity

Revenue from the Commercial property segment increased by 287.2 million euros. It amounted to 437.5 million euros in 2023, compared with 150.2 million euros in 2022. The exceptional increase in this activity resulted from the contribution of revenue from the large scale construction site at Austerlitz railway station project.

Other activities and Student residences

Revenues from other activities amounted to 6.3 million euros in 2023 compared to 5.5 million euros in 2022

Revenues from the Student residence business amounted to 7.4 million euros in 2023 compared to 6.7 million euros in 2022

Gross margin

The Group's gross margin was 257.2 million euros, compared with 228.2 million euros in 2022, an increase of 12.7% (+29 million euros). Gross margin was 18.3% in 2023, compared with 17.4% at 2022, November 30. This change is mainly explained by the 209.5% increase in the gross margin of the Commercial property activity (which stood at 50.8 million euros).

Multi-occupancy housing activity

The group multi-occupancy housing activity posted a gross margin of 163.1 million euros compared to 185.8 million euros in 2022 (down 12%). Its gross margin increased from 17.3% in 2022 to 18.5% in 2023. The 22.7 million euros decrease in gross margin was due to a 25.3 million euros decrease in the Regions, offset by a slight increase of 2.6 million euros in the Paris region. In the Paris region, the gross margin was 19.8% compared to 19.3% in 2022. In the Regions, it amounted to 17.6% compared to 16.2% in 2022.

Single-family homes in communities activity

The Gross margin margin of the Single-family homes in communities activity remained virtually stable compared to 2022 (-0.4%). It amounted to 14.1 million euros in 2023, despite the 42.8% drop in gross margin in the Regions, offset by the 48.5% increase in the Paris region.

Commercial property and other activities

Gross margin from other activities amounted to 80.2 million euros in 2023 compared to 28.2 million euros in 2022. The Commercial Real Estate business alone represented 75 million euros in the margin of other activities, an increase of 50.8 million euros compared to 2022.

2.3.1.2. Breakdown by operating segment

The following table breaks down the number of housing units delivered (HEU), revenues and gross margin by geographic sector for 2023 and 2022:

Year Ended November 30 *(in € thousands)*	2023 Deliveries *(HEUs) (in units)*	2023 Revenue	2023 Gross margin	2022 Deliveries *(HEUs) (in units)*	2022 Revenue	2022 Gross margin
Île-de-France	**1,686**	**397,162**	**79,685**	**1,794**	**392,914**	**77,003**
Housing	1,686	394,455	79,090	1,794	390,728	76,519
Commercial	-	-	-	-	-	-
Other [(a)]	-	2,706	595	-	2,186	484
West	**1,351**	**258,162**	**41,682**	**2,083**	**386,186**	**65,828**
Housing	1,351	244,894	39,835	2,083	366,576	61,097
Commercial	-	12,222	1,593	-	18,503	4,455
Other [(a)]	-	1,046	254	-	1,106	276
East	**1,433**	**282,543**	**53,649**	**2,061**	**388,462**	**63771**
Housing	1,433	276,856	52,206	2,061	380,482	61306
Commercial	-	3,308	920	-	5,960	2021
Other [(a)]	-	2,379	523	-	2,019	444
Commercial real estate and logistics [(b)]	**76**	**441,818**	**75,313**	**23.**	**129,799**	**17,093**
Housing	76	19,690	2,578	22.	4,090	-681
Commercial	-	421,927	72,535	1	125,709	17,774
Other [(a)]	-	200	200	-	-	-
Other	**66**	**29,371**	**6,903**	**(41)**	**17,519**	**4,478**
Housing	66	21,900	3,503	(41)	10,638	1,698
Commercial	-	-	-	-	-	-
Other [(a)]	-	(54)	(54)	-	137	137
Management of residence operat	-	7,417	3,346	-	6,743	2,642
TOTAL	**4,612**	**1,409,055**	**257,232**	**6,003**	**1,314,878**	**228,173**
Housing	4,612	957,796	177,212	6,002	1,152,514	199,939
Commercial	-	437,457	75,048	1	150,172	24,250
Other [(a)]	-	6,385	1,626	-	5,449	1,342
Management of residence operat	-	7,417	3,346	-	6,743	2,642

* *The segment breakdown changed -20221 proforma data.*

(a) Corresponds to revenues of bare lots, external fees and the Showroom activity.

(b) Offices, retail areas, business premises, logistics warehouses, etc.

Deliveries (*HEUs*)

By geographic sector, the Île de France region accounts for a significant portion of the group's housing business, with 36.6% of residential units delivered in 2023 (representing 33.3% for Multi-occupancy housing and 3.23% for single family homes in communities), compared with 29.9% in 2022. The Group is also active in the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) and in the East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier and Perpignan), where it achieved 29.3% and 31.1% respectively in 2023 compared to 34.7% and 34.3% in 2022.

Housing revenue activity

Housing revenue totaled 957.8 million euros, down 16.9% from 1152.5 million euros in 2022. Île de France contributed 43.2% of revenue, compared with 34.3% in 2022.

The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) and the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) respectively contributed 28.9% and 25.6% of housing revenue.

The 194.7 million euros decline in housing revenue compared to 2022 was mainly due to the decline in housing revenue across all categories.

Housing gross margin activity

The gross margin of the Housing segment at 2023, November 30 was 177.2 million euros, compared with 199.9 million euros in 2022, a year on year decrease of 11.4%. The housing gross margin increased from 17.3% to 18.5% between 2022 and 2023.

The Île de France region contributed 46.1% of the group's housing gross margin in 2023 (37.9% in 2022). The East (Annecy, Grenoble, Dijon, Lyon, Lille Flandre Promotion, Reims, Alsace, Nice, Toulon, Marseille, Avignon, Montpellier, Perpignan) and the West (Caen, Haute Normandie, Rennes, Nantes, Val de Loire, Toulouse, Bordeaux, Bayonne, La Rochelle and Serge Mas Promotion) respectively contributed 29.5% and 22.5% to the gross margin of the Housing Division.

The 22.7 million euros decrease in gross margin for housing activity between 2022 and 2023 was due to the 28.6 million euros decrease in gross margin in the region, partially offset by the 5.8 million increase in the Paris region.

2.3.2. Operating expenses

(in € thousands)	November 30, 2023	November 30, 2022
Marketing expenses	20,875	26,892
Administrative expenses	64,780	60,911
Technical charges and after-revenues	22,021	23,175
Development and program expenses	40,224	18,983
OPERATING EXPENSES TOTAL	**147900**	**129961**

At 2023, November 30, operating expenses amounted to 148.0 million euros, compared with 130.0 million euros in 2022. Operating expenses as a percentage of revenue increased slightly to 10.5% in 2023 compared to 9.9% in 2022.

The change in operating expenses is mainly due to the following items:

Marketing expenses

Marketing expenses amounted to 20.9 million euros at November 30, 2023, compared with 26.9 million euros in 2022. This 22.3% decrease was due to a 2.6 million euros decrease in «salaries and social security charges» and a 3.2 million euros decrease in «advertising expenses.»

Compensation of revenues forces

The table below shows changes in salaries and payroll costs (the fixed and variable portions are included in the cost of revenues) related to the revenues team over the last two years:

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Salaries and payroll taxes	8,113	10,711
Commissions paid to sales team	4,490	5,493
As a percentage of total revenue	*0.6 %*	*1.2 %*

Commissions on sales *(in € thousands)*	**2023**	**2022**
Commissions paid to sales team	4,490	5,493
External commissions	22,732	32,380
TOTAL COMMISSIONS ON REVENUES	**27,222**	**37,873**
As a percentage of total revenue	1.9%	3.1%
As a percentage of gross margin Housing	10.6%	17.7%

Commissions on sales amounted to 27.2 million euros in 2023, including 4.5 million euros for internal commissions (paid to sellers) and 22.7 million euros for external commissions (paid to prescribers). The weighting of sales commissions as a percentage of sales decreased by 1 point to 1.9%. It should be noted that these expenses are included in the cost of revenues of real estate operations.

Advertising

Kaufman & Broad, in the context of the launch of real estate programs (Single-family homes in communities or Multi-occupancy housing), as well as in that of national advertising campaigns on its image and products, devotes to advertising an amount of expenditure theoretically representing between 2% and 2.5% of its turnover. Depending on the proportion of the activity carried out by the prescribers, as well as the weight of the commercial property business in the total turnover, the percentage observed may be lower. In 2023, advertising, model and model area costs accounted for 9.5 million euros, representing 0.67% of total sales, down 0.3 percentage point on 2022.

The following table shows the amount of these advertising expenses as well as the percentage of these expenses compared to revenues over the last two financial years:

Year Ended November 30 *(in € thousands)*	**2023**	**2022**
Advertising expenses	9,498	12,716
As a percentage of revenue	*0.67 %*	*0,97 %*

Advertising spending in 2023 was down 25% compared to 2022, with sales also up 7.2% between the two years. These still represent less than 1% of Kaufman & Broad's consolidated sales, due to the product mix and customer mix phenomenon. In 2023, this rate of 0.67% of sales was rather low than in previous years, mainly due to a large number of block sales.

Administrative expenses

Administrative expenses amounted to 64.8 million euros in 2023, compared to 60.9 million euros in 2022, an increase of 6.4% attributable to the increase in the «salaries and social security charges» item for 3.5 million euros, a decrease in «rents and rental charges» for 1.9 million euros, the decrease in the «Maintenance, electricity and telephone» item for 0.9 million euros, the increase in other items for 0.1 million euros and the increase in the «calculated expenses» item for 2.3 million euros (including 1.3 million amortisation of IFRS16 user rights, 0.7 million expenses relating to free shares and 0.3 million other calculated expenses).

Technical and customer service expenses

Technical expenses and after sales service amounted to 22.0 million euros at November 30, 2023, compared with 23.2 million euros in 2022, the 5% decrease mainly coming from the «salaries and social security charges» item for 0.6 million euros and the «fees» item for 0.4 million euros.

Development and program expenses

Development and programme expenses amounted to 40.2 million euros at November 30, 2023, compared with 19.0 million euros in 2022, including a 18.4 million euros increase in net additions to provisions for impairment of new projects and inventories in progress, and a 2.6 million increase in other calculated expenses (excluding impairment of new projects).

2.3.3. Current operating income (COI)- Operating margin

The Group'scurrent operating income increased by 11.3% from 98.2 million euros in 2022 to 109.3 million euros in 2023. Operating margin was 7.8% compared to 7.5% in 2022. The increase of 0.3 point was due to the improvement in gross margin which more than offset the increase in operating expenses. The increase in gross margin for 29.1 million euros, stemming on the one hand from the increase in revenue generating an additional gross margin volume of 16.3 million euros, and on the other hand from an increase in the gross margin rate, linked to the product mix effect of nearly one rate point, thus contributing 12.7 million additional gross margin. As the increase in gross margin was partially offset by the increase in operating expenses (+13.8%) or +17.9 million euros, from 130.0 million euros in 2022, to 147.9 million euros, in particular due to the increase in development expenses, linked to the additional expenses of abandoned projects

2.3.4. Other non-current income and expenses

As of November 30, 2023, non-current income was nil (as in 2022). Operating income thus came to 98.2 million euros, at the same level as in 2022.

2.3.5. Net Cost of Financial Debt

Cost of net debt decreased by 3.6 million euros from 17.5 million euros in 2022 to 13.8 million euros in 2023. The improvement in the cost of financial debt in 2023 was mainly due to the increase in financial interest on financial investments, in line with the rise in interest rates on funds placed on the market.

Interest charges on syndicated lines of credit and the bond loan are due for any drawing of these lines of credit.For fiscal year 2023, the bond issue was used for 150.0 million euros and the credit lines were used for an average of 5.3 million.

The overall effective rate of debt taking into account the overall amortisation of issuance costs incurred and hedges was 3.88% compared to 3.25% in 2022, excluding the amortisation of swaps, the cost of arranging credit lines, IFRS16 debt, discounting of debt and interest bearing funds on certain block sales. (See section 6.1.5. note 6.3 «Cost of net debt» to the consolidated financial statements).

2.3.6. Net income

Income tax expense

Income tax presents a tax expense of 19.8 million euros calculated on the group's profit for the year ended November 30, 2023, compared to 13.5 million euros for the 2022 financial year (see chapter 6 relating to the consolidated financial statements for the year ended November 30, 2023 - section 6.1.5. "Notes to the financial statements" in Note 9.1."Income tax" et seq. of the notes to the consolidated financial statements).

Non-controlling interests

Non controlling interests decreased by 3.9 million euros from 20.2 million euros in 2022 to 16.3 million euros in 2023.

In 2023, buybacks of non-controlling interests amounted to 0.3 million euros, compared with 2.5 million euros in 2022. The difference between the price paid and the corresponding reduction in non-controlling interests is offset by equity attributable to equity holders of the parent.

Net income

Net income attributable for 2023 was 22.7% higher than in 2022. It amounted to 60.1 million euros, compared with 49 million euros in 2022.

The net margin (attributable net income expressed as a percentage of revenues) was 4.3% in 2023, up 0.6 point compared to 2022, when it was 3.7%.

2.3.7. Income by operating segment

In accordance with IFRS 8 "Operating Segments," the segment information presented corresponds to the organization of internal reporting for group management to assess performance. The Executive Committee represents the principal operational decision-maker under the terms of the IFRS 8 standard. Details of this segment analysis are provided in Note 3.1.1. "Income by operating segment" in the notes to the consolidated financial statements for the year ended November 30, 2023.

Year Ended November 30, 2023 *(in € thousands)*	Île-de-France	West	East	Commercial property and logistics	Other Activities	Grand Total
Revenue	397,162	292,846	247,858	441,818	29,371	1,409,055
GROSS MARGIN	**79,680**	**48,545**	**46,786**	**75,313**	**6,908**	**257,232**
Marketing expenses	-6,041	-5,177	-3,724	-417	-5,517	-2,0875
Administrative expenses	-10,033	-11,834	-8,846	-3,372	-30,695	-64,780
Technical and customer service expenses	-8,789	-5,136	-5,012	-437	-2,647	-22,021
Development and program expenses	-7,897	-13,964	-11,232	-4,343	-2,787	-40,224
Redistribution of proportionate share of head office recharge	-11,376	-11618	-8,773	-1,205	32,972	-
OPERATING PROFIT	**35,545**	**815**	**9,199**	**65,539**	**-1,766**	**109,332**
Cost of net financial debt and other costs/financial revenues	-7,689	-9,,733	-10,290	13,173	691	-13,848
Redistribution of net financial debt cost	925	945	713	-98	-2681	-
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**28,780**	**-7,973**	**-378**	**78,810**	**-3,756**	**95,484**
Income tax expense	-5,313	4005	708	-20,356	1,099	-19,857
Share of income (loss) of equity affiliates and joint ventures	991	-118	-5	-	-18	849
CONSOLATED NET INCOME	**24,458**	**-4,,086**	**325**	**58,454**	**-2,675**	**76,476**
Attributable net income	16,227	-9,988	-955	58,005	-3,134	60,154
Non-controlling interests income (loss)	8,231	5,903	1,280	450	459	16,322

Year Ended November 30, 2022 *(in € thousands)*	Île-de-France	West	East	Commercial property and logistics	Other Activities	Grand Total
Revenue	392,914	386,186	388,462	129,799	17,519	1,314,878
GROSS MARGIN	**77,009**	**65,835**	**63,768**	**17,083**	**4,479**	**228,173**
Marketing expenses	-8,608	-6,933	-7,274	-349	-3,727	-26,892
Administrative expenses	-10,729	-10,552	-10,159	-2,293	-27,179	-60,912
Technical and customer service expenses	-9,733	-4,449	-5,906	-753	-2,334	-23,175
Development and program expenses	-5,876	-8,545	-9,651	5,450	-360	-18,983
Redistribution of proportionate share of head office recharge	-7,951	-7,523	-7,797	-1,656	24,927	-
OPERATING PROFIT	**34,113**	**27,832**	**22,980**	**17,482**	**-4,194**	**98212**
Cost of net financial debt and other costs/financial revenues	-4,550	-6,033	-6,861	29	-86	-17,502
Redistribution of net financial debt cost	657	622	644	137	-2,060	-
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**30,220**	**22,420**	**16,763**	**17,648**	**-6,341**	**80,710**
Income tax expense	-5,310	-3,831	-1,836	-4,362	1,858	-13,482
Share of income (loss) of equity affiliates and joint ventures	1,270	-90	-81	681	244	2,024
CONSOLIDATED NET INCOME	**26,180**	**18,499**	**14,845**	**13,966**	**-4,239**	**69,251**
Group share	18,210	14,180	9,176	12,285	-4,842	49,008
Non-controlling interests income (loss)	7,970	4,319	5,670	1,681	604	20,243

2.4. Liquidity and capital resources

2.4.1. Cash flows

The group's net cash position was 356.9 million euros at 2023, November 30, up 255.9 million euros compared to 101.0 million euros at 2022, November 30. This change can be explained as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Cash flow from operating activities	374,752	19,725
Cash flow from (used in) inacquisition activities	-1,1083	-20,720
*Free cash flow*free [1]	363,669	-995
Cash flow from (used in) financing activities	-114,623	-87,467
Increase (decrease) in cash	249,046	-88,462
CASH AT OPENING OF PERIOD	**100,998**	**189,460**
CASH AT CLOSING OF PERIOD	**350,044**	**100,998**

(1) Free cash flow is equal to cash flow less net capital expenditure for the year.

Cash flow from operating activities

Cash flows from operating activities amounted to 374.7 million euros, compared with 19.7 million euros at November 30, 2022, an increase of 355 million euros. The change in cash generated from operations can be analysed mainly as follows:

- Uincreased cash flow by 10.3 million euros from 114.5 million euros to 124.8 million euros ;
- A 41.0 million euros increase in taxes paid to 4.6 million euros compared to a 36.4 million euros refund at the end of November 2022;
- A very significant decrease in the change in operating working capital (excluding current taxes), from -58.4 million euros at November 30, 2022 to 245.3 million euros at November 30, 2023.

Operating working capital requirements (excluding current taxes) amounted to (62.0) million euros at the end of November 2023, compared with 185.7 million euros at the end of November 2022, an increase of 245.3 million euros, see Note 3.6 «Breakdown of changes in working capital requirement'. The change in operating WCR was due to a 36.7 million euros decrease in inventories, a 16.4 million euros decrease in trade receivables, a 96.1 million euros increase in trade payables and a 96.0 million euros decrease in other operating assets and liabilities as well as a 5.6 million euro decrease in current tax. WCR (including current taxes) expressed as a percentage of sales amounted to -5.7% at 2023, November 30 compared to 14.5% for the same period of 2022.

Cash flow from (used in) inacquisition activities

Cash flows from inacquisition activities amounted to (11) million euros compared to (20.7) million euros in 2022. They mainly comprise:

- 5.7 million euros in cash outflows for acquisitions of property, plant and equipment and intangible assets, mainly related to the acquisition of licences for 3.6 million euros;
- 0.4 million euros related to the change in financial assets (loans) granted as part of real estate projects;
- 0.7 million euros in investments in associates. (of which 2.9 million euros in dedicated to investments in other fixed assets in the Managed Residences portfolio).

Cash flows from (used in) financing activities

Cash flows from financing activities amounted to (114.6) million euros, compared with 87.5 million euros in 2022. They consist of:

- (49.5) million euros in dividends paid to shareholders;
- (17.0) million euros of distributions to non controlling interests
- (47.7) million euros in treasury share buybacks;
- (8.6) million euros corresponding to the reimbursement of rights of use debts under IFRS 16;
- (13.3) million euros in net interest paid.
- +1.1 million euros relating to the new residential loan

2.4.2. Debt Position

2.4.2.1. Gross financial debt

Gross financial debt consists of long-term and short-term financial liabilities, hedging instruments relating to liabilities and accrued interest on balance sheet items.

This breaks down as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Syndicated credit facility - Senior credit facility	-	-
Bond issue	150,000	150,000
Accrued interest	2,322	2,322
Other borrowings	13,213	13,202
Credit facilities used	4,203	3,889
Lease liabilities (IFRS 16)	39,070	41,765
Lease liabilities (IFRS 16) – Accrued interest	174	136
Loan arrangement costs	-198	-581
Financial liabilities on minority put options	3,667	3,560
Fair value of derivatives	-	-
GROSS FINANCIAL DEBT	**212,451**	**214,293**
• Of which non-current	147,922	202,819
• O/w current	64,529	11,474

At November 30, 2023, the group's gross financial debt amounted to 212.4 million euros, including 147.9 million euros in non current debt (mainly bonds of 100 million euros and loans related to managed residences for 12.5 million euros and Put Néorésid debt for 3.6 million euros, as well as more than 31.0 million euros in IFRS 16 debt.

Current liabilities mainly relate to the 50 million euros bond issue maturing in May 2024, accrued interest and credit facilities for 6.5 million euros and the balance of IFRS 16 debt for nearly 8.0 million euros.

Gross financial debt amounted to 202.8 million euros at 2022, November 30 with a maturity of 2.6 years compared to 1.6 year at the end of November 2023.

On 30 March 2020, in accordance with the clause set out in the Facility Agreement signed on 30 January 2019, Kaufman & Broad applied for an extension of the maturity date of the Facility by an additional year as set out in the Facility Agreement, i.e. from the 30 January 2024 initial maturity date to 30 January 2025, extended maturity date. The application was accepted by all lenders under the 30 January 2019 syndicated loan agreement.

At the end of November 2023, the group had 150 million euros in bonds, comprising a 50 million euros tranche (maturing in May 2024), a 100 million euros tranche (maturing in May 2025) and 250 million euros in revolving credit (undrawn at 2022, November 30 and maturing in January 2025). In the first half of 2022, the group entered into credit agreements with the Caisses d'Epargne for 6 million euros to finance the acquisition of managed residences with a maturity of nearly 8 years and drawn down for 5 million euros (9.5 million euros for the Gagny student residence on the 31 March 2022 drawn down for 8.4 million euros and 4.1 million euros for the Amiens student residence).

Adjustment of financial ratios

For accounting periods starting in November 2017, until the redemption of the bond issue, the group is subject to two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratio at each half-year end (Bond issue)	**Threshold**
Leverage ratio [(a)]	≤ 3.0
Gearing ratio [(b)]	≤ 2.5

(a)Or net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt is defined as gross financial debt less cash and cash equivalents, excluding certain subordinated debt and certain off balance sheet commitments;

(2) EBITDA corresponds to consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other income and expenses of an exceptional and/or non-recurring nature, excluding calculated expenses (including in particular depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary Compensation of employees) and capital gains or losses on disposals of assets, and less net income from minority interests.

(b)Net financial debt (1) divided by adjusted equity (3):

(1)Adjusted shareholders' equity = consolidated shareholders' equity as of November 30, 2016 + cumulative consolidated income from 1 December 2016 to the end of the quarter under review - dividends paid over the period under review + cumulative impairment charge from the period from 1 December 2016 to the end of the quarter under review.

For accounting periods starting in November 2019, until the repayment of the 2019 syndicated credit facility, the group is subject to compliance with two ratios, calculated on a consolidated basis, the levels of which have been defined as follows:

Ratio at each half-year end (2019 syndicated loan)	Threshold
Leverage ratio [a]	≤ 3.0
Gearing ratio [b]	≤ 2.0

(a)Or net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt is defined as gross financial debt less cash and cash equivalents, excluding certain subordinated debt and certain off balance sheet commitments;

(2) EBITDA corresponds to consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other income and expenses of an exceptional and/or non-recurring nature, excluding calculated expenses (including in particular depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary Compensation of employees) and capital gains or losses on disposals of assets, and less net income from minority interests.

(b)Net financial debt (1) divided by consolidated shareholders' equity (3):

(1) means, at any given date, the sum of the Borrower's consolidated equity at the beginning of the relevant financial year, plus the consolidated net income of the group at that date, less (i) dividends paid in cash (including the share of profit attributable to minority interests) and other equivalent distributions of the Borrower paid to its shareholders in cash since the beginning of the relevant financial year (ii) impairments resulting from cumulative impairment tests for the same period (to neutralize their inclusion in the consolidated net income of the group) and (iii) the impact of treasury shares held by the Borrower as as of November 30, 2017.

In addition, the margin applicable to each advance considered will be determined (i) based on the level of the leverage ratio applicable at each test date and (ii) based on the levels of the annual CSR criteria, a positive as well as negative incentive mechanism will be applied to the applicable margin in progress.

Calculation of financial ratios at date:

Ratio at November 30, 2023	Threshold [a]	Current ratio
Leverage ratio	≤ 3.0	-1.53
Net Gearing ratio (bond issue)	≤ 2.5	N/A (*)
Net Gearing ratio (syndicated loan agreement)	≤ 2.0	-0.54

(a)Threshold to be respected in connection with the bond issue and the syndicated loan agreement.

(*) In accordance with the clauses of the 18 May 2017 bond issue documentation, the calculation of the covenants ratios may be suspended under the following conditions: «These ratios will cease to apply from the date the company obtains a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch.» In 2022, the international rating agency Fitch awarded Kaufman & Broad S.A. an Investment Grade of BBB- with stable prospects.This rating was confirmed for 2023. Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the development phase of projects. Kaufman & Broad is currently the only pure developer in Europe with an Investment Grade rating. Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows

Main use of the group's financial debt

(in € thousands)	Capacity	Use at November 30, 2023	Maturity	Type	Rates [a]
Syndicated Credit Agreement of 29 January 2019					
RCF [b]	250,000	-	January 2025	Variable	E [c] +162.5 to 277.5 BPS
Bond issue 18 May 2017					
7 year bond issue	50,000	50,000	May 2024	Fixed	2.88%
8 year bond issue	100,000	100,000	May 2025	Fixed	3.20%
Total Bonds	150,000	150,000			
Bank Debt (Gagny Students)	9,500	8,390	April 2030	Fixed	1.80%
Bank Debt (Amiens Students)	4,100	4,100	April 2030	Fixed	1.80%
Total Residential loans managed	**13,600**	**12,490**			
Total	**413,600**	**162,490**	**-**	**-**	**-**

(a) E = Euribor, which is, for a given maturity, the fixing, calculated each business day, of an average rate at which a sample of about fifty major banks established in Europe lends blank to other major banks.

(b) Revolving credit facility.

(c) The applicable margin depends on the level of the leverage ratio achieved and on the levels of the CSR Criteria defined in the documentation.

The overall effective rate of debt taking into account the total amortisation of issuance costs incurred and hedges was 4.37% compared to 4.10% in 2022.

2.4.2.2. Main changes in gross financial debt

(in € thousands)	November 30, 2023
Gross financial debt as of November 30, 2022	214,293
Lease liabilities (IFRS 16)	-2,695
Financial liabilities on minority put options	107
Loan arrangement cost	384
Change in other borrowings and finance leases	(53)
Lease liabilities (IFRS 16) – Accrued interest	-5
Change in credit facilities	314
Gross financial debt as of November 30, 2023	**212,451**
Change in gross financial debt in 2022	-1,842

The group's gross financial debt recorded a change between November 30, 2022 and November 30, 2023 of (1.8) million euros, mainly due to the change in IFRS 16 lease liabilities for (2.7) million euros, the change in debt on minority put options for 0.1 million euros and the change in other borrowings and leasing for 0.5 million euros.

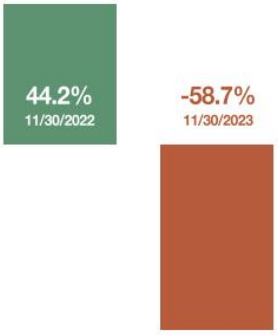
The table below reflects the group's financial structure over the last two years and changes in the maturity of its debt:

(in € thousands)	November 30, 2023	November 30, 2022
Shareholders" equity	234.5	256.4
Financial debt *	**212.5**	**214.3**
Financial debt maturing < 1 year (excluding Loan arrangement costs)	64.7	11.9
Financial debt maturing < 1 year (Loan arrangement costs)	-0.2	-0.3
Financial debt maturing > 1 year and < 5 years	124.2	176.1
Financial debt maturing > 5 years	23.8	26.7
Maturity	**1.6 years**	**2.6 years**
** Of which:*		
Loan arrangement costs	*-0.2*	*-0.6*
Fair value of derivatives	*-*	*-*
Credit facilities used	*4.2*	*3.9*
Lease liabilities (IFRS 16)	*39.1*	*41.8*
Bond issue	*150.0*	*150.0*
Other (other borrowings, BV, minority put, deposits, unpaid interest, etc.)	*17.1*	*16.9*
Accrued interest	*2.3*	*2.3*

2.4.2.3. Evolution of the net financial debt

Net financial debt
(including IFRS 16 lease liabilities and Put Neoresid debt)

Gearing



The net financial debt refers to the gross financial debt deducted by the cash flow and cash equivalents.At 2023, November 30, net cash and cash equivalents amounted to 137.5 million euros, an improvement of over 250 million euros compared with 113.3 million euros at 2022, November 30. This sharp increase was almost exclusively due to a 249.0 million euros increase in the group's cash position; Excluding IFRS 16 lease liabilities and Put Neoresid debt), it therefore generated net cash and cash equivalents of 180.5 million euros (including 39.0 million euros in IFRS 16 lease liabilities and 3.6 million euros in Put Neoresid), compared to 67.8 million euros in net financial debt, with cash and cash equivalents of 101.0 million euros at 2022, November 30.

The *gearing* (ratio of net financial debt to consolidated equity) was -79.8% at 2023, November 30 compared to 44.2% at 2022, November 30.

2.5. Events fafter the closing date

Proposal of the Board of Directors

The Board of Directors held on the 29 January 2024, taking note of the 2023 results, the financial structure of Kaufman & Broad and the high level of its equity, decided to propose to the next General Meeting of Shareholders to be held on 6 May 2024, a dividend of €2.40 per share for the 2023 financial year.

No other significant events have occurred at the date of this document since the end of the 2023 financial year

2.6. Recent developments and outlook

2.6.1. Markets

The new real estate market in France in which the group operates remains strongly influenced by the general economic context in which it operates. Trends in key macroeconomic indicators, such as economic growth, interest rates and, for new housing, unemployment rates and household confidence, are all variables that can influence property development activity.

In France, according to the latest information available, INSEE forecasts estimate that the horizon would brighten slightly at the beginning of 2024: Disinflation is confirmed (+3.1% in January; +2.6% expected in June), which would support the purchasing power of households. Their confidence is gradually improving and consumption would be the main driver of the business in the first half of 2024. GDP growth would, however, be moderate (+0.2% per quarter) as both business and household investment would remain poorly oriented. Assuming Brent oil prices stabilise at €73 per barrel, slightly higher than last year at the same time, the year on year increase in energy prices would reach +7.5% in June 2024. The restoration of electricity taxes at February, 1st would explain about half of this increase. Conversely, gas prices would fall in line with market prices.

In early 2024, consumer spending would be the main driver of domestic demand with encouraging signals. Household consumption would benefit from purchasing power gains in the 1er half year due to lower inflation, particularly in food products, and thanks to wage and social benefit dynamics, revalued on past inflation.

On the business side, economic signals have deteriorated: The business climate in wholesale trade has been declining almost continuously for 2 years and is now below its long term average. On the household side, after a very deteriorated 4th quarter (-1.4%), investment would continue to decline. The construction sector would continue to be slightly supported by the business improvement, without offsetting the decline in activity for new housing, whose three month activity continues to deteriorate.

With regard to French domestic demand, the household saving rate is well above its pre health crisis level: Renewed confidence could encourage households to tap into their savings, while conversely, an excess of wait and see could lead to another half year of stagnation. On the corporate side, the effects of tighter monetary policy and rising defaults pose a risk to investment forecasts. In view of these various factors, the macro environment is expected to remain buoyant in 2024.

The new housing market in which Kaufman & Broad operates is expected to continue to be supported over the next decade by economic, social and demographic factors including :

- Favourable demographic trends expected by 2070, such as population growth, which according to INSEE would increase to 69.3 million until 2044, before decreasing to 68.1 million in 2070, 700,000 more than in 2021. This projection is based on a so called «central» scenario, which assumes that recent demographic trends continue. In this scenario, the number of children per woman is 1.8 and the migration balance is 70,000 more inhabitants per year. By 2070, the age pyramid is expected to change significantly. The number of people aged 60 to 74 would remain stable, the number of people aged 75 or over would grow by 5.7 million, while the age group under 60 would decrease by 5 million. Driven by the increase of 75 years or older, the share of 65 years or older in the population would increase sharply, from 21% to 29%. It would thus grow at the same pace as in the past, between 1972 and 2021. The continued ageing of the population until 2040 is almost certain. Its extent varies little according to the assumptions used. In 2040, there would be 51 people aged 65 or over for 100 people aged 20 to 64, compared to 37 in 2021. Between 2040 and 2070, the evolution of this demographic dependency ratio is much more uncertain.
- Sociological developments, in particular the continuation of the phenomenon of cohabitation and the persistence of the period of celibacy. The average number of persons per household fell from 3.1 to 2.2 between 2016 and 2020. The distribution of families with minor children changed slightly between 2011 and 2020, with a decrease of 3 percentage points in the share of couples living with their children alone, offset by a similar increase in the share of single-parent families. Moreover, the share of single-parent families has even doubled since 1990, from 12% to 25%.
- Continued concentration of the population in the main urban areas to the detriment of rural areas;
- Adapting the existing housing stock made necessary by climate constraints and more stringent environmental standards.In April 2021, MPs voted for most of the articles on energy renovation of housing in the "Climate and Resilience" bill, especially the thorny issue of the eradication of heat-loss houses. In fact, nearly 5.2 million homes are considered to be energy intensive in the French real estate portfolio. The aim of this law is to end energy poverty and accelerate the reduction of greenhouse gas emissions, while buildings are among the four most emitting sectors in France.

For all these reasons, demand should continue to grow over the long-term and supply will probably require adjustments to deal with it. The Group is also continuing to implement its energy transition commitments, as only new housing can achieve carbon neutrality while part of the existing rental market will no longer be able to meet energy performance targets in the long term.

As of the date of this universal registration document, there are significant uncertainties in France that could adversely affect growth prospects in 2023:

- A very uncertain geopolitical context, due in particular to the war in Ukraine and tensions between the United States and China, but also to the situation in the Middle East. A worsening of these various tensions could have consequences for oil and gas prices, world trade and the level of uncertainty. This represents an upward hazard on inflation and a downward hazard on GDP growth. However, there are more specific elements in France, which may weigh on consumption, such as recent manifestations of the agricultural situation and requests for revision of regulatory standards in a number of sectors, although it is possible that trade negotiations may have greater downward effects on food prices.

- More generally, it is also possible that lower energy prices and the effects of monetary policy may cause consumer prices as a whole to decelerate more rapidly.
- In terms of employment, a cyclical turnaround in 2024-2025 linked to the slowdown in activity is expected. Given the deterioration in the leading indicators available (employment climate in business surveys, pre employment declarations), INSEE anticipates a decline in salaried employment from the fourth quarter of 2023, which would continue until 2025. Consequently, the unemployment rate would increase until 2025 to 7.8% of the labour force. This increase has already begun in the third quarter of 2023 (to 7.4%, after 7.2% in the second quarter);
- The tightening of financial conditions, both finance costs and lending terms, would continue to weigh on business investment, which would have bottomed out in mid-2024, before regaining effect in 2025-2026. Monetary policy effects on investment growth through finance costs would peak in 2024, before fading from 2025 onwards ;
- The increase in household consumption expected for 2024 would become the main driver of growth instead of the traditional drivers of real estate and investment. Household consumption would be supported by an expectation of purchasing power gains that would continue after the rebound in 2023 (1.0% in 2024, 0.7% in 2025 and 0.9% in 2026). These gains would be mainly driven by the increase in the average wage per employee, which has once again become higher than inflation, taking over from the sharp increase in employment observed in 2021 and 2022;
- Demand for housing, whether from individuals or institutional investors, should continue to lag behind. It should still be affected by purchasing power, as well as by construction costs, which, despite some relaxation, remain high, particularly due to the costs of supplying materials, the structural difficulties of recruitment in the construction sector and the still strict financing conditions;

In 2024, total inflation would fall to 2.5% and excluding energy and food, it would decrease more slowly, to 2.8%. The moderation of food price increases would continue, in line with the sharp slowdown in food production prices observed over the past several months, on the assumption that the price revisions discussed in the ongoing trade negotiations would remain contained. With regard to energy, despite geopolitical tensions in the Middle East, which have increased the volatility of the price of a barrel, forward prices on the world oil, gas and electricity markets imply a decline;

- Climate issues and their impact on the global economy;
- In the absence of new measures, the reduction of the public deficit will not be sufficient to lead to a decrease in the public debt ratio. In 2023, the government deficit deteriorated to 5.5% of GDP, compared with 4.8% in 2022. The ratios of public revenue and expenditure to GDP would continue to deteriorate under the combined effect of the expected +0.8% decline in GDP and a deficit that the government expects to contain at 4.4% of GDP.

In this context, the outlook envisaged by the group is based on the following elements.

Regarding Kaufman & Broad's residential sales outlook for fiscal year 2024, the group does not anticipate a significant recovery in the new housing business in France.

In this difficult period, and beyond maintaining control over its costs, controlling its working capital and capital expenditure, Kaufman & Broad relies in particular on the following development indicators:

- A global *backlog* of 2.68 billion euros at November 30, 2023 and 2.05 billion euros for the Housing business alone. It should be noted that the *backlog* is a summary to date that makes it possible to estimate the revenue remaining to be recognised in the future: being specified that there is an uncertain portion of the transformation *of* the backlog into revenue, in particular for orders not yet recorded or for projects that have not obtained definitive administrative authorization (approximately 38% for housing and 85% for commercial property,
- Un Housing portfolio of 34,069 units at the end of November 2023 at historically high levels. It represents over 6 years of commercial activity. Furthermore, 88% of the housing portfolio is located in tight areas, representing 29,995 housing units at 2023, November 30. The residential real estate portfolio represents all the land for which any commitment (promise to sell) has been signed.
- A portfolio of industrial and commercial property wasteland rehabilitation projects under development by our subsidiary Development and Territories, which represent approximately 700,000 sq.m of projects, representing a potential of approximately 10,000 housing units.
- The transformation of office space into housing: The rise in interest rates in recent months has revealed the low economic value of low occupancy real estate assets. This, combined with the shortage of housing, low housing starts, the scarcity of land and the very high price of sq.m. in city centers and/or large agglomerations (main poles of attraction), makes it possible to envisage from now on, a transformation of office space into economically realistic housing. Currently, Kaufman & Broad has nearly 150,000 sq.m. of projects under consideration to transform office space into housing with a potential of around 2,300 housing units.

Having taken all these elements into account, Kaufman & Broad will continue to closely monitor developments in the economic and social situation in the coming quarters and will inform the market as necessary of its possible impact on its activities in the financial year 2024.

03

Corporate governance

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3.1. Members of the administrative and management bodies

3.1.1. Board of Directors

3.1.1.1. Composition of the Board of Directors

As of the date of this document, the Board of Directors of Kaufman & Broad SA is composed of ten Directors who bring him different and complementary experiences due to their varied profiles:

Name	Age [1]	Pay and Appointment Committee	Audit Committee	CSR Committee	Board of Directors	Years of presence on the Board	Date of first appointment	Term of office expires [2]	Number of shares in the Company	Percentage of direct and indirect holding in the company
Chairman and Chief Executive Officer										
Nordine Hachemi	62				✔	11	25/06/2013	2023	131,368 [3]	2.09%
Independent directors [4]										
Sylvie Charles	64		✔		✔	12	16/02/2012	2023	264	-
Jean Louis Chaussade	72	✔		✔	✔	7	21/01/2017	2024	678	-
Yves Gabriel	73				✔	8	08/03/2016	2024	250	-
Michel Giannuzzi	59	✔			✔	2	06/05/2021	2023	250	-
Sophie Lombard	54	✔	✔	✔	✔	17	10/07/2007	2023	283	-
Annalisa Loustau Elia	57				✔	2	06/05/2021	2023	250	-
Michel Paris	66			✔	✔	9	07/07/2015	2024	1,289	-
Lucile Ribot	57		✔		✔	6	05/03/2018	2023	270	-
Director representing shareholding employees										
Aline Stickel[5]	60				✔	2	05/05/2022	2024	3,339	0.04%

(1) At 29 February 2024.

(2) Approval of the financial statements for the year.

(3) Nordine Hachemi holds 111,068 Kaufman & Broad S.A. shares directly and through RKCI, in which he holds 100% of the share capital. In addition, he holds 27.34% of the share capital of Artimus Participations, which itself held 5.24% of the share capital of the company at 29th February 2024, i.e. 284,638 shares of Kaufman & Broad S.A.

(4) See section 3.1.1.2.8. «Independence of Directors»

(5) The Annual General Meeting of 5th May 2022 appointed Aline Stickel as Director representing employee shareholders. Ms Aline Stickel holds 3,339 Kaufman & Broad S.A. shares directly. In addition, it holds nearly 0.46% of the share capital of Artimus Participations, which itself held 5.24% of the share capital of the company at 29th February 2024, i.e. 4,760 shares of Kaufman & Broad SA.

As of the date of this Universal Registration Document, with the exception of Mr Nordine Hachemi, no member of the Board of Directors held any other directorships within a group company.

Chairman and Chief Executive Officer

NORDINE HACHEMI

Kaufman & Broad SA

17, quai du Président Paul Doumer
CS 90001
92672 Courbevoie cedex

Other offices and positions held in any company

Chair of RKCI, Manager of SCI MD Raphael, Chairman of Artimus Participations SAS.

Other information

Nordine Hachemi has an MBA from INSEAD and graduated from ENSPM with a Degree in Engineering.

After a career abroad at Bouygues Construction, he joined the Saur group in 2001, where he became its Chairman.

In 2008, he became Chief Executive Officer of Sechilienne Sidec and occupied the role until 2011.

Co opted as Director by the Board of Directors on 25 June 2013, he joined Kaufman & Broad on 1 July 2013 as Chief Executive Officer and Vice Chairman of the Board of Directors.

He has been the Chief Executive Officer of Kaufman & Broad SA since January 24, 2014.

Independent Directors

SYLVIE CHARLES *

17, quai du Président Paul Doumer
CS 90001
92672 Courbevoie cedex

** Chairman of the Audit Committee*

Main position held outside the company

Independent Director

Other offices and positions held in any company

Member of the Supervisory Board of Geodis SA.

Non-Executive Director of the SANEF group.

Other information

Sylvie Charles graduated from the Institut d"Études Politiques of Paris and formerly studied at the ENA.

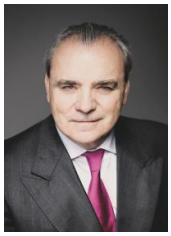
In 1993, she was appointed Chief Executive Officer of the Cariane Group (*passenger transport by coach and bus*), then in 1999, she became Deputy Chief Executive Officer of the General of Transport and Industry (*European leader in passenger transport under delegation of service*).

Adviser to the Chairman of the Management Board of the STVA Group (*automotivelogistics*) from 2001, she became Chairman of the Management Board in 2004.

In February 2010, Sylvie Charles took over responsibility for the Enterprise and Railway Service Providers Segment of SNCF Logistics, a Segment that brings together Fret SNCF and all the group's rail freight companies, particularly foreign ones; allocations that were extended in October 2013 to multimodal entities.

In March 2020, Sylvie Charles was appointed Chief Executive Officer of Transilien SNCF (*all rail passenger transport in the Ile de France),* a position she held until August 2023.

She is a member of the Supervisory Board of Geodis SA (*4th European logistician, one of the top 100 in the world*), an independent director of SANEF Group (*motorwayconcessions*).



JEAN LOUIS CHAUSSADE *

Chair of JLCH Conseil

3, rue Bixio
75007 Paris

** Chairman of the CSR Committee*

Principal positions held outside the company

Special Adviser to the Accuracy group.

Special Adviser to the Workday group in Europe.

Other offices and positions held in any company

Director of Criteria Caixaholding SAU (Spain).

Member of the Advisory Board of ANAND Group New Delhi, India

Chair of the Board of Directors of the Université de Technologie de Compiègne. Director of the Institut du Capitalisme Responsable \[Institute of Responsible Capitalism].

Vice-Chairman of the SIBAC.

Other information

Jean Louis Chaussade began his career at Degrémont in 1978 and was then appointed *Chief Operating Officer* of Degrémont Spain in Bilbao in 1989. During this period, he was appointed Director of Aguas de Barcelona. Jean Louis Chaussade subsequently became Chief Executive Officer of Dumez Copisa Spain in 1992.In 1997, he was appointed *Chief Operating Officer* of Lyonnaise des Eaux in South America and Deputy Chief Executive Officer of Engie for South America.

He became Chief Executive Officer of Degrémont in 2000 and, in 2004, Deputy CEO of Engie and CEO of Suez group.Jean-Louis Chaussade occupied the roles of CEO and Director at Suez.Jean Louis Chaussade is Co-Chair of the France China Committee and Chairman of the France Algeria Board of Directors within MEDEF International.He also chairs the "circular economy" group within AFEP.

In 2020, Jean Louis Chaussade submitted to the government his report on "the assessment of waste treatment capacities in France by 2040."Jean-Louis Chaussade graduated in engineering from ESTP before going on to earn a Master's Degree in Economics. He is also a graduate of the Institut d'Études Politiques de Paris and the AMP of Harvard *Business School* .

On 14 May 2019, he was appointed Chairman of the Board of Directors of the Suez group.

Jean Louis Chaussade served as Director and Chairman of the Board of Directors of SUEZ until the close of the Ordinary and Extraordinary Shareholders' Meeting of 12 May 2020.

Chairman of JLCH Conseil.Jean-Louis Chaussade has been awarded the rank of Officer in the French National Order of the Legion of Honor.

YVES GABRIEL

21 bis, route de Choisel
78460 Chevreuse

Main position held outside the company

Independent Director

Other offices and positions held in any company

Director of the insurance brokerage SMABTP.

Director of Compagnie Industrielle et Financière d"Entreprises (CIFE).

Other information

Graduated from the École Nationale des Ponts et Chaussées.

From 2002 to 2015, Yves Gabriel was Chairman and CEO of Bouygues Construction and Director of the Bouygues group.

From 1996 to 2002, he was CEO Officer of the SAUR group and from 1992 to 1996, CIO of the SCREG group.He previously held senior management positions in various subsidiaries of the SCREG and Bouygues groups.

SOPHIE LOMBARD *

Bluester Capital

18 bis, rue d'Anjou
75008 Paris

** Chairman of the Compensation and Nomination Committee*

Main position held outside the company

Chief Executive Officer of Bluester Capital (private equity fund management company).

Other offices and positions held in any company

Member of the La Banque Postale Asset Management Supervisory Board.

Other information

Sophie Lombard is a graduate of EDHEC Business School and holds an MBA (Columbia *Business School,* New York City, United States).

After beginning her career at Société Générale, working in the derivative income capital market department, she then moved onto Deutsche Bank where she worked in the LBO department in London and Paris, and spent 12 years with PAI Partners. She joined Bluester Capital in 2016.

Sophie Lombard was Director of Finance at Gaillon 8 until 2017 and was a member of the Banque Postale's Supervisory Board until late February 2020.

ANNALISA LOUSTAU ELIA

17, quai du Président Paul Doumer
CS 9000192672
Courbevoie cedex

Main position held outside the company

Independent Director

Other offices and positions held in any company

Director of Legrand, Ferragamo and Swarovski.

Member of the Supervisory Board of Roche Bobois.

Member of the Supervisory Board of William Grant & Sons.

Other information

Annalisa Loustau Elia, 56 years old and of Italian nationality, graduated from La Sapienza of Rome.

Annalisa Loustau Elia began her career at Procter & Gamble in 1989, initially working in the group's subsidiaries in Rome and Paris before moving to its international headquarters in Geneva, where she worked until 2001. She then took the helm of global marketing for Pampers, Procter & Gamble's leading brand. She then joined the L"Oréal group as the Chief Executive of multiple brands.

In 2004, Annalisa Loustau Elia joined Cartier, where she spent four years sitting on the Worldwide Executive Committee as Chief Executive of, among other aspects, product development and marketing.

From 2008 to January 2021, she was Director of Omni-channel Marketing and a member of the Executive Committee of the Printemps group. As part of her roles, she was worked very particularly on digital transformation and customer experience.

Annalisa Loustau Elia has been a Director of Legrand since 2013, Kaufman & Broad, Ferragamo and Swarovski since 2021. She has also been a member of the Supervisory Board of Roche Bobois since 2018 and a member of the Supervisory Board of William Grant & Sons since 2022.

LUCILE RIBOT

17, quai du Président Paul Doumer
CS 9000192672
Courbevoie cedex

Main position held outside the company
Independent Director.

Other offices and positions held in any company
Independent Director of HSBC Continental Europe, member of the Audit Committee.

Independent Director of Imerys, Chairwoman of the Audit Committee.

Other information
Having graduated from HEC in 1989, Lucile Ribot began her career at Arthur Andersen where she led audits and financial consultancy projects for large international groups.

In 1995, she joined the industrial engineering group Fives, where she became Director of Finance in 1998, sat on the Executive Committee from 2002 onwards, and where she played a key role in supporting the group's growth and strategic development until 2017. She has occupied Non-Executive Director roles ever since.

MICHEL GIANNUZZI

Verallia

31, Place des Corolles,
92400 Courbevoie

Main position held outside the company
Chairman of the Board of Directors and the Strategy Committee, member of Verallia's Sustainable Development Committee.

Other offices and functions in any company
Member of the Board of Directors and the Strategy Committee of Daher.

Member of the Board of Directors and Audit Committee of FM Global.

Member of the Board of Directors, the Audit Committee and the Investment and Investment Committee of Peugeot Invest.

Other information
Michel Giannuzzi was Chairman and Chief Executive Officer of Verallia from September 2017 to May 2022. Thanks to the successful deployment of a value creation and sustainable development strategy, he prosperously led the way for Verallia's initial public offering on the Euronext Paris market in October 2019. Previously, between 2007 and 2017 he took on the roles of Chairman of the Board for Tarkett, a global leader in innovative flooring and sport surface solutions. During his term of office, he pursued a strategy of profitable and sustainable growth, leading to the IPO of Tarkett on the Euronext Paris market in November 2013.

Previously, Michel Giannuzzi held several senior management positions within the Valeo and Michelin groups in France, Japan and the United Kingdom.

He has graduated from both the École Polytechnique and Harvard Business School.

MICHEL PARIS *

1, rue Henri Rochefort75017 Paris
- France

** Lead Independent Director*

Principal positions held outside the company

Manager of M2P Conseil.

Senior Adviser of 65 Equity Partners.

Other offices and positions held in any company

Member of the Supervisory Board of: Lilas France SAS (Labeyrie);

Carolles Participations SC and Granville Holdco SC: Manager;

Member of the Board of Directors of Apave SA.

Other information

Michel Paris joined Paribas Affaires Industrielles in 1984, which became PAI Partners in 2001.Il served as Chief Investment Officer between 2009 and 2017 and Chairman and Chief Executive Officer between 2015 and 2020. He was previously Head of Business Services and Retail and a member of the Executive Committee since 2005.

Michel Paris has accumulated over 30 years of experience in investment within PAI.He participated in numerous transactions, including those involving Sogeres, Bouygues Telecom, Atos, Equant, Elior, Frans Bonhomme, Elis, Vivarte, Saur, Coin, Kwik Fit, Tendam, Xella, Kiloutou, Areas and Apave.

Before this, he spent two years working with Valeo.

Michel Paris is a graduate of the École Centrale de Lyon (1980) and the École Supérieure de Commerce de Reims (1982).

ALINE STICKEL *

17, quai du Président Paul Doumer
CS 9000192672
Courbevoie cedex

** Director representing employee shareholders*

Head of Legal Affairs - Kaufman & Broad group

Member of the Supervisory Board of "FCPE KB Actions."

Other information

Having graduated with a Master degree in private Law and holding the CAPA (certificate of aptitude for the profession of lawyer), Aline Stickel joined the group in 2000 as a legal assistant, handling litigation, and took over the reins of the operational legal teams in 2001, as well as leading the corporate legal team from 2011 onwards.

She was also in charge of group insurance from 2001 to 2011.

She taught construction insurance at ICH (Institut de la Construction et de l'Habitation - CNAM) from 2007 to 2019.

Previously, Aline Stickel worked as a lawyer with Maravelli Joubert from 1992 to 1998 with a dominant activity in construction insurance and builder liability at Roubache-Moiron Braud from 1998 to 2000.

Aline Stickel has been a member of the Supervisory Board of the "FCPE KB Actions" since 2018.

The Annual General Meeting of 5th May 2022 appointed Aline Stickel as Director representing employee shareholders.

The list of the various mandates outside of the group's subsidiaries and held by the Directors over the past five years can be found in Section 3.1.1.1.«Composition of the Board of Directors» of the Company's universal registration document.

By virtue of the Internal Regulations of the Board of Directors of Kaufman & Broad SA, each of the company's Directors must hold a minimum of 250 shares, all of the members currently fulfilling this obligation.Pursuant to the provisions of Article 10 *bis* of the Company's Articles of Association, the Director representing employee shareholders is not required to hold such shares.

The Directors of the company have declared that, over the past five years at the very least, they have not been:

- Convicted of committing fraud;
- Subject to a bankruptcy filing, sequestration or liquidation;
- Subject to incrimination and/or official public sanctions issued by statutory or regulatory authorities, including by designated professional bodies;
- Prevented by court order from acting as a member of an administrative, management or supervisory body of an issuer, or from intervening in an issuer's management or conducting of business.

Service contracts between members of the Board of Directors and the company or one of its subsidiaries

No Service Agreement has been concluded among the Directors and the company or its subsidiaries.

3.1.1.2. Operation of the Board of Directors

3.1.1.2.1. Corporate Governance Code

For the preparation of this report, the Company refers to the AFEP MEDEF Corporate Governance Code of June 2018, amended in January 2020 and December 2022, which is available on the MEDEF website (http://www.medef.com/).

Under the "Comply or Explain" rule provided for in Article L. 225-37 of the French Commercial Code and referred to in Article 25.1 of the AFEP MEDEF Code, the Company believes that its practises comply with the recommendations of the AFEP MEDEF Code.

3.1.1.2.2. Provisions governing the membership of the Board of Directors

Kaufman & Broad SA is administered by a Board of Directors of at least three and no more than eighteen members, appointed by the Ordinary Shareholders' Meeting for three years. The terms of office of outgoing Directors are renewable.

The Company's Articles of Association provide that the number of Directors who are individuals or permanent representatives of legal entities over the age of 70 may not exceed three at the end of each Annual Ordinary Shareholders' Meeting called to approve the parent company financial statements and that no Director may hold such positions beyond his 75th birthday. In addition, the Company's Articles of Association provide that the Chairman of the Board of Directors must be a natural person under the age of 70 and that no one may be Chief Executive Officer or Deputy Chief Executive Officer if he is over the age of 70.

The Internal Regulations of the Board, detailed below, specify that the proportion of independent Directors must be equal to at least one-third of the number of members of the Board of Directors.

The Board of Directors appoints a Chairman from among its members, who must be a natural person.The Chairman organises and directs the work of the Board of Directors and reports to the Shareholders' Meeting.He ensures the proper functioning of the Company's bodies and, in particular, that the Directors are able to fulfil their duties.

The Board of Directors of Kaufman & Broad SA currently has ten Directors.

3.1.1.2.3. Other provisions of the Articles of Association and Internal Rules

Article 16 of the Company'sof the bylaws also provides that the Board of Directors, on the proposal of its Chairman, may appoint non-voting Directors, chosen from among the shareholders and whose number may not exceed two. The role of the Advisory Board members is to ensure strict compliance with the bylaws. They are invited to meetings of the Board of Directors and take part in deliberations in an advisory capacity, but their absence does not affect the validity of these discussions. They review the annual financial statements and submit their obserVATions to the Ordinary Shareholders' Meeting when they deem it appropriate.

The Company's Board of Directors has drawn up Internal Rules.It was last updated on 11 July 2022 to remove the provisions relating to the Investment Committee (see section 3.1.2.3. "Investment Committee").

These Internal Regulations describe the operating procedures, powers and powers of the Board of Directors and specify the rules of ethics applicable to members of the Board of Directors.It provides in particular for the rules applicable to the holding of meetings of the Board of Directors by videoconference or other means of telecommunication, as well as the provisions relating to the frequency of meetings, the presence of Directors and their information obligations regarding the rules of multiple mandates, conflicts of interest, regulated agreements and transactions in the company's shares.

It provides that the Board may set up Committees whose members are responsible for studying matters referred to them by the Board, the Chairman or the Lead Independent Director.It also provides that each Director of the company must hold at least 250 shares and refrain from trading in the securities market during (I) the 30 calendar days prior to the publication of the company's interim and annual results and (II) the 15 calendar days prior to the publication of the Company's quarterly results, the day of the relevant publication being included in the aforementioned periods. It should be noted that each Director must register the securities held at the time of his or her appointment or subsequently acquired, and inform the AMF of any subscription, purchase or sale transaction carried out, directly or by interposed persons, on the Company's securities or forward financial instruments on these securities in compliance with the thresholds in force.

The Internal Regulations of the Board of Directors are available on the Kaufman & Broad website (http:// www.kaufmanbroad.fr).

3.1.1.2.4. Board of Directors» meetings and proceedings

The Board of Directors meets as often as the interests of the company require, and at least four times a year, either at the registered office or at any other place indicated in the notice of meeting.Directors are invited by the Chairman to meetings of the Board of Directors by any means, including verbally.If the Board has not met for more than two months, one-third of its members may ask the Chairman to call a meeting on a specific agenda.When General Management is not exercised by the Chairman of the Board of Directors, the Chief Executive Officer may also ask the Chairman to convene the Board of Directors on a specific agenda.

In addition, the Lead Independent Director may ask the Chairman to convene a Board meeting if there is a particular point whose importance or urgency justifies the need for such an extraordinary meeting.

Each Director receives all the information necessary to carry out their duties and may request any documents they deem useful.

Meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Lead Independent Director and, in the absence of the latter, by a Director appointed for this purpose.

The Board may only deliberate validly if at least half of the Directors are present.Decisions are taken by a majority of the votes of the members present and represented.

For the purposes of calculating the quorum and majority, Directors who participate in Board meetings by videoconference or other means of telecommunication under the conditions set by the regulations in force shall be deemed to be present.This provision does not apply to meetings of the Board of Directors whose agenda concerns the approval of the annual financial statements, the consolidated financial statements and the preparation of the management report.

In accordance with the Internal Rules, the Chairman may invite any Director in a situation of conflict of interest, even potential, not to attend the meeting.

Decisions falling within the powers of the Board of Directors provided for by the regulations may be taken by written consultation of the Directors.

3.1.1.2.5. Duties of the Board of Directors

The main role of the Board of Directors is to determine the Company's business strategy and ensure its implementation.Subject to the powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board deals with any issue relating to the smooth running of the company and settles the affairs that concern it through its deliberations.

In particular, the following transactions are subject to the prior authorisation or approval of the Board:

- Any significant change in the activity of the company or one of its subsidiaries;
- Any acquisition or disposal of an entity whose enterprise value exceeds 10 million euros (except for an entity whose assets consist of land and/or buildings);
- Any indebtedness beyond authorised credit facilities, bilateral lines and overdrafts;
- Annual budget;
- Business plan.

The Internal Regulations also specify that, in general, the Board examines and decides on transactions of truly strategic importance, possibly after study by an ad *hoc* Committee; in particular, any significant transaction that falls outside the strategy announced by the company is subject to prior approval by the Board.The scope of this prior approval is not only for external acquisitions or disposals, but also for significant investments in organic growth or internal restructuring of the company.

The Board carries out the controls and verifications it deems appropriate and reviews and approves the half-year and annual financial statements (parent company and/or consolidated), as well as the closing and approval of the related reports provided for by the regulations in force.

3.1.1.2.6. Operating procedures of management bodies

The Chairman of the Board of Directors is responsible for the general management of the Company. The Chairman and Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. The Chairman exercises these powers within the limits of the corporate purpose, subject to the powers expressly granted by law to Shareholders' Meetings or reserved to the Board of Directors in a special way, as well as transactions subject to the prior authorisation of the Board by its Internal Regulations. The Chairman represents the Company with respect to third parties.

Since 2014, the roles of Chairman of the Board of Directors and Chief Executive Officer have been combined. Since 2014, the functions of Chairman of the Board of Directors and Chief Executive Officer have been combined. The Board of Directors considers that the combination of the functions of Chairmanr of the Board of Directors and Chief Executive Officer, in a context of increased competition in the real estate development market and uncertain economic conditions, allows for greater responsiveness in the administration and management of the group and to strengthen proximity to operational realities in decision making.

In addition, this organization fosters ongoing, lively and structured dialogue between management and the Board of Directors.It also gives the Company's shareholders greater control over its Chairman and Chief Executive Officer.

Since 2014, the Board of Directors has seen the effectiveness of this organization and has always been attentive to maintaining a balanced governance in the interest of the company, in line with the AFEP MEDEF recommendations and in line with the best practices followed by listed companies where the functions of Chairman of the Board of Directors and Chief Executive Officer are grouped together, thanks in particular to the presence of eight independent directors out of ten, the presence of a Lead Director on the Board and the support of the various Board Committees (Audit Committee, Compensation and Nomination Committee, CSR Committee), all chaired by an independent director and composed half or two-thirds, as the case may be, of independent directors.

At its meeting of 5 May 2021, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, renewed the term of office of Mr Nordine Hachemi as Chairman and Chief Executive Officer for a period of three years. At the time of this renewal, the Board once again confirmed the relevance of this organisation combining the functions of Chairman of the Board of Directors and Chief Executive Officer.

At its meeting of 15 February 2024, the Board of Directors renewed for one year the authorisation granted to its Chairman and Chief Executive Officer, with the option of delegation, to grant on behalf of the Company sureties, endorsements or guarantees (including financial completion guarantees) in respect of:

- Tax and customs administrations, without limitation of duration or amount;
- Any other third party, for one year and for a total amount not exceeding €2,800,000,000, including the amounts necessary for the financial guarantees of completion.

On the proposal of the Chairman and Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers whose number may not exceed five.The Deputy Chief Executive Officers are natural persons; they may be chosen from among the Directors or outside them.In agreement with the Chairman and Chief Executive Officer, the Board determines the scope and duration of the powers granted to the Deputy Chief Executive Officers.The Company does not have a Deputy Chief Executive Officer.

The Chief Executive Officer may be dismissed at any time by the Conseil. If the dismissal is decided without just cause, it may give rise to damages, except when the Chief Executive Officer assumes the functions of Chairman of the Board of Directors.

3.1.1.2.7. Duties and powers of the Lead Independent Director

On the recommendation of the Compensation and Nomination Committee, the Board of Directors may appoint a Lead Independent Director from among its independent members for a period not exceeding their term of office as a member of the Board.

The Board of Directors, at its meeting of 24 February 2023, appointed, on recommendation and after exchanges among the members of the Remuneration and Nomination Committee, Mr Michel Paris, Independent Director, as Lead Independent Director, to replace Jean Louis Chaussade who resigned.

Assistance to the Chairman, the Board of Directors and assessment of Executive Management

The Lead Independent Director assists the Chairman in their duties, particularly in the organization and proper Operation of the Board of Directors and its Committees and the supervision of corporate governance and internal control.

They are also responsible for providing the Board of Directors with assistance in ensuring the proper functioning of the Company's corporate bodies and providing it with insight into the transactions on which the Board of Directors is called upon to deliberate.In this context, they ensure that the members of the Board of Directors are able to carry out their duties under the best possible conditions, and in particular by ensuring that they receive a high level of information prior to the meetings of the Board of Directors.

In the context of and to carry out their duties, the Lead Director may occasionally participate, without voting rights, in meetings of the Board Committees of which they is not a member.He has access to the work of these Committees and the information that is made available to their members.

The Lead Independent Director meets periodically, and at least once a year, with the Directors, without the presence of executive or internal corporate officers, to assess the performance of the Chairman and Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s), and to reflect on the future of management.These meetings are chaired by the Lead Independent Director.

Managing conflicts of interest

In conjunction with the Compensation and Nomination Committee, which they may consult and convene on these matters as necessary, the Lead Independent Direcotr's duties include the regular implementation of procedures aimed at identifying, analysing and providing information on situations that may potentially fall within the scope of management and preventing the occurrence of conflicts of interest within the Board of Directors and the executive corporate officers.

They examine or deal with any potential or actual conflicts of interest of which they are aware concerning executive corporate officers and other members of the Board.They inform the Chairman of the Board of Directors and the Chairman of the Compensation and Nomination Committee and, if the latter deems it necessary, the Board of Directors.

The Lead Independent Director may, as necessary, make recommendations to the Compensation and Nomination Committee and the Board of Directors on the management of any conflicts of interest that they may have identified or of which they have been informed.

3.1.1.2.8. Independence of Directors

The Company's Board of Directors currently comprises eight out of ten independent members.These are Mrs Sylvie Charles, Jean Louis Chaussade, Mr Yves Gabriel, Mr Michel Giannuzzi, Mrs Sophie Lombard, Mrs Annalisa Loustau Elia, Mr Michel Paris and Mrs Lucile Ribot.

The Board's decision complies with the recommendations of the AFEP MEDEF Code, which states that the Board may consider that a Director who does not meet the criteria set out in the Code isnonetheless independent.

At the time of each appointment or renewal, the Board of Directors reviews candidates for appointment as Directors in light of the independence criteria set out below.The situation of each Director regarding these independence criteria is also discussed by the Compensation and Nomination Committee and reviewed each year by the Board of Directors.

At its meeting of **2023, February 24**, the Board of Directors:

- Having heard the Chairman's presentation, which recalled that the members of the Compensation and Nomination Committee discussed Michel Paris' independence regarding the criteria set out in Article 10.5.1 of the Afep Medef Code,

- And indicated that, in the context of these exchanges, it was noted that:
  - Michel Paris has been a member of the Company's Board of Directors since 7 July 2015, i.e. for almost 8 years, less than the 12-year term referred to in paragraph 10.5.6 of the Afep/Medef Code revised in December 2022, from which a director could be considered no longer independent according to this Code
  - Since the sale of the remaining stake in Kaufman & Broad SA by Financière Gaillon 8 in 2017, a company ultimately controlled by funds managed by PAI Partners, Michel Paris has continued to hold the position of corporate officer until September 2020 and a salaried activity until June 2022 within the PAI Partners group.
  - There is no longer any equity link between PAI Partners and the Company since 2017.
  - The positions expressed by Mr Michel Paris at the meetings of the Board of Directors reveal his independence of judgement in the debates, noting that, since his appointment as a director, Mr Michel Paris has brought to the Board of Directors his significant experience in the business world, in particular in financial areas or those related to the deployment of the CSR policy and his in-depth knowledge of the group, acquired in particular when PAI Partners was a majority shareholder of the Company.
- Decided unanimously, taking into account the above elements, the current professional situation of Mr Michel Paris, detached from any link with PAI Partners, and the criteria set out in Article 10.5.1 of the Afep/Medef Code revised in January 2020 and December 2022, to approve the status of independent director, within the meaning of the recommendations of the AFEP MEDEF Code, of Mr Michel Paris

At the Board of Directors' meeting of **2024, February 15** the Chairman informed the directors that, at its meeting of 2024, January 30, the members of the Compensation and Nomination Committee exchanged views on whether to propose to the next general meeting the renewal of the terms of office of directors of :

- Mrs Sylvie Charles (whose term of office was renewed at 99.66% at the Annual General Meeting of 2021, May 6) for a period of 3 years,
- Mrs Sophie Lombard (whose term of office was renewed at 98.80% at the Annual General Meeting of the 2021, May 6) also for a term of 3 years,

As part of these exchanges, the Remuneration and Nomination Committee

- Examined in particular the qualification of Mrs Sylvie Charles and Mrs Sophie Lombard as independent directors in light of the independence criteria set out in Article 10 of the AFEP MEDEF Code revised in December 2022, noting that:
  - Mrs Sylvie Charles has been a member of the Company's Board of Directors since 2012, February 16, almost 12 years ago and her term of office as a director expires at the end of the next Annual General Meeting.
  - Mrs Sophie Lombard has been a member of the Company's Board of Directors since 2007, July 10, almost 17 years ago and her term of office as a director expires at the end of the next Annual General Meeting.
  - In the event that the Board decides to propose the renewal of the terms of office of Mrs Sylvie Charles and Mrs Sophie Lombard, the duration of their terms of office would thus be more than 12 years; however, Article 10.5.6 of the AFEP MEDEF Code provides, among the independence criteria to be used, the fact that the director of " *has not been a director of the company for more than 12 years. The loss of independent directorship occurs on the 12 year date* "
- Considered that the 12 year criterion defined by the AFEP MEDEF Code among the five other criteria set out was not in itself sufficient for Mrs Sylvie Charles and Mrs Sophie Lombard to automatically lose their status as independent directors, taking into account in particular the objectivity that the latter have consistently demonstrated during the deliberations and decisions of the Board, their high level of experience acquired in the areas of activity of the group, and their accuracy and relevance of analysis expressed freely to inform the debates of the Board of Directors, as is unanimously recognized by the other members of the Board of Directors and the Chairman.
- Reviewed in particular, as well as the other independence criteria set out in the AFEP MEDEF Corporate Governance Code to which the Company refers, any business relationships that may exist between the Kaufman & Broad Group and the entities in which Mrs Sylvie Charles and Mrs Sophie Lombard perform their duties ,
- Considered that there was no direct or indirect business relationship between Mrs Sylvie Charles, Mrs Sophie Lombard and the Kaufman & Broad Group. In the event that such a matter is to be discussed at a Board meeting, the Board's internal rules provide for conflict of interest management rules under which the director concerned would have a duty to inform the Lead Director of his situation. The Chairman of the Board of Directors may also invite the director concerned not to attend the deliberation.

The Board unanimously decided, on the advice of the Compensation and Nomination Committee and taking into account the above mentioned elements, the current professional situation of Mrs Sylvie Charles and Mrs Sophie Lombard, and the criteria set out in Article 10 of the AFEP/MEDEF Code revised in December 2022, to approve their status as independent directors, within the meaning of the recommendations of the AFEP MEDEF Code, of Mrs Sylvie Charles and Mrs Sophie Lombard.

The independence criteria adopted by the Company to date are those set out in the AFEP MEDEF Corporate Governance Code:

"*A Director is independent when they have no relationship of any kind with the company, its group or its management that could compromise the exercise of their freedom of judgment.Thus, an independent Director means not only a non-executive Director, that is to say not exercising management functions of the company or its group, but also devoid of any particular ties of interest (significant shareholder, employee, other) with them.* ""

The criteria to be examined by the Committee and the Board to qualify a Director as independent and to prevent the risk of a conflict of interest between the Director and the management, the company or its group, are as follows:

- Not to be an employee or executive corporate officer of the company, or an employee or Director of its parent company or a company consolidated by the latter, and not to have been so during the previous five years;
- Not to be an executive corporate officer of a company in which the company directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of the company (currently or in the last five years) holds a directorship;

- Not to be a customer, supplier, investment banker or commercial banker that is material to the company or its group or for which the company or its group represents a significant part of its business.The assessment of the significance or otherwise of the relationship with the company or its group must be discussed by the Board and the criteria that led to this assessment, explained in the universal registration document;
- Have close family ties with a corporate officer;
- Not to have been a Statutory Auditor of the Company within the previous five years;
- Not to have been a Director of the Company for more than twelve years.

The AFEP MEDEF Code specifies that the Board of Directors may consider that a Director, although fulfilling the criteria set out, should not be qualified as independent in view of their particular situation or that of the company, in view of their shareholding or for any other reason.Conversely, the Board may consider that a Director who does not meet these criteria is nevertheless independent.

It should be noted, however, that these criteria have a formal aspect: Independence of judgement is sought from all Directors, who make an equal contribution to the Board's deliberations due to their expertise and experience, regardless of their classification.

3.1.1.2.9. Shares held by Directors

By virtue of the Internal Regulations of the Board of Directors of Kaufman & Broad SA, each of the company's Directors must hold a minimum of 250 shares, all of the members currently fulfilling this obligation.Under the provisions of Article 10 bis of the Company's Articles of Association, the Director representing employee shareholders is not bound by this obligation to hold shares (see Kaufman & Broad share ownership table by the Directors section 7.3.1 "Shareholding of the company as of November 30, 2023 and changes over three years" of this document).

3.1.1.2.10. Directors' compensation

The Combined (Ordinary and Extraordinary) Shareholders' Meeting of 2018, May 3 decided to set the total amount of compensation awarded each year to the Board of Directors at €400,000 from the year ended November 30, 2018 until further deliberation by the Shareholders' Meeting.

This envelope corresponds to a maximum annual amount that the Board of Directors, on the proposal of the Compensation and Nomination Committee, may freely distribute among the directors.

The Internal Regulations of the Board of Directors, when updated, approved by the Board of Directors on 2018, September 27 provide that compensation shall be distributed among directors who do not hold any position in the Kaufman & Broad group, in respect of their duties as Directors. The amount of compensation is paid on a pro-rated basis depending on physical attendance (or via videoconference) at Board of Directors' meetings during the year. A portion set by the Board of Directors, deducted from the amount of compensation allocated to the Board of Directors, is paid to the members of the various Committees who have no function in the Kaufman & Broad group and, where applicable, to the Lead Independent Director, depending on their presence at the meetings of these Committees.

In addition, the Chairman of each Committee receives annual fixed compensation.In addition to this basic compensation, an amount due for each Board Committee meeting attended by the director concerned is added.Finally, the Lead Independent Director receives additional compensation in addition to the compensation awarded to theim for their duties as a director and as a member of Committees, as from the 2022 financial year.

On the recommendation of the Compensation and Nomination Committee, the Board of Directors, at its meeting of 2023, January 27 decided to allocate compensation for the 2023 financial year according to the following rules:

- For a maximum individual amount of €55,000 to the directors of the company who are considered independent;
- The amount of €26,800 in compensation for the duties of director is paid *on a* pro-rated basis according to the physical *presence (or via* videoconference) at Board meetings during the financial year, being understood that Mr Nordine Hachemi and the director representing employee shareholders shall not be entitled to payment of compensation;
- In view of the additional duties entrusted to him/her compared to the other members of the Board of Directors, the Lead Independent Director receives an additional compensation of €17,000 in addition to the compensation awarded to him/her for his/her duties as Director from the 2022 financial year.
- Members of the Audit Committee receive compensation of €3,000 paid in the event of attendance at each Committee meeting (*physical attendance or via videoconference*); it being understood that the compensation of the Chairman of the Audit Committee is set at €7,000 and paid in the event of attendance (*physical*attendance *or via videoconference*) at each Committee meeting;
- The members of the Compensation and Nomination Committee receive compensation of €3,000 paid in the event of attendance at each Committee meeting (*physicalattendance or via videoconference*); it being understood that the compensation of the Chairman of the Compensation and Nomination Committee is set at €5,000 and paid in the event of attendance (*physicalattendance or via videoconference*) at each Committee meeting;
- Members of the CSR Committee receive compensation of €3,000 paid in the event of attendance at each Committee meeting (*physical attendance or via videoconference*); it being understood that the compensation of the Chairman of the CSR Committee is set at €5,000 and paid in the event of attendance (*physical attendance or via videoconference*) at each Committee meeting;
- The Board of Directors' meeting of 2024, January 29 acting on the recommendation of the Compensation and Nomination Committee, decided to pay additional compensation in the amount of €8;000 only to the directors who participated in the work of the ad hoc committee formed, by decision of the Board of Directors on 2023, May 30, as part of the Company's purchase of a block of Kaufman & Broad SA shares held by Artimus Participations.

The compensation paid to each director in respect of 2023 takes into account the attendance of each director at the Board of Directors' committees and meetings.

3.1.1.2.11. Annual assessment

In accordance with the AFEP MEDEF Corporate Governance Code for listed companies and the provisions of the Board's Internal Regulations, which can be consulted on the Company's website, the Board of Directors devotes an item on its agenda to assessing its operation and that of its specialised committees under the supervision of the Lead Independent Director at least once a year.A formal assessment is carried out every three years, which may be implemented, possibly under the direction of the Lead Independent Director or an independent director who is an independent member of the Board of Directors, and, where applicable, with the assistance of an external consultant.The questionnaire assessing the functioning of the Board for 2023 was sent to the Directors in December 2023. The results of this assessment will be presented at the Board of Directors' meeting of 2024, April 8.

At the Board of Directors' meeting of the 12th April 2023, of which the 1st section was devoted to the operation of the Board, Mr Michel Paris, Lead Independent Director, presented to the directors the results of the annual assessment of the Board, its various Committees and the action of senior management, following the questionnaire sent to them in January 2023. All Board members responded to the questionnaire.

The purpose of the questionnaire and interviews with the members of the Board was to assess the following issues: *the composition, role, duties, structure and operation of the Board of Directors and its Committees* ; *relations between the Board of Directors and general management* ; *the areas of activity of the committees* ; *the level of satisfaction of the information needed to make decisions at Board meetings ; particularly with regard to strategy, business, significant transactions and related party agreements entered into during the year; monitoring the areas for improvement identified during the previous assessment; sufficient control by the Board of Directors on the financial communication policy and on the communication made to the market; the information necessary for the verification, control and approval of the social and consolidated financial information ;*

The last assessment confirmed the continued progress made in terms of the functioning of the Board and its dynamic based on its diversity and the balance of skills among its members. An analysis of the responses to the questionnaire shows, in summary, the good organization, the quality of the debates, the contributions from the diversity of skills as well as the quality of the exchanges throughout the year between the directors and the senior management. With regard to the Board meeting dedicated, each year, in the form of a working seminar, to the group's strategy, in addition to the quality of the presentations made by the various speakers that have been noted, are particularly appreciated the efforts made by the senior management to propose each year to the directors a new angle of analysis of the strategy of the Kaufman & Broad group.

3.1.1.2.12. Meetings of the Board of Directors in 2023

The table below shows the attendance rate per Director at Board meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Nordine Hachemi *(Chairman of the Board of Directors)*	9	11	**82 %**[(1) (2)]
Sylvie Charles	11	11	**100 %**
Jean Louis Chaussade	11	11	**100 %**
Yves Gabriel	9	11	**82 %**
Michel Giannuzzi	9	11	**82 %**
Sophie Lombard	10	11	**91 %**
Annalisa Loustau Elia	10	11	**91 %**
Michel Paris	11	11	**100 %**
Lucile Ribot	11	11	**100 %**
Aline Stickel [(2)]	9	11	**82 %**

(1) The Board of Directors' meeting of 2023, April 12 was held in 2 parts: The 1st part of the Board was held, under the chairmanship of the Lead Independent Director and at his initiative, without Mr Nordine Hachemi in accordance with the rules of procedure. The 2sd part of the Board was held at the initiative and under the chairmanship of Mr Nordine Hachemi (see the agendas below).

(2) The Board of Directors' meetings of 2023, June 14 and 2023, September 5 convened by the Lead Independent Director, were held without the presence of Mr Nordine Hachemi and Mrs Aline Stickel (see the agendas below).

In 2023, the Board of Directors met eleven times (the attendance rate of Directors at Board meetings was 91%):

The 13 décembre 2022

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Presentation of the 2023 budget proposal;
- Presentation of the 2022 Kaufman & Broad distinctions (Great Place *to Work, Best Managed Companies, Happy Trainees , etc .);*

The 27 January 2023

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Report of the Audit Committee - Report of the meeting of 25 January 2023;
- Review of the estimated consolidated financial data as of November 30, 2022;
- Presentation of the Paris Austerlitz Train Station project;
- Approval of the 2023 budget;
- Cancellation of treasury shares held as a result of treasury share buybacks carried out by the Company under its share buyback program;
- Proposal to pay a dividend of €2.30/share at the next General Meeting;
- Review and approval of management planning documents and analysis report on these documents;
- Review and approval of the draft release on 2022 annual results;
- Payment of the exceptional bonus related to the Austerlitz Project;
- Compensation of the corporate officer for the 2022 financial year;
- Amount of compensation to be paid to directors: Breakdown for fiscal year 2022; Final allocation of bonus shares (*Premier Plan 2021*);
- Report of the Compensation and Nomination Committee - Report of the meeting of 16 January 2023;
- Final allocation of performance shares (*Second Plan 2020*) ;
- Appointment of a new member and a new Chairman to the Compensation and Nomination Committee;
- Report of the CSR Committee - Report of the meeting of 19 January 2023;
- Powers for formalities;

The 24 February 2023

a Board of Directors was held with eight members present. The Board deliberated on the following agenda :

- Report of the Audit Committee - Report of the meeting of 22 February 2023;
- Review and approval of the parent company financial statements for the year ended November 30, 2022 and proposed allocation of net income for the year;
- Review and approval of the consolidated financial statements for the year ended November 30, 2022;
- Agreements governed by Article L. 225-38 of the French Commercial Code;
- Preparation and approval of the Board of Directors' management report;
- Preparation and approval of special reports;
- Review and approval of the corporate governance report;
- Renewal of authorisations for sureties and guarantees;
- Renewal of the share buyback program;
- Review of social policy regarding professional and wage equality;
- Report of the Compensation and Nomination Committee - Report of the meeting of 31 January 2023;
- Compensation of the corporate officer for the 2023 financial year;
- Allocation of Bonus shares;
- Convening of an Ordinary and Extraordinary Shareholders' Meeting, setting its agenda and the text of the draft resolutions;
- Appointment of the Lead Director as Chairman of the meeting at the Combined General Meeting of 4 May 2023 in the event of the absence or impediment of the Chairman and Chief Executive Officer;
- Prior approval of services provided by the Statutory Auditors
- Qualification of Michel Paris as an independent director;

The 12 April 2023

a Board of Directors was held with nine members present. The Board deliberated on the following agenda :

Part 1 (at the initiative *of the Lead Independent Director and without the* Chairman *of the Board of Directors being present)*

- Functioning of the Board.

Part 2 (*at the initiative and in the presence of the Chairman of the Board of Directors*)

- Report of the Audit Committee - Report of the meeting of 7 April 2023;
- Review of the 1er quarter 2023 financial statements;
- *Update II* : presentation of the Revised 2023 Plan.

The 4 May 2023

A Board of Directors was held with eight members present. The Board discussed the following agenda:

- Definitive allocation of performance shares to the corporate officer (2020 Plan II);
- Implementation of the share buyback program;

The 30 May 2023

a Board of Directors was held with nine members present. The Board deliberated on the following agenda :

- Establishment of an ad hoc committee within the Board of Directors

The 14 June 2023

A Board of Directors was held with eight members present. The Board discussed the following agenda:

- Update on activity - other matters;

The 11 July 2023

A Board of Directors attended by ten members. The Board discussed the following agenda:

Part 1 :

- Report of the CSR Committee - minutes of the meeting of 4 July 2023;
- Report of the Audit Committee: Minutes of the meeting of 7 July 2023;
- 1st Half year 2023 business;
- Review and approval of the half-year consolidated financial statements at 2023, May 31;
- *Update III*: presentation of the Revised 2023 Plan;
- Renewal of the mandate to purchase shares as part of the implementation of the share buyback program;

Part 2 :

- Presentation by Mr Nordine Hachemi from employee shareholders and Artimus Participations;
- Deliberation and vote by the Board of resolutions;

The 5 September 2023

A Board of Directors was held with eight members present. The Board discussed the following agenda:

- Recommendations of the Committee *Ad Hoc* ;
- Implementation of the authorisation to buy back the Company's own shares;
- Implementation of the authorisation to cancel shares held by the Company and reduce the share capital by the total nominal amount of the shares cancelled;
- Review and prior approval of the share purchase agreement pursuant to Article L. 225-38 of the French Commercial Code;
- Approval of the Company's press release on the transaction

The 29 September 2023

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Report of the Audit Committee: Minutes of the meeting of 27 September 2023;
- Presentation of estimated consolidated financial data as of 31 August 2023;
- *Update IV* : Presentation of the Revised 2023 Plan;
- Review and approval of management planning documents and the analysis report for these documents;

The 16 November 2023

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Strategy review.

Since **November 30, 2023 ,** the Board of Directors has met three times:

The 11 December 2023

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Presentation of the 2024 budget draft;

The 29 January 2024

a Board of Directors was held with nine members present. The Board deliberated on the following agenda ;

- Report of the Audit Committee - Report of the meeting of 25 January 2024;
- Review of the estimated consolidated financial data as of November 30, 2023;
- Approval of the 2024 budget;
- Review and approval of management planning documents and analysis report on these documents;
- Review and approval of the draft release on 2023 annual results;
- Report of the Compensation and Nomination Committee - Report of the meeting of 15 January 2024;
- Compensation of the corporate officer for the 2023 financial year;
- Amount of compensation to be paid to directors: Breakdown for fiscal year 2023;
- Definitive allocation of free shares (*Premier Plan 2022*) ;
- acquisition of performance shares (*Second Plan 2021*);
- Report of the CSR Committee - Report of the meeting of 18 January 2024;
- Employee shareholding - implementation of a leveraged company mutual fund.

The 15 February 2024

A Board of Directors attended by ten members. The Board discussed the following agenda:

- Report of the Audit Committee - Report of the meeting of 13 February 2024;
- Review and approval of the parent company financial statements for the year ended November 30, 2023 and proposed allocation of net income for the year;
- Review and approval of the consolidated financial statements at November 30, 2023 ;
- Agreements governed by Article L. 225-38 of the French Commercial Code;
- Preparation and approval of the Board of Directors' management report;
- Preparation and approval of special reports;
- Review and approval of the corporate governance report;
- Renewal of authorisations for sureties and guarantees;
- Renewal of the share buyback program;
- Review of social policy regarding professional and wage equality;
- Report of the Compensation and Nomination Committee - Report of the meeting of 30 January 2024;
- Compensation of the corporate officer for the 2024 financial year;
- Allocation of Bonus shares:
- Recognition of termination of directorships - Proposed appointment of new directors at the Annual General Meeting of 6 May 2024;
- Qualification of Mrs Sylvie Charles and Mrs Sophie Lombard as independent directors;
- Convening of an Ordinary and Extraordinary Shareholders' Meeting, setting its agenda and the text of the draft resolutions;
- Appointment of the Lead Director as Chairman of the meeting at the Combined General Meeting of 6 May 2024 in the event of the absence or impediment of the Chairman and Chief Executive Officer;
- Prior approval of services provided by the Statutory Auditors
- Employee shareholding - implementation of a leveraged company mutual fund.

3.1.1.2.13. Description of the diversity policy within the Board of Directors within the meaning of Article L. 22-10-10 (formerly L. 225-37-4 6°) of the French Commercial Code

Based on the recommendations made by the Compensation and Nomination Committee, Directors are appointed on the basis of their qualifications, professional skills and independence of mind at Shareholders' Meetings or by co option.

The composition of the Board reflects the diversity and complementarity of the experience and expertise of its members.

The presentation of each Director made in this report (see above - Board operation - Composition - list of positions and offices held by each Director) gives a better understanding of this diversity and complementarity of experience.

Information on ton the fair representation of men and women on the Board of Directors

As of the date of this report, the Board of Directors is composed of five women out of ten directors.

Mrs Sylvie Charles, Mrs Sophie Lombard, Mrs Annalisa Loustau Mrs Elia and Mrs Lucile Ribot are recognised as independent directors by the Board.Aline Stickel is a director representing employee shareholders.

3.1.2. Specialised Committees of the Board of Directors

3.1.2.1. Audit Committee

The Audit Committee is a specialised Committee of the Board of Directors whose main mission is to carry out a prior examination of the Company's financial statements and risks, to deepen and facilitate the exercise by the Board of Directors of its responsibility to approve the parent company and consolidated financial statements.

3.1.2.1.1. Audit Committee Charter

A charter describes the organization, powers and functioning of the Audit Committee.Its latest update was approved on 28 September 2017 by the Board of Directors, to reflect the transcription in the French law of the European audit reform.

3.1.2.1.2. Composition of the Audit Committee

The Audit Committee is composed of at least three members from among the members of the Board, at least two-thirds of whom are independent Directors according to the independence criteria adopted by the company.It is chaired by an independent Director.

The term of office of the members of the Audit Committee coincides with that of their term of office as members of the Board of Directors.It may be renewed at the same time as the latter.

The members of the Audit Committee are chosen based on their independence and their expertise in financial and/or accounting matters.As such, at least one independent member of the Committee has specific financial and/or accounting skills acquired through their professional career;

When they are appointed, the members of the Audit Committee must be provided with information on the Company's accounting, financial and operational specificities.

The Audit Committee is composed of three independent members appointed for the duration of their term of office as directors: Mrs Sylvie Charles, appointed on 16 February 2012 and Chairman as of 30 September 2014, Mrs Sophie Lombard, appointed on 29 September 2010 and Director who became independent as of 1st December 2016, Mrs Lucile Ribot, appointed on 27 September 2018 .

The chairmanship of the Audit Committee by an independent director is a means of implementing enhanced control of management and the balance of powers.

3.1.2.1.3. Role of the Audit Committee

The charter of the Company's Audit Committee provides that its members are responsible for carrying out a prior review of the Company's financial statements and risks, namely:

- Reviewing the financial statements, the relevance and consistency of the accounting methods used to prepare the parent company and interim and annual consolidated financial statements and their scope;
- Monitoring the effectiveness of internal control and risk management systems: In particular, the Audit Committee reviews the significant off balance sheet commitments of the company and its subsidiaries;
- Monitoring the accounting treatment of any significant transaction carried out by the company;
- Monitoring internal data collection and control procedures and the quality and reliability of the company's financial statements;
- The audit, before their publication, of all accounting and financial information documents, in particular on the occasion of the closing of the parent company financial statements and the half year and annual consolidated financial statements;
- Reviewing provisions and their adjustments and any situation that could generate significant risk for the group;
- Monitoring the Company's financial policy and associated risks;
- Reviewing and advising the Board of Directors on the selection procedure and the selection of the Statutory Auditors or, where applicable, an audit firm, as well as monitoring the rules of independence and objectivity of the Statutory Auditors.

The Audit Committee has all the resources it deems necessary to carry out its duties.In particular, it may interview the Statutory Auditors of the company and group companies, the financial, accounting, treasury and internal audit managers, or any other experts it has chosen, ensuring their competence and independence, even in the absence of the company's management.

To monitor the effectiveness of the internal control and risk management systems, particularly in the area of business ethics and the fight against corruption, the Audit Committee ensures the deployment and implementation of corrective actions, in the event of significant weaknesses or anomalies identified in these systems.It is also informed of the main findings of the Statutory Auditors and the Internal Audit Department.

The Audit Committee gives its opinion on the organization of the internal audit department and is informed of its work program.It must receive the internal audit reports or a periodic summary of these reports.

The Audit Committee must meet regularly with the Statutory Auditors, including without the presence of senior executives.In particular, it must interview the Statutory Auditors at Audit Committee meetings dealing with the review of the process for preparing financial information and the review of the financial statements, to report on the performance of their duties and the conclusions of their work.

The Audit Committee must oversee the procedure for selecting and renewing the Statutory Auditors and submit to the Board of Directors a recommendation on the Statutory Auditors whose appointment is proposed to the Shareholders' Meeting.

In addition, to enable the Audit Committee to monitor, throughout the term of office of the Statutory Auditors, the rules of independence and objectivity of the Statutory Auditors, the Audit Committee must in particular request each year:

- The Statutory Auditors' declaration of independence;
- The amount of fees paid to the Statutory Auditors' network by companies controlled by the company or the entity controlling it for services that are not directly related to the Statutory Auditors' assignment;
- Information on the services provided as part of the procedures directly related to the Statutory Auditors' assignment.

The company's statutory audit mission must be exclusive of any other due diligence not related to the statutory audit.However, after prior approval by the Audit Committee, additional or directly complementary work may be performed, such as acquisition or post acquisition audits, but excluding evaluation and advisory work.

The Audit Committee's charter thus specifies the rules and procedures relating to the provision by the Statutory Auditors of a service other than the certification of the financial statements.

3.1.2.1.4. Functioning of the Audit Committee

Meetings of the Audit Committee are validly held when at least half of its members participate. The Audit Committee meets at the initiative of its Chairman or, where applicable, the Chairman of the Board of Directors.

In addition, two members of the Committee may take the initiative of convening a meeting of the Committee if they consider it necessary to discuss one or more particular issues.

The Committee's agenda is approved by the Chairman of the Audit Committee.

The Committee meets as often as necessary and, in any event, at least four times a year.Meetings are held before the Board of Directors' meeting and, as far as possible, at least two days before the meeting when the Audit Committee's agenda concerns the review of the interim and annual financial statements prior to their approval by the Board of Directors.

The review by the Audit Committee of the annual or interim financial statements must be accompanied by a presentation by the Statutory Auditors highlighting the key points of the results, the accounting options adopted as well as a presentation by the Chief Financial Officer describing the risk exposure and the significant off-balance sheet commitments of the company.

The Audit Committee may, regardless of the agenda of its meeting, interview the Company's employees or the Statutory Auditors without the presence of the Company's management, which is informed in advance.

Members of the Audit Committee and participants in meetings are bound by professional secrecy.

The Committee's work is reported to the Board of Directors by its Chairman, who also prepares a written report.

The secretary of the Board of Directors serves as secretary to the Audit Committee.

The Audit Committee receives material documents falling within its remit (ratings from financial analysts, rating agencies, summaries of audit assignments, etc.).They may request further studies if they wish.

The Audit Committee makes its decisions by a majority of the members attending the meeting, each member having one vote.

3.1.2.1.5. Compensation of members of the Audit Committee

See paragraph 3.2.1.1. Compensation of members of the administrative bodies

3.1.2.1.6. Compensation paid to members of the Audit Committee

A portion set by the Board of Directors, deducted from the amount of compensation allocated to the Board of Directors by the Shareholders' Meeting, is paid to independent Directors who are members of the Audit Committee and who have no position within the group (see paragraph 3.2.1.1. "Compensation of members of administrative bodies").

3.1.2.1.7. Meetings of the Audit Committee in 2023

The following table shows the attendance rate per member at Audit Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Sylvie Charles	5	5	100%
Sophie Lombard	5	5	100%
Lucile Ribot	5	5	100%

In 2022, the Audit Committee met five times (the attendance rate of Directors at Audit Committee meetings was 100%):

The 25 January 2023

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Review of the estimated consolidated financial data as of November 30, 2022;
- Statutory Auditors' comments on the estimated consolidated financial data as of November 30, 2022;
- Review of the 2023 budget;
- Presentation of the management planning documents for 2023 and the analysis report for these documents;
- Presentation of the 2022 update of the mapping of the group's major risks.

The 22 February 2023

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Review of the parent company financial statements for the year ended November 30, 2021 and proposed allocation of net income for the year;
- Statutory Auditors' comments on the parent company financial statements for the year ended November 30, 2022;
- Review of the notes to the consolidated financial statements for the year ended November 30, 2021;
- Review of the Board of Directors' report on corporate governance;
- Internal audit:
- Results of tests on the internal control system H2 2022 and 2022 annual summary;
- 2023 forecast plan for tests on the internal control system;
- Presentation of the draft report of KPMG, an independent third party, on the social, environmental and societal information presented in the management report;
- Prior approval of the services provided by the Statutory Auditors.

The 7 April 2023

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Review of the accounts for the first quarter of 2023;
- *Update II* : presentation of the Revised 2023 Plan;

The 7 July 2023

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Business review of the 1st half year 2023;
- Review of the estimated financial data for the 1st half year 2022 and review of the main potential risks identified to date ;
- Statutory Auditors' comments on the estimated consolidated financial data as of 2023, May 31;
- Internal audit:
- Presentation of test results D.C.I. (Internal Control system) at the end of Q1 2023;
- Update on Sapin II, GDPR, major risk mapping and CSR;
- *Update III* : presentation of the Revised 2023 Plan;
- Presentation group It security.

The 27 September 2023

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Business review at 2023, August 31;
  - Review of estimated financial data as of 31 August 2023 and review of the main potential risks identified as of;
- Internal audit:
  - Presentation of test results D.C.I. (Internal Control system) at the end of Q2 2023;
  - Update on Sapin II, GDPR;
- Update IV: Presentation of the revised 2023 Plan
- Presentation of the management planning documents for 2023 and the analysis report for these documents;

Since **November 30, 2023**, the Audit Committee has met twice:

The 25 January 2024

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Review of the estimated consolidated financial data as of November 30, 2023;
- Statutory Auditors' comments on the estimated consolidated financial data as of November 30, 2023;
- Review of the 2024 budget;
- Presentation of the management planning documents for 2023 and the analysis report for these documents;
- Presentation of the 2023 update of the mapping of the group's major risks.

The 13 February 2024

An Audit Committee was held with three members present. The Committee discussed the following agenda :

- Review of the parent company financial statements for the year ended November 30, 2021 and proposed allocation of net income for the year;
- Statutory Auditors' comments on the parent company financial statements for the year ended November 30, 2023;
- Review of the notes to the consolidated financial statements for the year ended November 30, 2023;
- Review of the Board of Directors' report on corporate governance;
- Internal audit:
  - Results of tests on the internal control system H2 2023 and 2023 annual summary;
  - 2024 forecast plan for tests on the internal control system;
  - Point Sapin II, GDPR;
- Presentation of the draft report of KPMG, an independent third party, on the social, environmental and societal information presented in the management report;
- Prior approval of services provided by the Statutory Auditors

The Statutory Auditors attended all Audit Committee meetings and were invited to make any comments they deemed useful to bring to the attention of the members of this Committee.

3.1.2.2. Compensation and Nomination Committee

3.1.2.2.1. Composition and missions

The Board's Internal Regulations stipulate that the Compensation and Nomination Committee is composed of at least three Directors, at least half of whom are independent.It is chaired by an independent Director. To date, it is composed of Mrs Sophie Lombard, Chairman, appointed at the Board of Directors' meeting of 27 January 2023 to replace Mr Yves Gabriel, by Mr Jean- Louis Chaussade, independent director, appointed on 29 January 2019, and Mr Michel Giannuzzi appointed at the Board of Directors' meeting of 27 January 2023.

The role of the Compensation and Nomination Committee is to assist the Board of Directors in determining the compensation of corporate officers and other senior executives of the Company.To this end, the Committee takes into consideration the criteria (particularly CSR) set out in Chapter 8.9. (section II.2). It proposes to the Board of Directors a breakdown of the compensation and the individual amounts of the payments to be made in this respect to the Directors, taking into account in particular their attendance at the Board and at the Committees that make up it.

It must also give the Board of Directors an opinion on the general policy for the allocation of share subscription and/or purchase options and Bonus shares, on the stock option plans established by the group's Executive Management and propose to the Board the allocation of share purchase or subscription options and the allocation of Bonus shares.

Lastly, it makes proposals to the Board of Directors on the appointment and/or renewal of corporate officers, Directors and Committee members, taking into account a balanced representation of women and men and in compliance with a policy of non--discrimination.

It does not make a decision; its role is limited to the preparation of the information that the Board uses during its meetings when deliberating on subjects falling within its competence.

Meetings may be held by videoconference or conference call.

A charter sets out the Committee's powers and operating procedures.At its meeting of 13 February 2009, the Board of Directors approved certain amendments to the Committee's charter to recall in particular that:

- The Committee draws up a succession plan for executive corporate officers and directors to be able to propose succession solutions to the Board in the event of unforeseen events; and
- In the context of the Committee's proposals on the appointment of corporate officers, directors and Committee members, the Committee, guided by the interests of the Company and all its shareholders, takes into account a set of factors such as the competence, experience and independence of each candidate and the desirable balance of the composition of the Board in view of the Company's shareholding.

3.1.2.2.2. Compensation of the members of the Compensation and Nomination Committee

See paragraph 3.2.1.1. "Compensation of members of the administrative bodies".

3.1.2.2.3. Compensation and Nomination Committee meetings in 2023

The following table shows the attendance rate per member at Compensation and Nomination Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Yves Gabriel	3	3	100%
Sophie Lombard	3	3	100%
Jean Louis Chaussade	3	3	100%
Michel Giannuzzi (1)	2	2	100%

(1) On 2023, January 27 the Board of Directors appointed Mr Michel Giannuzzi as new member of the Compensation and Nomination Committee to replace Mr Yves Gabriel resigned.

In 2023, the Compensation and Nomination Committee met three times (the attendance rate of Directors at Compensation and Nomination Committee meetings was 100%):

The 16 January 2023

a three member Compensation and Nomination Committee was held. The Committee discussed the following agenda :

- 2022 wage policy: Analysis of Compensation and budget management;
- Variable compensation of the corporate officer for the 2022 financial year;
- Definitive allocation of performance shares (Second Plan 2020);
- Preparation point: Compensation of the corporate officer for the 2023 financial year;
- Amount of compensation (ex-directors' fees) - proposed allocation for fiscal year 2022.

The 31 January 2023

A Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda :

- Compensation of corporate officers for 2023 - long-term compensation of corporate officers - commitments in favour of corporate officers;
- Allocation of Bonus shares:
  - Proposal of new plans pursuant to the authorisation granted by the Shareholders' Meeting of 5 May 2022,
  - Proposed new authorisation by the Annual General Meeting 2023

The 29 September 2023

A Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda :

- Succession plan;
- Renewal of directors;
- Exceptional grant of free shares related to the A7/A8 Project;

Since **November 30, 2023**, the Remuneration and Nomination Committee has held two meetings:

The 15 January 2024

A Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda :

- 2023 wage policy: Analysis of Compensation and budget management;
- Variable compensation of the corporate officer for 2023 ;
- Final allocation of performance shares (Second Plan 2021) ;
- Preparation point: Compensation of the corporate officer for the 2024 financial year;
- Amount of compensation (ex-directors' fees) - proposed allocation for fiscal year 2024.

The 30 January 2024

A Compensation and Nomination Committee was held with three members present. The Committee discussed the following agenda :

- Proposal to appoint a new director at the next Annual General Meeting to replace Mr Michel Giannuzzi;
- Proposal to renew the terms of office of Mrs Lucile Ribot, Mrs Annalisa Loustau Elia, Mrs Sylvie Charles and Mrs Sophie Lombard at the next Annual General Meeting ;
- Proposal to renew the term of office of Mr Nordine Hachemi as Chairman of the Board of Directors exercising the general management of the Company;
- Qualification of Sylvie Charles and Sophie Lombard as independent directors;
- Allocation of Bonus shares:
  - Proposed new plans pursuant to the authorisation granted by the Annual General Meeting of 4 May 2023 ,
  - Proposed new authorisation by the Annual General Meeting.

3.1.2.3. CSR Committee

The Board's Internal Regulations stipulate that the CSR Committee is made up of at least three members from among the Board members, at least half of whom are independent directors according to the independence criteria adopted by the company.It is chaired by an independent Director.To date, it comprises three independent directors: Mrs Sophie Lombard and Mr Jean Louis Chaussade, appointed at the Board of Directors' meeting of 27 January 2021, and Mr Michel Paris, director, appointed at the Board of Directors' meeting of 6 May 2021. Mr Jean Louis Chaussade was appointed Chairman of the CSR Committee at the Board of Directors' meeting of 26 February 2021

The members of the CSR Committee are chosen based on their independence, expertise and knowledge of sustainable development. As such, at least one independent member of the Committee has specific sustainable development skills acquired through their career.

Jean Louis Chaussade, appointed as Chairman of the CSR Committee, meets this criterion, thanks in particular to his experience gained in his duties within the Suez group and his contribution to the preparation of the report "Assessment of waste treatment capacities in France by 2040" submitted in 2020 to the Ministry of Ecological and Solidarity Transition. ""

The CSR Committee meets at least once a year and as many times as necessary, depending on the development of the company's activities and, in particular, changes in sustainable development issues specific to its activities. Meetings may be held by videoconference or conference call.

The Committee's duties include:

- Ensuring that social and environmental responsibility issues are taken into account in the group's strategy and in its implementation (especially issues related to the environmental impact and societal challenges of the group's activities, including those related to human resources, in particular health, vocational training, compensation policy, gender equality, the employment and integration of people with disabilities, and the fight against discrimination and the promotion of diversity);
- To examine the report provided for in Article L. 22-10-36 of the French Commercial Code on sustainable development;
- Reviewing the group's sustainable development commitments with regard to the issues specific to its business and its objectives.

3.1.2.3.1. Meetings of the CSR Committee in 2023

- In 2023, the CSR Committee met twice (the Directors' attendance rate at CSR Committee meetings was 100%).

The following table shows the attendance rate per member at CSR Committee meetings:

Members	Attendance at meetings	Total number of meetings	Individual attendance rate
Sophie Lombard	2	2	100%
Jean Louis Chaussade	2	2	100%
Michel Paris	2	2	100%

The 19 January 2023

A CSR Committee was held with two members present. The Committee discussed the following agenda :

- Assessment of the Company by independent third parties, in particular concerning ethics and environmental, climate, social and governance issues.
- Internal actions:
  - innovation CSR Challenge: Employee contributions to changes in the Kaufman & Broad environmental framework
  - Circular economy: Actions to promote traceability and reduce hazardous and non- hazardous site waste; reuse materials
- 2022 carbon review with regard to quantitative targets for reducing CO 2 eq emissions and the transition plan
- CSR risk mapping and materiality matrix: Indicators and dashboard (Environment, Ethics & Governance, Health & Safety, Customer Satisfaction, Diversity, Social Impact)
- European taxonomy (sustainable finance): Alignment with fiscal year 2022
- Training/exchange workshop on climate change mechanisms: Postponed to July 2023,

The 4 July 2023

A CSR Committee was held with three members present. The Committee discussed the following agenda :

- Economic, regulatory and environmental context of the 1st quarter of 2023: Mitigation and adaptation to climate change, net artificial zero (ZAN), biodiversity, eternal pollutants and plastic waste, rise in interest rates, availability of water resources, etc.
- Internal actions:
  - National K&B Technical Committee (CTN),
  - K&B Supplier Code of Ethics,
  - Traceability of site waste.
- Scope 1 and 2 issues: Action plan to reduce carbon emissions related to mobility
- European taxonomy
- Climate fresco workshop: Awareness raising/training on the climate change mechanism (based on the IPCC report).

Since **November 30, 2023**, the Committee has met once:

The 18 January 2024

A CSR Committee was held with three members present. The Committee discussed the following agenda :

- Update of CSR risks and challenges 2023 and monitoring of related indicators;
- Focus on the K & B 2023 carbon footprint;
- European taxonomy 2023: Projected alignment;
- CSRD: Outlines and challenges identified for K & B;
- AMF recommendations on ESG performance (Extra Financial Performance Statement -*DPEF)*.

3.1.3. Senior executives

Group management is organised around Mr Nordine Hachemi, Chairman and Chief Executive Officer, as well as the group's other senior executives.

Since 2016, January 1st, the management bodies have evolved and are mainly composed of an Executive Committee, a Management Committee and an Extended Management Committee, the latter being also composed of the Regional Directors and Agency.

3.1.3.1. Executive Committee

Kaufman & Broad's Executive Committee has seven members:

Mr Nordine Hachemi, Chairman and Chief Executive Officer; Mr Bruno Coche, Chief Financial Officer; Mr Sylvere Hamel, Chief Executive Officer, Eastern Region and New Aquitaine Region (Housing); Mr David Laurent, Chief Executive Officer, Corporate Real Estate, Logistics and Planning and Territories - Île de France Region (Housing); Mr Jacques Rubio, Chief Executive Officer, Occitanie Region (Housing), Résidences Gérées and Kalilog; Mr William Truchy, Chief Commercial Officer, Marketing, Communication and Digital; Mrs Sophie Letiers, Chief Executive Officer, Human Resources - Operational Excellence.

The Executive Committee implements the group's strategy and monitors its deployment, notably through the Annual Business Plan.Finally, it defines any adaptations of the organization according to the strategic decisions taken by the Board of Directors and ensures their implementation.

3.1.3.1.1. Nordine Hachemi, Chairman and Chief Executive Officer

Nordine Hachemi, a graduate of the Institute of Globe Physics in Strasbourg, the École Nationale Supérieure du pétrole et des moteurs and holder of an MBA from INSEAD, began his career at Pompes Guinard in 1986.

He then joined Transroute (groupe Caisse des Dépôts et Consignations) in 1988, where he held revenues and development positions in Asia. In 1992, he continued his career at Bouygues Construction where he managed the structuring of major international infrastructure projects. In 2001, he joined the Saur group, France's third largest water and cleaning operator, and became its Chairman. In 2008, he became Chairman and Chief Executive Officer of Sechilienne Sidec, a group specialising in the production of energy and renewable energy, until 2011. He also joined the Supervisory Board of Citizen Capital until 2015.

Co opted as Director by the Board of Directors on 25 June 2013, he joined Kaufman & Broad on 1 July 2013 as Chief Executive Officer and Vice Chairman of the Board of Directors.

He was appointed Chairman and Chief Executive Officer of Kaufman & Broad SA by the Board of Directors on 24 January 2014.

3.1.3.1.2. Bruno Coche, Chief Financial Officer

Bruno Coche, a law graduate and a graduate of IEP Bordeaux, joined the Sediver group in 1989 as Head of Treasury and then Administrative and Financial Services of the France/Export revenues Segment.In 1996, he continued his career with the Giraud group and took charge of cash and financing in a European context and participated in the group's growth and high-balance sheet transactions.

He joined Kaufman & Broad in June 2002 as Head of Treasury and Financing.In this position, it supports the group's growth and participates in structuring its financing.He has been Deputy Chief Financial Officer and a member of the Management Committee since December 2009.In January 2016, he was promoted to Chief Financial Officer and became a member of the Executive Committee.

3.1.3.1.3. Sylvere Hamel, Executive Vice-President, Regions Eastern and New Aquitaine (Housing)

Sylvère Hamel is a graduate of the Ecole Polytechnique and began his career in 1988 as Head of Corporate Real Estate programs at ADIM. He joined France Construction in 1991, first as program Manager for Multi-occupancy housing, before taking over the management of Agence Maisons Individuelles in 1996. In 1998, he joined the Bouygues Immobilier group to head the Côte-d'Azur region until 2005. He then joined Kaufman & Broad for the first time as Deputy Ceo in charge of the Paris, Lille, Strasbourg and Lyon sectors. Then in 2009, he became Chief Executive Officer of Edelis (*ex* Akerys Promotion). He joined the Kaufman and Broad Group again since Sept. 2021 .

3.1.3.1.4. David Laurent, Executive Vice-President, Commercial property , Logistics, Real Estate developpment and Territories - Île- de France Region (Housing)

David Laurent, a graduate of the École Centrale de Nantes, holds a postgraduate degree in civil engineering and a Master's degree in Urban Management Environment and Services from ESSEC. He began his career at Spie Citra Immobilier (Spie Batignolles group) in 1996 as a Strategy and Marketing Research Manager and then Operations Manager.He joined Sorif (now Vinci Immobilier) in 1999, where he successively held the positions of Head, Chief and then Director of programs.

In 2008, he became Development Director of SOPIC Paris, then joined Kaufman & Broad at the end of 2011 as Executive Vice President, Commercial property.He has been a member of the Management Committee since January 2015. In January 2016, he became a member of the Executive Committee. In September 2016, the Major Urban Projects Department was attached to it. In January 2017, he was appointed Executive Vice President, Commercial property and Major Urban Projects. In January 2020, the Real estate developpment Department reported to him.

3.1.3.1.5. Jacques Rubio, Executive Vice-President Occitanie Region (Housing), Managed Residences and Kalilog

Jacques Rubio, after training as an engineer, created in 1975 with the Malardeau family the SA Malardeau, which carries out real estate operations in southern France. He served as Corporate Secretary, then became Chairman and Chief Executive Officer in 1985. In 2004, SA Malardeau became a subsidiary of the Kaufman & Broad group, and he was appointed Regional Director Kaufman & Broad Sud Ouest. In 2009, he was appointed Chief Executive Officer of the South West Region, with the Toulouse, Bordeaux and Bayonne agencies and, since 2014, Montpellier. He has been a member of the Management Committee since December 2009.Jacques Rubio is developing the business of Résidences Gérées. In January 2016, he became a member of the Executive Committee.In October 2019, he was appointed Regional Chief Executive Officer.

3.1.3.1.6. William Truchy, Executive Vice-President, Marketing, Communication and Digital

William Truchy, after a postgraduate degree in revenues, began working in real estate in 1980 at a agency in Nancy, then joined Promogim in 1982. Chief revenues Officer in Burgundy and Rhône-Alpes, then revenues Director for the Provence Côte-d'Azur region and Bordeaux and Toulouse, he was appointed National revenues Director in 1987 and Deputy Chief Executive Officer in 1989. William Truchy joined Kaufman & Broad in March 2003 as Commercial Director for the Île-de-France region. He was appointed Executive Vice President , Marketing in January 2005 and is responsible for revenues and Showroom for all Paris and Île-de-France operations.In 2008, he was appointed Deputy Chief Executive Officer in charge of Marketing-revenues. He has been a member of the Management Committee since December 2004 and Executive Vice-President of the Regions since January 2009. In September 2015, the Marketing, Communication and Digital Department was attached to him, as was the Architecture, Quality and innovation Department.In January 2016, he became a member of the Executive Committee. In April 2017, the Residential Real Estate Sales department was attached to him. In October 2019, he was appointed Executive Vice-President Sales & and Marketing Officer.

3.1.3.1.7. Sophie Letiers, Executive Vice-President Human Resources - Operational Excellence

After a Master's degree and a DESS in Business Law, Sophie Letiers began her career in 2000 as a lawyer at Latournerie Wolfrom & Associés before joining the press and publishing group Wolters Kluwer France in 2006 as Head of group Social Relations where she will move to the position of Vice-President of Human Resources France. After 2 years at France Médias Monde, she joined the Canal+ group in 2012 as HR manager for the Distribution Segment.

She joined Kaufman & Broad in October 2018 as Human Resources manager to support the group's transformation and the challenges of recruiting, organising and developing talent.

3.1.3.1.8. Management Committee

Kaufman & Broad's Management Committee is made up of 12 members: The members of the Executive Committee as well as: Mr Frédéric Bourg, Executive Vice President, Quality, Architecture and Customer Experience; Mr Bertrand Eyraud, CSR and innovation Director; Mr Yannick Le Bihan, Regional Director West; Mr Georges Lopez, Regional Director New Aquitaine; Mr Marc Vettraino, Executive Vice President Grand Paris.

The Management Committee monitors the implementation of the Business Plan. It proposes improvement actions and sets the objectives for agencies and departments. It contributes to the definition and implementation of the group's projects.

There are no family ties, neither between the members of the Management Committee and the members of the administrative bodies, nor between the members of the Management Committee and the members of the Board of Directors.

3.1.3.2. Operational departments

The group's various regional departments are as follows:

Paris area - Île-de-France

- David Laurent, Executive Vice-President, Commercial property , Logistics, Real Estate developpment and Territories - Île de France Region (Housing)
  - Marc Vettraino, Executive Vice President Grand Paris (75, 92, 93, 94)
  - Krystel Briant, Regional Vice-President Île de France Est (77, 91, 60 Est)
  - Jean François Ruhaut, Agency Director of Île de France Ouest (78, 95, 60 Ouest)

Northwest Region: Brittany - Loire-Atlantique - Normandy

- Yannick Le Bihan, Regional Vice-President West is responsible for:
  - Fabrice Slawinski, Deputy Agency Director of Normandy (Caen/Rouen)
  - Damien Thubert, Agency Director of Loire-Atlantique (Nantes/Val de Loire)
  - Michele Lebosco, Agency Director of Brittany (Rennes)

Nord Est (Nord Flandres - Est) - Centre Est: Rhône Alpes - Savoie), Région Sud Est: Côte d'Azur - Méditerranée - Provence et Nouvelle Aquitaine (Gironde - Pyrénées Atlantiques)

- Sylvere Hamel, Managing Director Eastern Region and New Aquitaine (Housing)

Regions North East: (North Flanders - East):

- Nicolas Rifflart, Agency Director Flandres (Lille)
- Thibaud Simon, Agency Director of East (Strasbourg)

Central East Regions: (Rhône Alpes - Savoie):

- Philip Hyvernat, Agency Director of Auvergne Rhône (Lyon Dijon) and Alpes (Annecy)

South East Region: Côte-d'Azur - Mediterranean - Provence

- Stéphane Thirroueiz, Agency Director of Côte-d'Azur (Nice and East Var)
- Emmanuelle Deville, Agency Director of Méditerranée (Marseille and West Var)

Région Nouvelle Aquitaine (Gironde - Pyrénées Atlantiques)

- Georges Lopez, Regional Vice-President Nouvelle-Aquitaine, is responsible for:
  - Geoffrey Doux, Agency Director of Pyrénées-Atlantiques (Bayonne)
  - Georges Lopez, Agency Director of Gironde (Bordeaux) and Poitou-Charentes (La Rochelle).

Occitanie region (Midi Pyrénées, Languedoc Roussillon and Pyrénées Orientales and Serge Mas Promotion)

- Jacques Rubio, Executive Vice President, Occitanie Region (Housing), Managed Residences and Kalilog :

- Pierre Emmanuel Dao, Agency Director of Midi Pyrénées (Toulouse) and Languedoc Roussillon (Montpellier) and Pyrénées Orientales (Perpignan)
- Ingrid Bouisset, Agency Director of Serge Mas Promotion (Toulouse)
- Emmanuelle Gonzalez, Agency Director of Kalilog

Commercial property, Logistics, Urban Projects innovation and Development and Territories

- David Laurent, Managing Director Commercial Property, Logistics and Real Estate Development and Territories
- Patrick Decreton, Senior Vice-President Commercial Property Promotion Île-de-France
- Charles Henri Billot, Senior Vice-President, Commercial Property Development
- Jean Paul Rival, Executive Vice-President, Real Estate Logistics (Concerto)
- Vincent Drouet, Vice-President, Real Estate Development and Territories

3.1.3.3. Positions held by the Chairman and Chief Executive Officer

Nordine Hachemi, Chairman and Chief Executive Officer

Appointments within the Kaufman & Broad group	
Kaufman & Broad SA	Chairman and Chief Executive Officer
Kaufman & Broad GIE	Director
SP 2	Chairman
Kaufman & Broad Financement SNC	Representative of Kaufman & Broad SA, Manager
Kaufman & Broad Investissements SAS	Representative of Kaufman & Broad SA, Chairman
Saint Cloud Armengaud 15 SNC	Representative of Kaufman & Broad SA, Co-Manager
Kaufman & Broad Europe SAS	Representative of Kaufman & Broad SA, Chairman

Outside offices	
RKCI	Chairman
SCI M D Raphael	Manager
Artimus Participations SAS	Chairman

3.2. Directors' interests

3.2.1. Compensation and benefits in-kind received for any reason by members of the Company»s administrative and management bodies for the latest fiscal year ended

3.2.1.1. Compensation of members of the administrative bodies

On the proposal of the Compensation and Nomination Committee, the Board of Directors, at its meeting of 29 January 2024, decided to pay a total amount of €366,618 in compensation for the year ended November 30, 2023, broken down as follows according to the criteria mentioned in section 3.1.1.2.10. Directors' compensation

Table 3 AMF Nomenclature

Non executive corporate officers (Amounts in €)	Compensation due/paid to non-executive corporate officers							
	Board of Directors	Audit Committee	Compensation and Nomination Committee	CSR Committee	Mission Lead Independent Director[1]	Ad hoc Committee[5]	Amounts due for 2023[2]	Amounts paid during the fiscal year 2021
Sylvie Charles	26,800	35,000				8,000	63,000	55,000
Jean Louis Chaussade	26,800		9,000	10,000	4,636	8,000	58,436	62,800
Yves Gabriel	21,927		5,000				26,927	41,800
Michel Giannuzzi	21,927		6,000			8,000	35,927	20,100
Sophie Lombard	24,364	15,000	13,000	6,000		8,000	63,000	55,000
Annalisa Loustau Elia	24,364						24,364	26,800
Michel Paris [4]	26,800			6,000	12,364	8,000	53,164	26,450
Lucile Ribot	26,800	15,000					41,800	41,800
Aline Stickel [3]							0	0
TOTAL	**199,782**	**65,000**	**33,000**	**22,000**	**17,000**	**40,000**	**366,618**	**329,750**

(1) At its meeting of 26 January 2022, the Board of Directors decided that the Lead Independent Director would receive an additional compensation of €17,000 for his duties.

(2) The amounts of compensation due to independent directors have been calculated taking into account, where applicable, the maximum individual amount of €55,000 (excluding compensation for the assignment of Lead Director and excluding the Ad Hoc Committee)

(3) The Annual General Meeting of 5 May 2022 appointed Aline Stickel as Director representing employee shareholders. The duties of the director representing employee shareholders are not remunerated.

(4) Mr Michel Paris was appointed Lead Independent Director at the Board of Directors' meeting of 24 February 2023 to replace Mr Chaussade Jean Louis

(5) At its meeting on 29 January 2024, the Board of Directors decided, on the recommendation of the Compensation and Nomination Committee, to pay additional compensation in the amount of €8,000 only to the directors who participated in the work of the ad hoc committee formed, by decision of the Board of Directors dated 30 May 2023, as part of the Company's purchase of a block of KBSA shares held by Artimus Participations.

3.2.1.2. Compensation of members of management bodies

3.2.1.2.1. Compensation of corporate officers

The Board of Directors determines the compensation of the company's executive corporate officers.It periodically decides on the compensation and benefits to be granted to the Chair and Chief Executive Officer in respect of his term of office, particularly with regard to the variable portion.

In accordance with the company's decision to take into account the AFEP MEDEF Corporate Governance Code, the Board of Directors, assisted for this purpose by the Compensation and Nomination Committee, now defines the rules for setting the compensation of executive corporate officers, ensuring in particular that it is exhaustive, legible and transparent, that the various elements of this compensation are balanced, that the compensation is consistent with the company's market and with the compensation paid to other group executives and employees, on the one hand, and with regard to market practices, the performance of the executive in question and the general interest of the company, on the other hand, and with a view to attracting, retaining and/or motivating high performing executives.

In addition, in accordance with Article L. 222-37-2 of the French Commercial Code, the principles and criteria for determining and allocating the compensation of corporate officers are the subject of a report by the Board of Directors, included in section 8.9.I.1.

Principles and decision-making processes used to determine, revise and implement the group's compensation policyIn accordance with the provisions of Article L. 22-10-08 -II of the French Commercial Code, the compensation policy presented in section 8.9. I.1. is subject to the approval of the Combined Shareholders' Meeting of 4 May 2023.It should be noted that the last annual approval of the Compensation policy for the corporate officers of Kaufman & Broad SA took place at the Combined General Meeting of Shareholders of 5 May 2022.

3.2.1.2.2. Group compensation policy

The group's compensation policy has always consisted of closely linking economic performance with individual performance, measured on the basis of objective and quantifiable criteria. The company has implemented a «group remuneration policy» that supports all employees by (I) a basic salary, which remunerates job holding and is attractive to attract and retain talent, and (II) a variable portion, which remunerates individual and collective performance based on the achievement of ambitious targets set

while being limited by a maximum level avoiding excessive risk taking, in accordance with the Company's corporate interest. This variable portion is based on annual or even biennial criteria, allowing it not to have a short-term vision only.In addition, this variable portion is supplemented by a universal free share grant, which involves all group employees in creating value over the medium/long-term, in support of the group's commercial strategy and sustainability.In addition to their variable compensation, the Chairman and Chief Executive Officer, the members of the Executive Committee and the regional and agency directors are also granted Bonus shares, the acquisition of which is subject, in accordance with the principles of good governance, to performance conditions.It is based on compensation principles applicable to both employees and management teams, offering an attractive base salary to attract and retain talent and a variable portion that rewards individual and collective performance.

The objectives of this policy are

- Adapting compensation to the group's collective performance, while providing motivation and individual efficiency;
- Directly involve all employees in the results over several years.

To meet these objectives, several measures have been put in place:

- The annual compensation of employees and management teams includes a significant variable component, regardless of the position held, subject to the achievement of ambitious objectives while being limited by a maximum level avoiding excessive risk-taking, and established on annual or even biennial criteria, allowing not to have a short-term vision only.

Thus, in 2023, approximately 24,5% of the annual compensation paid to employees corresponds to a variable portion determined based on the company's performance and annual individual objectives.This share is 43.1% of the total compensation for the members of the Executive Committee, as well as 38.7% for the members of the Expanded Management Committee and nearly 53% for the Chairman and Chief Executive Officer ;

- Access to the Company's share capital, to involve employees and managers in the creation of value over the medium/long-term, through:

a) The implementation each year of universal free share plans (AGMs), benefiting all employees, with an availability horizon of 4 years.The allocation of these shares for the Chairman and Chief Executive Officer and the members of the Executive Committee, the Management Committee and the Extended Management Committee, subject to demanding and long-term performance conditions.

On average, excluding exceptional transactions, approximately 100,000 existing shares, or 0.5% of the Company's share capital, are granted each year under the AGM plans set up by the Company;

b) Employee Stock-Ownership Plan (ESOP) open to all employees, approximately 75% having subscribed to these vehicles with an availability horizon of 5 years;

c) Lthe creation of an investment vehicle (Artimus Participations SAS), to which some 125 managers (including the Chairman and Chief Executive Officer) and certain Group employees) were associated during the May 2016 public float extension (re IPO), who contributed more than 21 million euros to the company's creation, either in cash or in the form of KBSA shares, for a period of 8 years, which was extended on 5 July 2023 for a further period of 7 years.

The compensation policy for the executive corporate officer

- It is in this context of recognition of sustainable, long-term and collective performance that the philosophy of the compensation policy for the executive corporate officer is reflected in these developments.The compensation policy for the executive corporate officer, i.e., at the date of this report, Mr Nordine Hachemi in his capacity as Chairman and Chief Executive Officer of the Company, is approved by the Board of Directors after examination and opinion of the Compensation and Nomination Committee.The Board of Directors applies the recommendations of the AFEP/MEDEF Code, amended in January 2020 and December 2022, relating to the compensation of executive corporate officers of listed companies.In this context, the Board of Directors sets the principles for determining the compensation of the Chairman and Chief Executive Officer, paying particular attention to the following principles:
  - Principle of balance and measurement: It is ensured that each element of the Chairman and Chief Executive Officer's compensation is clearly justified and that none of these elements is disproportionate.
  - Principle of competitiveness: It ensures that the Chairman and Chief Executive Officer's compensation is competitive, notably through sector-based compensation surveys.
  - Principle of alignment of interests: The Compensation policy is a management tool designed to attract, motiVATe and retain the talent needed by the Company, but also meets the expectations of shareholders and other stakeholders of the Company, particularly in terms of the link with performance.
  - Performance principle: The compensation of the Chairman and Chief Executive Officer is closely linked to the Company's performance, in particular through a variable compensation measured each year.The payment of this variable portion is subject to the achievement of objectives remunerating immediate performance and preparing for the future and ensuring the sustainability of the group and whose impact is measurable over a period of time (I) annual (change in sales, EBITDA, attributable net income, WCR) and (II) Biennial (number of orders and number of lots of engagement committees).
- The Chairman and Chief Executive Officer's compensation includes a fixed portion and a variable portion based on a certain number of objectives determined annually.At the end of each financial year, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, sets the amount of its gross fixed annual compensation for the following financial year as well as the cap of its variable annual compensation for the following financial year and the quantitative criteria based on which the latter will be calculated. At the beginning of each financial year, the Board of Directors, on the proposal of the Compensation and Nomination Committee, determines the amount of its variable annual compensation due for the previous financial year based on the results of the previous financial year and the achievement of its quantitative and qualitative objectives, and sets the objectives of the qualitative part of its variable annual compensation for the current financial year.
- In addition, in order to associate the Chairman and Chief Executive Officer with long-term performance, a portion of its compensation is made up of performance shares.This component of the compensation is directly linked to the group's performance since the number of shares finally granted to the Chairman and Chief Executive Officer, at the end of the acquisition period, depends on the group's performance, according to certain criteria (see section 8.9, chapter I.1. «Principles and decision making processes followed for the determination, review and implementation of the group's compensation policy» and in Chapter I.2 «Components of the Chairman and Chief Executive Officer's compensation.»

Principle of compensation of the executive corporate officer

- On 25 June 2013, the Board of Directors appointed Nordine Hachemi as Director and Vice Chairman of the Board of Directors, effective 1 July 2013.He was appointed Chief Executive Officer of the Company as of 1 July 2013 and Chairman and Chief Executive Officer as of 24 January 2014.
- The terms and conditions of his employment contract specify that he will receive gross fixed annual compensation of €600,000 paid in twelve monthly instalments. To this fixed compensation will be added, where applicable, an annual variable compensation subject to the achievement of quantitative and qualitative objectives set by the Board of Directors, this variable compensation being paid during the month of January following the end of the financial year, provided that he is part of the group on that date.
- In addition, in the event of removal from office for reasons other than gross or wilful misconduct, as defined by the French Supreme Court in labour law, the Company undertakes to pay the Chief Executive Officer a severance payment intended to compensate for the loss of his position.
- In the event of dismissal, the defined indemnity will be equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the company by one or more third parties acting in concert triggering the obligation to launch a public offer for the company's shares. No compensation will be paid in the event of voluntary departure.
- In addition, in the event of Mr Nordine Hachemi will be bound by a non-compete and non-solicitation obligation that will apply, unless reduced or waived by the group, for 12 months following the termination of his corporate office. In exchange, he will receive a gross monthly lump sum payment equivalent to 50% of the average gross monthly fixed compensation received during the 12 months preceding the termination of his term of office (or of the duration of his term of office if it is lower), the Company having the option to reduce the duration or to exempt the executive from this commitment.
- Mr Nordine Hachemi is entitled to a supplementary defined contribution pension under the provisions of Article 83 of the French General Tax Code. Mr Nordine Hachemi also benefits, as a benefit in kind, from membership in a specific unemployment insurance scheme for executives and corporate officers (GSC). This policy was terminated on 31 December 2023, effective 12024, January 1st.

For fiscal year 2023, the Compensation and benefits received by the corporate officers of Kaufman & Broad SA are detailed in the following tables:

Table 1 AMF Nomenclature

Summary table of compensation, stock options and shares granted to each executive corporate officer (amounts *in euros)*

Nordine Hachemi **Chairman and Chief Executive Officer**	**Year ended November 30, 2023**	**Year ended November 30, 2022**
Compensation due for the year (detailed in Table 2)	1,360,368	1,511,593 (1)
Value of multi-year variable compensation granted during the year		
Value of options granted during the year (detailed in Table 4)		
Value of Bonus shares granted during the year (detailed in Table 6)	506,395(2)	585,503(3)
TOTAL	**1,866,763**	**2,097,096**

(1) The amount includes the payment to the Chairman and Chief Executive Officer of an exceptional bonus related to the Austerlitz project, amounting to €200,000, for the year ended November 30, 2022, which was the subject of a specific resolution passed at the Annual General Meeting of 4 May 2023.

(2) On 24 February 2023, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2023, provided that he was still in office at the time of their final acquisition in 2025. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- *The achievement of quantitative criteria consisting of criteria reflecting short-term performance such as revenues, EBITDA, Attributable net income and WCR, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;*
- *The achievement of qualitative criteria composed of criteria related to team management, and the quality of the social climate in the company, the continued deployment of the CSR policy and the proper control of risks.*

On 29 January 2024, the Board of Directors definitively granted, subject to presence in 2025, 15,000 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2023 financial year.

At its meeting on 24 February 2023, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three-year acquisition period and a one-year holding period.The Board also decided that these shares were subject to long-term performance conditions assessed over the 2023-2025 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

(3) On 25 February 2022, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2022, provided that he was still in office at the time of their final acquisition in 2024. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- *the achievement of quantitative criteria consisting of criteria reflecting short term performance such as Revenue, EBITDA, Attributable net income, and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of lots of Commitment Committees;*
- *The achievement of qualitative criteria composed of criteria related to team management, the quality of the social climate in the company, the control of operating expenses (including payroll costs), the implementation of the CSR policy and the proper control of risks.*

On 27 January 2023, the Board of Directors definitively granted, subject to presence in 2024, 14,550 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2022 financial year.

At its meeting of 25 February 2023, the Board of Directors also renewed a long-term compensation for the Chairman and Chief Executive Officer based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three year acquisition period and a one year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2022-2024 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 2 AMF Nomenclature

Summary table of the compensation of each executive corporate officer *(amounts in euros)*

Nordine Hachemi Chairman and Chief Executive Officer	Year ended November 30, 2023 Amounts due	 Amounts paid	Year ended November 30, 2022 Amounts due	 Amounts paid
Fixed compensation	600,000[a]	600,000	600000	600000
Annual variable compensation	724,124[e]	677,518[c]	677,518[c]	790,686[b]
Multi-year variable compensation	-	-	-	-
Exceptional compensation		200,000[d]	-	-
Compensation (formerly Directors' fees)	-	-	-	-
Any type of benefits (unemployment insurance)	36,244	34,075	34,075	34,033
TOTAL	**1,360,368**	**1,511,593**	**1,511,593**	**1,424,761**

(a)The amount of fixed compensation was set by the Board of Directors on 29 January 2024.

(b)This variable compensation for 2021 was approved by the Board of Directors on 26 January 2022 and paid in February 2022.

(c)This variable compensation for 2022 was approved by the Board of Directors on 27 January 2023 and paid in February 2023

(d)This exceptional compensation for 2023 was approved by the Board of Directors on 27 January 2023.

(e)This variable compensation for 2022 was approved by the Board of Directors on 29 January 2024.

He also benefits from a supplementary defined contribution pension, under the provisions of Article 83 of the French General Tax Code, since he joined the company; the amount of contributions paid by the company for 2023 amounted to €23,462.40, corresponding to annual contributions capped at 8% of gross salary within the limit of 8 times the social security ceiling. In addition to the pension plan for all employees, the company has a supplementary plan for corporate officers and members of the Executive Committee.

At 29 February 2024, Nordine Hachemi held 131,368 shares in the company, directly and through RKCI, in which it holds 100% of the share capital. In addition, he holds 27.34% of the share capital of Artimus Participations, which itself holds 5.40% of Kaufman & Broad SA.Nordine Hachemi directly and indirectly holds 2.14% of the capital of Kaufman & Broad SA.

Table 4 AMF Nomenclature

Stock options granted during the financial year ended November 30, 2023 to each executive corporate officer by the issuer and by any group company

Name of executive corporate officer	N° and date of plan (purchase or subscription)	Valuation of options according to the method used for the consolidated financial statements	Number of options granted during the year	Business year price
Nordine Hachemi	–	- –	None	–

Table 5 AMF Nomenclature

Stock options exercised during the financial year ended November 30, 2023 by each executive corporate officer

Options exercised during the year by each executive corporate officer	N° and date of plan	Number of options exercised during the year	Business year price
Nordine Hachemi	-	None	-

Table 6 AMF Nomenclature

Bonus shares granted during the year to each corporate officer by the issuer and by any company in the group (registered list)	Nº and date of plan	Number of shares granted during the year [(a)]	Share price at grant date	Value of shares according to the method used for the consolidated financial statements	Acquisition date	Availability date
Nordine Hachemi						
Of which 2023 Plan (1er Plan) [(a)]	24/02/2023	15,000	28.95	337,814	24/02/2025	24/02/2027
Of which 2023 Plan (2e Plan) [(b)]	24/02/2023	10,000	28.95	168,581	24/02/2026	24/02/2027

(a) On 24 February 2023, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2023, provided that he was still in office at the time of their final acquisition in 2023. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- *the achievement of quantitative criteria consisting of criteria reflecting short term performance such as Revenue, EBITDA, Attributable net income, and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of lots of Commitment Committees;*
- *The achievement of qualitative criteria composed of criteria related to team management and the quality of the social climate in the company, s the continued deployment of the CSR policy and the proper control of risks. On 29 January 2024, the Board of Directors definitively granted, subject to presence in 2025, 15,000 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2023 financial year.*

(b) At its meeting on 24 February 2023, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three-year acquisition period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2023-2025 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

Table 7 AMF Nomenclature

Bonus shares vested during 2023 for each executive corporate officer

Bonus shares executive corporate officers *(list of names)*	Plan dates	Number of shares that became available during the year	Acquisition conditions
Nordine Hachemi	15,000 26/02/2021 (1st Plan)	15,000	[(a)]
	10,000 27/02/2020 (2th Plan)	5,750	[(b)]

(a) Pursuant to the authorisation granted by the Shareholders' Meeting of 2 May 2019, the Board of Directors, on 26 February 2021, decided to grant deferred annual compensation in the form of performance shares. The Board of Directors thus granted 15,000 performance shares to the Chairman and Chief Executive Officer for 2020, provided that they are still in office at the time of their final acquisition in 2023.

- *The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those provided for in the annual variable compensation in cash. Quantitative criteria are composed of criteria reflecting short-term performance such as Revenue, EBITDA, Attributable net income and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of Commitment Committees. Qualitative criteria are assessed based on the following qualitative factors: Management of the group's teams, quality of the social climate in the company, control of operating expenses (including payroll), return on capital employed, adaptation of the company to technological changes, proper control of risks*

As the performance conditions set by the Board were met, the definitive allocation of 15,000 shares was completed in February 2023.

(b) At its meeting on 27 February 2020, the Board of Directors decided to set up in 2020 a long term compensation for the Chairman and Chief Executive Officer based on the free allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, providing for a three year acquisition period and a one year holding period. The Board decided to provide for the following performance conditions:

- *Long term performance conditions assessed over the 2020-2023 period (3 years), including CSR performance, customer satisfaction, the level of employee shareholding in the Company's share capital and TSR (Total shareholder return). The relative weight of the four conditions is 20% for CSR performance, 22.5% for quality goods and services, 22.5% for employee share ownership and 35% for TSR.*

At its meeting of 27 January 2023, the Board of Directors decided to grant Mr Nordine Hachemi 5,750 performance shares in respect of his long term compensation assessed over the 2020-2022 period. The shareholders' meeting of 4 May 2023 decided on the definitive allocation of shares, in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code (ex post vote).

Table 11 AMF Nomenclature

Executive Corporate Officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or likely to be due as a result of termination or change of duties	Indemnities relating to a non-compete clause
Nordine Hachemi Chairman and Chief Executive Officer	No	Yes [(a)]	Yes [(b)]	Yes [(c)]

(a) Nordine Hachemi benefits from a supplementary defined contribution pension plan, pursuant to Article 83 of the French General Tax Code; the contribution paid by the company for Nordine Hachemi amounted to €23,462.40 for 2023. These contributions correspond to annual contributions capped at 8% of gross compensation within the limit of eight times the social security cap.

(b) The severance payment is equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

(c) Non-competition clause for twelve months covering French territory, giving rise to a fixed gross monthly compensation equivalent to 50% of the average gross monthly fixed compensation he received during the twelve months preceding the termination of his term of office (or of the duration of the latter if it is lower), the company having the option to reduce the duration or to exempt the executive from this commitment.

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended November 30, 2023 or granted for the financial year to MrNordine Hachemi, Chairman and Chief Executive Officer, submitted to the shareholders' vote.

The Shareholders' Meeting, having reviewed the Board of Directors' report on corporate governance prepared in accordance with Article L. 225-37 of the French Commercial Code, will be called upon to approve, in accordance with Articles L. 22-10-08 and L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to the Chairman and Chief Executive Officer for the fiscal year ended 2023, November 30, as presented in Section 2.2. Of the aforementioned report, included in section 8.9. «Appendix to the Corporate Governance Report» and section 8.7. «The agenda and resolutions of the Shareholders' Meeting of the 6 May 2024» in the «Eighth Resolution» of this Universal Registration Document.

(i) Fixed and variable compensation

The Board of Directors, on the recommendation of the Compensation and Nomination Committee, determines the fixed annual compensation of the Chairman and Chief Executive Officer in light of a detailed study of the fixed and variable compensation of executives of comparable companies carried out by an independent firm on behalf of the Company.

At the Board meeting of 24 February 2023, Mr Nordine Hachemi's fixed annual compensation was maintained at €600,000 gross for 2023. His variable compensation was linked to the objectives of Kaufman & Broad SA's activities for the financial year.

The amount of this variable compensation, subject to objectives achieved, for the 2023 financial year was set at €700,000 gross.(Unchanged from 2019, i.e. 117% of his fixed annual compensation) in the event of achievement of the objectives at 100% and, in the event of outperformance, up to 120% of the aforementioned amount, i.e. a maximum gross amount of €910,000, subject to presence in January 2023.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to a favourable vote at the Ordinary General Shareholders' Meeting to be held in 2024 to approve the financial statements for the year ended November 30, 2023.The variable portion of this compensation will be increased by 70% of its amount based on the following quantitative elements, each allocated a weighting: revenue, Ebitda, net income, group share, WCR, annual housing orders, number of lots of Commitment Committees for 2023; and 30% of its amount based on the following qualitative elements: The management of the group's teams and the quality of the Company's social climate; the implementation of the CSR policy and the proper management of risks.

The Board of Directors' meeting of 29 January 2024, on the proposal of the Compensation and Nomination Committee meeting of 15 January 2024, having reviewed the Company's results and the qualitative results of the Chairman and Chief Executive Officer during the year ended 2023, November 30 set the quantitative portion of the variable compensation due to the Chairman and Chief Executive Officer for the year ended 2023, November 30 at €451,124, and the qualitative portion of this compensation at 130% of the target, i.e. €273,000 (i.e. a rounded total of e724,124, i.e. 103.45% of the target amount).

Concerning the quantitative portion, representing 70% of the variable compensation, the Board of Directors noted that the rights to the variable compensation are open according to the elements described above. Regarding the qualitative portion, representing 30% of the variable compensation, the following qualitative objectives were reviewed by the Compensation and Nomination Committee. (See section 8.9-II «Compensation and benefits granted to corporate officers during the year ended 2023, November 30» paragraphs «II.1. Chairman and Chief Executive Officer» et seq.).

(ii) Deferred payment of the annual variable portion in the form of performance shares

In addition, the Shareholders' Meeting of the 6 May 2022 (16th resolution) authorised the Board of Directors to grant a maximum of 250,000 shares, including a maximum of 50,000 shares (20% of the total amount) to Mr Nordine Hachemi . After taking into account the allocations made during the 2022 financial year, 250,000 shares may be granted under the 16th resolution mentioned above, of which a maximum of 50,000 shares to the executive corporate officer.

On the 24 February 2023, the Board of Directors used the authorisation granted by this resolution, and thus granted 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, provided that he/she is still in office at the time of their final acquisition in 2025 ("First Plan 2023").

At its meeting of 29 January 2024, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, definitively granted 15,500 performance shares to Nordine Hachemi in respect of his variable deferred payment compensation for the 2023 financial year, corresponding to an overall performance of 103.45%.

On the basis of valuation work carried out by an independent actuary, at the Company's request, based in particular on the Company's share price at 24 February 2023, the benefit corresponding to the 15,000 performance shares to be granted to the Chairman and Chief Executive Officer in respect of his annual variable compensation with deferred payment is estimated at approximately €383,814.

The definitive allocation of performance shares to the corporate officer is subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in section 8.9-II "Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022" paragraph II.1 .1.2 (b).

Thus, if these performance conditions are met, the Chairman and Chief Executive Officer will be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash.If 100% of the performance conditions are met, the maximum number of performance shares attributable, i.e. 15,000 shares, would be allocated to the Chairman and Chief Executive Officer.No additional performance shares would nevertheless be granted in the event of outperformance above 100%.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the definitive allocation of performance shares in respect of this deferred payment variable compensation is subject to the approval of the Ordinary General Meeting to be held in 2024 to approve the financial statements for the year ended November 30, 2023.

(iii) Long term compensation

It should be noted that in 2018 the Board of Directors set up a long-term compensation for the Chairman and Chief Executive Officer based on the free allocation of 10,000 performance shares to the latter, providing for a three year acquisition period and a one year holding period and performance conditions assessed over the 2018 - 2020 period. This long-term compensation plan was renewed:This long term compensation plan has been renewed every year since 2018. The plans currently in progress are as follows :

- In 2021 by the Board of Directors on 26 February 2021, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the period 2021 - 2023,
- In 2022 by the Board of Directors on 25 February 2022, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2022-2024 period.
- In 2023 by the Board of Directors on 24 February 2023, with the allocation of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2023-2025 period.

On 29 January 2024, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, decided to grant Mr Nordine Hachemi a total of 6,500 shares as long term compensation in the form of performance shares (2021-2023 period) (estimated at approximately €123,500).

In accordance with the provisions of Article L.22-10-34 II of the French Commercial Code (" *ex-post* " vote), the payment of performance shares will be submitted to the favourable vote of the shareholders' meeting to be held on 6 May 2024 to decide on the definitive allocation of such shares.The effective transfer of ownership of the shares may only take place after approval of the resolution concerned by the general meeting of shareholders.

The fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to the Chairman and Chief Executive Officer of the Company for the 2023 financial year are described in section 8.9-II "Compensation and benefits granted to corporate officers during the financial year ended November 30, 2023" of this universal registration document.

For fiscal year 2024, the remuneration and benefits set for the executive directors of Kaufman & Broad SA are :

For the year ended 2024, November 30, the Remuneration and Nomination Committee proposed to the Board of Directors on 2024, February 15 to keep the remuneration policy unchanged from that approved at almost 80% by the general meeting of shareholders on 4 May 2023. It should be noted that in order to emphasise even more strongly the link between the compensation of the Chairman and Chief Executive Officer and the interests of shareholders, the Board of Directors proposes the renewal for 2023 of the long-term plan set up in 2018 and approved by the last shareholders' meeting of 4 May 2023.

At the Board meeting of 15 February 2024, Mr Nordine Hachemi's gross fixed annual compensation for 2024 was €650,000 (compared with a gross fixed compensation of €600,000 in 2023). The Board of Directors decided to increase the fixed compensation of the Chairman and Chief Executive Officer by €50,000 in order to take into account the termination, effective 1st January 2024, of the insurance that the Chairman and Chief Executive Officer benefited from in the event of a loss of income related to the loss of his corporate office and whose contributions were paid by the Company. The fixed compensation of the Chairman and Chief Executive Officer was unchanged since his appointment to this position.

His variable compensation was linked to the objectives of Kaufman & Broad SA's activities for the financial year.The amount of this variable compensation, subject to objectives achieved, for the 2024 financial year was set at €700,000 gross.(unchanged from 2023, i.e. 117% of his fixed annual compensation) in the event of achievement of the objectives at 100% and, in the event of outperformance, up to 130% of the aforementioned amount, i.e. a maximum gross amount of €910,000 (i.e. 150% of his fixed annual compensation), subject to presence in January 2025. In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to a favourable vote at the Ordinary General Shareholders' Meeting to be held in 2025 to approve the financial statements for the year ended November 30, 2024.The variable portion of this compensation will be increased by 70% of its amount based on the following quantitative elements, each allocated a weighting: revenue, Ebitda, attributable net income, WCR, annual housing orders, number of lots of Commitment Committees for 2024; and 30% of its amount based on the following qualitative elements: The management of the group's teams and the quality of the Company's social climate; the implementation of the CSR policy and the proper management of risks.

In addition, on 15 February 2024, the Board of Directors made use of the authorisation granted by the 22th resolution granted by the Combined Shareholders' Meeting of 4 May 2023 and thus granted:

- 15,000 performance shares to the Chair and Chief Executive Officer for 2023, provided that he is still in office at the time of their final acquisition in 2025 ("First Plan 2024").The definitive allocation of performance shares to the corporate officer would be subject to the same performance conditions as those set out in the annual variable compensation in cash set out above.Thus, in the event that these performance conditions are met, the Chairman and Chief Executive Officer would be entitled to the allocation of performance shares in respect of the annual variable compensation with deferred payment, according to the same ratio and in the same proportions as for the annual variable compensation in cash.If 100% of the performance conditions are met, the maximum number of performance shares attributable, i.e. 15,000 shares, would be allocated to the Chairman and Chief Executive Officer. No additional performance shares would nevertheless be granted in the event of outperformance above 100%.

- 10,000 performance shares to the Chairman and Chief Executive Officer, in respect of the renewal of the long term compensation plans set up in 2018 and renewed each year (including 2023 «Second Plan 2024»).

The acquisition of these shares is subject to the following conditions:

- The shares will only vest after a period of three years, i.e. in 2027, and must then be held for a period of one year by the Chairman and Chief Executive Officer;
- Long term performance conditions assessed over the 2024-2026 period (3 years), including CSR performance, the quality of goods and services, the level of employee shareholding in the Company's share capital and TSR.The relative weight of the four conditions is 25% for CSR performance, 25% for Quality of Goods and Services, 20% for employee share ownership, 30% for TSR.

3.2.1.3. Compensation of Executive Committee members

Since 2016, the group's governance has included the following two bodies:

- The Executive Committee defines the group's strategy and monitors its deployment. It sets the guidelines and the main decisions concerning the life of the group.It sets the objectives of the Annual Plan by activity. Finally, it defines cross functional policies and ensures their implementation. It is composed of the Chairman and Chief Executive Officer, the Chief Operating Officers, the Finance Director and the Human Resources Director;
- The Management Committee monitors the implementation of the Business Plan. It proposes improvement actions and sets the objectives for agencies and departments.It contributes to the definition and implementation of the group's projects. It is composed of the Executive Committee and Regional Managing Directors and Corporate Directors .

The compensation of the members of the Executive Committee consists of a fixed portion and a variable portion.For the year ended November 30, 2023, the gross amounts of remuneration and benefits received by the members of the Executive Committee, excluding the corporate officers of Kaufman & Broad SA, were overall €3,395,189, including €1,933,200 of fixed salary and €1,461,989 of variable remuneration. The members of the Executive Committee do not receive any other deferred and/or conditional compensation, and the group is not required to set aside *provisions* for pensions or golden parachutes; only amounts relating to retirement indemnities are provisioned in accordance with legal or contractual provisions: For members of the Executive Committee, this provision amounts to €878,762 in the 2023 financial statements.In addition, members of the Executive Committee and executive corporate officers are entitled to a supplementary defined contribution pension under the provisions of Article 83 of the French General Tax Code.

In 2023, the members of the Executive Committee, not including the corporate officers of Kaufman & Broad SA, benefited from 17,500 Bonus shares granted on 24 February 2023.

The definitive allocation of shares to senior executives is subject to the same performance conditions as those provided for in their annual variable compensation in cash, namely:

- The achievement of quantitative criteria comprising criteria reflecting the group's performance and its scope in the short-term, such as revenues, EBITDA, attributable net income and working capital requirements, and criteria anticipating future performance, such as the number of housing orders and the number of lots of Commitment Committees;
- The achievement of qualitative criteria composed of criteria related to their scope of responsibility.
- On 29 January 2024, the Board of Directors noted that the performance conditions applicable to 17,500 performance shares had been met.

The minimum holding period of the shares by their beneficiaries is set at two years from their definitive allocation.

Note: The remuneration of executive directors and members of the Management Committee, mentioned in sections 3.2.1.2.1. And 3.2.1.3.Dealing with the interests of executives, are generally paid by GIE Kaufman & Broad with regard to fixed and variable remuneration and benefits in kind (GIE Kaufman & Broad is a structure dedicated to providing resources to the various legal entities comprising the group, and in particular staff). In addition, stock option and free share plans were authorised by the Shareholders' Meeting and grants to beneficiaries decided by the Board of Directors of Kaufman & Broad SA.Finally, the shares delivered were deducted from the treasury shares held by this company.

3.2.2. Total number of options granted on group shares

See section 3.3.3. Stock option or stock warrant plans – Awards of bonus shares – Awards of stock warrants

Details of the transactions during the year on stock options are set out in section 7.2.3.2. «Balance sheet of share purchase and sale transactions» et seq.

3.2.3. Information on stock option transactions during the year

See section 3.3.3. Stock option or stock warrant plans – Awards of bonus shares – Awards of stock warrants

3.2.4. Information on transactions with members of the administrative and management bodies

None.

3.2.5. Loans and guarantees granted or constituted to members of the administrative and management bodies

None.

3.2.6. Information on transactions with companies with executives in common with the company or group companies

See sections 6.1.5. «Notes to the Financial Statements» note 4.4. «Executive compensation (related parties),» paragraph «Terms and conditions of related party transactions» and 8.9 IV.2 c) «Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code.»

3.2.7. Components of compensation due or awarded for the year ended November 30, 2023 to Mr Nordine Hachemi, Chairman and Chief Executive Officer, subject to shareholder vote

In accordance with Article L. 225-100 of the French Commercial Code, the Annual General Meeting decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted in respect of the previous financial year, pursuant to the principles and criteria of compensation approved by the Combined General Meeting of Shareholders of 4 May 2023.

The Combined Shareholders' Meeting of 6 May 2024 will be asked to approve the components of compensation paid or granted to the Chairman and Chief Executive Officer for the fiscal year ended November 30, 2023, as set out below:

Components of compensation	Amounts or accounting valuation subject to a vote	Comments
Fixed compensation	€ 600,000	-
Variable compensation	€724,124	Amount approved by the Board of Directors on 29 January 2024
Exceptional compensation	None	Seniority bonus in accordance with group policy applicable to all employees and executives paid in December 2018
Allocation of stock options or bonus shares	€506,395	
Of which 2023 Plan (1er Plan)	€337,814	15,000 free shares [(a)]
Of which 2023 Plan (2e Plan)	€168,581	10,000 performance shares [(b)]
Compensation for taking up or terminating office	None	-
Supplementary and supplementary pension plan	€23,462.40	Annual contributions capped at 8% of gross compensation up to eight times the social security cap
Company car	€20,400	(Monthly €1,700 excl. VAT)
Any type of benefits	€36,244	Unemployment insurance

(a) On 24 February 2023, the Board of Directors granted 15,000 performance shares to the Chairman and Chief Executive Officer in respect of 2023, provided that he was still in office at the time of their final acquisition in 2025. The definitive allocation of the shares is subject to the same performance conditions as those provided for in the annual variable compensation in cash, namely:

- *the achievement of quantitative criteria consisting of criteria reflecting short term performance such as Revenue, EBITDA, Attributable net income, and WCR, and criteria anticipating future performance, such as the number of Housing orders and the number of lots of Commitment Committees;*
- *The achievement of qualitative criteria composed of criteria related to team management and the quality of the social climate in the company, the continued deployment of the CSR policy and the proper control of risks.*

On 29 January 2024, the Board of Directors definitively granted, subject to presence in 2025, 15,000 performance shares out of the 15,000 performance shares initially granted to Nordine Hachemi in respect of his variable compensation with deferred payment for the 2023 financial year.

(b)At its meeting on 24 February 2023, the Board of Directors renewed the Chairman and Chief Executive Officer's long-term compensation based on the grant of 10,000 performance shares to the Chairman and Chief Executive Officer and providing for a three-year acquisition period and a one-year holding period. The Board also decided that these shares were subject to long-term performance conditions assessed over the 2023-2025 period (CSR performance - Quality, Goods and Services - level of employee share ownership - TSR).

The principles and criteria for determining and allocating the compensation of corporate officers, as well as the components of this compensation and their calculations, are described in section 8.9. Compensation and benefits granted to corporate officers

3.3. Incentive programs

3.3.1. Incentive and profit sharing agreements

Through agreements between management and the trade unions of 25 June 2020, Kaufman & Broad set up a profit sharing scheme for its employees as well as a profit sharing scheme.These two agreements are applicable from 2021, from 1st December 2020 to November 30, 2021.

These agreements are directly linked to exceeding the economic performance determined according to the group's objectives and the indicators chosen are found in the variable part of the compensation of the group's senior executives. These agreements provide for the possibility for employees to invest the sums earned through the KB Actionnariat du PEE ESP.

3.3.2. Group employee savings plan

A company savings plan was set up as part of the IPO in February 2000 and amended in February 2001, March 2002, July 2003, September and December 2006, December 2007, December 2008, December 2009 and December 2014.By amendment dated July 2017, this savings plan was extended to all employees of the group's subsidiaries and became a group savings plan. The savings collected in this respect are invested in the Kaufman & Broad Actionnariat FCPE and in the KB Actions FCPE created in 2017.

To encourage the creation of savings under advantageous financial and tax conditions, Kaufman & Broad has set up a group Savings Plan open to all employees (see section 3.3.2. of the universal registration document).It includes 5 Mutual Funds ("FCPE"), including
the Kaufman & Broad Actionnariat fund, invested in Kaufman & Broad shares, which benefits from a matching contribution from the company, and the "KB Actions" fund with its two current sub-funds "KB Actions 2019" and "KB Actions 2022," a fund opened as part of the 2019 and 2022 shareholding offers carried out by a capital increase of Kaufman & Broad SA and closed to new payments.

The assets of the Kaufman & Broad Actionnariat FCPE are mainly composed of shares of the company, or, at the option of the employees, in the "Capi euro Monétaire" mutual funds, funds classified by its settlement in "monetary," "Capi Équilibre," funds classified by its settlement in "diversified," or "Flexi Taux court Solidaire," solidarity based fund classified by its settlement in "euro bonds" and invested between 5 and 10% in "solidarity" corporate securities defined in Article L. 214-164 of the French Monetary and Financial Code.

3.3.2.1. "KB Actions 2017"

Kaufman & Broad SA announced on 21 September 2017 the launch of its leveraged and investment-guaranteed "KB Actions 2017" shareholder offering, reserved for group employees who are members of the savings plan.Kaufman & Broad SA recorded as of November 30, 2017, the capital increase resulting from the 236,496 new shares issued as part of the subscription to the KB Shares 2017 offer. The «KB Actions 2017» transaction was unwound in July 2022. The sums invested in the fund opened under the 2017 shareholding offer were the subject of cash payments for all or part of the initial investment or a re investment in the new fund launched in June 2022 «KB Actions 2022.»

3.3.2.2. "KB Actions 2019"

Kaufman & Broad announced on 13 May 2019, the launch of its leveraged and investment-guaranteed "KB Actions 2019" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted the capital increase resulting from subscriptions to the "KB Actions 2019" offer. As in 2017, the offer was very successful. The membership rate of eligible employees was 66.1%, with a total of 283,991 shares subscribed through the "KB Actions 2019" compartment of the KB ACTIONS FCPE for €7,832,471.78. The 283,991 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and bearing current dividend rights.

3.3.2.3. "KB Actions 2022"

On 15 June 2022, Kaufman & Broad announced the launch of its leveraged and investment guaranteed "KB Actions 2022" shareholder offering, reserved for group employees who are members of the savings plan. Kaufman & Broad SA noted the capital increase resulting from subscriptions to the "KB Shares 2019" offer on 12 October 2022. As in 2017 and 2019, the offer was very successful.The membership rate of eligible employees was 53%, with a total of 299,999 shares subscribed through the "KB Shares 2019" compartment of the KB SHARES FCPE for 5,774,980.75 euros. The 299,999 new shares issued as part of the offer are ordinary shares, fully assimilated to existing shares and carrying current dividend rights.

As of November 30, 2023, employees held, mainly *via* the various mutual funds of the group Savings Plan, 953,552 shares of the Company representing 4.8% of the capital of Kaufman & Broad SA.

3.3.3. Stock option or stock warrant plans – Awards of bonus shares – Awards of stock warrants

The regulations of the various share subscription and purchase option plans set up by the company include provisions allowing their beneficiaries to exercise the options early during the duration of any public offer for the shares of the company and for three months following the change of control and to bring to the offer or sell on the market outside the offer the shares resulting from the exercise of options, even though the applicable tax and social lock-up period would not expire.The sale of the shares before the expiry of the tax and social lock-up period will result in the cancellation of the benefit of the preferential tax and social security regime applicable to the acquisition gain.As a result, the acquisition gain will be subject to social security contributions and income taxes for the beneficiary and employer contributions for the company.

The terms and conditions of the stock option and free share plans will not be modified due to the change of control or the Offer.

Beneficiaries will be able to freely sell their shares at the end of the applicable tax and social lock-up period.

3.3.3.1. Stock option or stock subscription plans

There are no stock option plans in place within the group.

3.3.3.2. Bonus share allocation plan

Since 2018, May 3, the date on which the Company's Shareholders' Meeting authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company, all plans are subject to the following allocation criteria:

- A condition of continued employment with Kaufman & Broad at the date of final grant by the Board of Directors in relation to the list of beneficiaries of the initial grants at the end of the acquisition period as provided for at the time of the grant by the Board of Directors (a three year acquisition period and a year of retention for the company's executive directors or a two year acquisition period and two years of retention for the company's employees and the corporate officer for the Universal Plan). It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L.3414 of the French Social Security Code:
- The condition of compliance with a set of quantitative and qualitative performance criteria:

✓ Pemployees subject to the conditions of their position within the Company. These criteria are partly based on demanding performance criteria that have an impact on the group's business and individual criteria linked to the objectives of the position. The employees concerned by these criteria represent approximately 15% of the list of beneficiaries of the initial grants (in particular the members of the Executive Committee, the Management Committee and the Expanded Management Committee).

✓ For the company's executive corporate officers, compliance with a set of quantitative and qualitative performance criteria having an impact on the group's business in the medium term determined by the company for the reference period concerned by the allocation by the Board of Directors, i.e. a three-year acquisition period (see details of the criteria in section 3.2.1.3. "group compensation policy" paragraph "The executive officer's compensation policy" (ii) and (iii)).(II) and III

3.3.3.3. Bonus share plan 2021

The Company's Shareholders' Meeting of 5 May 2020 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- The total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be final either I) at the end of a acquisition period of a minimum of one year, the beneficiaries must then hold said shares for a minimum period of one year as from their definitive allocation, or (II) at the end of a minimum acquisition period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the acquisition and/or holding period, and in the second case, extend the acquisition period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L.3414 of the French Social Security Code:

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L. 225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the acquisition period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the twenty-sixth resolution of the Shareholders' Meeting of 2 May 2019, to grant free Company shares to employees and executive corporate officers.

3.3.3.4. Bonus share plan 2022

The Company's Shareholders' Meeting of 6 May 2021 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- Decides that, without prejudice to the possible impact of the adjustments referred to below, the total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The' allocation of shares to their beneficiaries will be final either I) at the end of a acquisition period of a minimum of one year, the beneficiaries must then hold said shares for a minimum period of one year as from their definitive allocation, or (II) at the end of a minimum acquisition period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the acquisition and/or holding period, and in the second case, extend the acquisition period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code.

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L. 225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the acquisition period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the thirteenth resolution of the Shareholders' Meeting of 5 May 2020, to grant free Company shares to employees and executive corporate officers.

3.3.3.5. Bonus share plan 2023

The Company's Shareholders' Meeting of 5 May 2022 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- Decides that, without prejudice to the possible impact of the adjustments referred to below, the total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The' allocation of shares to their beneficiaries will be final either I) at the end of a acquisition period of a minimum of one year, the beneficiaries must then hold said shares for a minimum period of one year as from their definitive allocation, or (II) at the end of a minimum acquisition period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the acquisition and/or holding period, and in the second case, extend the acquisition period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code.

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;
- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L. 225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the acquisition period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the sixteenth resolution of the Shareholders' Meeting of 6 May 2021, to grant free Company shares to employees and executive corporate officers.

3.3.3.6. Bonus share plan 2024

The Company's Shareholders' Meeting of 4 May 2023 authorised the Board of Directors to grant, on one or more occasions, free ordinary shares of the Company, to be issued or existing, to employees or executive corporate officers of the Company and from French or foreign companies or economic interest groups related to it under the conditions set out in Article L. 225-197-2 of the French Commercial Code or certain categories thereof, under the conditions defined below:

- Decides that, without prejudice to the possible impact of the adjustments referred to below, the total number of Bonus shares granted may not exceed 250,000 shares, it being specified that the number of shares granted to executive corporate officers may not exceed 50,000 shares;
- The allocation of the shares to their beneficiaries will be final either I) at the end of a acquisition period of a minimum of one year, the beneficiaries must then hold said shares for a minimum period of one year as from their definitive allocation, or (II) at the end of a minimum acquisition period of two years, and in this case without a minimum holding period. It is understood that the Board of Directors will have the option to choose between these two possibilities and to use them alternately or concurrently, and may, in the first case, extend the acquisition and/or holding period, and in the second case, extend the acquisition period and/or set a holding period.

It is specified, however, that the allocation will be final in advance in the event of the death or disability of a beneficiary corresponding to the classification in the second or third of the categories provided for in Article L. 341-4 of the French Social Security Code.

- The definitive allocation of shares to corporate officers must be subject to the achievement of performance conditions defined by the Board of Directors;
- The definitive allocation of shares to employee beneficiaries may be subject to the achievement of performance conditions defined by the Board of Directors;
- The delegation of authority to the Board of Directors is valid for thirty-eight (38) months;
- This authorisation automatically entails the waiver by shareholders of their preferential subscription rights in favour of the beneficiaries of the Bonus shares to be issued.

The Shareholders' Meeting has delegated all powers to the Board of Directors, in accordance with the laws and regulations in force and the provisions of this resolution, to implement this resolution and in particular:

- Set the performance conditions and, where applicable, the criteria for the allocation of shares, draw up the list (s) of beneficiaries of the allocations;

- Set, subject to the minimum period indicated above, the holding period of the shares, bearing in mind that it will be the responsibility of the Board of Directors for the shares that may be allocated to the executive corporate officers referred to in Article L. 225-197-1, II paragraph 4 of the French Commercial Code, either to decide that these shares may not be sold by the interested parties before the termination of their duties or to set the quantity of these shares that they will be required to keep in registered form until the termination of their duties;
- Decide whether, in the event of transactions involving the share capital that take place during the acquisition period of the allocated shares, to adjust the number of shares allocated to preserve the rights of the beneficiaries and, in this case, determine the terms of this adjustment;
- Complete all formalities and, in general, do all that is necessary.

This authorisation terminates the authorisation granted to the Board of Directors, under the thirteenth resolution of the Shareholders' Meeting of 5 May 2022, to grant free Company shares to employees and executive corporate officers.

3.3.3.7. Summary tables

3.3.3.7.1. Table 8 AMF Nomenclature

History of grants of stock options

None.

There were no outstanding plans as of November 30, 2022.

3.3.3.7.2. Bonus share allocation plan

Allocation of bonus shares 2021

2021 (1st attribution -1 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2020
Number of Bonus shares granted	250,000
Tranche 1 - Date of Board of Directors' meeting granting shares	**26 February 2021**
Number of beneficiaries	779
Number of Bonus shares granted on 26 February 2021	103,649
acquisition period, date of transfer of shares	26 February 2023
Holding period	2 years
Starting point for the possibility of resale of shares	26 February 2025
including number of shares granted to corporate officers [(a)]	*15,000*
of which number of shares granted	83,984
of which number of shares lapsed	19,665

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.

Allocation of bonus shares 2021

2021 (2sd grant -2 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2020
Number of Bonus shares granted	146,351
Tranche 1 - Date of Board of Directors' meeting granting shares	**26 February 2021**
Number of beneficiaries	1
Number of Bonus shares granted on 26 February 2021	10,000
acquisition period, date of transfer of shares	26 February 2024
Holding period	1 year
Starting point for the possibility of resale of shares	26 February 2025
including number of shares granted to corporate officers [(a)]	*10,000*
of which number of shares granted	6,500
of which number of shares lapsed [(b)]	3,500

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2021-2023, Acquisition period of three years and one year of retention.

(b) None had expired as of November 30, 2023.

Allocation of bonus shares 2022

2022 (1st attribution -1 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	6 May 2021
Number of Bonus shares granted	250000
Tranche 1 - Date of Board of Directors' meeting granting shares	**25 February 2022**
Number of beneficiaries	814
Number of Bonus shares granted on 25 February 2022	137,053
acquisition period, date of transfer of shares	25 February 2024
Holding period	2 years
Starting point for the possibility of resale of shares	25 February 2026
including number of shares granted to corporate officers [(a)]	*15,000*
of which number of shares granted	101,043
of which number of shares lapsed [(b)]	36,010

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.14,550 granted at the Combined Shareholders' Meeting of 4 May 2023.

(b) They were 33,405 shares at November 30, 2023.

Allocation of bonus shares 2022

2022 (2sd grant -2 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	6 May 2021
Number of Bonus shares granted	112,947
Tranche 1 - Date of Board of Directors' meeting granting shares	**25 February 2022**
Number of beneficiaries	1
Number of Bonus shares granted on 25 February 2022	10,000
acquisition period, date of transfer of shares	25 February 2025
Holding period	1 year
Starting point for the possibility of resale of shares	25 February 2026
including number of shares granted to corporate officers [(a)]	*10,000*
of which number of shares granted	-
of which number of shares lapsed [(b)]	0

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2022-2024, Acquisition period of three years and one year of retention.

(b) None had expired as of November 30, 2023.

Allocation of bonus shares 2023

2023 (1st attribution -1 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2022
Number of Bonus shares granted	250,000
Tranche 1 - Date of Board of Directors' meeting granting shares	**24 February 2023**
Number of beneficiaries	823
Number of free shares granted on 24 February 2023	138,022
acquisition period, date of transfer of shares	24 February 2025
Holding period	2 years
Starting point for the possibility of resale of shares	24 February 2027
including number of shares granted to corporate officers [(a)]	*15,000*
of which number of shares granted	
of which number of shares lapsed [(b)]	20115

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the short-term (fiscal year) and in the medium-term determined by the Company for fiscal year 2020, Acquisition period of three years and one year of retention.The final allocation of these 000 shares will be subject to the approval of the Shareholders' Meeting of 6 May 2024.

(b) They were 16,623 shares at November 30, 2023.

Allocation of bonus shares 2023

2023 (2sd grant -2 Plan)	
Date of the Extraordinary Shareholders' Meeting authorising the allocation plan	5 May 2022
Number of Bonus shares granted	111,978
Tranche 1 - Date of Board of Directors' meeting granting shares	**24 February 2023**
Number of beneficiaries	1
Number of free shares granted on 24 February 2023	10,000
acquisition period, date of transfer of shares	25 February 2026
Holding period	1 year
Starting point for the possibility of resale of shares	25 February 2027
including number of shares granted to corporate officers [(a)]	*10,000*
of which number of shares granted	-
of which number of shares lapsed [(b)]	0

(a) Subject to compliance with a set of quantitative and qualitative performance criteria that have an impact on the group's business in the medium term determined by the Company for the period 2023-2025, Acquisition period of three years and one year of retention.

(b) None had expired as of November 30, 2023.

3.4. Statutory Auditors' special report on related party agreements

Shareholders' Meeting convened to approve the financial statements for the year ended November 30, 2023

To the Annual General Meeting of Kaufman & Broad SA,

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

It is our responsibility to inform you, based on the information provided to us, of the terms and conditions of those agreements that have been disclosed to us or that we may have discovered in the course of our engagement, as well as the reasons justifying why they are in the Company's interest. It is not our responsibility to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to determine whether the agreements are appropriate and should be approved.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the implementation, during the past financial year, of the agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the consistency of the information provided to us with the underlying documents from which it was derived.

Agreements submitted for approval by the Annual General Meeting

In accordance with Article L. 225-40 of the French Commercial Code (Code de commerce), we have been informed of the following agreements and commitments entered into during the year that were previously authorised by your Board of Directors.

Share purchase agreement

On the 5 September 2023, Kaufman & Broad SA (hereinafter «the Company») entered into a share buyback agreement for a block of 1,251,000 shares of the Company held by Artimus Participations at a price of €25.92 per share, representing a 2.0% discount to the closing price on the day, representing a total investment of €32,425,920.

The conclusion of the share purchase agreement was authorised by the board of directors of the Company dated on 5th September 2023.

The signing of the Share Purchase Agreement is in the Company's interest, in particular as it represents a transaction that creates value and relfects its shareholders.

Agreements already approved by the Annual General Meeting

In accordance with Article R. 225.30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous years, remained in force during the year.

Severance pay for the Chief Executive Officer

On the 25 June 2013, the Board of Directors appointed Mr Nordine Hachemi as Chief Executive Officer with effect from 1 July 2013 and approved the terms of his employment contract, which provides for the payment of severance pay to him under the following conditions:

- In the event of removal from office for reasons other than gross or wilful misconduct, as defined by the French Supreme Court in labour law, the Company undertakes to pay the Chief Executive Officer a severance payment intended to compensate for the loss of his office.
- The indemnity will be equal to 12 months of gross fixed and variable compensation due for the past financial year, increased to 18 months in the event of a takeover of the Company by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.
- Regardless of the date and circumstances of the dismissal, the indemnity will only be due if the Chief Executive Officer has received or should have received for each of the two financial years preceding the termination of his term of office on average at least 70% of the maximum variable portion (excluding outperformance) of his compensation for each of these two financial years, this variable portion being based on both quantitative and qualitative objectives (set for the first time at the time of his appointment and then at the beginning of each financial year).

This commitment was authorised by the Board of Directors on 16 April 2015 and approved by the General Meeting of Shareholders on the 15 April 2016.

This commitment was authorised by the Board of Directors on the 6 May 2021 when Mr Hachemi was reappointed as Chairman of the Board of Directors responsible for the general management of the company and approved by the Shareholders' Meeting of the 6 May 2021.

Non competition compensation for the Chief Executive Officer

In the event of Mr Nordine Hachemi's departure, he will be bound by a non-compete and non-solicitation obligation that will apply, unless reduced or waived by the group, for a period of 12 months following the termination of his corporate office.

In exchange, he will receive a gross monthly lump sum payment equivalent to 50% of the average gross monthly fixed compensation he received during the twelve months preceding the termination of his term of office (or of the duration of his term of office if it is lower), the Company having the option to reduce the duration or to exempt the executive from this commitment.

This commitment was authorised by the Board of Directors on the 16 April 2015 and approved by the General Meeting of Shareholders on the 15 April 2016.

This commitment was authorised by the Board of Directors on the 6 May 2021 when Mr Hachemi was reappointed as Chairman of the Board of Directors responsible for the general management of the company and approved by the shareholders' meeting of 6 May 2021.

Supplementary defined contribution pension granted to the Chairman and Chief Executive Officer

Nordine Hachemi benefits from the supplementary pension plan for company executives and a supplementary defined contribution pension plan in the same way as the members of the Management Committee.

The maximum amount of annual contributions is capped at 8% of gross salary within the limit of 8 times the social security ceiling. Contributions paid by the company amounted to €8,775.68 in 2023.

This commitment was authorised by the Board of Directors on 16 April 2015 and approved by the General Meeting of Shareholders on 15 April 2016.

This commitment was authorised by the Board of Directors on 6 May 2021 when Mr Hachemi was reappointed as Chairman of the Board of Directors responsible for the general management of the company and approved by the shareholders' meeting of the 6 May 2021.

These commitments meet the Kaufman & Broad Group's need to ensure the skills and services of a highly qualified person in the field of property development.

Paris La Défense, 25 March 2024

The Auditors

KPMG SA	ERNST & YOUNG Audit
François Plat	Denis Thibon

04 Risk factors

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4.1. Risk factors

The following are the risks and uncertainties faced by the Group that could have a material adverse effect on its business, results, financial position and prospects. The occurrence of some or all of these risks could cause actual results to differ materially from those expressed in the forward-looking statements and other figures included in the documents filed by the Group with the AMF or in its other written or oral communications. The list of risks set out below is not exhaustive, as other currently unknown risks may arise in the future and other risks may already exist, the effects of which are not currently considered likely to have a material adverse impact on the Group's business, results, financial position or profits.

This chapter describes the main risks which, at the date of this that could, at the date of this Registration Document affect the group's business, financial position, reputation, results or group's business, financial position, reputation, results or prospects, as identified group's business, financial position, reputation, results or prospects, as identified Group's major risks, which will be updated in 2023 in the light of changes in dedicated indicators, which assess their criticality, i.e. their severity and likelihood of occurrence, taking into account action plans in place. The group's risk is updated every year, either on the basis of a complete updating exercise based on interviews, as will be the case in 2022 for the 2023 financial year, or on the basis of changes in relevant changes in the relevant indicators defined during the process to adjust the weighting of major risks, as in 2023 for the 2024 financial year. Within each of the risk categories categories of risk mentioned below, the risk factors that the which the Company considers, at the date of this Universal document, as the most significant (indicated by an asterisk an asterisk (*)), in particular with regard to their criticality, are mentioned first.

The risks listed below, as at the date of this Universal document, are those that the company considers to be specific to the specific to the group, the occurrence of which could have a significant group, its business, its financial position, its results or its ability to achieve its objectives. financial position, results or ability to achieve its objectives. The order of importance in which these risk factors are presented by the by the company may be modified at any time, at any time, in particular as a result of the occurrence of new external of which it is aware.

Risks related to the group's business sector	• Risks related to the economic environment* • Risks related to competition in the real estate development sector • Risks related to joint development • Risks related to bank guarantees in the context of revenues through *VEFA* contracts on completion
Risks related to the group's activities	• Risks related to the land market * • Risks related to construction costs * • Risks related to relations with suppliers CSR* • Risks related to the group's development strategy * • Risks related to the reputation group's CSR • Risks related to the management of programs CSR • Risks related to major projects • Risks related to contracts with public entities • Risks related to pollution CSR • Risks related to climate conditions CSR • Risks related to It systems • Risks related to acquisitions • Risks related to attempted fraud, fraud and corruption • Risks related to insurance coverage
Risks related to the company	• Risks related to dependence on management CSR* • Risks related to human resources risks CSR* • Risks related to the company's debt • Risks related to restrictive clauses of financing contracts
Market risks	• Risks related to interest rate *
Legal risks	• Risks related to regulations directly applicable to the group CSR* • Risks related to tax systems that may affect the new housing market and changes in tax regulations • Risks related to litigation • Risks related to off balance sheet commitments • Risks related to the protection of personal data

* *Risks considered to be the most important in the category.*

CSR *Risk factors presented in the CSR Risk Assessment Table.*

The company believes that the chain of numerous shocks since 2020 (Covid 19 health crisis, the Russian Ukrainian conflict, sudden inflation or the rise in interest rates linked to monetary policies to stem it, etc.), which have affected (or continue to affect) the global economy, although they are events not specific to the group, could, to a certain extent, strengthen certain risks or families of risks specific to the group such as risks related to construction costs, risks related to relations with suppliers, caused by a deterioration in the global economic situation and its repercussions on the French economy and could also impact risks related to the company's debt.

4.1.1. Risks related to the group's business sector

4.1.1.1. Risks related to the economic environment *

The new real estate market in France in which the group operates remains strongly influenced by the general economic context in which it operates.The evolution of key macroeconomic indicators, such as economic growth, interest rate levels, as well as, for new housing, the unemployment rate and household confidence (described in section 1.3. "Essential characteristics of the business") are all variables that can influence real estate development activity.

The latest available data suggest a diagnosis of a French economy that would gradually emerge from inflation without a recession, despite the downward revision of growth to 0.9% (GDP) for the year 2023 compared to 2.5% for the year 2022 as a whole. Leading indicators have shown that the decline in inflation is likely to continue in the coming months in France, even if it is not necessarily continuous. The total inflation rate (*HICP*), which peaked in 2022 in 2022 (5.2%), started to decline with an annual average of 4.9% in 2023. The year on year consumer price index is expected to be 2.5% from the spring of 2024. After the decline in energy prices, inflation is expected to decline for food and manufactured goods. However, prices are not expected to fall close to levels prior to 2022.

In terms of purchasing power, on average over the whole of 2023, the average salary per employee (*SMPT*) and the monthly base salary (*SMB*) experienced a positive evolution (respectively +4.2% and +4.3%), however they declined again in real terms (respectively -0.7% and -0.6%). As in 2022, these declines reflect the sharp rise in prices since 2022. The purchasing power of household gross disposable income has rebounded driven by business income, and will remain dynamic in early 2024 under the impact of social benefits and in particular the indexation to inflation of basic pensions.

The turnaround in the labour market, expected in particular by *INSEE* and the *Banque de France*, seems to be confirmed today. Employment would be able to adapt, in the coming quarters, to the economic slowdown observed since the end of 2022, with a partial catch up of the productivity losses of previous months. In 2023, salaried employment increased by 1.0% in the commercial property business excluding temporary workers and by 1.1% in industry. Conversely, it declined for the fourth consecutive quarter in the interim (-7.0% in the fourth quarter of 2023), and for the third consecutive quarter in construction (-0.7%). Finally, agriculture was down 1.5% year on year in the fourth quarter of 2023.

Household investment in real estate, fuelled in particular by the historically low level of interest rates since 2016, has experienced a sharp slowdown since 2022, which was accentuated in 2023 fueled by the rapid rise in interest rates. The decline in new housing orders in France[(1)] in 2023 was nearly 37% compared to the same period in 2022, at less than 65,000 new housing orders, a record low level (equivalent to 1995). This sharp fall comes after a year 2022 down 13.8%, or to 103,116 volume orders compared to 119,598 in 2021, level from 2010 to 2015 (post financial crisis).

After having been hampered by the difficulty of obtaining building permits whose pace of issuance remains slow (despite a recovery was noted at the end of 2021), the rapid rise in interest rates, from 2022, contributed significantly to the decline in new housing orders during 2023. Interest rates increased from an effective rate (i.e. excluding expenses and insurance) of 2.05% in December 2022 to 3.63% at the end of 2023. In December 2023, home loan production was 11.3 billion euros, down sharply compared to 2022 (17.8 billion euros in December 2022). The term of the loans granted remained stable at 248 months on average, i.e. 20.7 years in 2023 (of which 270 months for accession in the nine and 259 months for accession in the old). But such a period is no longer sufficient to offset the impact of current levels of house prices and interest rates or to cushion the consequences of the level of personal contribution rates required on household borrowing capacities. As a result, borrowers with little personal contribution and/or whose level of income no longer allows them to meet the effort rate requirements imposed by bank supervisory authorities face difficulties in accessing credit.

As of the date of this universal registration document, there are significant uncertainties in France that could adversely affect growth prospects in 2023:

- A highly uncertain geopolitical environment, due in particular to the war in Ukraine and tensions between the US and China, between Europe and Russia, but also now to the situation in the Middle East. A worsening of these various tensions could affect oil and gas prices, world trade and the level of uncertainty. This represents an upward hazard on inflation and a downward hazard on Gdp growth ;
- In France, there are more specific elements that may weigh on consumption, such as recent demonstrations on the agricultural situation and requests to revise regulatory standards in a number of sectors; although it is possible that trade negotiations may have more downward effects on food prices than expected. More generally, it is also possible that lower energy prices and the effects of monetary policy may lead to a faster deceleration of consumer prices as a whole:
- Employment: A cyclical turnaround in 2024-2025 linked to the slowdown in activity. Given the deterioration in the leading indicators available (*employment climate in business surveys, pre employment declarations*), INSEE anticipates a decline in salaried employment from the fourth quarter of 2023, which would continue until 2025. By therefore , the rate of unemployment would increase until 2025 to 7.8 % of the population active. This increase has already begun in the third quarter of 2023 (at 7.4%) and reached 7.5% in the fourth quarter of 2023;

(1) Source: Ministry of Ecological Transition and Territorial Cohesion, survey on the marketing of new housing (ECLN) (excluding block sales and on existing buildings).

- The tightening of financial conditions, both finance costs and lending terms, would continue to weigh on business investment, which would have bottomed out in mid-2024, before regaining effect in 2025-2026. Monetary policy effects on investment growth through finance costs would peak in 2024, before fading from 2025 onwards ;
- Overall, consumption slowed sharply in 2023 (+0.6% after +2.1%): On the one hand, the momentum to catch up after the health crisis was lost, particularly in transport and food and lodging; on the other hand, food purchases fell sharply for the second consecutive year (-4.7% after -3.6%), with households adjusting their purchases sharply to the rise in prices. In 2024, household consumption would be supported by an expectation of purchasing power gains (1.0% 2024, 0.7% in 2025 and 0.9% in 2026). These gains would be mainly driven by the increase in the average wage per employee, which has once again become higher than inflation, taking over from the sharp increase in employment observed in 2021 and 2022;
- Demand for housing, whether from individuals or institutional investors, should continue to lag behind. It should still be affected by purchasing power, as well as by construction costs despite a certain easing that remains high, linked in particular to the costs of supplying materials, the structural difficulties of recruitment in the building sector and the still strict financing conditions;
- In 2024, total inflation would fall to 2.5% and inflation excluding energy and food would decrease more slowly to 2.8%. The moderation of food price increases would continue, in line with the sharp slowdown in food production prices seen in recent months, on the assumption that price revisions remain contained (for which trade negotiations are still continuing). With regard to energy, despite geopolitical tensions in the Middle East, which have increased oil price volatility, forward prices in the global oil, gas and power markets imply a decline ;
- Climate issues and their consequences (particularly in terms of regulation, following particularly alarming climatic conditions in 2022) on the global economic model;
- In the absence of new measures, the reduction of the public deficit will not be sufficient to lead to a decrease in the public debt ratio. In 2023, the government deficit deteriorated to 5.6% of GDP, compared with 4.8% in 2022. The ratios of government revenue and expenditure to GDP would continue under the combined effect of the expected +0.8% decline in GDP and a deficit that the government plans to contain at 4.4% of GDP (according to the latest government forecast).

In the case of new housing, customers choose to purchase a property based on their acquisition capacity at the time of purchase but also on their confidence in their ability to meet their future obligations, particularly related to the financing terms of the proposed purchase.The acquisition of a home is a major investment that affects the situation of buyers for years.In the current context, the factors described above give rise to uncertainties regarding growth and employment prospects, household confidence could be significantly and sustainably affected, which could in particular result in the postponement or even the abandonment of real estate acquisition projects.

While the need for housing remains one of the main factors in purchase intentions, the lack of means and the difficulty of financing remain significant constraints. This capacity is based less on the purchasing power of households, whose incomes have stagnated for several years, than on their ability to borrow. For companies, the ability to obtain financing in an uncertain environment, but also the profitability prospects that the company could obtain by operating this real estate if necessary, are also important factors in the choice of acquiring real estate.

Demand for real estate assets sold by the group also depends directly on the ability and willingness of financial institutions to offer loans in sufficient quantities to enable potential buyers to finance the acquisition of these assets.The terms of the loans, namely their maturity, their interest rate and their terms of grant (level of personal contribution, guarantees requested, etc.) as well as the rate of economic inflation, are likely to have a direct impact on the level of demand for goods on the market.The group's operating income could therefore be significantly impacted if this demand were to decline, particularly because of the difficulties encountered by potential buyers in financing their purchase.

The group's business is seasonal (as described in section 1.3.1.6 "Cyclicality and seasonality"). Historically, activity (particularly the number of orders, land purchases and revenues) is generally higher in the second and fourth quarters, particularly in the Commercial property sector, which is strongly linked to the commercial sector, generally leading to a fluctuation in revenues during these periods, which could have a significant impact on its results. Unforeseeable events in the last months of the year may significantly affect the group's level of activity and results.

The main features of the macro economic environment in which the group developed its business in 2023 are described in section 2.1.1. «Significant data.»

Finally, the main assumptions used by the group regarding factors that could positively or negatively influence its activity for 2024 are presented in section 2.6. Recent developments and outlook

For several years, the group has benefited from a favourable environment characterised by low mortgage lending rates for its Housing business and relatively long credit terms; on the other hand, since 2022, the real estate sector has been affected by the rapid rise in home lending rates from barely 1% to nearly 4%. Interest rates on home loans[1] stood at 3.63% in December 2023, compared with 1.10% three years apart (December 2021); During this period, the average term[2] of home loans increased from 15.4 years (December 2003) to 21.9 years in December 2023, an increase of over 6 years in nearly two decades. This lengthening made it possible to absorb the consequences of the continued rise in housing prices and, often, to contain the effort rate below the 33% threshold.In December 2023, the average duration was at the highest level observed until then close to 22 years. Thanks to these favourable conditions for the new housing business, the production of new loans has more than doubled in 20 years, from 12.3 billion euros in December 2003, reaching a peak at the end of 2021 - early 2022 with nearly 25 billion new loans to household housing. However, since the sharp rise in interest rates and the tightening of lending conditions in recent years, new loan origination has fallen sharply by 51% compared to the end of December 2021, to 11.3 billion euros in December 2023. The rise in real estate lending rates induced by that of the main policy rates, driven by the main central banks with a view to tightening their monetary policies to cope with inflationary pressures since mid-2021, is expected to stabilise at current levels, in the coming months or even years. It therefore seems likely that in an environment, mortgage lending rates will remain relatively high in the coming quarters.

In addition, in real estate, selling prices are dependent on the rates of return expected by investors, who themselves depend on changes in long-term interest rates.The rise in long term interest rates has led to an increase in the rates of return demanded by investors and a downward pressure on sales prices; this development, already noted, could lead the group to abandon or postpone certain commercial real estate projects, thus negatively affecting its development.

For Kaufman & Broad, the new housing market is based on two main axes: Homeownership and rental investment, the latter being split between institutional and individual investors.These axes have always been supported by the various tax systems that have followed one another for several years; whether they are intended for the first buyers through the «Zero Plus Rate Loan,» or private investors thanks to the various tax advantages offered to them (Scellier, CensiBouvard,

(1) *Source: Banque de France - New home loans to households, annual interest rate (excluding renegotiation)*
(2) *Source: Banque de France - "Average term of home loans excluding purchases and renegotiations to individuals."*

Duflot and Pinel since September 2014, then for two additional years, it will end in December 2024.

At the date of this Universal Registration Document, the Pinel system will not be replaced. As of 2025, private investors will no longer be able to benefit from tax aid. The government has decided to redirect its aid to Intermediate Rental Housing (LLI) in partnership with institutional investors. The aim is to better meet the needs of households with intermediate incomes and thus contribute to resolving the housing crisis in France by facilitating access to housing in areas strained by low income households not eligible for the social stock. This type of so called «intermediate» housing is offered with regulated rents lower than those of the market price.

Any factor adversely affecting the real estate market could have a material adverse effect on the group's activities. In particular, these factors may reduce the demand for houses and apartments or increase the time taken to build them or the associated costs. A decline in demand could reduce the group's ability to find buyers for the part of the real estate program that was not pre-sold before the acquisition of the land and the start of construction work.It is also possible that the group may not be able to pass on the increases in construction costs to its selling prices, either due to an economic recession or because house prices have been set several months ahead of their delivery pursuant to the terms of the sale contracts on completion.In addition, the group's outstanding orders (which include revenues related to goods not yet delivered and for which no notarized deed has yet been signed) are likely to contract if real estate prices decline in France sustainably.Finally, a decline in demand or an increase in construction times may postpone the recognition of profits made in the context of a real estate program due to the revenue recognition method applied by the company (see section 2.2.2. "Origins of net income" - paragraph "Revenue").The group's inability to anticipate or adapt to changes in these factors could significantly affect its business, results, financial position and outlook.

In this context, the group has for several years begun to diversify its offering towards products where its know-how in housing development can be transferred, such as residential services (tourism, students, business and non-medical seniors) and the commercial sector to reduce its exposure to cyclical changes in new housing in France.

Such diversification could nevertheless increase the cancellation rate of orders, change the pace of recognition of the group's revenues or affect its gross margin. For example, the application of the percentage of completion method to commercial property programs results in less progressive income generation than can be observed for the Housing business. This effect is due to two main factors:

- First, the pre-marketing rate: The group generally enters into a Commercial property program only when the program is fully pre-marketed (see section 1.4.4. "Marketing method"); whereas for housing programs, the group's commitment generally occurs after reaching a pre-marketing rate of 50% compared to 100% for Commercial property;
- Second, the proportion of real estate costs in Commercial property is higher than in the housing segment, as these lands are generally located near the city centres where they are acquired at a higher price per square meter.

As a result of these various factors, revenue and income recognition is faster in Commercial property programs than in Housing. This product mix effect can create distortions in the analysis of changes in activity from one year to the next. In addition, the gross margins of Commercial property programs are generally lower than those recorded for Housing. As a result, over a given period, the group's gross margin may be impacted by the product mix between Commercial property and Housing, being noted, however, that the impact of this mix on the group's overall profitability remains limited given lower structural costs in the Commercial property activity. Finally, orders relating to units from managed residences, excluding block revenues, are more likely to be cancelled than those of the Housing business. Indeed, there is greater volatility of investors according to the profitability offered. In addition, in cases where specialised networks of third-party revenues agents are used to solicit new investors, the revenues methods of these agents may not generate the same level of customer loyalty as that resulting from the group's internal methods.

4.1.1.2. Risks related to competition in the real estate development sector

The development - homebuilder business is highly competitive. Competition is exercised in terms of land acquisition, product selling prices and access to subcontractors. It is carried out by national and regional developers (see section 1.3.1.4. "Main market players"). The market for the resale of houses and apartments is also a source of additional competition.

The conditions of the competition that the group encounters may in particular:

- Make it difficult to acquire suitable land that meets its land acquisition criteria (see paragraph 4.1.2.1 "Risks related to the land market" of this universal registration document);
- Slow down the construction of its facilities due to a lack of subcontractors;
- Reduce its revenues and/or profit margins;
- Bring Kaufman & Broad to offer or increase price discounts;
- Reduce home revenues or increase the rate of withdrawal of buyers.

Each of these factors can have a significant negative impact on results, increase costs and/or hinder the growth of the group's activities.If the group were not able to deal effectively with this competition, it could lose market share and its profitability could be affected.

4.1.1.3. Risks related to joint development

Certain real estate programs are developed by the group based on a shareholding and current account of partners outside Kaufman & Broad. Due in particular to the economic and financial situation, certain partners of the group associated in co-development transactions may fail during the completion of the real estate program and may not be able to honour their commitments, leading the company to meet the cash requirements generated by the real estate programs concerned. When the group believes that the financial position of its partners is weakened, a provision for risks is recognised in the company's financial statements. As such, the total amount of provisions for risks amounts to 8.5 million euros in the group's consolidated financial statements for the year ended 2023, November 30 compared to 8.2 million euros at the end of 2022 (see 6.1.5 «Notes to the financial statements,» Note 8.1 «Provisions,» paragraph «Provisions for associated risks»). However, these provisions may be insufficient to cover the default of its partners.

4.1.1.4. Risks related to bank guarantees in the context of revenues through *VEFA* contracts on completion

For its real estate programs, the group uses the extrinsic guarantee system to provide the customer with the financial completion guarantee required by the regulations in force. The group obtains guarantees, on a transaction-by-transaction basis, from financial institutions or certain insurance companies (see section 1.5.4 "program financing"). The effective implementation of these bank guarantees could represent a significant financial expense for the group. As of November 30, 2023, the amount of financial completion guarantees and fixed asset indemnities given by the group or by its banking institutions in the form of guarantees amounted to 443 million euros compared to 415 million euros as of November 30, 2022 (see 6.1.5. "Notes to the financial statements," Note 8.3 "Guarantees granted"). In addition, an increase in the number of claims for these guarantees could lead to an increase in the cost of these guarantees for the group and/or adversely affect its ability to obtain new bank guarantees in the future, which could have a significant adverse effect on the group's ability to finance its projects. In addition, a significant deterioration affecting the real estate market, such as a financial crisis, could result in a decrease in the number of financial institutions likely or willing to grant such guarantees to the group and/or an increase in the cost of these guarantees and/or additional constraints imposed on the group. Difficulties for the group in obtaining such extrinsic guarantees could limit its ability to pass revenues on to completion in the sheltered housing sector and could have a significant adverse effect on the group's business and results. Finally, the group may be exposed to counterparty risk in the event of default by a bank that has granted these bank guarantees.

4.1.2. Risks related to the group's activities

4.1.2.1. Risks related to the land market *

The continuation of the group's business is subject to the availability of land of sufficient quality and size to be able to develop Single-family homes in communities or Apartments programs, as well as the group's ability to identify and acquire this land.The increase in competition (driven in particular by the current practice of auctions during land revenues, particularly when these are sold by a public authority, and resulting in a sharp increase in the cost of land) (see also paragraph 4.1.1.2 "Risks related to competition in the real estate development sector" of this universal registration document) and the scarcity of land on sale in certain sectors that may meet the standards set by the group could have a significant adverse effect on the group's development and its ability to achieve its objectives (see chapter 5.1.3.5. "Integrate the preservation of biodiversity into the group's strategy" of the "Non-Financial Performance Statement: Kaufman & Broad's social, environmental and societal responsibility "in section 5.1 of this document).

4.1.2.2. Risks related to construction costs *

- As a developer - homebuilder, Kaufman & Broad entrusts the construction work to third-party companies belonging to different state bodies and in this context is exposed to risks inherent in anticipating its construction costs.To better understand these, the group has a "controlled" process in the conduct of its activities, which is used to validate the strategic and financial relevance prior to the commitment to a real estate project (see section 1.5. Operations).Despite the existence of these decision-making processes, the group may, however, face additional costs related to unexpected technical constraints, exceptional weather conditions resulting in a delay in the completion of work, a loss during construction or the failure of a subcontractor.These unexpected events could have a significant adverse impact on the financial balance of the transaction.
- In addition, the group notes that during periods of pressure on real estate prices, there is a tendency to pass on increases to construction costs.This could appear due to the lack of availability of companies and the growth of their own expenses (increase in the cost of materials and increasingly stringent regulatory standards, particularly in terms of safety and the environment).Thus, when economic conditions improve, demand for subcontractors increases, which may result in higher prices for their services impacting the construction costs of developers.This price increase is generally observed from 12 to 18 months after the first signs of improvement in economic conditions; conversely, when economic conditions deteriorate and demand slows, prices fall according to the same mechanism, generally in the same period from 12 to 18 months.In addition, significant changes in the prices of raw materials (mainly concrete, steel and cement) used in the construction of properties sold by the group, could have a significant impact on the group's construction costs.
- For the past five years, the index of production prices for new residential construction has risen by 21.5% (between Q3 2018 and Q3 2023[1]), with an average rate of 4.0% (in Average Annual Growth Rate), accelerating over the past three years to 5.7%. The year on year increase is back in five year trends with 3.4%, whereas it had jumped 8.0% (Q3 2022 vs. Q3 2021). Over the past 20 years, production prices for new residential construction have risen by 75.1% (between Q3 2003 and Q3 2023[2]), representing an average annual increase of 2.8%. This rise in construction costs could have a significant discordant impact on the group's margin if the company could not pass it on, even partially, to its selling prices.Furthermore, the concentration or reduction in the number of companies trading within this segment may entail, besides a possibility of reduced choice, an increase in prices and lesser control over the quality of produced works.

4.1.2.3. Risks related to relations with suppliers CSR *

As the group's business is based on a multitude of companies and suppliers, the financial difficulties, or even the cessation of payments, of some of these companies or some of these suppliers (in the event of receivership or liquidation) could have significant adverse consequences on its activity and in particular slow down its projects or increase its costs. The group's difficulty in finding suppliers that are available and efficient in terms of CSR and able to meet the specifications could also have an impact on the quality of the group's buildings and commitments, particularly in the context of obtaining certifications or labels. It could also adversely impact the smooth running of collateral claims (see section 4.2.3. "Insurance"). Similarly, the group may suffer adverse consequences, particularly in terms of image, in the event of breaches or infringements committed by its suppliers and subcontractors.

The same risk of failure from one of the group's partners is present when the group undertakes co-promotion operations.

Furthermore, after experiencing the Covid-19 outbreakof which took place over a period of nearly two years, the return of an epidemic of this magnitude (whatever the type) as well as the consequences of a such health situation could impose traffic restrictions or total lockdowns, which could again lead to total or partial shutdowns of construction sites, and consequently have a significant adverse impact on the group's business.

4.1.2.4. Risks related to the group's development strategy *

The success of the group's development strategy depends in particular on its ability to best meet the needs of its customers (type of housing, Retail areas delivery or processing time), by implementing appropriate commercial practices, in a highly competitive environment (see paragraph 4.1.1.2 "Risks related to competition in the real estate development sector").The group must also be able to mobilise the necessary skills internally to anticipate changes in the competitive, legal, tax and technical environment and offer its customers innovative solutions and products.

The group's inability to implement a commercial policy and organization adapted to the changing needs of its customers could lead to a loss of customers and markets or force the group to make commercial discounts, which would negatively impact its financial profitability. In addition, an inadequate or inadequate development and innovation strategy and a lack of knowledge of the legal and technical structure specific to the new products that the group would like to develop, due in particular to difficulties in recruiting innovative or necessary profiles for innovation, an insufficient level of digitalization or inadequate operational reporting, could lead to the loss of development opportunities and market share.

(1) Source: INSEE - Cost and price indices in construction (Quarterly data from Q3-2003 to Q3-2023)
(2) Source: INSEE - Cost and price indices in construction (Quarterly data from Q3-2003 to Q3-2023).

Finally, the execution of the group's development strategy requires the pooling of resources and know-how within the group to seize development opportunities and implement the most appropriate responses to the needs of its customers.As a result, a lack of synergies between agencies and regions within the group, cross-functional training involving several teams or even a silo operation that is too decentralized could lead to a loss of the technical know-how of the teams, their ability to innovate and the privileged relations put in place at the local level by the group, which could undermine the implementation of the group's development strategy.

4.1.2.5. Risks related to the reputation group's CSR

The group markets different product ranges under the unique brand Kaufman & Broad.In recent years, the group has diversified the range of products marketed under this brand, particularly in response to difficult macroeconomic conditions that have changed customer behaviour.Thus, the group's offering now extends from low income housing to high end housing; in addition, the commercial offering includes a significant portion of commercial real estate and managed products. This heterogeneity of the offer could be a source of confusion for the customer and thus alter the brand image that the group wishes to convey.In addition, given the increase in the number and diversity of its customers and/or prospects (individuals, businesses and private and institutional investors, local authorities), the group is exposed to image and reputational risk in the event of a serious failure, whether proven or not, in the quality of the services provided and/or received.

In addition, the group's agencies can organise, to a certain extent and independently, their own advertising campaigns and marketing operations in addition to national campaigns, and could therefore convey an image that would not correspond to the group's strategy, despite the existence of a common national graphic charter. In addition, in the event of a serious, real or alleged failure in the quality of the services the group provides, the group would be exposed to reputational and image risk.

Finally, the development of social media, blogs and discussion forums contributes to the development of image risk for the part belonging to the public and more specifically to e-reputation.

4.1.2.6. Risks related to the management of programs CSR

The group's programs may not generate the estimated commercial and financial results at the time of the commitment decision as reflected in the forecast budget at completion.Given the number of factors that may affect the cost structure and profitability of the programs compared to initial estimates, difficulties in implementing appropriate management control procedures to identify and correct possible budget variations could lead to significant additional costs or underperformance of certain group programs.Even if the group undertakes to develop a real estate program only under certain conditions, in particular the achievement of a pre-market rate of around 50% (see section 1.5.3. "Land development and construction monitoring"), there can be no guarantee that the remaining portion of unreserved lots will be sold on favourable terms, or sold at all, particularly in the context of the current health crisis, the economic consequences of which, in particular on household confidence, could lead to the postponement or even the abandonment of real estate acquisition projects.

There can be no further assurance that the group's budget and financial modelling tools will be able to anticipate any fall in demand or cost increases early enough to allow the group to cancel programs that may not be profitable. In the event of an inability to accurately anticipate these uncertainties and thus contain their costs, among other things an increase in materials or energy costs, the group's results could be significantly degraded (see chapter 5.1.3.2. "Mitigation of climate change," in particular in the paragraph "Risk management regarding the group's ability to adapt and anticipate the impacts of climate change").

4.1.2.7. Risks related to major projects

In order to continue growing its business, the group intends to continue developing major projects, particularly urban projects. Dand then at the end of 2019, the group created a structure dedicated to the development of large urban projects and the rehabilitation of wasteland, for which the group currently has a reservoir of around 700,000 Sq.m under review over the medium term. This organisation, specifically dedicated to the management of major projects, aims to better control the monitoring and control the risks inherent in this type of project.

The complexity, size and duration of projects may expose the group to research and design risks as well as implementation risks. The scale of this type of transaction, which is very significant, increases the risks traditionally associated with property development operations, particularly in financial terms, image or even technical complexity.These operations may also cause increased difficulties in finding suppliers because of their importance and complexity, or lead to an increase in the time required to obtain a building permit and cumbersome and complex administrative procedures.

Similarly, the complexity, size of these operations, the urban and social context as well as the involvement of multiple stakeholders may expose Kaufman & Broad to difficulties in implementing the urban planning authorisations necessary for the smooth running of the operation. For example, on 2021, January 29 Kaufman & Broad announced that it had obtained the building permit for around 50,000 sq.m of office space. This transaction was the subject of various cancellation proceedings, the outcome of which, although uncertain, was favourable for the group with the definitive grant of the building permit in December 2022. On December 19th, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project. Construction work began at the end of December 2022 (see section 2.1.1 «Significant events over the period» of this Universal Registration Document).

The occurrence of this type of risk could in some cases lead to the abandonment of the project and the loss of most of the preliminary expenses, additional costs and additional study costs in the event of substantial modifications of the project and significant damages borne by the group.

In addition, given the complexity, size of these operations, significant financial penalties could also be applied to the group in the event of delays in the work, including for external causes (such as those of the Covid-19 pandemic, in which most of the group's projects had thus been shut down, total or partial, over the period from mid March to April 2020).

The occurrence of such events could affect the execution of these major projects and therefore the implementation of the group's development strategy.

In addition, these major projects may result in peaks in activity, then in a significant increase in revenue and financial results over a financial year, which would not be renewed in subsequent years, which may then imply significant variations in the group's revenue and results, upwards or downwards. As a result, comparisons of the group's results from one period to another are not necessarily representative of the trend in the group's future results.

4.1.2.8. Risks related to contracts with public entities

In the course of its business, Kaufman & Broad may enter into contracts with public entities, such as the acquisition of land or the carrying out of real estate development transactions. The complexity of regulations inherent in contracts with public entities could require the company to incur additional costs justified by compliance with specific constraints. In addition, the granting of contracts by public persons in favour of the group could give rise to appeals or even cancellations, in particular in cases where said public persons have not complied with the European or national regulations governing the granting of such public contracts, in which case the financial situation of the group could be adversely affected. In addition, as the collection periods for receivables held by public entities are generally longer than those for private entities, the group's cash position could be affected. Finally, the steps and other technical achievements that may be imposed on the group by public entities could reduce the profitability of the real estate programs concerned.

4.1.2.9. Pollution risks CSR

Prior to any acquisition of land or buildings, the group generally carries out, through specialist firms, a study on the quality and pollution of soil, basements and existing buildings, on the land history of the site and a search for asbestos and lead for buildings to be renovated or restructured.

In addition, the group requires ceding companies to disclose all environmental risks of which they are aware.Despite these practices, there is no guarantee that the group will be able to avoid all significant risks relating to the disposal of toxic waste, the rehabilitation and monitoring of sites and other environmental issues that may affect the property of which it is or has been owner.

No estimate of these contingent liabilities can be made, even if the group can, if necessary, and after performing appropriate due diligence, acquire real property requiring moderate restoration costs.In such a case, the group takes, prior to the acquisition, measures allowing it to surround itself with guarantees as to the exact scope of the necessary work and the extent of the costs related to the elimination, restoration and/or monitoring of the site, based on detailed research carried out by its environmental councils (see section 5.1.3.6. «preservation of biodiversity and ecosystems» of the «Non financial performance statement: Kaufman & Broad social, environmental and societal responsibility» in Chapter 5 of this document).

Nevertheless, the group may encounter problems related to pollution or soil quality during the construction site (or possibly have repercussions after the work), which may notably result in litigation initiated by the competent administrative authorities or any third party for damage to property or bodily injury. Although under the terms of the sale agreements, the seller of the land or building may sometimes be held liable, the discovery of pollution on a plot of land or in a building may lead to additional delays and costs and have significant financial consequences if the seller of the building or the land, or its guarantor, if necessary, proves insolvent.The group may also have reduced its ability to sell property in areas affected by pollution or to incur debt due to the inability to give collateral (see Chapter 5, section 5.1.3.6. " preservation of biodiversity and ecosystems, «and 5.1.3.4. " Managing and controlling pollution ").

4.1.2.10. Risks related to climate conditions CSR

Weather conditions, other than natural disasters, the exceptional nature of which makes the risk unpredictable, and other environmental factors may also be detrimental to the group's housing or office construction activity. For example, particularly harsh winter conditions that would result in site stoppages for several days (or even weeks) could lead to delays in delivery that would affect the recognition of the group's revenue and margin.

Climate change could lead to an increase in the number of extreme weather events and thus amplify the degree of occurrence and impact of the events described above, particularly due to their frequency, magnitude, duration and unpredictability (see chapter 5.1.3.2. "Mitigating climate change" of the "Non-financial performance statement: Kaufman & Broad's social, environmental and societal responsibility "in section 5.1 of this document).

4.1.2.11. Risks related to It systems

The group relies on its IT systems to carry out its activities (particularly for the monitoring of its supplies, orders and the invoicing of its products, communication with its customers, the management of its personnel and the provision of the necessary information to the various operational managers for decision making). The physical, partial or total destruction of its computer systems could result in a disruption of its information flows and thus adversely affect the continuation of its activities. The group is also exposed to the risk of loss, theft or compromise of its data.

4.1.2.12. Risks related to acquisitions

In recent years, the group has made targeted acquisitions and equity investments to increase its market share, as well as disposals (see sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

However, the group may not be able to identify the appropriate companies, make the acquisitions under satisfactory conditions or ensure compliance with the clauses of the acquisition/disposal contract. Furthermore, if the group's objective is to ensure the proper integration of the acquired entities and activities, it cannot guarantee that this will take place in accordance with the anticipated timetable. It could also encounter difficulties in maintaining the key skills identified during the acquisition process, or in achieving the expected synergies within the planned timeframe. The group may also incur expenses or liabilities not disclosed in its audits and during the acquisition process, and integration costs may be higher than initially envisaged.

The occurrence of any of these risks could have a material adverse effect on the group's financial position or results of operations.

In addition, acquisitions made by the group may result in the recognition of goodwill in its consolidated financial statements , representing the expected future economic benefits of the assets acquired. Downward revisions of these expected benefits, particularly due to changes in the economic situation, may result in impairment of goodwill , which would then negatively impact the group's financial position and results. As of November 30, 2023 , the goodwill recognised in the group's assets amounted to 68.6 million euros (see note 5.1 " Goodwill" in Section 6.1.2. of the notes to the group's consolidated financial statements for the year ended November 30, 2023, set out in Chapter 6.1. "Consolidated financial statements as of November 30, 2022" of this universal registration document).

4.1.2.13. Risks related to attempted fraud, fraud and corruption

In the context of its real estate development activities, Kaufman & Broad may have to make significant legal and financial commitments (acquisition of land, where appropriate from natural persons or public persons, launch of transactions in particular), likely to expose it in particular to attempts of fraud, fraud and embezzlement or corruption.These attempts could directly or indirectly cause the group financial harm, by attacking the financial flows that are exchanged between Kaufman & Broad, its customers and its stakeholders but also affect the group's reputation and financial interests.Despite prevention and awareness campaigns, as well as the importance given to the fight against fraud in the internal control work program, Kaufman & Broad cannot totally eliminate the risk of fraud..(See chapter 5.1.2.3. "Compliance and ethics at Kaufman & Broad" of the "Non-financial performance statement" in the paragraph "Combating corruption and influence peddling").

4.1.2.14. Risks related to insurance coverage

The group's business is covered by insurance: All Building Risks, Business Damage, Non-Licensor Builder, Master Civil Liability, Promoter Civil Liability and Real Estate Agents Civil Liability. The group has not taken out any insurance covering the risk of operating losses.

The number of insurance companies able to offer this coverage is limited. As a result, the company may face premium inflation, which would have a material impact on its results or growth objectives.

As the terms of these policies are contractually revised periodically, the group may not be able to take out hedges in the future under conditions equivalent to those currently in place, or even to take out such hedges, which could increase its exposure to risks and its costs therefore negatively affect its activity, profitability and growth.Finally, as insurance premium rates are dependent on claims, an increase in claims could lead to higher insurance premiums paid by the group and/or impact the level of risk coverage.

4.1.3. Risks related to the company

4.1.3.1. Risks related to dependence on management * CSR

The group depends on certain key executives. In the event of an accident or departure of these executives, the group's ability to achieve its development objectives could be affected *. The management team (Comex), which has an average length of service of 15.9 years, has extensive experience in the market in which the group operates. There can be no assurance that the group will be able to retain these executives and that some of these executives may be required to retire, which could have a material adverse effect on its business, financial position, outlook and results.

The executives concerned are mainly the members of the Management Committee and the managers of the regional activities.

4.1.3.2. Human Resources risks * CSR

In addition to the risk of dependence on executives detailed in the previous paragraph, human resources management involves risks inherent to the group's organization and the real estate development sector (see also section 5.1.4.1 "Build with employees: group human resources policy "in the non- financial performance statement of this document). Indeed, the concentration within the group of key departments on a limited number of people leads to a risk of loss of knowledge or skills in the event of the departure of these employees or if, in the context of a health crisis comparable to that of COVID-19, several of them were unable to work. The group would not necessarily be able to quickly recruit experienced replacements, which could undermine its organization and generate additional costs related to the training of new entrants.

As a Builder Non-producer, Kaufman & Broad entrusts the work to third-party companies. In accordance with the Law of 31 December 1993, the Project Manager designates, from the design of the structures, a Safety and Health Protection Coordinator (SPS), who defines, for their worksites, prevention plans to identify the risks and to inform the various stakeholders on the worksites of the risks they incur. Under this scheme, companies must also draw up their specific health and safety plan (HSP). Failure to comply with safety conditions on the construction sites entrusted to construction firms could have an adverse impact on the group's business and reputation.

4.1.3.3. Risks related to company's debt

The group takes on debt to finance its business, land acquisition and the implementation of its property programs.

The main financial liabilities of the group consist of a syndicated loan agreement for an amount of 250 million euros, which has an initial maturity of 5 years, concluded on 30 January 2019 (hereinafter referred to as the "**Senior Credit Agreement**") and a Euro PP bond loan for 150 million euros, issued on 18 May 2017 (hereinafter referred to as the **"Bond Loan"**).Financial liabilities and the breakdown of the group's financial debt are described in Note 6. «Financing and financial instruments» of the notes to the group's consolidated financial statements as of 2023, November 30. At 2020, March 30, in accordance with the clause provided for in the Credit Agreement signed at 2019, January 30, Kaufman & Broad applied for a one-year extension of the maturity date of the Credit Agreement, as provided for under the terms of the Credit Agreement, namely amending it from the initial maturity date of 2024, January 30 to the extended maturity date of 2025, January 30.The application was accepted by all lenders party to the Syndicated Loan Agreement of 2019, January 30.

At 2023 November 30, the group's cash and cash equivalents amounted to 350.0 million euros, compared with 101.0 million euros at the end of November 2022, plus 250 million euros in undrawn *revolving facilities*, bringing Kaufman & Broad's financial capacity to 600.0 million euros at 2023, November 30, compared with 351.0 million euros at 2022, November 30. Lastly, the group's total gross debt amounted to 212.4 million euros, representing a net cash position of 180.5 million euros (excluding IFRS 16 and Put Néorésid lease liabilities), compared with a net debt of 67.8 million euros (excluding IFRS 16 and Put Néorésid lease liabilities) as of 2022, November 30.

The group's level of debt could have adverse consequences, namely by:

- Requiring the group to devote a significant portion of its cash flows to repaying amounts due in for its borrowings, thereby reducing its ability to use its cash flows for other purposes;
- Affecting the group's ability to respond to changes in market conditions, whether by increasing its vulnerability to adverse economic conditions or by preventing it from benefiting from an improvement in these conditions;
- Affecting its ability to act upon commercial opportunities;
- Limiting its ability to obtain additional financing beyond commitments already made, in order to hedge its working capital requirements, investments, potential acquisitions and refinancing;
- Detrimentally affecting the terms of loans negotiated with its creditors;
- Limiting its capacity to apply a flexible approach to planning the group's growth; and
- Affecting the group's competitive position, in the event of the restrictive clauses contained within its credit agreements not allowing the group to adapt to market developments under the same conditions as its competitors.

The group's ability to honour its debt obligations will depend on its future performance, which is in turn dependent on changes that may occur within the general economic situation, the group's competitive environment, and financial, political or other factors which are beyond its control. Furthermore, Kaufman & Broad SA is a holding company *that* has no activity other than holding the shares of its subsidiaries. Kaufman & Broad SA therefore depends on the ability of its operating subsidiaries to generate the cash flows necessary for the repayment of its loans, particularly through the payment of dividends or intra-group loans.

In the event of insufficient liquidity for debt servicing, the group may be forced to reduce or postpone acquisitions or investments, to sell assets, to refinance its debt or to seek additional financing, which may not be obtained under satisfactory terms, which could have an adverse effect on its business or financial position.

4.1.3.4. Risks related to restrictive clauses in financing contrats

The 18 May 2017 Bond Loan and the 2019, January 30 Syndicated Loan Agreement contain several restrictive clauses which particularly limit the ability of Kaufman & Broad SA and its subsidiaries in completing the following transactions (other than under the conditions authorised by the Bond Loan and/or the Syndicated Loan Agreement):

1. The sale or transfer all assets, in part or in whole;
2. The acquisition of interests, or establishing or participating in joint ventures;
3. Restructuring operations such as mergers with/or takeover of another company;
4. Significant modifications to the nature of their activities; and
5. The granting of guarantees or security interests for any of their assets, outside the normal course of business, to guarantee its commitments or those of its subsidiaries which are members of the group.

For example, these restrictions could affect the group's ability to conduct its business, and could also limit its ability to react to market conditions or to act upon business opportunities that arise, including making certain payments or investments, or creating certain privileges or security interests. However, these restrictions could also affect the group's ability to finance the operating cycle and its business investments, to make strategic acquisitions, investments or alliances, to restructure its organization or to finance its capital requirements. These restrictions could therefore have a significant adverse effect on the group's ability to generate sufficient revenues to honour its obligations under its credit agreements.

In addition, the Margin applicable to each Relevant Advance Payment will be determined (i) based on the level of the financial leverage ratio applicable at each testing date, and (ii) based on the levels of the Annual CSR Criteria, a positive and negative incentive mechanism will be applied to the outstanding applicable margin.

Moreover, the terms of the Bond Loan stipulate, in particular, for each accounting half-year period from November 30, 2017 until the maturity of the Bond Loan, that the group must comply with the following two ratios, calculated on a consolidated basis, the levels of which having been defined as follows:

Ratio at the end of each half-year period (Bond Loan)	Threshold to date
Leverage ratio [(a)]	≤ 3.0
Gearing ratio [(b)]	≤ 2.5

(a) Either Net financial debt (1) divided by EBITDA (2) where:

(1) Financial debt refers to gross financial debt deducted by cash flow and cash equivalents, and excludes certain subordinated debt and certain off-balance sheet commitments;

(2) The EBITDA is defined as the consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring and/or non-recurring income and expenses, excluding calculated expenses (namely including depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary employee compensation) and capital gains or losses on asset revenues, and deducted by net income from minority interests.

(b) Either Net financial debt (1) divided by adjusted equity (3) :

(3) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2016 + total consolidated income from 1st December 2016 to the end of the quarter under review - dividends paid over the period under review + total impairment charge from the period from 1st December 2016 to the end of the quarter under review.

In addition, in the event of Kaufman & Broad SA undergoing a change of control, each holder will have the option of requesting the early repayment of the debt taken out by Kaufman & Broad SA under the terms of this loan. Under the terms of the Bond Loan, a change of control would occur (i) in the event of the sale, transfer or any other act of disposal (other than a merger, consolidation or any similar transaction), in one or more related transactions, of the group's assets, in whole or in substantial part, or (ii) if a person or a group of persons acting jointly acquires (directly or indirectly) more than 33.33% of the voting rights for Kaufman & Broad and the mandatory public tender offer resulting from this threshold being exceeded: (a) was not recommended by the company's Board of Directors, or (b) was recommended by the company's Board of Directors and was successfully completed. The 2019 Syndicated Loan Agreement also stipulates that the group must comply with the following two ratios, calculated on a consolidated basis, for each accounting half-year period from November 30, 2018 until the maturity of the Syndicated Loan Agreement, the levels of which have been defined as follows:

Ratio at the end of each half-year period (Senior Credit Agreement)	Threshold to date
Leverage ratio [(a)]	≤ 3.0
Gearing ratio [(b)]	≤ 2.0

(a) Either net financial debt (1) divided by the EBITDA (2) whereby:

(1) Financial debt refers to gross financial debt deducted by cash flow and cash equivalents, and excludes certain subordinated debt and certain off-balance sheet commitments;

(2) The EBITDA is defined as the consolidated net income before income taxes, financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses), other non-recurring and/or non-recurring income and expenses, excluding calculated expenses (namely including depreciation, amortisation and provisions, fair value adjustments, income or expenses related to non-monetary employee compensation) and capital gains or losses on asset revenues, and deducted by net income from minority interests.

(b) Either Net financial debt (1) divided by consolidated shareholders' equity (3):

(3) Refers to, at any given date, the sum of the Borrower's consolidated equity at the beginning of the relevant financial year, plus the consolidated net income of the group at that date, minus (i) dividends paid in cash (including the share of profit attributable to minority interests) and other equivalent distributions of the Borrower paid to its shareholders in cash since the beginning of the relevant financial year, (ii) impairment resulting from cumulative impairment tests for the same period (in order to neutralise their inclusion in the consolidated net income of the group) and (iii) the impact of treasury shares held by the Borrower at November 30, 2017.

* These ratios will cease to apply from the date on which the company obtains a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch.In 2022, the international rating agency Fitch awarded Kaufman & Broad S.A. an Investment Grade of BBB- with stable prospects.This rating was confirmed for the 2023 financial year, in particular Fitch mentioned the robust profile of Kaufman & Broad's business model, based on a strict pre marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the project development phase. Kaufman & Broad is currently the only pure developer in Europe with an Investment Grade rating. Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows.

These restrictions could reduce the group's flexibility in conducting its business.

In addition, the group may not be able to fulfil the commitments, restrictive clauses and/or financial ratios described above, namely due to circumstances affecting the property market or a decline in its operating performance or profitability. However, a breach of these clauses could constitute a case of default under the Syndicated Senior Credit Agreement and/or the Bond Loan, which could allow the lenders and/or the bondholders to issue a request for the early repayment of any amounts borrowed, interest and accessories subject to these agreements, to use the associated guarantees where applicable, to seize any of the group's assets, and/or to waive any future financing for the group. In the event of a decline in the group's operating performance, the company may have to request waivers from the group's creditors in order to *avail* itself of any potential cases of default; It is possible that these waivers may not be granted to the company and it may also be the case that incidents of default may lead the company and/or one of its subsidiaries to be subject to a suspension of payments. In this respect, the Syndicated Senior Credit Agreement requires the prior consent of all or at least some, as the case may be, of the lenders party to these agreements for any relaxation of the group's restrictive commitments under the terms of the Syndicated Senior Credit Agreement.

In addition, the 2019 Syndicated Loan Agreement stipulates that, in the event of a change of control of Kaufman & Broad SA, all commitments will be automatically cancelled and all outstanding advance payments, as well as any accrued interest, any reinvestment costs and any other amounts due by virtue of financial documents will automatically become due and payable on the date of such change of control. Under the terms of the 2019 Syndicated Loan Agreement, a change of control refers to any event by which one or more persons, acting alone or jointly, come to hold control of the Borrower, under the terms of Article L. 233-3 of the French Commercial Code, without this event having been recommended and approved by the members of the Borrower's Board of Directors; it being specified that the term "acting jointly" bears the meaning assigned to it in Article L. 233-10 of the French Commercial Code.

In the event of the early repayment of sums due under the 2019 Senior Credit Agreement and/or the Bond Loan, the group may not be able to ensure repayment in full. The occurrence of such events could have a significant adverse effect for the group. Over the course of the Covid-19 pandemic, Kaufman & Broad did not request the postponement or suspension of the payment of its tax and social security charges, nor did it request any State-guaranteed bank loans, which were implemented as part of economic support measures. However, on 30 March 2020, the company did extend its "RCF" credit line by one year.

4.1.4. Market risks

4.1.4.1. Risks related to interest rate *

The structure of the group's debt, indexed to floating rates, exposes the group to direct interest rate risks that could lead to a significant increase in its obligations. In the event of a rise in interest rates, its unhedged floating rate debt service obligations would increase, even if the amount borrowed remained unchanged, and its net income and cash available for debt service would decrease, thus reducing the funds available for financing the activity and any future commercial opportunities.

At 2019, January 30, Kaufman & Broad signed a Syndicated Loan Agreement for a total of 250 million euros with an initial maturity of 5 years. This loan replaces the Senior Credit Agreement established on 4 April 2016 and represents 50 million euros in loans under Tranche B and 100 million euros in revolving credit facility lines (RCF), respectively, undrawn to date. The implementation of this *Corporate* line will allow the company to extend the maturity of its resources and improve their cost, whilst enabling greater flexibility of use according to requirements and opportunities, in addition to its available cash flow. For the first time in the property development sector, this facility includes a *positive incentive* mechanism linked to several CSR indicators, thus demonstrating the company's environmental commitment. Given the repayment of senior debt over the course of the quarter, the residual *swap* of 20 million euros was repaid in full and in advance in 2019.

Since the issuance of 150 million euros of bonds, fixed rate debt, and the repayment of 150 million euros on the lines of a syndicated loan set up in 2016, and its refinancing by a Corporate credit line in January 2019 (RCF), the portion of the group's debt exposure to interest rate risks amounts to 250 million euros. Since the introduction of this Corporate credit line (RCF), the group has only used it during the health crisis that began in March 2020. In order to further strengthen its cash position and its means of financing its general needs, in March 2020, the group made a provisional drawdown of 150 million euros, repayable over periods of 1, 3 and 6 months. The company proceeded with the gradual repayment of these drawdowns over the second and third quarters of 2020.

Over the 2022 financial year, the group did not draw on the "RCF" line.

Unused syndicated lines of credit

(in € thousands)	November 30, 2023	November 30, 2022
Unused RCF [1]	250,000	250,000

(1) The revolving credit facility (RCF), for a maximum amount of 250 million euros and with an initial maturity of 5 years until January 2024, was extended over the six months to mature in January 2025. It was established in January 2019 to finance the group's general and working capital requirements.

Financial asset and liability sensitivity to rate variations

(in € thousands)	Base	Book gain/loss Increase 50 pts	Net profit/loss Decrease 10 pts
Syndicated facilities [a]	0	0	0
Bond Loan	150,000	0	0
Bank borrowings [b]	12490	62	12
Credit facilities and other borrowings [c]	4,203	21.	4
Cash & cas equivalent [d]	170,780	888	(178)
Marketable securities	179,263	895	(179)
Swap [e]	0	0	0
NET IMPACT ON INCOME BEFORE TAX	**-**	**1,701**	**(3.40)**

(a) Assumptions: EURIBOR 1 months at 3.08%.

A 50-basis point increase or decrease in interest rates of 10 basis points on the above liabilities would have the following impact on pre-tax income:

- *Upward: +1,701 thousand euros;*
- *Down: -340 thousand euros.*

(b) Bank loans to finance the acquisition of the Managed Residences portfolio.
(c) Excluding issuance costs, fair value of derivatives and accrued interest

(d) Bank balances and cash in hand

(e) Following the repayment of the Senior Credit Agreement balance on the 4 April 2016 and the balance of the residual swap of 20 million euros since the first quarter of 2019, the group no longer has any hedging instruments.

Instrument type	Floating/fixed	< 1 year	1 to 5 years	More than 5 years
Syndicated facilities [a]	floating			
Bond issue	fixed	52,322	100,000	
Bank loans	fixed	0	0	12,490
Credit facilities	floating	4,203		
Financial liabilities		56,525	100,000	12,490
Bank balances and cash in hand	floating	170,120		
Short-term investments	floating	179,263		
Order balances	floating	661		
Financial assets		350,044	0	0
Net position before hedging		(293,519)	100,000	12,490
Swap			0	
Net position after hedging		(293,519)	100,000	12,490

(a)This breakdown does not take into account the 250 million euros of the RCF line of the syndicated credit facility of 30 January 2019, undrawn at November 30, 2023.

4.1.5. Legal risks

4.1.5.1. Risks related to regulations directly applicable to the group *

There are no specific statutes governing the group's activity as a developer and builder of Single-family homes in communities, apartments and offices.

However, in conducting its business, the group is required to comply with numerous regulations, and any amendments to these regulations may entail significant, adverse financial consequences. In particular, the reinforcement of standards in regard to construction, environmental elements or building permits could have a negative impact on the group's profitability and operating income. Similarly, changes in tax regulations, and the removal of certain tax benefits in particular, may significantly influence the property market and therefore adversely affect the group's financial position.

As a Property Developer, and as the concept developer for its property programs, the group is required to comply with the applicable town planning regulations set out by the local town planning documents drawn up by municipalities (current land use plans, local town planning plans, designated development areas). In particular, these requirements cover the rules relating to the height of buildings, the distances between each building, the principles of implantation on the plots intended for building construction, any exemptions from these rules and principles, and the external and aesthetic aspect of constructions.

The group is also required to comply with environmental regulations, particularly those relating to water (water distribution, wastewater treatment), the emission of polluting substances, respect for fauna and flora, the protection of endangered species, the discovery of archaeological remains, hazardous substances, and the decontamination of polluted sites and classified facilities.

The growing number and constant evolution of such rules (town planning, construction standards, environmental standards, building bans and restrictions on classified sites, rules for issuing building permits, consumer protection rules) may have a significant adverse effect on the group's activity and growth. This accumulation of standards leads to increasing complexity in the development of property transactions, additional costs related to new obligations, which could lead to longer delivery times for the group's property programs and an increase in the number of appeals and, consequently, could affect the group's results.

As a seller of property products, the group is subject to the general legal provisions regarding revenues, and also to specific regulations regarding the off-plan revenues (referred to as VEFA in France), codified in Articles L. 261-3 et seq. of the (*Code de la Construction et de l'Habitation*) French Construction and Housing Code.

Pursuant to Articles L. 271-1 et seq. of the French Construction and Housing Code (*Code de la Construction et de l'Habitation*), non-professional buyers have the right to withdraw for a ten-day period from the date of receipt of the private purchase agreement or the order contract, as applicable, the agreement only becoming final at the end of this period. With regard to off-plan revenues, the regulations contain a number of public policy provisions intended to protect buyers. The main provisions concern the obligation to conclude the deed of sale in notarised form, the obligation to provide a guarantee of completion (most often in the form of a bank surety bond), the obligation to attach a conditional precedent of obtaining financing to the conclusion of a preliminary agreement, as well as the conditions related to the client's assessment of the compliance of the project and the lot reserved with the stipulations of the deed of final sale, the obligation to sequester the security deposit from the seller, and the obligation to respect a master schedule for calls for financing.

In addition, the group is subject to the rules regarding the right of liability, applicable to all parties involved in the construction process (guarantees for sound insulation, and two-year and ten-year warranties). The texts established a presumption of liability for any party involved in the act of construction in the event of damage, even should such damage result from a ground defect, which compromises the solidity of the structure or any of its equipment, rendering it unfit for its purpose.

Buyers therefore have a ten-year warranty covering any damage that makes the property unsuitable for its intended use, and a two-year warranty, known as the operational guarantee, for components of equipment that can be separated from the building. They can claim their right to compensation from the group, which may in turn make a claim against the party responsible for the construction defect. This warranty system is supplemented by mandatory insurance, as introduced by French Law No. 78-12 of 4 January 1978, referred to as "Builders' and Contractors' Liability Insurance" insurance, which is taken out as soon as work on the construction site begins, allowing for the pre-financing of compensation for any defects appearing under the two-year or ten-year warranty. The benefit of this insurance coverage is transferred to customers who have purchased the housing, and then to their successors in the event of the housing being resold. In the event of compensation, the insurers then hold the responsible Builders and their insurers liable, in order to recover the sums advanced (see Section 4.2.3.1. "Legally required insurance").

This insurance and other insurances related to the business activity are described in Section 4.2.3. "Insurance." With regard to the regulations applicable to the group's worksites, the French Law of the 1993, December 31 requires the Property Developer to appoint, at the beginning of the property concept development phase, a health & safety protection coordinator. In addition to appointing this coordinator, the group has a policy to anticipate and identify risks related to construction operations, not only during the construction phase but also throughout the maintenance of the building after its delivery.

Thus, the group implements prevention plans on its worksites in order to identify risks and inform the various parties intervening on the worksites of the risks they incur, and it also prohibits access to worksites by companies that have not obtained prior approval.With regard to social regulations and in order to fulfil the obligations of duty of vigilance incumbent upon the contracting Property Developer, as established by the French Labour Code to combat illicit work, and the use of a foreign employer from overseas without the necessary rights, accompanied by financial civil penalty (solidarity of the payment of taxes and charges with the company in question and/or criminal sanctions (fines and/or imprisonment)), the group's technical departments must first verify, prior to the signing of a contract then every six months throughout the term of execution of the contract, that the companies and approved subcontractors are up-to-date with their social contributions and must require that the managers of these companies sign a sworn statement certifying that they do not employ labour under any irregular or illicit circumstances.The purpose of these provisions is to prevent and reduce the risk of illicit work.

Over the course of its business, and particularly when filing building permits, in addition to the normal period for examining the building permit file (generally 3 to 5 months), the group may be confronted with deadlines that may be imposed by third-party appeals.Third parties (associations, local residents) may challenge building and demolition permits, basing their appeal on non-compliance with local urban planning rules (local urban planning plan, commercial zone development plan, etc.) and the Urban Planning Code.The main risk to which the group is exposed at this stage is essentially any delays to the operation's schedule that may be entailed (see Section 1.5.2.4. "Commitment Committee"), or even the need to abandon projects for which investigations have incurred costs for the group.When certain projects are abandoned, the group may also be required to pay employment termination payments or indemnities for loss of activity, under the terms of the land management agreements relating to these projects.

The implementation of the warranties described in this s may expose the group to the risk of having to pay significant sums, and may thus adversely affect its image and reputation.

4.1.5.2. Risks related to tax systems that may affect the new housing market and changes in tax regulations

Since the late 1990s, a number of tax systems have been put in place, with varying degrees of influence on the level of new housing construction (see Section 1.3.1.1. "Tax incentives").

Like all of its competitors, Kaufman & Broad benefits from tax incentives for personal investment. The duration of the applicable incentives to date is time-limited. The substitution of expiring incentives with new incentives that are less favourable, the absence of alternative incentives, their reappraisal, as well as the removal or modification of certain advantages in favour of the acquisition of new housing, rental investment or in favour of home ownership could have a significant adverse effect on the property market and, in particular, on the sale volumes or prices of new housing, thus running the risk of adversely impacting the company's activity and/or profitability.

These tax systems may be modified, or reappraised, following legislative or regulatory changes or a change in the parliamentary majority.

More generally, the group is subject to numerous tax regulations applicable to its activities; these regulations mainly pertain to rules regarding the evaluation of direct tax charges, the various VAT regimes, and the determination of the tax due according to the income of companies included within the tax consolidation scope. The group may also be affected by changes in regulations pertaining to town planning taxes (including fees for creating offices and development tax).

Although the Company takes all measures to prevent any risk of error, the complexity of these rules and their constant evolution may lead to disputes with the tax authorities that could lead to more or less significant expenses with regard to the group's financial position. Details of the main Provisions for tax risk are described in section 6.1.5. «Notes to the Financial Statements,» note 8. «Provisions - Contingent liabilities - Guarantees» paragraph «Provisions for tax risk.»

4.1.5.3. Risks related to litigation

In the «normal» conduct of its business, the group is likely to be affected by actions or disputes (claims, lawsuits before various jurisdictions, etc.), in particular for defects in its property development programs, failure to comply with legal or regulatory provisions, the validity of building permits obtained (for example, the building permit obtained by Kaufman & Broad for the redevelopment project of the Austerlitz station district (lots A7/A8) was the subject of an action for annulment during 2022, (*see also section 2.1.1. «Significant data» in the section «Significant events of the Period» in section " Conclusion of the contracts of the Austerlitz Station operation* "); alleged, in the quality of the services it renders, or any other alleged irregularity. Such proceedings could result in orders to pay significant amounts, damage to the group's image and/or to the Kaufman & Broad brand, and/or a decline in demand for its products and services, which could then have a significant adverse effect on the group's activities and results.Procedures that expose the group to significant costs could also partially distract the focus of the group's executives from overseeing group operations.

Details of the main ongoing legal proceedings are described in Section 4.3. "Ongoing litigations" and Section 6.1.5. "Notes to the financial statements," Note 8. "Provisions- Contingent liabilities - Guarantees."

4.1.5.4. Risks related to off-balance sheet commitments

Given its business, the group has significant off-balance sheet commitments that could represent a significant expense overall.These include the Financial Guarantees for Completion presented in Note 8.3. «Guarantees and sureties given» (see section 6.1.5 «Notes to the financial statements»).

The group's main off-balance sheet commitments consist of Loss of Land Use Indemnities, Financial Completion Guarantees, and financial covenants.

4.1.5.5. Risks related to the protection of personal data

For the purposes of its business, the group collects and uses data provided by its customers.Thus, in the context of relations with its customers or prospective customers, the group collects personal data, some of which is relatively sensitive in regard to their assets.

Although the company considers that it has taken all appropriate measures (see Section 4.2.1. "Internal control and risk management system" in Section 4.2.1.4.3 "Information systems") to protect this data and to comply with the regulations of the French National Data Protection Authority (CNIL), there is no way of entirely eliminating the risk that this data may be destroyed or transmitted to third parties, namely in error or by fraud, or may be subject to hacking or malicious use by third parties (including group employees).In such events, the persons subject to such prejudice may sue the group.In this case, the group's image and the Kaufman & Broad brand could be tarnished, which could have a significant adverse effect on the group's activities, income and financial position.

In addition, the group has adapted its procedures in to ensure compliance with the European Personal Data Protection Regulation (see Section 5.1.2.3. "Compliance and ethics at Kaufman & Broad" in the paragraph "Combating corruption and trading in influence").

4.2. Internal control, risk management and insurance system

4.2.1. Internal control and risk management system

4.2.1.1. Objectives and scope of Kaufman & Broad's internal control and risk management system

The Kaufman & Broad group uses the AMF's reference framework for the design, management and evaluation of its internal control system. No group entity adopts any other standards.

The internal control and risk management system implemented within the Kaufman & Broad group aims in particular to ensure:

- Compliance with laws and regulations pertaining to management, decision-making and/or execution of transactions as well as the behaviour of staff;
- The application of the instructions and guidelines set by the group's Executive Management;
- The proper functioning of the company's internal processes, particularly those contributing to asset safeguarding;
- The reliability and fairness of the accounting, financial and management information communicated to internal structures and externally.

The internal control system put in place by the group's Executive Management provides for a risk management system, which aims to identify and analyse the main risks identifiable with regard to its objectives, and to ensure that risk management procedures are in place. The risk mapping carried out by Executive Management forms an essential step in identifying the company's risks.

One of the objectives of the internal control system is to prevent and control risks resulting from the company's activity and the risks of errors and fraud, particularly in the accounting and financial fields. However, like any control system, it cannot provide an absolute guarantee that these risks are entirely eliminated and aims to obtain reasonable assurance of achieving the objectives of the internal control system.

The scope of the internal control system described in this Universal Registration Document covers all group entities and Segments, i.e., the parent company Kaufman & Broad SA and its direct and indirect majority interests.

4.2.1.2. Internal control environment and organization

4.2.1.2.1. General organization of internal control

4.2.1.2.1.1. Executive Management

Executive Management is directly responsible for the internal control system. It defines the internal control guidelines and supervises the implementation of all components thereof; as such, internal control ensures that there are effective control measures in place within all group institutions. The Chief Financial Officer is specifically responsible for supervising and maintaining internal control measures relating to accounting and financial information.

4.2.1.2.1.2. Overall organization of the group

The group's internal control is founded on:

- A general organization based on the duality of regional operational departments, which constitute profit centres and are located in France in line with the group's development strategy, and functional departments, which play a role of control and also provide expertise and advice to these departments.These departments include
  - Finance,
  - Human Resources,
  - Institutional sales department,
  - Department of Quality, Architecture and Client Experience,
  - CSR and innovation,
  - Planning and Regions;
- A centralised general organization: Key decisions and procedures, and particularly all land acquisitions subject to the prior approval of the members of the Land Committee and the Commitment Committee, the accounting of revenue and associated costs, and the consolidation process are all centralised to Kaufman & Broad's head offices. As a result, regional management has limited autonomy over major decisions affecting internal control and financial positions;
- Specific control bodies:
  - The Kaufman & Broad SA Department of Management Control, Budgets and Reporting
  - The Kaufman & Broad SA Internal Audit Department, and
  - The Kaufman & Broad SA Audit Committee.

4.2.1.2.2. Management structures

The group's management is organised around Mr Nordine Hachemi, Chairman and Chief Executive Officer, as well as the group's other senior executives.

The management bodies are made up of an Executive Committee and a Management Committee, which may meet as an Extended Management Committee.

4.2.1.2.2.1. Executive Committee

The membership of Kaufman & Broad's Executive Committee is detailed in section 3.1.3.1. Of this Universal Registration Document.

The Executive Committee implements the group's strategy and monitors its deployment, notably through the Annual Business Plan. Finally, it defines any adaptations of the organization according to the strategic decisions taken by the Board of Directors and ensures their implementation.

4.2.1.2.2.2. Corporate Social Responsibility (CSR) Executive Committee

As corporate social responsibility (CSR) has become a key issue for its business, Kaufman & Broad has created a CSR Department, which reports directly to the company's Chairman and Chief Executive Officer, along with a CSR Executive Committee, which is tasked with implementing the CSR Plan in line with the company's strategy.

A CSR Committee for the Board of Directors has also been recently created, tasked with monitoring the implementation of the Plan defined by the CSR Executive Committee and reporting to the Board of Directors.

The description of CSR governance is described in Section 5.1.2.1 "CSR governance: organization dedicated to Sustainable Development" in the non-financial performance statement.

It should be noted that ESG criteria have formed an integral part of Kaufman & Broad's management Compensation parameters since 2018.

4.2.1.2.2.3. Management Committee

The composition of the Management Committee of Kaufman & Broad is detailed in section 3.1.3.1.8. Of this Universal Registration Document.

The Management Committee monitors the implementation of the Business Plan. It proposes improvement actions and sets the objectives for agencies and departments. It contributes to the definition and implementation of the group's projects.

The Management Committee may meet as an Extended Management Committee, which comprises the Management Committee, agency management and cross-functional operational departments. The Extended Management Committee defines and monitors the agencies' implementation of the Plan, ensuring compliance with our commitments to all stakeholders, particularly our partners and our customers.

4.2.1.2.2.4. Land Committee and Commitment Committee

These Committees are composed of the Chairman and Chief Executive Officer, the Chief Financial Officer and the Chief Executive Officers in charge of the Regions. These Committees review each proposed land acquisition.

Land Committee: Knowledge of the property project from the outset of its design phase

The Land Committee validates the strategic and financial pertinence of the proposed transactions and the preliminary provisional expenditure budget (until the building permit application is filed), authorises the signature of a bilateral revenues agreement, if necessary, and authorises the implementation of indemnity for loss of use of land (particularly in the case of unilateral revenues agreement). The operation of this Committee is described in section 1.5.2.2. Of this Universal Registration Document.

Commitment Committee: Authorisation to continue with the review of the dossier

Prior to the filing of the building permit application, the members of the Commitment Committee meet to validate the strategic approach of the operation (particularly in regard to commercial and technical aspects), validate the updated budget for the operation which will be considered as the reference budget, validate the typology and composition of the operation, authorise the filing of the building permit application, and authorise the launch of invitations to tender (*DCE*) and marketing and commercial tools.These decisions constitute an authorisation granted to the Director of the agency concerned to continue with the review of the property project.The operation of this Committee is described in section 1.5.2.4. Of the Universal Registration Document.

4.2.1.2.2.5. Quarterly review meeting of real estate programs

Each quarter, prior to the preparation of the financial statements, the Executive Management and the Finance Department review, in the presence of each agency Director, the real estate property programs validated by the Land Committee, the current commercial strategy, and the consistency of the operations' business forecasts. These performance reviews of the regional agencies allow for corrective actions to be defined where necessary. The members of the quarterly Committee are responsible for approving the budgets for the real estate operations, enabling the group to prepare its consolidated financial statements.

4.2.1.2.2.6. Monthly review meeting of the consolidated financial statements and related indicators

Each month, the members of the Finance Department meet to analyse the actual consolidated financial data compared with the forecast data, commercial activity, land acquisitions and the progression of ongoing programs, and housing starts and deliveries over the period.

4.2.1.2.3. Cross-functional support departments

The Finance Department comprises the following Segments, which provide support and control within Kaufman & Broad SA and its subsidiaries.

4.2.1.2.3.1. Department of Management Control, Budgets and Reporting

The group's Department of Management Control, Budgets and Reporting has the following objectives:

- To lead planning processes;
- To implement and execute reporting, management and decision-making support tools adapted to the various levels of responsibility and types of activity;
- To analyse the differences between the results achieved and the objectives set, explaining the causes to operational management and monitoring the implementation of the corresponding corrective measures;
- To ensure the accuracy of basic data and to check the consistency of the reporting on financial information systems;
- To participate in the preparation of internal and external operational and financial reports;
- To develop management information systems;
- To supervise the management control functions in agencies.

4.2.1.2.3.2. Internal Audit Department

The main tasks of this department, which reports to the Chief Financial Officer, are to ensure:

- The adequacy and efficacy of the group's procedures in relation to its business and environment;
- Compliance with these procedures by their respective participants.

This service may also be requested by the Finance Department or the Audit Committee to carry out ad-hoc audits on specific aspects.

The 2023 audit plans were drawn up by the Director of Internal Audit, who presented them to the Chairman and Chief Executive Officer and the Chief Financial Officer before communicating them to the Audit Committee; the prior analysis of risks and changes in the group's environment and within its structure are the main axes used to establish of these plans.The Internal Audit Department performed the respective controls on compliance with the internal control system, linked to the preparation of the consolidated financial statements and on the agencies' compliance with the operational internal control system.

4.2.1.2.3.3. Treasury and Financing of Operations

The negotiation and management of lines of credit, the management of financing, investments, financial completion guarantees, off-balance sheet commitments and interest rate risk are centralised within Kaufman & Broad in the Treasury and Financing Department. This department is also responsible for managing the group's insurance policies.

4.2.1.2.3.4. Accounting and Consolidation Department

The group's Accounting and Consolidation Department has the following objectives:

- Coordination and supervision of accounting services (general accounting, supplier auxiliary accounting, client auxiliary accounting and fund-raising) and the consolidation department;
- The preparation of accounting and financial information documents, in accordance with the applicable forms and standards;
- Monitoring changes in accounting and consolidation systems;
- Coordinating with the Statutory Auditors and providing them with the information needed to carry out their work.

4.2.1.2.3.5. Information Systems Department

The definition, development and implementation of new It solutions and the day-to-day management of tools are performed by the Information Systems Department according to the needs of the company. The Information Systems Department also defines the information system security policy and coordinates security-related projects (access management, infrastructure security, compliance, business continuity plan).

4.2.1.2.3.6. Legal Department

The Legal Department is responsible for:

- Providing assistance and advice to both support departments and operational departments in connection with the construction of property programs, particularly regarding the preparation of contracts and agreements;
- Establishing authorisations to sign the deeds necessary for executing the property programs for the programs managed at head offices, along with establishing authorisations to sign land acquisition deeds for the whole group;
- Monitoring of the group's legal disputes and risks;
- Implementing the preventive summary procedure;
- Legal monitoring of all group entities.

4.2.1.2.3.7. Tax Department

All tax matters, whether corporate or operational , are centralised within the Finance Department, within which a specific Segment is dedicated to taxation.Its mission is

- The group's tax monitoring and, in particular, developments related to its business;
- The validation and control of tax returns and the calculation of current tax;
- Providing assistance and advice to operational departments in connection with the construction of property programs;
- Monitoring the group's tax disputes and risks.

4.2.1.2.3.8. Financial Information Department

This department is responsible for overseeing the preparation, reliability and consistency of all financial and management information documents, in collaboration with the contributing departments, namely the Department of Management Control, Budgets and Reporting and the Accounting and Consolidation Department.

4.2.1.3. The company's risk management systems

4.2.1.3.1. Significant risks identified

The significant risks to which the group may be exposed are detailed in the company's Universal Registration Document in Section 4.1."Risk factors."

4.2.1.3.2. Risk identification and management process

To maintain the efficacy of its internal control system, Kaufman & Broad's Executive Management regularly ensures that the company implements the appropriate procedures. It carries out risk mapping for this purpose.

In 2022, the group updated its mapping for major risks in regard to its objectives.

The risks were identified through interviews with the Directors who are members of the Audit Committee and approximately 50 Kaufman & Broad managers and senior executives, including mainly the Regional Executive vice-president, the managers of the head offices' cross-functional departments and the agency Directors.These interviews allowed for a better understanding of the causes and potential consequences of each of these risks, as well at the main control mechanisms used for them.The ranking of major risks issued from the interview phase was also subject to a validation workshop, attended by members of the Management Committee and Directors from amongst those who had previously met as part of the process.

The group's risk mapping is updated every year, either based on a comprehensive update exercise through interviews, as in 2022, for the 2023 financial year, or based on the changes in the relevant indicators defined during the process to adjust the weighting of major risks.

The updated mapping of major risks was presented to the Audit Committee on 2024, January 25.

Furthermore, in accordance with the provisions of the Sapin II Law, the group established its corruption risk map in 2018, following the same approach as that used for mapping of the group's major risks.The measures adopted by the group to prevent and combat corruption and trading in influence are regularly presented to the Audit Committee of the Board of Directors.This system is described in detail in Chapter 5 of this Universal Registration Document, «Non Financial Performance Statement: Kaufman & Broad's Social, Environmental and Societal Responsibility.»

Kaufman & Broad's risk management framework particularly provides for the identification of the main identifiable risks at the level of the operational structures in the Regions. The corresponding risk maps cover the entire lifespan of property projects and, more specifically, the following major activities:

- Land prospecting and acquisition;
- Selection of construction firms and monitoring of construction;
- Orders and sales.

For each of the risks identified, whether they are strategic, financial, legal or operational, the company has put in place controls to reduce its risk exposure to a level that it has deemed to be acceptable.

These controls are carried out either at the head offices or at the regional agencies of Kaufman & Broad. They constitute the key elements of the group's internal control system. These include:

- Legal and regulatory obligations applicable to Property Developers;
- Land development opportunities that align with the company's objectives in terms of volume and profitability;
- Monitoring and processing third-party appeals against building permits;
- Compliance with internal procedures during the decision-making phases for land commitments (Land Committee and Commitment Committee), the signing of revenues agreements (delegations of authority), commercial launches, land acquisitions (pre-marketing rate and conditions precedent) and works expenditure;
- Preparation of the business consultation file (*DCE*);
- Estimates of provisional construction costs;
- The selection of construction companies;
- Checking the soundness of contracting firms' financial structures;
- The administrative authorisations necessary to implement the construction process;
- Execution plans and sales plans;
- Supervising worksites and monitoring work schedules;
- Certificates of work costs by the Contractor;
- Declarations of completion of work and certificates of compliance;
- Project forecasts (changes in the sale price and project costs);
- Customers csh calls and debt collection;
- Variable compensations paid to land development and sales staff.

4.2.1.4. Key elements of the group's internal control system

4.2.1.4.1. Code of Ethics and Internal Rules

The group's Code of Ethics was updated in 2023. It has been supplemented by a Disciplinary Sanctions Procedure and a Whistleblowing Procedure to take into account changes within the group and the provisions of the Sapin II Law.This Code and these procedures form part of the Internal Rules which, like the user guidelines for the use of IT resources and internet services, have been signed by all group employees.

The Code of Ethics sets out and formalises the principles to be applied by all group employees with regard to the following topics: Respect of fundamental rights, the responsibilities incumbent on employees, the conduct of business, relations with shareholders, suppliers, customers and elected representatives, in accordance with the group's corporate social responsibility approach.The Code of Ethics also refers to existing agreements, procedures and notes covering these fields.

These procedures provide for reporting systems and sanctions in the event of failure to comply with the obligations set out in the Code, the Internal Rules and the applicable laws and regulations.In addition, the Whistleblowing System that the procedure framework includes a secure IT reporting module, "KB Ethics."

These documents and the user guidelines for the use of IT resources and internet services are available on the Kaufman & Broad intranet and have been communicated to all group employees.

In addition, since 2019, all group employees have completed mandatory training on the main aspects of the Code of Ethics and related procedures.

4.2.1.4.2. Internal procedures

The internal control system covers approximately 30 separate procedures, the main ones being: Land acquisition, management of cash calls and debt collection from customer, monitoring of customer receivables, debt management, bank reconciliations, bank guarantees, Human Resources, account closing and consolidation, determination of goodwill and assessment of asset impairment , *earn out*, preparation and control of a real estate program budget and forecasting process, recognition of revenue and inventory upon percentage-of-completion basis, order management, percentage of completion, tax planning and calculation of current tax, management of the supplier database, registration and validation of supplier debts, supplier payments, purchases, end-of-construction management, annual performance review and Job exit interviews.

In addition, there are several IT procedures relating to departmental planning and organization, security, safety, change management and system operations.

The procedures describe their respective objectives, managers and participants, the inherent risks and the possible consequences on the group's financial statements in the event of their failure. They include each of the control points, some of which are considered to be "key" in light of their importance in the group's risk prevention system.

4.2.1.4.3. Information systems

The Kaufman & Broad group IT Department, which reports to the Chief Financial Officer, is responsible for project management in the definition, development and implementation of new IT solutions and in the daily management of existing tools.

There is a set of procedures in place for purchasing and managing service and maintenance contracts. For operational management, business line procedures govern the development and operating functions.In addition, Kaufman & Broad has circulated IT Security Guidelines that list the rules and responsibilities regarding the use of IT resources. This document is sent to employees, who must sign it and return it to the Human Resources Department upon their hiring.

4.2.1.4.4. Budgets and management control

Planning

Operational planning is decentralised to a regional level. It is led by Executive Management and the Finance Department, which define its principles and timetable, and which manage the process for each entity, verifying global consistency with the group's strategy.

The operational managers of the various agencies, assisted by their management controllers, prepare a two-year plan for their respective entities, including a detailed budget for the coming year. The proposed objectives are approved by the Finance Department and Executive Management between October and January. The Finance Department and the Chief Executive Officers in charge of the Regions consolidate and comment on all of the entity plans.

Weekly dashboard

Each week, management control publishes a dashboard, which is sent to Executive Management, namely containing the gross and net orders of the past week.

Monthly budget control

The annual budget is periodic and used as a singular reference for budgetary control. The consolidated income statement and balance sheet are prepared monthly by the Consolidation Department and then sent to Executive Management. The Management Control Department establishes budget control: Validation of income and expenses at the end of the period, measurement of deviations from the Plan and/or from the latest budget updates, and analysis of their possible future impacts.

Reconciliation with accounting data

The accounting and management systems are provided with the same information (single entry of accounting documents) and are consistent in terms of methodology.The systematic, monthly scoping of budget returns with the financial statements helps to control the reliability of financial information.

Updating

Each entity updates its annual budget on a quarterly basis. These exercises make it possible to refine the trends at the end of the year but do not replace the initial Plan in terms of budget control benchmarks. These updates are validated by Executive Management and the Finance Department in quarterly committees with the managers of each agency or subsidiary.They are presented at the Board of Director meetings, prior to the publication of the quarterly results.

Quarterly Flash Report

The results for the current quarter are updated during the first 10 days of the last month of the quarter in question. On the basis of these provisional results, the objectives are, where appropriate, redefined by Executive Management.

Planning and monitoring the achievement of signature objectives

Signature objectives are set by Executive Management on the basis of revenues forecasts prepared by agency managers.

4.2.1.4.5. Controls on key accounting principles and estimates

With regard to key accounting principles and estimates, at each reporting date, those participating in internal control ensure that the principles and methods of IFRS 15 are correctly applied, with the group's consolidated revenue and margin recognised on the basis of percentage of completion.

From a technical perspective, the acquisition of the land and the justification of the physical progress of the projects constitute key controls within the group's internal control system, in parallel with the updating, on an at least quarterly basis, of the budgets upon completion of our property operations by the regional departments concerned. These operating budgets are reviewed by the Executive Management in charge of the Regions prior to the quarterly closing of accounts; they are also reviewed by the Finance Department at the quarterly Committees preceding the closing of half-yearly and annual accounts, which bring together regional management and Executive Management, organised by the Finance Department.

From a commercial perspective, the signing of the authentic deeds of sale of each lot sold off-plan constitutes substantive evidence, formalised by the certificates systematically issued by notaries, on a sale-by-sale basis.

4.2.1.4.6. Liquidity and interest rate risk controls

As part of its liquidity risk analysis, the company has implemented an integrated process for preparing cash forecasts for each of these property transactions, overseen by the Treasury and Financing Department and the Department of Management Control, Budgets and Reporting, which reports to the Finance Department.

The interest rate risk management policy is established by Executive Management, following a proposal submitted by the Finance Department. Its objective is to control variations in interest rates and their impact on income and cash flows, so that the overall cost of debt remains at an acceptable level. To achieve this objective, the group hedges the interest flows of its floating rate loans through swaps (Floors). These swaps constitute derivatives which hedge the cash flows.They are recognised in the balance sheet at fair value. However, there can be no assurance that the hedging policy implemented by the group will produce the desired effects, particularly in the event of default by its hedging counterparties.

Regarding interest rate risk, only the *Revolving F*acility *Agreement* signed at 2019, January 30 is indexed with floating rates. This credit authorisation has not yet been drawn down. Should the group decide to use this credit, it could again be exposed to the risk of an increase in its obligations given the indexation of this contract at floating rates. In this case, and given the level of interest rates and their likely evolution, the group would consider the need to establish hedging instruments to cover the interest payments on this credit.

4.2.1.4.7. Legal and operational controls

From a legal perspective, the Chairman and Chief Executive Officer and/or the Regional senior vice-president of Kaufman & Broad SA are corporate officers of the majority of the group's subsidiaries, either individually or as permanent representatives of a group company.

On an operational level, each agency Director receives annual performance objectives in writing from Executive Management every year. The agency Director and their team take ownership of these objectives by actively participating in the budgeting process.

During the quarterly Committees, the agency Directors present the Regional senior vice-president concerned and the Finance Department with a report on the progress of each of the property programs that they manage, as well as an updated forecast for each of these operations.

Each agency Director must also present the Land Committee and the Commitment Committee with any new projects that they intend to develop.

Lastly, agency Directors are responsible for ensuring compliance with the group's internal control procedures within their entities.

4.2.1.5. Internal control relating to the preparation of accounting and financial information

Kaufman & Broad's internal control over accounting and financial information is organised around the following elements:

- Accounting and financial function, under the hierarchical responsibility of the Chief Financial Officer;
- Accounting and financial information systems;
- Procedures for preparing financial statements
- Control of commitments;
- Financial communication;
- The Management Control, Budgets and Reporting department.

4.2.1.5.1. Accounting and finance

The role of the Finance Department is to:

- Define the group's accounting standards and doctrine;
- Define tax policy;
- Determine the periodic deadlines for all departments involved in preparing financial statements;
- Implement reporting tools, and to control the reliability of the processes used to collect and process financial databases;
- Verify the accuracy of this data and the consistency of the reporting in regard to financial information systems;
- Audit the parent company's preparation of accounts and consolidated financial statements in accordance with the accounting standards, principles, rules and methods applicable within the group;
- Analyse any discrepancies between the budget and the actual situation, and to implement and monitor the appropriate corrective measures;
- Monitor the availability of financial information within the deadlines and in the form required by Executive Management.

Accounting and financial information is prepared, under the responsibility of the Chief Financial Officer, by the Director of Accounting and Consolidation.

4.2.1.5.2. Procedures for preparing financial statements

Consolidated financial statements are prepared on a quarterly basis, in accordance with IFRS. In general, the group discloses this accounting and financial information during the month following its preparation. The Accounting and Consolidation Department is responsible for establishing this information. To this end, based on the deadlines set, the Accounting and Consolidation Department sends notifications to all departments concerned on the progress of the closing process, specifying the information to be entered, the restatements to be made, and the schedule for these operations.

The Department of Management Control, Budgets and Reporting reviews the consolidated income statement prepared by the Accounting and Consolidation Department, analyses any significant differences and reports them to the Accounting and Consolidation Department.

The IFRS financial statements are prepared under the responsibility of the Chief Financial Officer and then submitted to the Chairman and Chief Executive Officer. When the interim and annual consolidated financial statements are approved, these financial statements are reviewed by the Audit Committee and the Board of Directors, and are reviewed (audit as part of the annual financial statements and limited review as part of the half-year financial statements) by the Statutory Auditors prior to the financial communication of these results. They are then approved by the Board of Directors.

4.2.1.5.3. Procedures for monitoring off-balance sheet commitments

The group's main off-balance sheet commitments consist of Loss of Land Use Indemnities, Financial Completion Guarantees, and financial covenants.

4.2.1.5.3.1. Immobilisation compensation for land

When the group plans to acquire land in order to develop a real estate program, it must provide the seller with an Indemnity for Loss of Land Use until the signature of the notarial deed. This indemnity takes the form of either a guarantee given to the seller (general case) or a payment of funds (special and exceptional case). There are two types of guarantees that may be given to the seller: The joint and several guarantee, and the first demand guarantee.

With respect to the joint and several guarantee, through one of its subsidiaries, the group asks an insurance company or a financial institution to act as a joint and several guarantor on behalf of the group company acquiring the real estate property for the seller, for the amount of the asset price. These guarantees may also be granted by Kaufman & Broad SA. For first demand guarantees, the group asks an insurance company or a financial institution to act as first demand guarantor on its behalf vis-à-vis the seller for the amount of the fmmobilisation compensation price.

These guarantees are monitored by the Treasury and Financing Department, which asks insurance companies and financial institutions to send it a list of the corresponding guarantees given on a twice-yearly basis.

4.2.1.5.3.2. Financial Guarantees for Completion

In the context of the system sale-before-completion agreement (*VEFA* contract), Kaufman & Broad enters into a financial institution, a mutual guarantee body or an insurance company, a financial guarantee for completion of the construction, which takes the form of a joint and several guarantee for the benefit of the buyers or a credit facility agreement (Article R. 261-21 § a or § b of the Code de la Construction et de l»Habitation - French Construction and Housing Code). These guarantees are subscribed on a transaction-by-transaction basis, in return for which the group generally grants the guarantor a mortgage on unsold lots and/or a commitment not to sell shares in the company overseeing the real estate program.

A monthly valuation is carried out by the Treasury and Financing Department and then updated with the figures provided by the institutions concerned, according to their own declarations to the Banque de France or the French Insurance Control Commission (CCA).

4.2.1.5.3.3. Financial covenants

As part of the signing of its Revolving *Facility Agreement of* 2019, January 30 and the issuance of its bond on the18 May 2017, the group is subject to financial covenants. Each half-year period, the group's Financing Department sends the Statutory Auditors the financial information necessary for their calculations, and then communicates these covenants to the representatives of the lenders. These financial ratios are also calculated and presented quarterly to the Audit Committee and the Board of Directors as part of the group's risk management system.

4.2.1.5.4. Group financial communication

Other than the Chairman and Chief Executive Officer, only persons duly authorised by the former are authorised to communicate financial information to the market. This includes the Chief Financial Officer.

The Finance Department prepares the following documents:

- Universal Registration Document, quarterly information, interim and annual financial statements and business report;
- Financial press releases;
- Presentations for financial analysts and investors;
- Presentations for rating agencies.

These documents are approved by the Chief Financial Officer and Chairman, and the Chief Executive Officer. Financial Press Releases are generally submitted to the Board of Directors prior to their publication.

4.2.1.6. Updating and review of the functioning of the internal control system

Kaufman & Broad's current internal control system, as described above, is supplemented by operational, legal and regulatory surveillance which aims to identify and anticipate changes in French and European business, legislation and regulations that could have an impact on the company's economic balance. This function is fulfilled by the Executive Management and by the various operational and functional departments, which take all appropriate measures to ensure that the interest of the Kaufman & Broad group prevails in due course.

The correct application of accounting and financial reporting procedures is monitored by the Internal Audit Department, and occasionally by an independent auditing firm, supervised by Kaufman & Broad's Internal Audit Department.

The results of this work, carried out at the head offices and within most of the group's regional agencies (depending on their contribution to the consolidated financial statements), are regularly reported to the Audit Committee.

These periodic diligence procedures carried out by the Kaufman & Broad Audit Department, which aim to ensure the correct application of procedures relating to accounting and financial information, do not entail an assessment of the overall system for controlling operational and financial risks resulting from the group's business. Therefore, the above information cannot correspond to an assessment of the adequacy and efficacy of the company's internal control system, as it does not cover it in whole.

4.2.2. Risk management by type

In order to prevent and effectively manage the risks related to its business, the group has implemented an internal control system that is described in the management report Issued by the Board of Directors (see Section 6.7. "Management Report of the Board of Directors").

The internal control and risk management system implemented within the Kaufman & Broad group namely aims to ensure:

- Compliance with laws and regulations pertaining to management, decision-making and/or execution of transactions as well as the behaviour of staff;
- The application of the instructions and guidelines set by the group's Executive Management;
- The proper functioning of the company's internal processes, particularly those contributing to asset safeguarding;
- The reliability and fairness of the accounting, financial and management information communicated to internal structures and externally.

The internal control system put in place by the group's Executive Management provides for a risk management system, which aims to identify and analyse the main risks identifiable with regard to its objectives, and to ensure that risk management procedures are in place. The risk mapping drawn up by Executive Management forms an essential step in the identification of the company's risks.

One of the objectives of the internal control system is to prevent and control risks resulting from the company's activity and the risks of errors and fraud, particularly in the accounting and financial fields. However, like any control system, it cannot provide an absolute guarantee that these risks are entirely eliminated and aims to obtain reasonable assurance of achieving the objectives of the internal control system.

For example, the action plans and internal policies implemented by the entities or departments concerned aiming to manage major risks and other risks identified by the group include:

4.2.2.1. Management of risks related to the group's business sector

4.2.2.1.1. Management of risks related to the economic environment

The selectivity of locations and the continuous adaptation of the definition of the products offered for sale by the company have allowed the company to maintain its business in a general context that is uncertain and which has been subject to deterioration. In addition, the group confronts changing market conditions by having the ability to conduct its business with a low level of fixed expenses. The group's main costs are variable, mainly resulting from land acquisition costs, construction costs, program marketing costs, as well as commissions and Compensation of revenues teams (approximately 15% of the group's payroll is considered to be variable). As a result, in the event of a slowdown in activity, the group may reduce its costs by decreasing the number of programs launched. After taking into account the necessary adjustments to the programs already committed (namely provisioning the costs related to the programs committed and the additional future costs to complete these operations, and taking into account the investigation costs for abandoned programs), the group considers that the benefits of a more conservative development strategy are generally made clear within one year of its implementation. In addition, energy transition commitments, combined with demographic and sociological trends, will continue to support housing demand. In fact, only new housing can achieve carbon neutrality while part of the existing rental market can no longer meet long-term energy performance objectives.

4.2.2.1.2. Management of risks related to joint developments

As part of its internal control system, the group has internal control processes that cover 30 separate procedures, including land acquisition, the management of cash calls and debt collection from customers, monitoring customer receivables, preparing and controlling a real estate program budget and the forecasting process, the recognition of revenue and inventories at the completion stage, order management, the progression rate, supplier payments, purchases, end-of-worksite management (for the main ones relating to property programs: See Section 4.2.1.4. "Key elements of the group's internal control system"). The real estate transactions carried out in co-development do not grant exemption from the need for compliance with these procedures, particularly in terms of land selection.

4.2.2.1.3. Management of risks related to bank guarantees within the context of system sale-before-completion agreement (*VEFA* contract)

To minimise the risk of exposure to a decline in the number of institutions able to grant such guarantees to the group, it uses an expanded and diversified number of leading banking institutions.The group's main banking institutions are: Crédit Mutuel ARKÉA, Crédit Mutuel group (CIC, BECM, etc.), Banques Populaires group and Caisses d'Épargne group (Palatine, SOCFIM, Natixis, Caisse d'Épargne Midi Pyrénées), Crédit Agricole Corporate Investment Bank (CACIB), Société Générale, and BNP Paribas, and then, in addition to these, financial institutions specialising in guarantees and insurance brokers, such as: Atradius, MB cautions (QBE, ERGO, Tokio Marine Europe), CGI Bâtiment, Weez'Us (Liberty), and Allianz (formerly Euler Hermès).

4.2.2.2. Risk management related to the group's business

4.2.2.2.1. Management of land market risks

In order to be able to anticipate any tensions regarding the availability of land necessary for the construction of its programs as early as possible, the group has developed a tool for managing its land reserve, any land included therein being required to meet the selection criteria set by the group (see Section 1.5.2.1. "Land selection"). Lastly, it is the Land Committee that establishes the criteria for the land to be included in the group's land reserve and that validates the strategic and financial pertinence of the planned projects of operations and the preliminary provisional expenditure budget, as well as authorising the implementation of an indemnity for the loss of use of land, particularly in the case of unilateral revenues agreement (see Section 1.5.2.2. "Validation of projects by the Land Committee").

4.2.2.2.2. Management of risks related to supplier relations

In order to better assess the risk of exposure to supplier failure, a procedure governing the selection of suppliers, partners or associates has been implemented, along with the signing of a contract in the event of a call for tenders.The use of financial ratings aims to guarantee the soundness and reliability of the companies with which the group contracts (see section 5.1.4.7 . " Visit the value chain (partners and suppliers) «paragraph» Selection of supplier companies and responsible purchasing «). In addition, for several years, Kaufman & Broad has been engaged in a process of centralization at the regional level of its second work purchases and standardization of its supplier selection procedures at group level. This centralisation makes it possible to forge lasting relationships with suppliers signing a master agreement with the group.This also gives Kaufman & Broad a way of assessing the financial strength and compliance of the companies with which it concludes contracts by perpetuating their relations (see Section 5.1.2.3. "Compliance and ethics at Kaufman & Broad").

4.2.2.2.3. Management of risks related to construction cost

The group has a "controlled" process in the conducting of its activities, which is used to validate the strategic and financial pertinence prior to committing to a property project (see Sections 1.5. Operations). The group relies on preliminary expenditure forecasts and technical reviews, and launches Invitations to Tender (ITT) prior to acquiring land.

For example, in regard to carrying out construction work, Kaufman & Broad mainly selects companies through tenders.

These procedures, carried out within the framework of the business consultation file (DCE), allow for the competition of the companies approached to carry out the works, and therefore also contribute to the control of operation cost prices.

4.2.2.2.4. Management of risks related to program management

As part of its internal control system, the group has a process for validating its commitments in a property program. The final decision to acquire the land is made by the members of the Land Committee. The general rule adopted by Kaufman & Broad provides that the land is definitively acquired if (I) the administrative authorisations required to carry out the proposed programme are obtained and served from third parties' appeals (the latter third party appeal condition applies in most cases) on the one hand, and if (II) the profitability of the program as presented in the project financial forecast sheets is verified, on the other hand (status and level of marketing, technical feasibility, cash flow plan... see sections 1.5.2. «Purchase of land» and following).

4.2.2.2.5. Management of risks related to major projects

The scale of this type of transaction, which is very significant, increases the risks traditionally associated with property development operations, particularly in financial terms, image or even technical complexity. Thus, in order to support the development of these projects, the group has the specific skills necessary and sufficient to execute them, both internally and externally.

In addition, given the increased administrative and technical difficulties that may affect this type of transaction, the group is particularly vigilant in preparing the resulting business forecasts.

Lastly, given the significant variations that these major projects may inflict on the group's revenues and results, an appropriate financial communication strategy is anticipated.

4.2.2.2.6. Management of risks related to pollution

Prior to any acquisition of land or a building, the group generally uses the services of specialist firms to carry out a review of the soil quality and pollution, existing buildings and underground structures, the site's land history and an asbestos and survey for buildings to be renovated or restructured.

The group also requires selling companies to disclose any environmental risks of which they are aware and may, if necessary, acquire property that imposes moderate restoration costs, after the appropriate due diligence. In such cases, prior to the acquisition, the group takes measures allowing it to cover itself with guarantees regarding the exact scope of the necessary works and the importance of the costs related to the elimination, restoration and/or monitoring of the site, on the basis of detailed research carried out by its environmental advisers.

4.2.2.2.7. Management of risks related to IT system

In order to prevent this risk, the group has implemented a business continuity plan (BCP) that essentially provides for the restoration of its IT environment as promptly as possible.In 2019, Kaufman & Broad made the decision to outsource its head offices' data centre.This project was completed in August 2020. It enabled the group's data to be divided across two latest-generation data centres, guaranteeing optimal energy performance coefficients.These data centres are located in France.

4.2.2.2.8. Management of risks related to acquisitions

In recent years, the group has made targeted acquisitions and equity investments to increase its market share, as well as disposals (see sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

As part of these transactions, the group systematically carries out accounting and operational audits and verifications, which are necessary for the formulation of a satisfactory offer and for the identification of any expenses or contingent liabilities that need to be guaranteed under the acquisition agreement.The proper integration of the key skills identified and the achievement of the forecasts established during the acquisition process are also subject to special surveillance.

4.2.2.2.9. Management of risks related to attempted fraud, corruption and fraud

The group only completes transactions with leading financial intermediaries, and this only passes via secure and remote transmission software, and it does not engage in e- commerce with its customers. In addition, most of the financial transactions carried out by the group as part of its operations are carried out either through notaries for land acquisitions or the signature of authentic revenues documents (off-plan), or with financial institutions that allow financial flows on the basis of calls for funds validated by our customers.

The group also exercises strict control over these means of payment, all of which are centralised to the group's head offices.

As part of the obligations related to the entry into force of the Sapin II Law, the group has deployed an adapted system to prevent corruption and trading in influence.This system is described in section 5.1.2.3. Compliance and ethics at Kaufman & Broad

4.2.2.3. Management of risks related to the company

4.2.2.3.1. Management of risks related to Human Resources and dependence on executives

Given that the group has taken into account the importance of its employees' expertise and performance, it aims to attract the right profiles and talents consistently throughout the group by offering ambitious professional prospects, and by building a strong group culture with them. To this end, the group implements a number of mechanisms in the management of its Human Resources, such as integration processes, training and support for young professionals recruited in the company, annual interviews and career reviews to identify talent, to ensure the transmission of the company's culture and expertise, and to identify profiles that could progress towards key positions (see the group's CSR Charter and Section 5.1.4.1. "Building with employees: group human resources policy").

Due to the COVID-19 outbreak, a guide to the health & safety rules to be respected during the COVID-19 pandemic in the aim of ensuring a good quality of social living was put in place at the end of the lockdown period in May 2020, detailing the material adaptations (glass partitions, cleaning kits, etc.), social distancing rules, and the organization of remote working (see Chapter 5 of this Universal Registration Document regarding Kaufman & Broad's Non-Financial Performance Statement in Section 5.1.4.3. "Quality-of-life at work and social relations" Remote working agreement. Signed on 2021, September 17, this agreement establishes that "remote working now forms an integral part of the working organization within the group").

4.2.2.4. Market risk management

4.2.2.4.1. Interest rate risk management

The interest rate risk management policy is detailed in Section 4.2.1.4.6. "Liquidity and interest rate risk controls."

4.2.2.5. Legal risk management

4.2.2.5.1. Management of risks relating to regulations directly applicable to the group

In order to minimise its exposure to these risks, the group has a Legal Department that is in charge of regulatory and legislative matters, whether they're of a corporate or operational nature. On an operational level, it provides assistance and advice to both support departments and operational departments within the context of the construction of property programs, particularly in regard to the preparation of contracts and agreements. On a corporate level , it is responsible for all aspects of the legal monitoring of all group structures, as well as the internal monitoring of new standards and regulations and their interpretation, supported by external consulting firms specialised in legal matters.

4.2.2.5.2. Management of risks related to tax systems that may affect the new housing market and changes in tax regulations

In order to adapt to changes in the tax systems in which the group operates, it has a Tax Department that deals with all tax issues, whether they're of a *corporate* or operational nature. Whilst it is centralised in the Finance Department, it also relies on liaison with the Legal Department at head offices and in the Regions.Its mission includes the task of overseeing the group's tax monitoring, particularly with regard to changes related to its business.Lastly, the group supplements this monitoring system by using the services of external consultants specialising in tax matters.

4.2.2.5.3. Management of risks related to litigation

The risks inherent to such procedures are covered by insurance, under the conditions summarised in Section 4.2.3. "Insurance." These risks are also monitored and analysed by the group's legal department and advisers, and are systematically reassessed in line with any changes to procedures and the group's past experience.

Where applicable, these risks may also be partially or fully provisioned for accounting purposes.

4.2.2.5.4. Risk management related to off-balance sheet commitments

The internal control procedures implemented to identify and control these off-balance sheet commitments are detailed in Section 4.2.1.5.3. "Procedures for monitoring off-balance sheet commitments."

4.2.2.5.5. Management of risks related to the protection of personal data

For the purposes of its business, the group collects and uses data provided by its customers, prospective customers, candidates and contractual partners.

In order to ensure the protection of this data, the group has implemented a prohibition on the external disclosure of any of its applications deemed to be confidential and/or sensitive in nature.The group's information system is secured by access restrictions, protection rules, advanced firewall systems and security systems, which are regularly tested and reinforced.

In accordance with European Regulation 2016/679 on the protection of personal data (GDPR), the group has established a register of the various data processing activities that it carries out.Specific processes corresponding to personal data also allow customers, prospective customers and candidates to exercise their rights of access, rectification, limitation, portability, deletion and opposition.

A Steering Committee monitors issues related to personal data and the procedures in place.

Regular communication information and awareness campaigns are also implemented to keep employees informed on matters of IT security.

4.2.3. Insurance

4.2.3.1. Legally required insurance

As part of the regulations related to their business as developer-builders, as described in section 4.1.5.1 «Risks relating to regulations directly applicable to the group», The group companies take out the compulsory insurance policies introduced by Law no. 78-12 of 4 January 1978, covering the work carried out (Damage to building, known as "*Dommages-Ouvrage*" insurance), the ten-year liability of the project owner (Builder Non-producer, known as "*Constructeur Non Réalisateur*" insurance) and the ten-year liability of the project manager when this is carried out by group companies.

Damage to building insurance is taken out at the start of the project and is intended to pre finance the repair of problems that have arisen within ten years of receiving the work. The benefit of this coverage is transferred to customers upon delivery of their homes, and is passed on to their successors in the event of the resale of their homes.

This insurance covers, apart from any liability seeking, the costs of repairing damages, even as a result of ground defects, that compromise the soundness of the structures built or make them unfit for their intended use. Repair includes demolition, removal, removal or dismantling work that may be necessary, once an amicable appraisal has been carried out within certain pre established legal deadlines. Subsequent to this compensation, the insurers turn to the responsible manufacturers and their insurers, in order to recover a large part of the sums advanced. The cap of the guarantee is the amount of the total cost of construction, including fees, for non-residential structures, and the cost of repair for housing structures.The group's companies are covered by a ten-year liability insurance policy for developer-non builders, known in France as "*CNR*" insurance.

These insurance policies cover the payment of construction repair work to which the group has contributed within its capacity as a builder, when its liability is incurred on the basis of the presumption established by Articles 1792 et seq. of the French Civil Code, with respect to construction work and within the limit of this liability.

The cap of the guarantee is the amount of the total cost of construction, including fees, for non-residential structures, and the cost of repair for housing structures.

When the total cost of the transaction exceeds 15 million euros excl. VAT, a *CCRD* (ten year collective liability policy) guarantee is also subscribed.

This is a second ten year "*RC*" guarantee for project owners.

Since the 1st January 2020, Axa France IARD, SMA and, more recently, ZURICH (3 master agreements in progress) have taken out a number of business property and casualty insurance policies.

They represented a cost of € 9.64 million (0.68% of consolidated revenue) for the year ended 2023, November 30 .

Finally, Group companies carrying out works management and similar tasks are covered by a specific insurance policy–covering their ten year liability and damage in the course of work.

Since the 1st January 2020, the agreement has been signed with QBE.

The amount of premiums paid under this contract during the year ended 2023, November 30 represented a cost of 0.442 million euros (0.03% of consolidated revenue).

4.2.3.2. Other insurance related to the group's business

The group's business is also covered by optional «Developper Civil Liability» (*Responsabilité Civile Promoteur*) and «All Building Risks» (*Tous Risques chantiers*) insurance policies.

4.2.3.2.1. Developer's Civil Liability

The purpose of the «Developper Civil Liability» contract is to guarantee Kaufman & Broad against the financial consequences of the civil liability that may be incumbent upon it as a result of any bodily injury, material and/or immaterial damage caused to third parties (including customers) as a result of its guaranteed activities.

This contract guarantees the main real estate development activity, but also ancillary or ancillary activities, such as real estate management (including the "*Hoguet*" Law), the Project Manager, delegated project management.

It represented a cost of 1.131 million euros in 2023 (0.080% of consolidated revenue).

4.2.3.2.2. All Risks Construction

The "All Risks Construction" insurance policy, taken out for each operation, guarantees the Project Manager and all participants in the operation against any accidental loss or damage to the structures during the construction period.

The guarantee is granted for up to the total amount of work carried out on the site, including project management and technical control fees.

The "*TRC*" guarantees are taken out in an inseparable manner with the DO/CNR guarantees (same insurer).

They represented a cost of 1.812 million euros (0.13% of consolidated revenue) for the year ended 2023, November 30.

4.2.3.2.3. Civil liability for environmental damage

The agreement, taken out with AXA XI, covers Kaufman & Broad, in particular for operations requiring decontamination and/or asbestos removal, and for the holding or operation of ICPE facilities.

4.2.3.2.4. Director's and Corporate Officers Civil Liability

The group hedges its Director's and Corporate Officers' liability through three insurance policies, each with a guarantee (1st line taken out with AIG, 2sd line taken out with Chubb, 3rd line taken out with Zurich/QBE and Beazley).

These contracts guarantee the civil liability that executives (de jure or de facto) could incur in the event of professional misconduct committed in the performance of their mandate, as well as the assumption of their defense costs, damage to reputation, psychological support,....etc.

4.2.3.2.5. Fraud and cyber risk insurance

The group is insured with CHUBB, in the event of losses resulting from fraud, committed by a staff member or by a third party (theft, forgery and use of forgery, fraud, breach of trust, etc.).

It is also insured for Cyber risk with the SMA: Guarantee of non material damage and damage caused to third parties in the event of malicious damage or accidental event impacting the computer system. The contract also includes emergency assistance to a specialised service provider.

4.2.3.2.6. Damage insurance

To cover damage risks to its property portfolio, the group has taken out two (inseparable) insurance policies with AXA.

One is related to its construction activity (land, building dedicated to demolition, rehabilitation or preservation, sales bubble, sales office, apartment or show homes) and the other to its operating premises (offices, show room, RIE, parking).

It equipment is covered by a All It Risks policy taken out with AXA.

The art and collection objects held by the group are insured with Hiscox, particularly in the event of breakage or theft

4.3. Current litigation proceedings

Due to the nature of its day-to-day business, the company may be subject to legal proceedings (civil, administrative, etc.) filed against it, resulting namely from structural defects, disorders affecting its achievements or non-compliance with certain legal or regulatory obligations, or appeals against building permits obtained, or of any other nature (administrative authorisation, etc.). Provisions are set aside for litigation based on the assessment of the risk carried out by the group's legal department and by its Executive Management, in collaboration with lawyers specialising in the cases at hand. The most significant ongoing legal proceedings are described in section 6.1.5. «Notes to the financial statements,» note 8 «Provisions for risks and charges - Contingent liabilities - Guarantees» and following. The details of all disputes, both those that are provisioned and those that are not, are communicated only to a limited extent, as such information would likely have an adverse impact on the outcome of the ongoing disputes. There are no other governmental, legal or arbitration proceedings, including any proceedings of which the company is aware, which are pending or threatened, likely to have or have had over the last 12 months significant effects on the financial position or profitability of the company and/or the group.

05

Corporate Social Responsibility CSR

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5.1. Non-financial performance statement: Kaufman & Broad's corporate social responsibility

Kaufman & Broad is aware that the property development business entails significant social, societal and environmental impacts, and it thus publishes information on the way its business impacts are taken into account, and on its societal commitments.

Building production or transformation is at the heart of the response to societal, demographic and environmental changes in our companies. It contributes to the transition to low carbon real estate, which is highly efficient in terms of energy consumption, resilient to climate change and adapted to changing lifestyles. At a time when French citizens spend, on average, more than 80% of their time inside buildings, the design of housing and offices determines the setting and quality-of-life of users. The comfort of use and the well being of occupants in the short, medium and long term are therefore at the heart of the group's concerns and are a source of innovation and quality research. Therefore, a group like Kaufman & Broad player in the city's factory is set to meet the demand of territories and citizens by building an inclusive city and efficient and efficient buildings.

The group conducts its activities by integrating the challenges of reducing greenhouse gas emissions, reducing soil artificialisation, preserving pollution, water resources and integrating the circular economy with its value chain and employees.

Kaufman & Broad supports the UN principles of Human Rights, Labour Standards, Environment and Anti Corruption. In 2023, the group signed the Un Global Compact initiative. The Group is stepping up its commitment to integrate the Sustainable Development Goals defined by the United Nations into its strategy and more specifically the following Sustainable Development Goals :

"Make cities and human settlements inclusive, safe, resilient and sustainable."

"Ensure sustainable consumption and production schedules."

"Ensuring access for all to reliable, sustainable and modern energy services at affordable cost."

"Take urgent action to limit climate change and its impacts."

"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."

In accordance with Article L. 225-102-1 of the French Commercial Code, reviewed following the transposition of Directive 2014/95/EU on the Non-Financial Performance Statement, and specified by Decree No. 2017-1265 on the publication of non-financial information, the group has published this information for its 2023 financial year. In accordance with Decree No. 2017-1265, Kaufman & Broad has also verified this information, in accordance with the procedures set out in the Act of the 14 September 2018. The information published in regard to CSR thus presents a description of the group's business model, the main risks related to its business, and the policies put in place to reduce and manage these risks, as well as their results.

The "Sustainable Development" section is organised in such a way so as to reflect the issues and risks identified, and to explain their inclusion in the group's strategy. The group as anticipated the CSRD regulation and has therefore classified these issues across the three recommended themes: Environmental, social, and governance.

Kaufman & Broad has been active in France for more than 50 years as a developer and builder of new homes, namely Single-family homes in communities (grouped Single-family homes in communities), apartments, social housing and serviced residences (students, non-medicalised seniors, business or tourism), hotels, and commercial property (offices, shops and logistics warehouses).

As a developer, Kaufman & Broad is present throughout the property chain, managing the operation from the design phase to the marketing process:

- Land research and development;
- Building design;
- Monitoring of construction/development;
- Delivery and customer services.

The developer, responsible for coordinating all those involved in the operation, thus has a complete vision of the program. This position gives it the role of referee between various interests, and also confers a responsibility to contribute, with its realisation, to the city's policy and the fight against climate change.

For Kaufman & Broad, CSR (Corporate Social Responsibility) refers to adopting a responsible attitude towards our customers and all stakeholders in regard to social, societal and environmental issues. Their initial expectation is to be able to trust our group and our brand.

- **With regard to our customers, through the quality and sustainability of the property they will get from us, as they make a significant investment with their savings.**
- **With regard to elected officials and local government representatives, with regard to our brand and its ability to integrate into the vision of their regions.**
- **With regard to our employees, thanks to the career path and the working environment that we can offer them.**

- **With regard to our subcontractors and suppliers, through the conditions under which we work together.**
- **Visiting the group's shareholders through good governance practices.**

In addition, the group is committed to limiting the impact of property projects whilst creating confidence in how we manage or supervise our operations.

For our group, the best way to provide confidence for our stakeholders is through fundamental principles that must constantly and consistently guide our actions: Accountability and transparency. These principles must be expressed in all aspects of our business and at every stage of our processes.

We implement our CSR ambition around five key axes, illustrating our vision of responsibility:

- **Creating pleasant living spaces for all, now and in the future, through the quality of the design and control of our developments**
- **Being a player in the ecological transition for property and regions, through innovation, the preservation of resources and participation in the fight against climate change**
- **Being considered and recognised to be a responsible partner for regions, particularly in terms of employment and regional identity**
- **Acting transparently and responsibly, particularly with regard to our customers, local government officials, residents local to our worksites, and our subcontractors.**
- **Working to develop the potential of our employees and to collaborate with them to build a strong group culture together.**

As a responsible player, our CSR commitments are the levers of a sincere approach, integrated into our corporate project, positioning our group and its brand for the years to come.

Kaufman & Broad is therefore developing its strategy through responsible land development incorporating biodiversity preservation issues, building typologies that meet local expectations, products whose materials and energy efficiency ensure low energy consumption and a healthy habitat for occupants and a limited carbon footprint throughout the building's life cycle, as well as ongoing dialogue with these different stakeholders to best meet their expectations.

The specific characteristics of the developer activity lie in the fact that the group has a strong direct influence on certain issues: Choice of land or building design criteria and certification targeted - except in the case of co promotions - as well as indirect influence on other issues with its value chain: Practices of service providers and construction companies on worksites (influenced by the criteria initially included in the specifications when awarding works contracts), or behavior of building occupants (made aware of virtuous uses and sustainable lifestyles at the time of order and/or delivery of keys).

The group's business model presented below has been defined taking into account the recommendations published by the European Commission in the Guidelines on Non-Financial Information (methodology for the communication of non-financial information, 2017/C 215/01) and by the International Integrated Reporting Council (IIRC) in its 2013 International Reference Framework for Integrated Reporting. Although not necessarily exhaustive, this formalisation of the group's business model is intended to represent its business cycle, its products and the business environment in which it operates, so as to provide a better understanding of the challenges, risks and opportunities detailed in this Section. Section 1.1. Of this Universal Registration Document further develops the essential characteristics of the group's business and operation and section 2.1. Details certain key indicators of its activity.

Pure Player from property development

As a real estate developer active in the French market, Kaufman & Broad intervenes at all stages of designing and carrying out a real estate transaction and coordinates all the players involved in the transaction, from the purchase of the land to delivery.

Our strengths

HumanResources and Knowledge

- **701** employees
- **94%** of staff trained
- **12.1 %** of capital held by employee shareholders
- Certified Great Place to Work, Happy Trainees and Best Managed Companies

Financial Resources

- Equity **€234.5M**
- Financial capacity **€600M**
- Gross margin rate : **18.3%**
- Dividend of **€2.4** per share in 2023

Proximity to regions

- **21** locations in France, as close as possible to stakeholders: Customers, local authorities, companies and material suppliers.

Climate and EnvironmentalStrategy

- Evaluated by CDP : **A-, Leadership on Climate Strategy**
- Commitment to **reduce CO ² eq emissions, validated by the SBTi**

Business strength

- Over **6 years** of operations on the real estate housing portfolio.
- Currently under consideration or on the market :**92,000 sq.m** projects office and **228,800 sq.m** logistics platforms.
- Housing take-up rate of **4.8** month ,
- Global Backlog of **€2,676M excl. VAT**
- Housing land portfolio **34,069** units.
- Ability to control costs and control capital expenditure and working capital.

Orders

€1079.4M including VAT in residential properties,

€33.7M including VAT in commercial services.

Construction in progress :

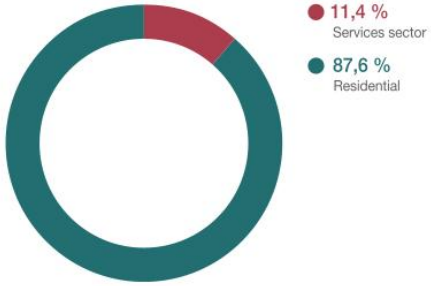
Residential units : 14,317

Offices: 119,500 sq.m

The Group's added value

Performance of results

- Revenue: €1409.1M



Commercial

Commercial property, retail areas, Hotels, Logistics Platforms.

Each office building aims to achieve at least a dual environmental certification.

Housing

Multi-ocupancies housing, single family homes in coummunities, managed residences.

All housing projects incorporate quality and environmental certification

- Result:

Contribution to the national economy

- Salaries and payroll taxes: **€76,839,000**
- Purchases and external expenses: **€3,300,000**

Contribution to youth employment and integration

- **39** work study trainees and **32** interns recruited in 2023
- **318** hours of training by Kaufman & Broad interns and work study trainees in 2023

Contributing to ecological and societal transitions

- Contributing to the adaptation of the housing stock through the conversion of old real estate and the production of housing units better adapted to climate change
- Project design aligned with European Taxonomy
- Green worksite charter and low pollution, promoting the circular economy, applied to **100 %** of worksites
- Consideration of non financial aspects in the selectionof construction companies and suppliers: Supplier Ethics Charter; use of components with environmental and health data.
- Housing creation affordable through sales to first time buyers and block sales (figures): **41 %** of the group's housing orders arelots subject to resource terms with a social target in 2023.

Inputs

Land (buildings or bare), buildings (to be deconstructed or rehabilitated)

Energy

Building materials (minerals, metal, organic, etc.).

Dialogue with stakeholders

Territories and Communities

Listening to regions, communities, local decision makers and taking into account national and regional societal and demographic dynamics to build sustainable living spaces:

- Ddemographic ynamics (increase in study time, decrease in household size, increase in lifespan, etc.),
- Reduction of artificialisation and urban intensification,
- Metropolisation of territories,
- New ways of working,
- Affordable housing

Technical and environmental experts

Conjugate our know how with external expertise (architects, landscape professionals, technical and environmental consultants, ecologists, institutes, etc.) to design the project that is best suited to its context and challenges (in particular mitigation and adaptation to climate change).

Cities and local residents

Develop integrated projects in their ecosystem. The partnership with the Empreinte Citoyennes association, for example, participates in the organisation of dialogue with these stakeholders.

Institutional and retail customers

An integrated sales and marketing service that specialises in the marketing and satisfaction of individual customers as well as professionals and institutional customers.

Land owners

A reliable and transparent relationship with landowners, individuals, professionals and institutions.

Materials suppliers

Supplier knowledge for the prescription of technically, environmentally and economically efficient components.

Construction companies

Strong internal technical culture for monitoring own projects entrusted to construction companies.

Our customers

After-sales service, owner's guide and green initiatives booklet delivered with the homes to help you find out everything you need to know about your purchase. Systematic customer satisfaction surveys.

Inclusion of use carbon emissions from buildings in the carbon balance (Life Cycle Analysis).

Value Creation Process

- Property Investment Research
- Project design
- Filing of building permit
- Marketing
- Purchase of land
- Site delegated to construction companies
- Deliveries & Guarantees

Building is acting

The multi product approach and diversification opportunities on CSR activities...

NEORESID – UNE MARQUE DU GROUPE KAUFMAN & BROAD

Responding to societal changes through the **acquisition of a majority stake in a student residences management company in 2021.**

CONCERTO – KAUFMAN & BROAD

Acquisition in 2014 of Concerto, a subsidiary dedicated to logistics real estate, particularly in urban areas.

AMÉNAGEMENT ET TERRITOIRES

Creation of a subsidiary dedicated to development operations, particularly on urban wasteland.

PortCurrent waste: 700,000 sq.m or 10,000 units.

KALILOG – Une marque du groupe KAUFMAN & BROAD

Creation of a subsidiary dedicated to the construction of social housing. Its goal is to build **1,500 affordable housing units delivered by 2026 .**

5.1.1. Evaluation of CSR challenges, risks and opportunities

5.1.1.1. Dialogue with our stakeholders

Kaufman & Broad intervenes at all stages of the design and execution of a property transaction, with multiple contact points. The group has defined the various issues and responsibilities that exist within its relations with its stakeholders.

Mapping of the group's stakeholders

The Company has mapped the various players based on a sector analysis, interviews with group managers and senior executives, and document analyses, which enabled the identification and classification of internal and external stakeholders according to their degree of influence on the group and their impact on the business.

- The first table represents the stakeholders directly necessary for the operation of the company and the sustainability of its offer. These are stakeholders with which the group proactively engages and collaborates.

Stakeholder	Mode of dialogue
Individual customers	• Website and app • Media and social networks • Client Relations and Client Account Department • revenues network • Owner's guide & green gestures booklet • Client satisfaction surveys
Employees and employee shareholders	• Employee representative bodies and trade unions • General Meeting and governance body for employee shareholders • HR reviews & annual interviews • Internal barometer • Internal communication & intranet • Great Place To Work (GPTW) and HappyTrainees satisfaction surveys • Whistleblowing System anonymous ethics
Local authorities and local residents	• FPI (*Federation of French real estate Developers*) representative bodies • Professional associations • Responses to public invitations to tender • Meetings with the City Hall • Preventive summary procedures • Partnership with the "Empreintes Citoyennes" association
Partner companies and suppliers	• Negotiations • Contractual relations • Assessment of financial viability/solvency • CSR and Ethics Policy survey
Shareholders and Investors	• Website • Universal Reference Document • Shareholder's Meeting • Due Diligences • Dedicated meeting
R&D, experts and innovations	• innovation booster network • Incubators • Contractual partnerships • Working groups • Association or sector organization (ObserVAToire de l'Immobilier Durable, Institut Français pour la Performance Energétique des Bâtiments, Fondation Palladio, BBCA)
Institutional and corporate customers	• KB Patrimoine website (dedicated to recommendations for wealth management advisers) • Intermediated sales network (independent wealth management advisers) • Signature of national conventions

- The second table corresponds to the identified stakeholders that operate in the same ecosystem as Kaufman & Broad and that may have an influence on the business, and with whom the group must therefore maintain an open dialogue.

Networks and professional associations	Certifying bodies and labels
Banks, insurance companies and lenders	Financial and non-financial rating agencies
Start-ups and technical partners	Journalists, media and influencers
Trade unions and employee representatives	End users
Regulatory, supervisory and regulatory authorities	Candidates
Associations and NGOs	Government (State and institutions)
Competitors and peers	Universities and schools

The stakeholder mapping was completed by a specialised firm in 2018. It was updated in 2020 on the basis of a benchmark and a reassessment of the levels of influence but also the dependence of the various categories of stakeholders on the group's activities.

5.1.1.2. Materiality analysis and non-financial risks

In 2023, the group updated the analysis of its non financial risks. The materiality analysis takes into account external stakeholders and an analysis of the extra financial risks applicable to Kaufman & Broad's activities.

This exercise was carried out in parallel with the analysis of the group's major risks (see chapter 4 of this document) in order to improve the consistency between these two exercises as well as the proper consideration of CSR issues within the group's challenges.

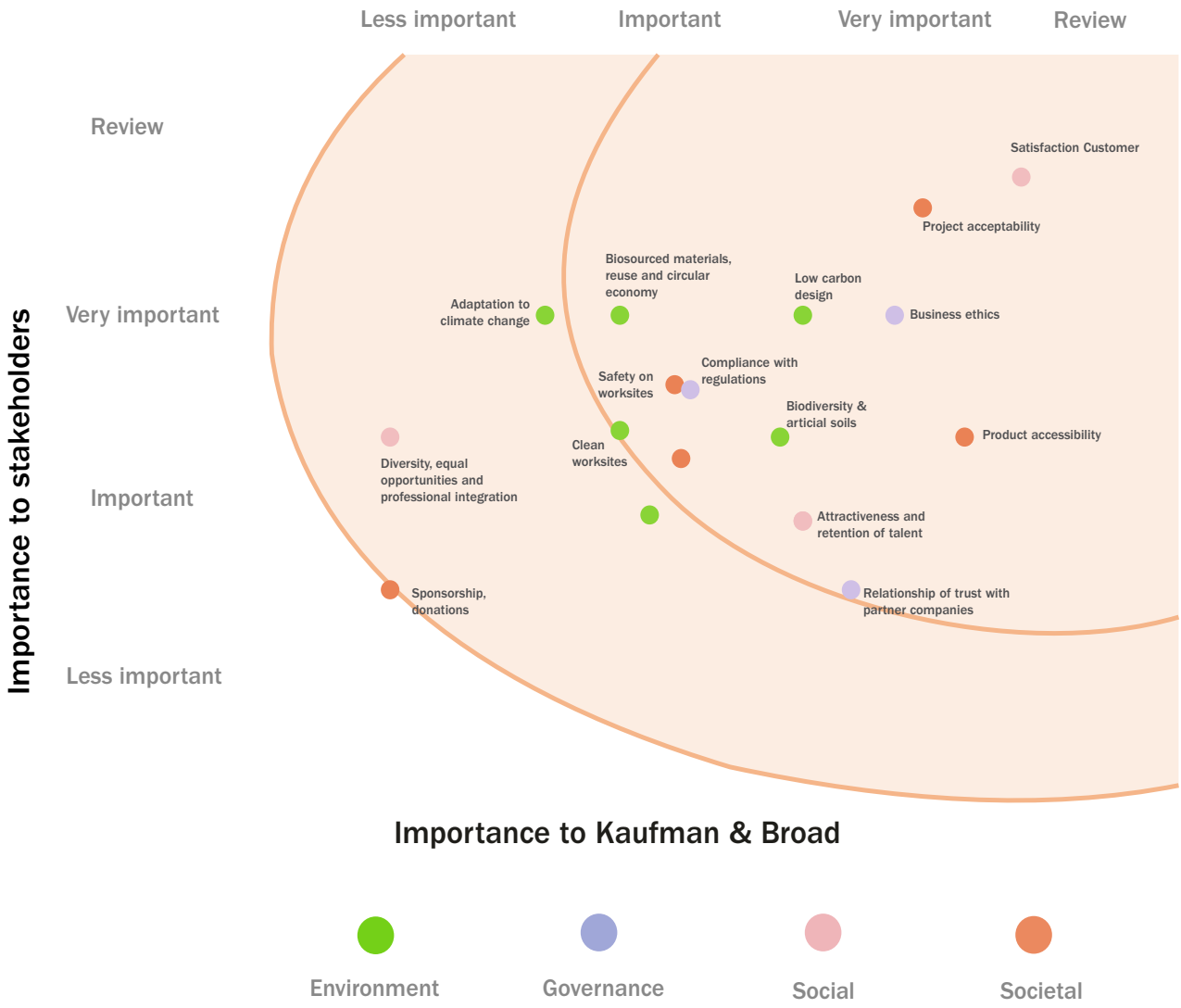
Non-financial risks may therefore relate to certain risks included in the mapping of the group's major risks. These links are indicated throughout the Non-Financial Performance Statement, and are detailed in the references in the table below (referring to Sections 4.1. "Risk factors" and 4.2.1.3 "Company risk management systems"). It should be noted that the subjects of the fight against corruption and influence peddling are mapped as well as a dedicated management process.

The materiality analysis and CSR risk mapping were carried out with the support of an external consulting firm in 2022. The definitions of the issues, risks and responses on the 2021 criteria grid were reviewed during individual interviews by managers and senior executives. In 2023, the risk assessment following initial interviews and questionnaires was reviewed and validated by the CSR Executive Committee.

The issues and risks identified by the group are assessed based on criteria taking into account the impact and probability of occurrence for each risk, in order to establish a rating of the gross risks. The efficacy of the control system is then assessed in order to determine the group's actual exposure (net risks) by the group's managers and senior executives surveyed.

The CSR risk map is updated every 3 years and is updated and validated each year by the CSR Executive Committee.

Materiality Matrix



The group details its policy to address the related challenges and risks throughout this chapter.

The challenges identified as major within this dedicated mapping concern client satisfaction, the acceptability of projects to external stakeholders (municipality and local residents), the low-carbon design of programs, ethics and the anti-corruption measures, the accessibility of housing for all, the attraction and retention of talent, program compliance, the consideration of biodiversity and soil preservation, safety on worksites for our employees and stakeholders, as well as the ability to anticipate and innovate in the products and services offered. The group has anticipated the CSRD regulation and has therefore classified these issues across three recommended themes: Environmental, social, and governance.

The group also details the major non-financial risk identified and associated for each theme: Environmental, social and corporate governance issues.

Major environmental challenges

Issue (Thematic)	Definition
Selection of efficient and high-performance low-carbon design **(Climate Change)**	The production and use of buildings contribute to almost 25% of national greenhouse gas emissions, the design, construction and use of new and existing buildings are significant leverage points for achieving and respecting national climate commitments and the group's carbon-reduction objectives. For the group, these are: • Anticipating environmental transition regulations (thermal regulations, publications, etc.) and rising energy costs, as well as the price per tonne of carbon. • Take into account the expectations of stakeholders (investors, customers, employees, local authorities, etc.) in terms of environmental performance. • Raising awareness and training employees
Adaptation of projects to climate change **(Climate Change)**	Anticipate regulations, generalize climate risk studies and integrate physical elements that contribute to the resilience of operations to climate change; take into account the expectations of investors (e.g. publications) and the impact of climate change on the business (extreme natural events impacting the completion of projects).
Soil pollution and consideration of biodiversity **(Biodiversity and Ecosystems)**	In order to reduce the impact of construction on the region and biodiversity, and to make housing more pleasant and in order to achieve the objectives of the Paris Agreement and the Green Pact for Europe, and the Climate and Resilience Act of 2021, August 21, the group integrates the following into its strategy of design and then into the implementation of programs: • Responsible land use and building optimisation • Reducing soil sealing • The principle of designing with nature • The principle of preserving and improving existing biodiversity.
Circular economy **(Circular economy)**	According to the *ADEME* and the Centre for Circular Economic Resources and Waste *OPTIGEDE*, the construction industry produces 42 million tonnes of waste and debris from demolition or decommissioning every year, exceeding household waste three times over. It is within this context that the group, as a property developer, contributes to the integration of the circular economy principle in order to: • Integrate the reuse of materials into the design and production of new buildings • Develop the collection and reuse of construction waste as property developer
preservation of Water Resources **(Water)**	The group seeks to apply the best standards in terms of preserving water resources, in particular: • Within buildings, by generalising water saving equipment; • When designing the outdoor spaces of buildings, giving priority to species adapted to the climate, sober in terms of irrigation and resilient; even by using rainwater collection to participate in the maintenance of outdoor spaces; • When carrying out the work, to avoid any risk of pollution to the natural environment.
Clean construction worksite and reducing pollution **(Pollution)**	The group seeks to apply best practises in conducting transactions with its value chain, in particular through: • Specifications prohibiting polluting components and promoting indoor air quality and safety for its users, in particular through the application of the *K & B Green Building* and Low Nuisance Charter (for example, with the use of products with low emissions of Volatile Organic Compounds indoors, the exclusion of hazardous components, the reduction of noise and dust in the construction phase, etc.) and the management of polluted sites.

The environmental risk identified as major:

Risk	Implication for the group	Reference
Risk of not taking environmental issues into account at all stages of the product life cycle (design, construction, operating and renovation)	Anticipate environmental transition regulations (thermal regulations, publications, etc.) and rising energy costs, as well as the price per tonne of carbon. Take into account the expectations of stakeholders (investors, customers, employees, local authorities, etc.) in terms of environmental performance and product safety. Reduce the group's direct impact and integrate environmental impact into the company's culture and employees' daily lives	5.1.3.2. Mitigating climate change Reducing the group's impact: The group's water and energy consumption and the occupants of our projects. Reducing the group's carbon footprint: Eco-designing buildings and using low-carbon materials

Major social challenges

Challenge	Definition
Customer satisfaction (consumer and end user)	The group has always cultivated a sense of quality and the sustainability of its achievements. Employees remain the guarantors for this quality-focused culture, which is expressed through construction and also through client satisfaction and support.
Project acceptability to local authorities and local residents (affected communities)	The location of operations is chosen according to qualitative criteria such as the quality of the land, accessibility, and the presence of public facilities, shops and services. The programs are designed in close consultation with municipalities in order to contribute to city policy. The group is attentive to the market and stakeholders' expectations in order to adapt and develop its products.
Appropriate and Accessible pricing Policy (Consumers and End Users)	The group is attentive to the market and has an internal organization that allows it to adapt and develop its products accordingly. From 2008 onwards, within a context of housing and economic crises, Kaufman & Broad saw its customer base evolve and therefore adapted its offer accordingly, in order to offer accessible housing of equivalent quality. In 2009, the group reorganised its housing offer to first time home buyers and investors by offering more compact and functional products whilst preserving usable space.
Recruitment and retaining talent within Kaufman & Broad teams (Human Resources)	Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offer motivating career paths, encourage and recognise the performance and commitment of our employees, while supporting the development of business lines and jobs. The challenge of attracting and retaining the talent needed to conduct the group's business is therefore paramount. The group is convinced that everyone's talent makes a difference and that training and development play a central role throughout the career of employees within our group.
Safety conditions on construction sites entrusted to construction companies (Value chain)	As a property owner, the group oversees the safety of construction sites entrusted to construction companies. The safety conditions apply to Kaufman & Broad employees but also to the various participants on the worksites and third parties outside the worksite (bystanders, local residents).

Major identified social risks

Risk	Implication for the group	Reference
Employee loyalty and talent retaining (Human Resources)	Attracting and retaining the talent needed to develop the business and conquer market segments.Anticipation of the replacement process for key people.Taking into account regulatory changes and the impact on team sizes. This risk includes the development and maintenance of employees' skills with: • A training policy adapted to the group's needs. • Accounting for regulatory changes through training. • Pooling resources and know how. • This risk also incorporates the health and well-being of employees, including: • Compliance with legal obligations relating to health and safety in the workplace. Taking measures to ensure the health of employees, including during a pandemic. • Recognition and enhancement of employee satisfaction in order to avoid a deterioration in client relations due to higher rates of absenteeism.	4.1.3.1. Risks related to dependence on executives 4.1.3.2. Risks related to Human Resources 4.2.2.3.1. Management of risks related to Human Resources and dependence on executives 5.1.4.1. Building with employees: group Human Resources Policy Talent management Equal opportunities and treatment Skills development Quality-of-life at work and social relations
Quality of contracts and/or supplier relationships (Value loss)	Finding suppliers that are available, qualified and capable of satisfying specifications on time. Avoiding a deterioration in the work quality, resulting in client dissatisfaction.	5.1.4.8. With respect to the value chain (partners and suppliers) 4.1.2.3. Risks related to supplier relations 4.1.2.5. Risks related to program management
Project acceptability to local authorities and residents (affected communities)	Develop relationships with elected officials and local authorities in order to avoid deferrals or cancellations of authorisations by local elected officials. Anticipate and take into account the impact of national or local elections on applicable rules and standards (legislative, tax and urban developing provisions). Developing the skills of employees to master a non-financial approach to projects.	5.1.4.2. With regard to local authorities

Major governance issues (Business Conduct)

Challenge	Definition
Ethics and anti-corruption measures	Adopting responsible behaviour towards all its stakeholders is one of the pillars of the Kaufman & Broad group's CSR strategy. The group prohibits any form of corruption, be it active or passive, in the conduct of its business. The group and its employees undertake to strictly comply with the law and to prevent and combat corruption.
Anticipating new regulations which impact project development	The group anticipates new regulations, particularly those related to the French Urban Planning Code or environmental law.
Innovating to anticipate changes in markets and business lines, including environmental aspects, with the aim of integrating them into programs.	For many years now, innovation has posed a major challenge in terms of differentiation and competitiveness in property development. Indeed, the objectives of ecological transition, metropolisation of regions, changes in lifestyles and the world of work, changes in relationships to property, time and space, disintermediation, the "all-connected" era and the emergence of Housing as a Service… are all underlying trends that are restructuring demand and creating new expectations and needs, both in residential and commercial contexts. These changes in user behaviour and stakeholder expectations show that the real challenge faced in future will primarily be to offer new services to occupants and residents, to enrich the user experience whilst preserving natural resources and assuming an active role in ecological transition (the innovation Strategy and the CSR Strategy are designed to be coherent with one another, being combined in the innovation and CSR Department). Here at Kaufman and Broad, our mission is to anticipate sustainable lifestyles by offering more than just housing, work spaces or square meters.

Major risk related to governance

Risk	Implication for the group	Reference
Lack of anticipation and innovation in the products and services offered	Offering products and/or services adapted to the new expectations and requirements of stakeholders (type of housing, uses, accessibility, environmental performance, services, quality, etc.). Monitoring innovations and further integrating innovative players. Sharing innovation knowledge with teams.	5.1.2.2. innovation within the CSR and innovation Department

5.1.1.3. Opportunities in activities related to ecological transition and social challenges in the region. (Green Business Opportunities)

The identification of risks and the integration of climate, environmental and societal issues into our business lines, processes and company culture have lead the company to enrich its business model with activities aligned with the ecological transition, thus developing into "green" activities. For example, Kaufman & Broad has:

Challenge	group action - opportunity	Reference
Environmental - preserving biodiversity and combating soil pollution by restoring old wasteland	In 2020, Kaufman & Broad created the company *Aménagement & Territoires*, dedicated to the conduct of urban development projects, particularly on industrial wasteland and already artificial sites. In 2020, Kaufman & Broad created the company *Aménagement & Territoires*, it aligns more than 50 years of property expertise with the desire to intervene upstream in large-scale development projects and to provide local authorities with sound and extensive property expertise: Residential, student or senior housing, offices, retail ,areas, hotels, public facilities, etc. The creation of this subsidiary demonstrates the group's desire to respond to the double-edged challenge presented by cities: "Combating climate change and strengthening social ties." The mission of A&T is to support the Cities in their evolution and to make profound changes at the level of a neighbourhood - two aims that Kaufman & Broad is fully committed to as its responsibility as developer. The challenge is to create low-carbon, resilient neighbourhoods and ecological urban landscapes that thrive, meet everyone's expectations, make sense, and bring people together. Kaufman & Broad has initiated major industrial wasteland renovation projects, such as the General Stores project in Reims (development permit in Q2 2023 for approximately 75,000 sq.m. SDP). These projects create value for stakeholders (wasteland reduction, provision of services, nature in the city, architectural quality) and the company. These projects also address environmental issues and alleviate pressure on urban sprawl. **Example** : A & T is currently studying the development of nearly 700,000 sq.m., and over half of the projects are developing on land that was already built.	5.1.3.6. Preserving biodiversity and ecosystems
Environmental - Mitigating climate change: **Supporting companies in the "green" evolution of their buildings.**	Commercial property is one of Kaufman & Broad's strategic businesses aimed at supporting our user partners in their ecological transition. For all companies, the location and environmental performance of their office buildings are now part of a significant portion of Scopes 1 and 2, and even 3 of their carbon emissions. This is particularly the case for service companies, for which property represents a high proportion of their environmental impact. According to a JLL study, 79% of companies focus on assets that will help them to reduce their carbon footprint. The commercial property teams have integrated their prospects' CSR issues into their technical and commercial strategy.They offer their prospective customers - often property departments within large companies - offers to renoVATe and to implement their property master plans in order to achieve their climate-related objectives, as well as offering programs that actively contribute to the well-being and comfort of users and new ways of working. For each commercial property building, the group aims for double or triple certification. These various certifications and labels provide a quality guarantee for our stakeholders.	5.1.3.2. Mitigating climate change Reducing the group's carbon footprint: Eco-designing buildings and using low-carbon materials Reducing the group's impact: The group's water and energy consumption and that of the occupants of our projects 5.1.4.5. With regard to our customers

Challenge	group action - opportunity	Reference
Environmental - Mitigating climate change: **Develop wood construction.**	In 2023, the group created the Wood Construction Technical Department. This department brings its expertise to Kaufman & Broad project teams for the use of structures in Ossature Bois, which make it possible to carry out collective building operations with a significant time saving on the site, but also a control of nuisances and with an efficient carbon balance during the construction phase. **Example :**In 2023, Kaufman & Broad marketed and started work on a project for 51 wooden multi family housing units in Mayenne (53) and a project for 47 housing units in Bressuire (79). **Objective** : The Group targets 10 timber structure projects (permits obtained) in 2024.	5.1.3.2. Mitigating climate change Reducing the group's carbon footprint: Eco-designing buildings and using low-carbon materials
Environmental - preservation of resources: **Carrying out heavy renovation projects for existing buildings**	Integrating the carbon logic and the Life Cycle Assessment (LCA) principle into our operational conduct culture, leading us to identify opportunities for major renovation projects.These operations are designed to preserve the structure of the existing building, hence optimising the carbon footprint of the operation, the economic performance of the project, and its acceptability for stakeholders. **Examples :** • Example: Operation Highlight (24,000 sq.m - FA - *Floor surface area*) involves the heavy renovation and extension of a former office building. Emblematic of a new business with economic, environmental and societal added value, the group decided to make this project its future headquarters, with a move taking place at the end of 2022. The structure of the 14-storey building was retained. With the addition of a new extension, Kaufman & Broad has renovated 17,600 Sq. m of collaborative workspace. • The operation to create a social hotel residence in Lille, with 182 rooms and 5,645 sq.m. FA, illustrates the potential for transforming obsolete offices into accommodation and hotel destinations. The structure of the existing building is kept at 70% and potential for reuse of materials has been identified.	5.1.3.6. Preserving biodiversity and ecosystems
Societal - housing **Creating affordable housing for all with the quality requirements of property acquisition**	To respond to the need for affordable housing for all, in 2021, Kaufman & Broad created the subsidiary Kalilog. The company specialises in the construction of social housing, using the same process and quality standards as home ownership projects. It operates throughout the country, including in areas where Kaufman & Broad does not operate (outside major cities, i.e., in social zones 2 and 3, Pinel B2 and C). Kalilog develops "custom" 100% social off-plan projects for local authorities, adapted to each region, within an optimised timeframe. This offer is a new response aiming to enable local authorities to reach the 25% quota for social housing required by the SRU Act i.e. *French Solidarity and Urban Renewal Act*. It also offers the opportunity to keep young people, families and seniors in their preferred regions, whilst enjoying of the security offered by a group like Kaufman & Broad and the expertise of a team dedicated to this activity. Kaufman & Broad works closely with social housing landlords to help build social housing for low-income households. **Target** : Kalilog aims to deliver 1,500 affordable housing units by 2026. In 2023, for example, the company signed the sale of a project to rehabilitate a former barracks in *Brive la Gaillarde*, which will see the construction of 28 social rental homes. The operation also includes 95 accommodation in autonomous residence with the associated services, 900 sq.m of service spaces as well as other social housing buildings.	5.1.4.6. With regard to local authorities Contribution to the economic and social development of regions: Facilitating access to housing

Challenge	group action - opportunity	Reference
Societal - housing adapted to local needs **Senior serviced housing**	Kaufman & Broad is respond to the societal challenge faced on a national level of keeping and supporting people with reduced autonomy in their homes, rather than in care facilities (by 2060, nearly a third of French people will be over 60 years of age, and there will be more than 5 million people over 85 years of age). To meet this demand, Kaufman & Broad launched in 2017, in association with SERENIS, an innovative concept: «Cosy Diem.» A joint venture dedicated to the development and operation of senior residences. This concept aims to meet this population's need for autonomy and independence, prolonging and increasing their autonomy, whilst giving them the benefits of a friendly environment and presence. Located in the heart of cities, the Cosy Diem residences have been designed to be genuinely social places. Each housing unit is built around a central space that features communal living areas (restaurant, library, bar, fitness area, etc.). Residents can live there without obligation, making use - or not - of shared spaces, entertainment and activities. **Objective** : Build a portfolio of 5 projects managed by Cosy Diem within 2 years, of which 2 are directly owned by the group. **Example:** CosyDiem took possession in 2022 of a first residence for seniors of 100 homes in Narbonne. This residence was developed by Kaufman & Broad and offers 600 sq.m of areas reserved for services (gym, library, multimedia room, hairdressing room, etc.).	5.1.4.6. With regard to local authorities Contributing to the economic and social development of regions: Facilitating access to housing
Societal - housing adapted to local needs **Residences for students and young people**	Kaufman & Broad aims to develop student residences in order to respond to the growing societal need for housing in this sector. This is particularly due to young people studying for longer periods of time, the metropolisation of regions, and the cohabitation of students and young professionals. Kaufman & Broad's objective is also to combine services for students, in addition to the housing offer. New buildings will also make it easier for residents to adopt everyday eco-habits, not only individually but also with the power of collective action by residents, maximising the impact of individual actions that benefit both the environment and society. In 2021, Kaufman acquired a 60% majority stake in student residences company NéoResid. **Objective :** build a portfolio of 5 new or renovated projects managed by Neoresid by 2028.	5.1.4.6. With regard to local authorities Contribution to the economic and social development of regions: Facilitating access to housing

CSR performance assessment: Non-financial rating agencies

Since 2017, Kaufman & Broad has assessed its CSR performance by responding to recognised rating agencies which issue evaluations used by investors. The aim is both to recognise the group's performance and also to steer the improvement of indicators, with a view to sector comparison and enhanced integration of the expectations and requirements of external stakeholders. The table below lists the evaluations for which it was able to have an exchange as part of an evaluation process in accordance with the agency's methodology.

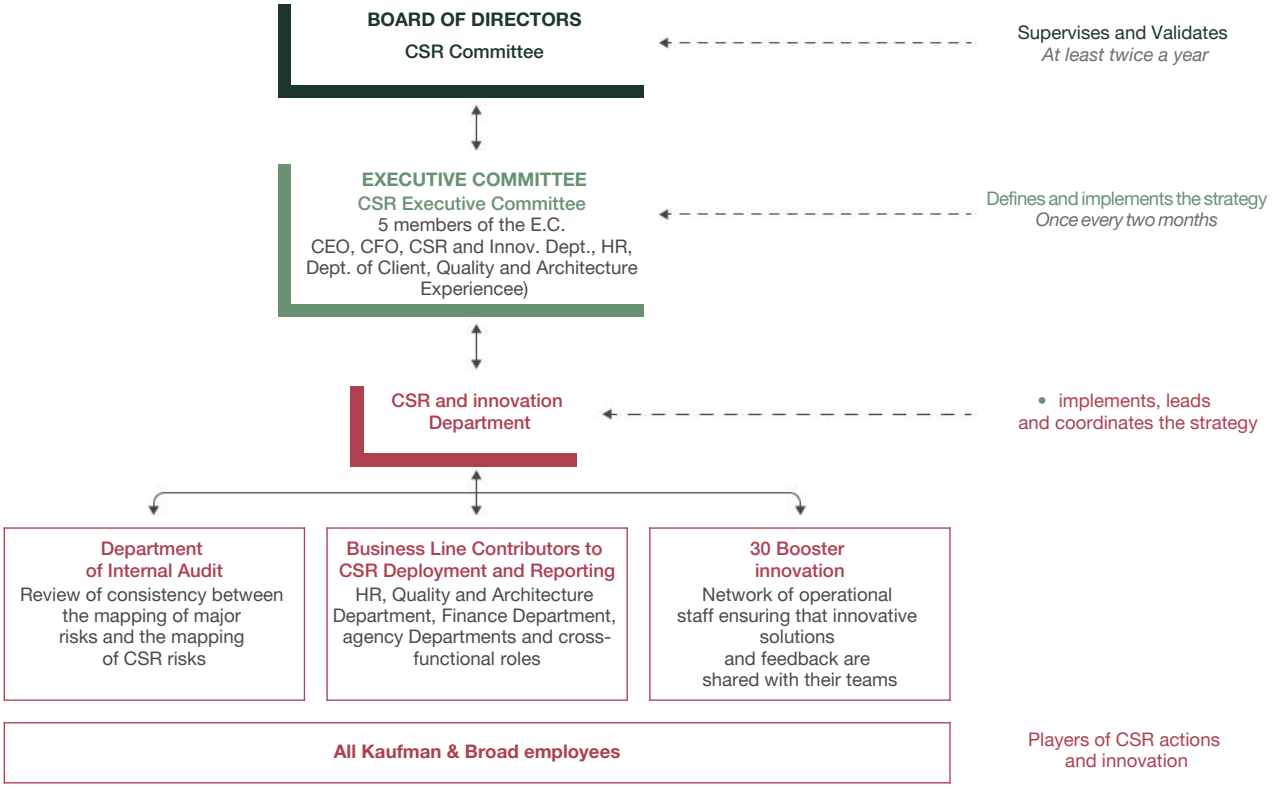
Rating/RankingAgency	Score obtained in 2022	Score obtained in 2023	Evolution	Comments	Link to the rating agency website
Gaïa Rating, Ethifinance's ESG rating agency, conducts an annual data collection campaign which covers most of the SMEs and medium-sized companies registered in France.Based on this information, companies are then rated on their levels of transparency and performance.	**72/100** *Note reassessed in 2023 on the new scale*	**73/100**	Up	In three years Kaufman & Broad's overall rating has increased from 67/100 to 73/100 (the ratings of the last 3 financial years are reassessed each year on the basis of the latest agency scale). Gaïa rating also performs a sector ranking in which the group is 24th out of 196 companies and a national ranking in which the group ranks 66th out of 349 companies.	https:// www.ethifinance.com/fr/ services/esg/ ethifinance-esg ratings
Carbon Disclosure Project is a non-financial rating agency specialising in environmental issues and climate change, contributing to the development of the group's environmental strategy.	A - (Climate Change Questionnaire)	**A - (Climate Change Questionnaire)**	Stable	In the CDP Climate Change rating, Kaufman & Broad is rated «A-» thus achieving the Leadership level in a sector rated «B-» and is therefore in the top 23% globally.	https:// www.cdp.net/ en/guidance/ guidance for-companies
Moody's ESG assesses CSR and the integration of ESG criteria into the group's financial and strategic operations.	51/100 «Robust '	**58/100** **'Robust'**	Up	The 58/100 rating was obtained in January 2023. The 51/100 rating in April 2021	https:// www.moodys.com/web/en/us/ capabilities/ esg risk.html
MSCI evaluates more than 8,500 companies using environmental, social and governance criteria. A study showed that these criteria affected the performance of many companies.	A	**AA**	Up	Kaufman & Broad saw its overall score rise in January 2019 from BBB to AA in 2023 and is in the 1st half of the overall ranking.	https:// www.msci.com /our solutions/ esg inacquisition/ esg ratings

In order to fully integrate the improvement of extra financial performance into the group's strategy, the variable remuneration of the CEO includes results targets on the ratings of independent ESG agencies. For fiscal year 2023, the integrated ratings are those of the CDP Climate Change questionnaire, by Moody's ESG (ex Vigeo), as well as the Gaia ranking. The details of this integration are described in the report in section 8.9. I.2. «Components of the compensation of the Chairman and Chief Executive Officer» of this universal registration document.

The non-financial information published in this Section is also verified by KPMG, which expresses an opinion on the compliance and fairness of the non-financial performance statement (in accordance with the Order of 14 September 2018) as an independent third party.

5.1.2. CSR and innovation: Governance and organization

5.1.2.1. CSR governance: organization dedicated to Sustainable Development



The CSR Committee and the CSR Executive Committee

Within the Board of Directors, the CSR Committee meets at least twice a year to oversee and validate strategic orientations and the actions proposed by the CSR Executive Committee, which in turn meets at least once a quarter. The members and duties of the CSR Committee are described in Section 3.1.2.4 "CSR Committee" of this document.

The CSR Executive Committee meets at least once every quarter, composed of five members of the Management Committee: Executive Management and Chairman of the Board of Directors, Finance Department, Human Resources Department, Quality Architecture and Client Experience Department and CSR and innovation Department.

The CSR and innovation Department reports directly to Executive Management and is a member of the Management Committee and the CSR Executive Committee. It brings CSR issues to the attention of the Management Committee and reports on them in collaboration with the group's other departments, particularly the Finance and Investor Relations Department, the Internal Audit Department, the Human Resources Department, the Quality and Architecture Department, and the agencies and Cross-Functional Departments.

The CSR strategy is deployed across the various business lines and in conjunction with operational staff through the implementation of cross-functional projects on the company's priority issues, in particular improving the group's environmental impact and its products, quality, client satisfaction, skills and talent management, good governance practices and innovation.

The operational teams, tasked with managing property projects, are key players in implementing the group's CSR actions. This is why environmental and societal issues are integrated into the employee skill-building development plan. In 2022, the group made the majority of employees aware of climate issues and the group's ambitions in this area as part of a training day dedicated to the challenges of the group's transformation. In 2023, more than 114 employees were able to attend the scientific awareness workshop on the causal links of the climate change mechanism La fresque du Climat. The fresco climate workshop was also conducted with the members of the CSR Comex, the Comex and the Kaufman & Broad Board of Directors.

In addition, Kaufman & Broad follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to increase its transparency regarding its climate strategy (see Section 5.2.4. TCFD compliance).

5.1.2.2. innovation within the CSR and innovation Department

The Kaufman & Broad innovation and CSR Department:

- Proposes, has validated and implements the innovation strategy,
- Coordinates and monitors external partnerships,
- Organises and coordinates the sharing and dissemination of experiences, the formalisation of innovative ideas and good internal and external practices.

Deploying strategy through innovation

At Kaufman and Broad, everyone has a role to play in innovation. Our company has selected a highly operational innovation organization. All those involved who spend time innoVATing perform an operational function. This allows us to gain an extremely pragmatic and operational reading of innovative topics, in order to be in a position to quickly and effectively integrate innovations into our processes and projects. Lastly, this shared and collective ambition, adopted by all employees, reinforces the entrepreneurial culture that has been at the heart of Kaufman & Broad's history for over 50 years.

innovation is a major differentiating and competitive challenge in property development. Indeed, the objectives of ecological transition, metropolisation of regions, changes in lifestyles and the world of work, changes in relationships to property, time and space, disintermediation, the "all-connected" era and the emergence of Housing as a Service… are all underlying trends that are restructuring demand and creating new expectations and needs, both in residential and commercial contexts.These changes in user behaviour and stakeholder expectations show that the real challenge faced in future will primarily be to offer new services to occupants and residents, to enrich the user experience whilst preserving natural resources and assuming an active role in ecological transition (the innovation Strategy and the CSR Strategy are designed to be coherent with one another, being combined in the innovation and CSR Department).

Here at Kaufman and Broad, our mission is to anticipate sustainable lifestyles by offering more than just housing, work spaces or square meters.

The innovation Booster network

The innovation and CSR Department relies on an innovation Booster Network, composed of approximately 30 operational business line managers within each group agency and within the main cross-functional functions. The mission of this network is to implement the distribution of innovations. The mission of these innovation Boosters is to:

- Cultivate and promote an innovation-focused culture within their agency or department;
- Keep up-to-date with innovative solutions formalised by the innovation Department and their content, and share the principles within their agencies/departments;
- Organise, monitor and implement innovative experiments in agencies and collect feedback;
- Assume an active role in pooling expertise, by participating and involving colleagues in the innovation formalisation process;

Every quarter, a video-conference brings together the innovation Booster teams to share current experiences and experiments, share the innovative challenges and difficulties/solutions encountered in their implementation, disseminate the new "innovation bricks" qualified and validated by the innovation Committees, and review the Quarterly innovation Watch Bulletin (also distributed on the Intranet).At the end of the quarterly video-conference, the innovation Boosters are given a presentation and feed the information shared back to their teams, directly affecting Kaufman & Broad employees, with an operational reading that's also close to the field for innovative issues.

The National Technical Committee

In 2023, the group created a National Technical Committee (NTC), made up of 7 regional technical directors located in different branches of the group (Ile de France, Marseille, Lyon, Toulouse, Bordeaux, Nice, Caen, and Construction Bois Director) and led by the Director of CSR and innovation with the Director of Quality, Architecture and Customer Experience. The duties of the National Technical Committee are to:

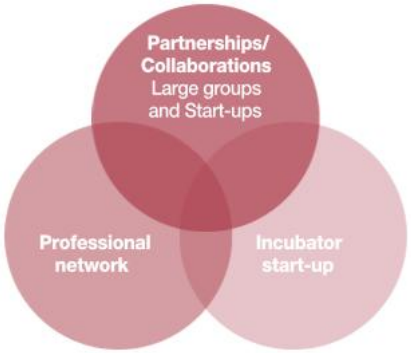
- Take well argued positions on technical materials, construction methods, components or processes, particularly for their innovative dimension. Validate the group's technical guidelines and monitor the testing or deployment of innovative materials, construction methods, components or technical processes.
- Propose feedback and guidance on the service lines and the referencing of national suppliers for implementation by the National Purchasing Department.
- Take action to harmonise the calculation and monitoring of technical data.
- Lead the K&B Technical Community, in particular on the evolution of processes, technical standards and innovative technical issues.
- Organise and disseminate technical and regulatory monitoring that impacts the design and execution of our projects. Update the clauses and conditions of the group's standard technical documents and contracts in conjunction with the legal teams, in particular to take into account the innovative technical aspects of operations.

The Wood Construction Technical Department

In 2023, the group created a Transverse Wood Construction Department to extend its use of wood structures to carry out some of its operations. The Bois Construction Director is involved in a cross functional way with the operational technical teams as well as within the Kaufman & Broad National Technical Committee and the Booster innovation network.

External collaborations

innovation also involves partnerships with thematic professional networks, incubators and collaborations with companies, from start-ups to large groups.



For example, Kaufman & Broad is a member and partner of:

- **Incubators :**
- **Paris & Co** (agency for innovation, economic development and the attractiveness of Paris), **Pôle ville durable** (Sustainable City Segment)**:** Incubation program (two annual calls for applications), activity to monitor and analyse innovation associated with the Sustainable City.
- **Catalyseur de l'innovation,** incubator for the Paris Ouest La Défense area, promoting collaboration between start-ups and key accounts.
- **Professional Networks:**
  - The **Booster du Réemploi,** which is a structure bringing together public and private property developers and contractors to encourage, promote and facilitate the integration of reused materials into buildings.
  - **Observatoire de l'Immobilier Durable (Sustainable** Real Estate Observatory), an independent space for the real estate sector actors to discuss sustainable development. The OID brings together more than 80 members and partners across its entire value chain. The OID is an association that actively participates in the ramp-up of ESG matters, particularly in regard to accounting for biodiversity in new properties and adapting buildings to climate change.
  - **Institut Français pour la Performance des Bâtiments** The French Institute for Building Performance is an alliance of economic players committed to using operational knowledge to implement the means of an ambitious and efficient energy and environmental transition for property and construction compatible with the market.
  - **Association Bâtiment Bas Carbone:** The Low-Carbon Building Association (BBCA) works to reduce the building's carbon footprint and highlight best practices and exemplary buildings. Its objectives are to: Raise awareness of the urgency of reducing the carbon footprint of buildings; Develop knowledge of low-carbon buildings; Promote best practices (BBCA label); Encourage low-carbon construction.
  - **Association Fibois France:** association of the 12 regional forest timber industry interprofessions in France. The association's mission is to develop interregional actions related to forests and wood material by promoting consultation and the exchange of information between regional forests; by promoting and supporting the establishment of tools, services and actions in a local, regional, interregional framework; by representing regional forests with national partners in the forest and wood sector.
  - **Companies, from start-ups to large groups, on innovative themes:** For example, a global partnership with a car manufacturer on the growing porosity between property and eco-mobility, having been produced in several concrete variations. Repeated collaborations with shared parking operators, energy companies, players in the circular economy, etc.
  - **Palladio Foundation:** The purpose of the Palladio Foundation is to stimulate reflection and debate amongst all players and stakeholders in the cities of tomorrow and, in particular, to award scholarships for students and PhD students. The group sits on the Auditors Panel and the Palladio Future Segment.

Qualification of innovative solutions

The innovation and CSR Department organises the formalisation of innovative practices. The innovative ideas proposed by employees, a start-up or an external entity are formalised in "innovation sheets," which centralise a benchmark, a technical, economic and legal analysis of innovation. A monthly innovation Committee, bringing together four to six business line experts, monitors the production of the innovation sheets, questions the solutions in the economic, technical and legal aspects and then validates their relevance if necessary for distribution to the innovation Booster network (below) and operational staff. This process then allows all employees, with the help of their innovation Booster colleagues, to start with a high level of knowledge with a view to implementing innovation in a concrete project. This internal process therefore has a dual objective:

- To control innovative business models and the integration of partner innovations,
- To implement our stand-out innovations for our businesses or products by anticipating their legal, technical and economic challenges.

The 6 main areas of innovation

In order to ensure a common guiding thread, the innovations that we create and implement within the group are divided into five strategic categories:

innovation axis	Implication for the group	Reference or example of a program
mobility	Our ambition is to enrich the mobility solutions offered to the users of our programs through a renewed vision of travel management, focused on demand rather than supply, integrating a service-based approach. Our approach therefore is based in studying proposals for mobility services that are complementary or even alternative to the practice of "individual cars," in line with the transformation of the regions where we operate. **Topics or solutions addressed (in particular): Carpooling** in collective buildings, shared electric vehicles, shared parking, implementation of the *MAAs* Mobility as a Service Mpproach in real estate projects (bikeshare, carpooling incentives, etc.).	In collaboration with Renault, the buyers of the Feel Wood program in Villepreux were offered an electric ZOE for long-term rental with advantageous terms, as well as parking spaces and home garages equipped with charging stations. Several Kaufman & Broad operations offer a shared and extensive parking organization, such as the Symbioz operation in Nantes, with ZenPark. See also the Section Reducing the group's carbon footprint: Mobility
Circular Economy	The resilient city that Kaufman & Broad contributes to developing is a city that manages its resources and that thrives, without mortgaging its future.The circular economy is the reflection that we focus on the entire life cycle of our production, aiming to improve its overall environmental performance and to minimise its carbon impact.In practice, the innovations developed are aimed at, on the one hand, to limit as much as possible the consumption of materials, space, water and the use of non-renewable energies during construction as in the use phases of buildings, while, on the other hand, promoting from the design stage the use of sustainable, bio-sourced, low-carbon and/or reused materials as well as the preservation of soil and the development of biodiversity. **Topics or solutions addressed (in particular)**: Water management, Wood construction for offices, Selective decommissioning, beehives/urban pollination, green roofing, carbon offsetting, on-site reuse of land, low-carbon concrete, biodiversity, urban heat islands, etc.	The Green Oak project delivered to Arcueil includes false re-use floors, as part of a collaboration with the start up *Mobius*. The Residence for Students developed in Gagny includes reused materials both in communal areas and in private areas The *Harmonie Village Provençal* in *Aix-en-Provence* operation with re-uses land excavated during the site construction, as part of the landscaping project. The Silva Tower developed by Kaufman & Broad incorporates 66% of wooden primary structure. See also section 5.1.3.7. Circular economy.
Biodiversity	A new real estate project must think in integration and symbiosis with the ecosystem in which it will fit. On the one hand, it is a question of preserving existing ecosystems by developing a culture of avoided impact and on the other hand of helping to maintain or even develop the site's biodiversity. Our approach thus aims to insert the real estate and landscaping project into the existing ecological frames in the territory: • **The blue frame**: wetlands and water cycling; • **The green frame**: the different vegetable strata (lcreeping plants; medium: shrubs; and high: trees, green roofs, etc. green roofs, etc.) • **The black frame :** the darkness necessary for nocturnal animals, the fight against light pollution of lighting, etc.) • **The brown frame**: preserving soil and open land, limiting the amount of artificial land and waterproofing. The sensitivity and competence of Kaufman & Broad teams, combined with the ability to surround themselves with professional experts such as landscape professionals and ecologists, must make it possible to design real estate projects by, with and for nature. **Thematics or solutions treated (in particular)** : hives/urban pollination, green roofs, carbon offsetting, biodiversity friendly devices, urban heat islands, intervention of an ecologist and bio diversity labelling, soil phytoremediation, etc.	The projetc *Les Jardins d'Elise* in Angers (49) includes a shared garden with rainwater recovery and gravitar watering , 3 bird houses integrated into the building's facade, an insect hotel , a refuge for hedgehogs and a refuge for reptiles . More broadly, each operation now includes at least one biodiversity friendly design adapted to the environment. The Reims *magasins Généraux* project is committed to an "*Effinature*" certification process.

innovation axis	Implication for the group	Reference or example of a program
Energy	The challenges of environmentally-friendly and local consumption relate primarily to energy. The decentralisation of energy production to partially-producing and self-supporting buildings is a strong trend. In addition, housing energy is one of the main constraints for households, but also one of the main sources of the carbon impact of building use. Our ambition is to anticipate the regulatory, legal and economic challenges that favour the integration of renewable energy production solutions into our projects. **Topics or solutions addressed (in particular): Individual and** collective self-supporting energy consumption, third-party solar panel investor, third-party biomass heating investment, etc.	The *ICONIC* program in *Cap D'Agde* implements marine geothermal technology (energy exchange with the sea), as part of a collaboration with an energy operator. The *Lagord* operation includes a solar panel roof for self-supporting energy production. The "*Magasins Généraux*" development in Reims is set to develop an energy system dedicated to the district using geothermal energy. See also the Section Reducing the group's impact: The group's water and energy consumption and the occupants of our projects
New Uses	It has been heard many times before:"In property, it's all about the prime location". This notion of location refers to the aspect of regional connectivity (partially covered by the "mobility" axis), but also to the notion of the building and the urban landscape as a "source of potential for individual and shared experiences", conducive to the practice of new ways of living and residing, as well as new ways of working, growing, and enjoying culture and entertainment, etc. We are therefore involved in the integration of service, programmatic or innovative technical solutions aimed at promoting value in use in our developments. **Topics or solutions addressed (in particular):** Bail Réel Solidaire \[French social leasehold arrangement scheme], Neighbourhood applications, neighbourhood concierge services, connected mailboxes, control of co-ownership charges, inclusive housing for people with disabilities, art in property projects, setting up a voluntary trustee, etc.	The operation "*Le Chailly*" in Chilly Mazarin offers a mixed program including home ownership as part of the Bail Réel Solidaire scheme, allowing for significant savings on purchase costs. "*Les Jardins de la Jaunaie*" program in Nantes Saint Sébastien offers a connected concierge service and a communal DIY space for residents. "*Bordeaux ITSELF*" operation offers legal innovation around homes that can be customised by buyers.
Businesses	The digital transformation has led us to rethink our business processes, review our workflow with a view to creating a more flexible, collaborative, qualitative and efficient organization. From land prospecting and marketing to contracting works and client experience… Digital technology impacts our entire value chain. Beyond simply "digitising" our usual processes, the challenge lies in us being able to transform our ways of working, to change our organization, and to adapt our skills in order to improve quality and productivity. **Thematics or solutions handled (in particular):** rocess Digitalization, experimentation and integration into Artificial Intelligence processes, e signature, customer journey, use of BIM and digital twins, etc.	Electronic signatures were implemented for works contracts in order to optimise our processes and those of our partners. The digitisation of CSR data entry for operations through the K&B Committee business tool allows for improved input processes, an upstream evaluation of project performance, and consolidation at the agency and group-wide levels to feed into reporting and CSR strategies. The launch of an internal challenge for employees on proposals for experimentation and implementation of artificial intelligence on the stages of the value chain.

This list of innovations is neither exhaustive or fixed. It adapts to the strategy, experience, stakeholder expectations, innovations and market opportunities.

5.1.2.3. Compliance and ethics at Kaufman & Broad

Adopting responsible behaviour towards all its stakeholders is one of the pillars of the Kaufman & Broad group's CSR strategy. The group prohibits any form of corruption, be it active or passive, in the conduct of its business. The group and its employees undertake to strictly comply with the law and to prevent and combat corruption.

As indicated in section 4.2.2.5, the group has a Legal Department that is in charge of regulatory and legislative matters, whether they are *Corporate* or operational. At an operational level, it provides assistance and advice, both to support departments and to operational departments, involved in the construction of property programs, particularly in the preparation of contracts and agreements.At a corporate level, it is responsible for all aspects of legal monitoring for all of the group's structures, as well as the internal monitoring of new standards and regulations and their interpretation, supported by external consulting firms specialising in legal matters.

Anti-corruption measures and the prevention of trading in influence

As part of the obligations related to the entry into force of the Law on Transparency, the Fight against Corruption, and the Modernisation of Economic Life, (known as the «Sapin 2» Law), in 2023 the group updated the mapping of corruption risks by striving to comply with the recommendations of the AFA (French Anti Corruption Agency) in terms of methodology.

This mapping is based on an analysis of the various potential corruption scenarios in light of the group's business sector, after taking into account its organization and existing procedures for measuring the exposure of processes to the risk of corruption. The scenarios analysed, taking into account the group's business sector, include land prospecting and acquisition, obtaining administrative authorisation and selecting companies. Existing policies and procedures, and their possible reinforcement in this respect, are identified and monitored by the Internal Audit Department within the Audit Committee. The internal control system is described in Section 4.2.

The control of financial transactions is detailed in section 4.2.1. In addition, most of the financial transactions carried out by the group as part of its operations are carried out either through notaries for land acquisitions or the signature of notarised deeds of sale (In *VEFA* system sale-before-completion agreement), or with financial institutions that allow financial flows on the basis of calls for funds validated by our customers. In addition, the group uses external solutions such as *IndueD*, which makes it possible to consult external databases (international sanctions lists, politically-exposed persons (*PEPs*), specialised press) containing possible practices related to corruption. The group also exercises strict control over these means of payment, all of which are centralised to the group's head offices.

Kaufman & Broad Code of Ethics:

The group also updated its Code of Ethics in 2022. Related procedures, including the Whistleblowing Procedure and the disciplinary sanctions procedure, have applied to all group employees since 1st January 2018. The Whistleblowing Procedure governs the processes used for enabling employees to report the identification of a risk of breach of the law, the Kaufman & Broad Code of Ethics, the Internal Rules and/or any other internal procedures enforced within K&B.The Whistleblowing Procedure ensures, in accordance with the law, strict confidentiality of the identity of the whistleblower, the persons covered by the whistleblower and the information collected by all persons notified of the whistleblowing. This module also automates compliance with legal obligations in terms of processing times.

The Code of Ethics sets out and formalises the principles to be applied by all group employees with regard to the following topics: Respect of fundamental rights, the responsibilities incumbent on employees, the conduct of business, relations with shareholders, suppliers, customers and elected representatives, in accordance with the group's corporate social responsibility approach.The Code of Ethics also refers to existing agreements, procedures and notes covering these fields.

The Code of Ethics is presented and signed by all new entrants and accessible to employees on the company's intranet as well as on the Corporate website. Out of the entire workforce at the end of 2023, 96% of employees had completed an e-learning course entitled "Ethics at Kaufman & Broad".

In 2019, the group also joined a sector-wide initiative aimed at defining a standard for collecting the information needed to pre-qualify third parties, and particularly contractors, in terms of compliance.

In 2020, this approach led to the establishment of a collaborative portal which allows the third parties surveyed to respond to a single questionnaire, intended for all portal partners who would consider soliciting it. As part of calls for tenders for the allocation of technical lots, representing significant amounts, companies are asked to complete a questionnaire entitled "Ethical Business and Sustainable Development Pre-Qualification", ensuring that companies are compliant, particularly in terms of corruption issues.

This questionnaire, confidential for instructing parties, has been mandatory since 2021 January, 1st and is presented to the validator(s) and/or signatories of the agreement when the contract is signed. This questionnaire has also been enhanced with other CSR criteria in order to supplement the assessment of their performance during the tendering phase, as part of a responsible purchasing approach (see paragraph "Selection of suppliers and responsible purchasing" in Section 5.1.4.3.1.With respect to the value chain (partners and suppliers).

Combating tax evasion, money laundering and the financing of terrorism

The Kaufman & Broad group's business is based in France. Kaufman & Broad SA, the group's holding company, holds only French companies, either directly or through intermediary companies, all of which are based and registered in France for the 2023 financial year. The group is committed to using its best efforts in its tax policy.

During the analysis of the group's CSR risks, tax evasion was not identified as a net risk. Kaufman & Broad SA is subject to regular tax audits conducted by the National and International Audit Department. The holding company's latest tax audit was carried out in 2017 and the results showed a total absence of recovery.

The group and its employees Kaufman and Broad and its employees are vigilant with regard to the payments envisaged or made in order to detect any irregularity, particularly in regard to partners, customers, or suppliers which present behaviour, nationality or business conduct that may arouse suspicions. Any element of a proposed transaction that appears inadequate or likely to violate applicable laws or regulations, or internal policies and procedures must be reported by the employee to their line manager, and also to the group's Legal Department and/or Finance Department.

To this end, the group is also attentive to the information provided by notaries, officers with a delegation of public authority, who authenticate all property transactions carried out by the group, and one of their obligations is to ensure the legal origin of the funds used.

Not only legal entities, but also employees and managers may be held criminally liable in cases of money laundering. Attempted money laundering is punishable by the same penalties as the offence itself.

Acquisition policy

Over recent years, the group has made targeted acquisitions and equity investments with a view to increasing its market share, and in the same sense, it has also made revenues (see Sections 1.1.1. "History" and 1.1.1.3. "External growth policy").

As part of these transactions, the group systematically carries out accounting and operational audits and verifications, which are necessary for the formulation of a satisfactory offer and for the identification of any expenses or contingent liabilities that need to be guaranteed under the acquisition agreement. The Group is committed to responsible organisational changes and limiting social impacts, in particular by focusing on:

- Identifying and monitoring employees' skills on an individual basis;
- Integrating key skills;
- Internal mobility programs;
- Individualised monitoring of employees;
- Depending on individual situations, the study of early retirement projects.

Data protection and IT security

For the purposes of its business, the group collects and uses data provided by its customers, prospective customers, candidates and contractual partners.

In accordance with European Regulation 2016/679 on the protection of personal data (GDPR - *General Data Protection Regulation*), the group has established a register of the various data processing activities that it carries out.

Within the framework set by the GDPR, specific processes corresponding to Personal Data allow prospects, customers and candidates to exercise their rights of access, rectification, limitation, portability, deletion and opposition.

A Steering Committee monitors issues related to personal data and the procedures in place.

Regular IT security information and awareness campaigns are also conducted for employees.New employees must read and sign the Code of Ethics, which includes a Section on the protection of confidential data.Of the workforce at the end of 2023, 86% were trained in «GDPR at Kaufman & Broad.»

The group's information system is secured by access restrictions, protection rules and security systems, which are regularly tested and reinforced.The IT Department conducts regular testing against cyber attacks.New entrants must sign the user guidelines for the use of computer resources and internet services.In addition, Kaufman & Broad has also integrated mandatory training in IT security into its induction program.Of the workforce at the end of 2023, 85% of employees took this training.

5.1.3. Strategy and environmental indicators

group commitments/objectives	group policies and actions in 2022
Reducing Scopes 1 & 2 equivalent carbon emissions by 28% between 2019 and 2030	Development of the K&B Mobility Pack, Teleworking agreement Development of a low carbon company car grid. In 2023, the group presented a grid of 100% electric vehicles or E85 bioethanol vehicles for its renewals and no longer introduced gasoline/diesel thermal cars. Application of an internal energy sobriety plan within the company, focusing particularly on mobility and energy use by agencies. **Decrease of 6.8% between 2019 and 2023; decrease of 1.9% between 2022 and 2023**
Reduce by 22% the equivalent carbon emissions per sq.m delivered during the construction and use phase for the housing and office development activity, target on Scope 3.	**Objective approved by the SBTI in 2021.** **Decrease of 1% between 2019 and 2023 on projects delivered (RT 2012 projects).** **Launches in production of projects aligned with the achievement of the objective** **Project design in 2023 at a level exceeding the SBTi target.**
100% of commercial business line projects launched (after the Commitment Committee) aim for dual quality, environmental and societal certification/labelling	**100% in 2021 and 2022 and 75% in 2023**
Raise employee awareness of CSR and climate issues	**In 2023: 113 employees attended the fresco climate awareness workshop on climate change;** eco driving module offered to all employees during the SEDD; integration of the CSR & innovation module at Kaufman & Broad as part of the Welcome On Broad integration process.
Obtaining the "Leadership" level in the "Climate Change" evaluation of the Carbon Disclosure Project by the end of 2024	**Transition from rating C to A- between 2020 and 2023**
100% of housing programs launched with a green space	**Integrated into the group's environmental management system in 2021.**
100% of the wood materials used in the programs are eco-certified (PEFC - FSC -…)	**Incorporated into the K&B "Manual for Environmental Specifications and Procedures" in 2021Partnership with FiBois in 2023**
5 projects incorporating reused materials	**5 projects in 2023 followed by the Booster of Re employment programme, including 4 housing programmes**
Commitment to reducing the water consumption of our projects	**Generalisation of water-saving equipment across new projects in 2021**

5.1.3.1. Internal environmental standards, process for monitoring environmental indicators and performance

For property development projects

Measure to progress: Kaufman & Broad has deployed and is continually working to develop tools for evaluating, consolidating and reporting CSR indicators across its entire production, so that it can implement and monitor the company's CSR strategy. This methodology aims to be able to monitor the action plan with non-financial performance indicators linked to ambitious and coherent objectives and/or commitments.

Tool for entering and evaluating CSR indicators for operations: K&B Committee

In 2021, Kaufman & Broad integrated an evaluation module into the K&B Committees business tool in order to explain the environmental and social impacts of projects at decision-making committee meetings, on the same level as the technical, marketing and financial issues, intended to form an integral part of the selection/validation criteria. This tool evaluates each project on the basis of several themes:

- Mobility and density of accessible services on foot and by bicycle (public transport, food, healthcare, education, nature).
- Soil conserVATion and biodiversity,
- Carbon impact (construction methods and energy and environmental efficiency). An internal «carbon value» (€50/Tons of carbon eq.) and fictitious highlights the environmental performance of the project and encourages cost/carbon correlations when the project is developed, with a view to raising awareness,
- Societal impact.
- In addition, the participation of the Director of CSR and innovation in these committees allows for direct discussions with the teams on the CSR strategy for each project and the verification of the proper application of environmental procedures. The CSR data entered during committee meetings is updated upon project completion and verified upon delivery of the transaction. They contribute to the group's CSR dashboards, strategy and reporting.

K&B Guidelines for Environmental Specifications and Procedures

The group's CSR Department and Technical Departments have also created and distributed the Kaufman & Broad Manual for Environmental Specifications and Procedures (K&B MESP). Since 2021, it has been applied to all projects initiated by the group and was updated, completed and validated by a group of Technical Directors in 2023 (V5.1). This standard is part of the group's environmental management system and generalises best environmental practices across 100% of production, in line with the group's policy on several themes:

Thematic	Example of application
Climate change: Mitigation	All projects are studied on a non fossil energy vector.
Adaptation to climate change	Generalization of the vulnerability study of project sites to climatic hazards. Generalisation of coatings with clear shades
Water preservation	Widespread use of water saving equipment based on European taxonomy criteria to reduce freshwater consumption; Objective of reducing the fresh water requirements of outdoor spaces by 50% compared to a standard solution.
Protection of biodiversity and ecosystems	Widespread use of land reuse on sites Forest and biosourced materials: Systematic use of PEFC/FSC certified wood.
Pollution reduction	Design of structures and works: Widespread application of the K&B Charter Low nuisance; Non-use of products with a VOC rating below A in indoors
Comfort, safety and awareness of buyers and users	Raise awareness among managers and condominium unions on the maintenance of green spaces.

This document is part of the group's Responsible Management System and is subject to continual improvement measures.

In 2023, several good environmental practises were added to the group's standards, such as:

- The widespread use of an ecologist for any project site in or near a protected natural environment;
- The generalisation of water management principles in the plot;
- The generalisation of a quality and environmental certification process by an independent third party.

Consolidation and control of CSR indicators

The CSR indicators for operations are consolidated on agency and group-wide levels. CSR indicators are also being integrated into the tools used to consolidate financial indicators. These dashboards contribute to the construction of the group's environmental and societal performance indicators and to the monitoring of the CSR strategy by the CSR Executive Committee. In 2023, the group also extended its initiatives to improve the quality of CSR data. The CSR indicators of the operations are thus verified and updated by the operational teams at the time of purchase of the land. The existing internal audit processes have also been adapted in order to integrate the control of CSR data of ongoing projects and the monitoring of the application of environmental procedures: The internal audit teams perform a periodic control on the substance of the data entered. The results of this audit are then sent to the CSR Department, which implements the necessary measures to correct any discrepancies or incompleteness found.

For administrative activities

The carbon impact of administrative activities represents about 3% of the total carbon eqivalent emissions associated with our activities. However, the impact is closely monitored due to the company's notably direct influence on these activities. An action plan to reduce impacts is a manifest representation of the group's commitment, and that of its employees, to reducing the company's carbon impact on a daily basis. These indicators namely include:

- The energy and water consumption of the office buildings we occupy,
- Energy types and consumption used for employee travel,
- Monitoring of the maintenance and upkeep of buildings, particularly in regard to their cooling systems,
- Waste production and actions to promote biodiversity in our buildings.

The group details its internal policy related to major environmental issues in each dedicated Section.

5.1.3.2. Mitigating climate change

Alignment of Kaufman & Broad's approach with the national low-carbon strategy

Adopted for the first time in 2015, the first French low-carbon national strategy (*SNBC*) was revised in 2018-2019 with ambitions revised upwards, the objective being for France to reach carbon neutrality by 2050 (a factor of 6 reduction in national emissions). The construction and use of residential and commercial business line buildings sector is responsible for almost 25% of French emissions: Intervention in energy-intensive buildings and the construction of new low-carbon buildings therefore have a major role to play in the combating climate change.

The French State, supported by industry players, has launched a new project to take into account not only energy consumption, but also carbon emissions, including those related to the construction phase of buildings, in the regulation applicable to new buildings: Environmental Regulation 2020 (RE2020). This new regulation supersedes RT2012. It has been drafted based on the State's clear expression of its aims and the dialogue opened with the relevant players, who have decided to take collective action to reduce building emissions.

Reducing the carbon impact of buildings, continuing to improve their energy performance and guaranteeing summer comfort: These are the main objectives of the RE2020 regulation, which has been applicable to new housing constructions from 1 st January 2022 , then to office buildings at 1 st July 2022, and lastly to other commercial business line structures in 2023.

RE2020 is the first French regulation, and one of the first regulations in the world, to introduce environmental performance into new building construction via a life cycle analysis.

Within this context, the priorities of the 2020 Environmental Regulation integrated into Kaufman & Broad operations are:

- To reduce the climate impact of new buildings by taking into account all of the building's emissions over its life cycle, from the construction phase. The Life Cycle Analysis - which Kaufman & Broad applies to all its production (housing, offices, logistics) within its environmental standards - helps to encourage construction methods that emit low levels of greenhouse gases or that allow these gases to be stored, such as the use of bio-sourced materials. In another aspect, the consumption of low-carbon energy sources, and particularly renewable energy sources, is encouraged.
- To continue to improve energy performances and to reduce the energy consumption of new buildings. The stipulations of the RE2020 regulation exceed the requirements of previous regulations (RT 2012), with particular emphasis on the performance of insulation, regardless of the heating method installed, through the reinforcement of the bioclimatic need indicator (referred to as "Bbio").
- Provide a guarantee for residents that their housing is adapted to future climate conditions by introducing a summer comfort objective. Buildings must be more resistant to heat waves, which will be more frequent and intense as a result of climate change. Kaufman & Broad integrates environmental issues into its business model, processes and quality and management standards, through all phases of its projects:
- The land development phase: The quality of the location of buildings is taken into account in the group's environmental strategy.Indeed, carbon emissions related to the forced travel of occupants (mainly commuting) represent a significant impact.Whilst this is not included within the scope of the Bilan Carbone \[Carbon Audit], the group may have an indirect impact by taking into account the location of projects and the proximity of public transport and main facilities and services.This parameter is taken into account to develop a sustainable mobility component in the design phase.

- The construction phase: Building production accounts for approximately half of the carbon emissions of our production, mainly associated with building materials and their implementation during construction. The group's action levers focus on reducing the impact of inputs, particularly by:
- Optimising the quantity of materials used and applying frugal design principles,
- Using low-carbon, bio-sourced and reused materials,
- Reducing the impact of projects in the construction phase with our service providers.
- The use phase of buildings: The use of delivered buildings accounts for approximately half of the GHG emissions associated with other property activities. This is due to the duration taken into account for use: 50 years. Anticipating the use of buildings from the design phase, in order to ensure that the structures incorporate efficient and low-carbon technical systems, is therefore an important vector of environmental performance for Kaufman & Broad. This includes:
- Optimising the building envelope and reducing primary energy requirements,
- Prioritising the use of renewable, low-carbon and economical energies for our customers in the use phase.

A policy of raising buyers' awareness (see this section "Raising customers' awareness of the impact of their acquisition") supplements this strategic CSR priority (despite a lower level of control over the behavioural dimension once the projects have been delivered).

For each of its operations, the group also commissions an external environmental research office to integrate the energy and carbon optimisation criteria for all production from the design phase.

Kaufman & Broad applies the principles of sobriety and low-carbon methodology implemented in the design of its property production within its administrative scope, with the aim of implementing the most efficient actions in terms of reducing carbon emissions, particularly in regard to business travel and occupied buildings.

Measurement of the group's carbon impact and reduction objectives

The group carried out a greenhouse gas emissions assessment in 2023 for all of its activities, using the Carbon Audit methodology created by ADEME and supported by the Carbon Audit Association. The method has been constructed in full compliance with ISO 14064-1. The tool also allows exports in the ISO, GHG Protocol, French regulatory review and CDP formats to meet the other, most closely monitored standards. The Bilan Carbone® method and the associated tools make it possible to meet these standards. Each year, the group measures its carbon impact in order to assess and monitor its environmental performance in regard to the main emission sources.

The analysis of greenhouse gas emissions for Kaufman & Broad's activities was carried out across the regulatory scope (Scopes 1 and 2), and across the majority of Scope 3 emission items. The Group's greenhouse gas (GHG) emissions in 2023 amounted to 547,117 tons of carbon equivalent.

Carbon footprint 2023 and 2022

Type of emissions *(T carbon eq.)*	**Emission item** *(GHG Protocol)*	**Emission item** *(French Carbon Balance Sheet)*	**Items taken into account**	**2023**	**2022**
Scope 1	**1-2**	**2**	Business travel in company vehicles (company fleet and TOTAL fuel cards)	**1,237**	1,270
	1-1	**1**	Direct emissions from stationary combustion sources (agency gas consumption)	**12**	7
	1-4	**4**	Direct fugitive emissions (air conditioning of agencies)	**46**	36
Scope 2	**2-1**	**6**	Energy consumption on administrative sites (combustion)	**56**	64
Scope 3	**3-3**	**8**	Energy consumption on administrative sites (upstream)	**33**	34
	3	**23**	Energy consumption on worksites	**6,637**	9,101
	3-1	**9**	Construction phase of different product types	**287,060**	381,372
	3-1	**9**	Purchases of goods and services for administrative activities	**11,176**	11,170
	3-2	**10**	Fixed assets (agency, IT equipment and company cars)	**432**	606
	3-5	**11**	Waste	**339**	-
	3-6	**13**	Business travel by personal vehicle, train or plane	**339**	309
	3-3	**8**	Business travel in company vehicles (company fleet and upstream TOTAL cards)	**294**	303
	--	**10**	Rental of agencies	**227**	194
	3-11	**18**	Use phase of different product types (over 50 years)	**239,102**	306,218
	3-7	**23**	Commuting	**127**	-
TOTAL				**547,117**	**710,684**

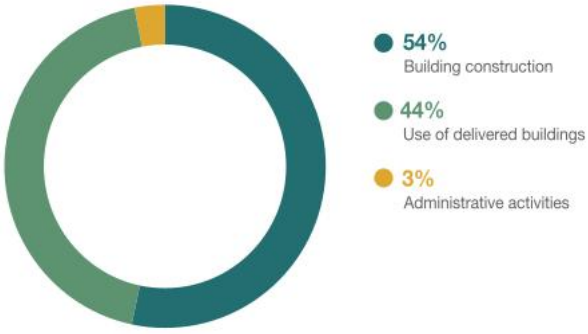
The overall decrease in carbon emissions between 2022 and 2023 in absolute terms was mainly due to a decrease in the square metres delivered and secondly to the reduction in emissions on Scope 1 and 2 (mainly related to the introduction of electric vehicles among company cars).

GHG emissions from buildings delivered during the year are the majority of the carbon footprint. They are recognised over the entire life cycle of the project according to the Life Cycle Analysis (*ACV*) methodology, either on the basis of actual data calcules specifically for the operation (methodology generalised to all new projects in 2022), or alternatively estimated by a collaborative tool of the French Institute for Building Performance.

The Group has also included two new items in its carbon footprint: On the one hand, administrative waste generated in its offices, and on the other hand, the impact of hazardous waste from construction sites, which can now be monitored using the Trackdéchets tool. In parallel, the group is studying the method to be adopted for the integration of non hazardous site waste in the coming financial year.

The methodology is detailed in the methodology note to the non-financial performance statement

These regular analyses are used to highlight the main sources of emissions associated with our activities, and to define the priority action leverage points to be implemented in the aim of minimising their impact. It highlights the distribution between the impacts of operational activity and those of administrative activities.



The results of this annual summary overlap with those obtained in the framework of the Regulatory Beges, and in particular the preponderance of the impacts of operating activities: In 2023, 97.4% of carbon emissions were attributable to the construction phase of the buildings and their uses. Despite this, Kaufman & Broad considers it important to take into account the environmental impact of its administrative activities in order to raise awareness and mobilise its employees around targets for reducing consumption and carbon emissions.

In order to monitor its objectives and to establish and implement a carbon reduction action plan, the group has completed a transition plan for different IPCC scenarios for the mitigation aspect, scenario SSP1-1 .9 and scenario SSP1-2.6. The group complies with the recommendations of the T.C.F.D. (See Section 5.2.4. TCFD compliance).

Objectives:

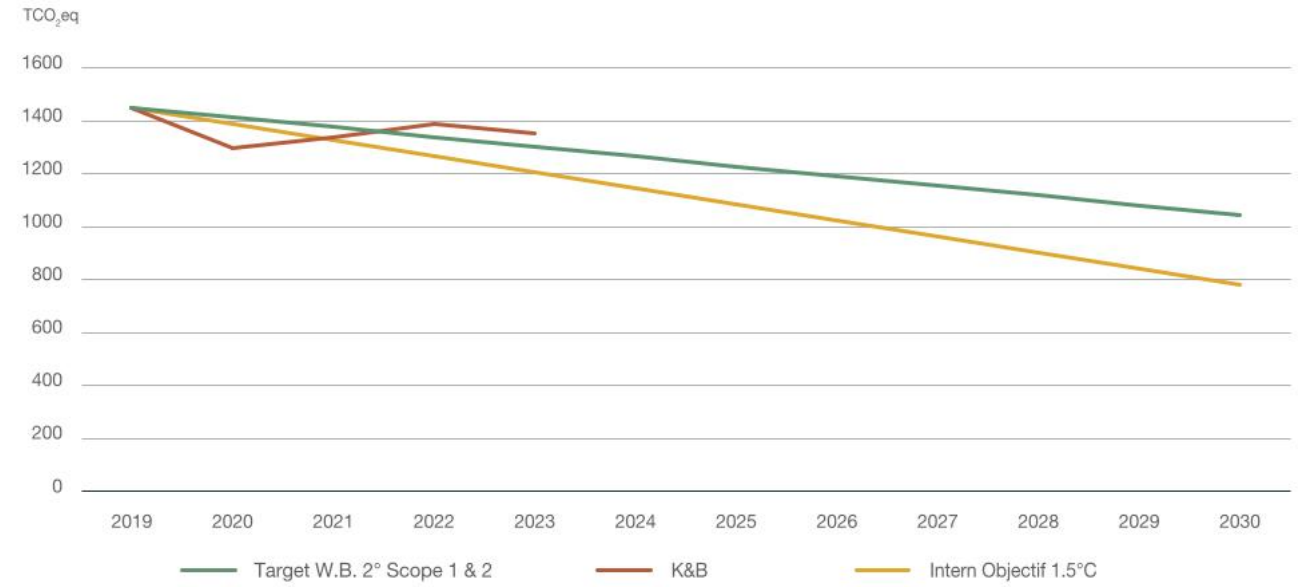
- **Public Commitment :**Kaufman & Broad has made a commitment to the Science Based Targets initiative (SBTi) to implement its carbon reduction targets. The Kaufman & Broad methodology and objective for reducing greenhouse gas emissions was validated by the Science-Based Targets initiative (SBTi) in 2022.
- **Internal target :**In 2023, the group set itself an internal target of reducing CO2eq. emissions in line with a 1.5° C scenario by 2030 and compared with the 2019 baseline. For Scope 1 and 2, this objective is to reduce emissions by 46.2%. For Scope 3, the objective is split into two sub objectives: A 30.9% reduction in emissions related to construction and a 63.8% reduction in emissions related to the use of these buildings.

Details on Scope 3 targets (the WB 2° C target validated by the SBTi as well as the 1.5° C internal target):

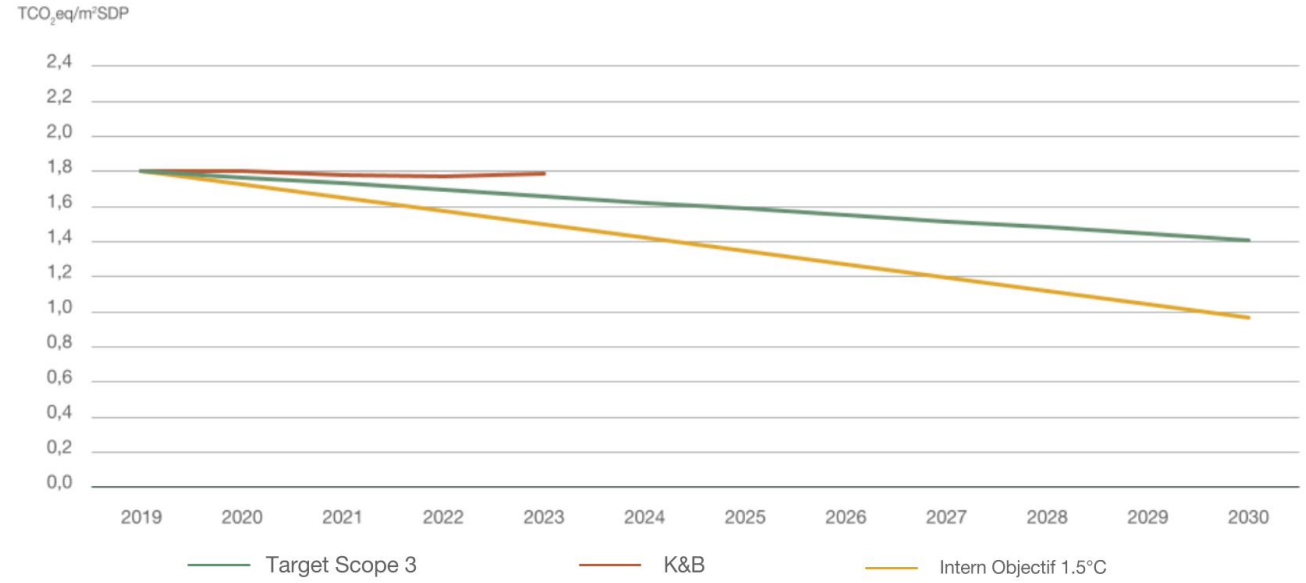
The scope of Scope 3 objectives covers the construction phase, which includes the purchase of goods and services (building materials, energy spent on the construction site), as well as the use and end of life phases of the products (included in the life cycle analysis of the building's components). In terms of product typology, these objectives include housing and office projects and exclude the logistics activity (due to the irregular year by year nature of the deliveries of these operations, and in accordance with the SBTi methodology). Historically, the volumes of housing and office projects are fairly stable and constitute a large part of the area delivered by the company, unlike logistics projects that are produced at a variable frequency and volumes in square meters, per project, quite large. This exclusion makes it possible to maintain comparability and a clear view of the evolution of the impact of most of the group's activity.

The SBTi target for Scope 3 represented 76.6% of the group's overall Scope 3 emissions in the reference year (2019) and represented 90.1% in 2023.

Kaufman & Broad commitment validated by SBTi: To reduce GHG emissions from Scopes 1 and 2 by 28% by 2030 compared to the base year 2019.



Kaufman & Broad commitment validated by SBTi: To reduce Scope 3 GHG emissions per square metre built and delivered for residential and office buildings by 22% by 2030, compared to the 2019 baseline year.



In addition, Concerto, a logistics subsidiary of Kaufman & Broad, has also committed to ensuring that all of its new property projects will tend towards carbon neutrality by 2040, through the Charter of Reciprocal Commitments between the State and the members of the Afilog association (players in logistics property for the environmental and economic performance of French logistics property). In order to improve the carbon measurement of this specific asset class, members who have signed the charter have also committed to defining a reference framework for calculating and assessing greenhouse gas emissions from warehouses based on the life cycle analysis methodology.

In order to achieve these greenhouse gas emission reduction objectives, the group is developing a strategy based on multiple actions and solutions: Controlling the impact of the construction phase and use of materials; Efficient and low-carbon energy selections for future buildings. The actions implemented on all production projects and sites to reduce carbon emissions during the product design and use phase are detailed in Sections "Reducing the group's impact: The group's water and energy consumption and the occupants of our projects" and "Reducing the group's carbon impact: Eco-design of buildings and use of low-carbon materials"

With regard to the direct impact and administrative activities, in each section, the group details the actions put in place for all its agencies which have, in particular:

- Implementation of an energy-saving plan
- Implementation of sorting-at-source solutions in all agencies
- Specific action plans for each agency.

The 7% reduction in absolute carbon emissions between 2019 and 2023 in Scope 1 & 2 is mainly due to the group's mobility policy (see the section «Reducing the group's carbon impact: Mobility») as well as the action plans implemented at all sites to reduce carbon emissions.

Reducing the group's impact: The group's water and energy consumption and that of the occupants of our projects

Kaufman & Broad supports the national low-carbon strategy by offering buildings that incorporate climate change issues from the design phase through the selection of materials used, the optimisation of energy performance and the reduction of greenhouse gas emissions from its products.

Energy efficiency of buildings

Aware of the wider role that the sector can play in the combating climate change, the group is also continuing with its actions regarding design actions on all projects that reduce greenhouse gas emissions from delivered products in the use phase by its customers.

The group therefore adapts its strategy to the National Low-Carbon Strategy (SNBC), which namely consists of improving energy performance, reducing the need for carbon energy vectors and developing the use of renewable energies. The evolution of internal tools and processes makes it possible to identify the best energy solution to reduce the impact of the use of buildings.

Beyond this, the current financial year saw the first operations in production in accordance with Environmental Regulation 2020. These projects correspond to a higher level of performance than the RT level (around RT-20 per cent for multi family housing; source IFPEB). In fiscal year 2023, these projects at the RE2020 performance level represented 40% of the surface area launched in worksites (deliveries with a horizon of around 3 years and 92% of operations at the design stage (Commitment Committee - Delivery with a forecast horizon of around 4 to 5 years).

Rate of RT 2012 certified housing units[1]	2023	2022	2021
TR 2012	69%	58%	73%
TR 2012 - 10%	23%	29%	17%
TR 2012 - 20%	8%	13%	10%
TOTAL	**100%**	**100%**	**100%**

(1) Of all housing units delivered in 2023.

... environmental performance throughout the building's lifecycle.

This new generation RE2020 also reconciles the energy performance of buildings when they are used with a strong limit on greenhouse gas emissions over the entire life cycle of the project. The Group has thus extended its high performance design actions on all projects to reduce greenhouse gas emissions from products delivered in the construction and use phase by its customers.

The group thus incorporates into its strategy the challenges of the National Low Carbon Strategy (SNBC), which consists in particular of improving energy performance, reducing the place of carbon energy vectors and developing the use of renewable energies. The evolution of internal tools and processes makes it possible to identify the best energy solution to reduce the impact of the use of buildings.

Use of low-carbon and renewable energies

Kaufman & Broad is also working on the energy mix, in the aim of improving the performance of its facilities and reducing their environmental impact by in turn decreasing the use of fossil fuels. Energy production can be carried out by air water, air air heat pumping, geothermal, photovoltaic solar panels, thermal solar panels, geothermal energy, the use of biomass, etc. Some projects promote individual or collective self-supporting energy production.

In 2023, as part of the application of the provisions of the Manual of Environmental Specifications and Procedures (a reference set up by the group that applies to all programmes under design), the group generalised the systematic study of a non fossil fuel and low carbon energy vector on new projects.

Through the Charter of Reciprocal Commitments between the State and the members of the Afilog association, Concerto - a logistics subsidiary of Kaufman & Broad - has undertaken to dedicate on average, across all of the permits filed between 1 st January 2022 and 1 st January 2025, 50% of usable roofing surfaces to photovoltaic solar power generation.

A7A8 Austerlitz	Plateforme Montbartier	Quartier Iconic
The group was thus selected for the A7A8 project, covering a total of 128,500 sq.m of floor area in the Austerlitz district of Paris. This project will include the largest private photovoltaic roof in Paris, with 3,400 sq.m of solar panels.	The potential of logistics platforms in this area is also enhanced, particularly with the Plateforme Montbartier, which is LEED-certified at Silver level, and which has a photovoltaic roof covering 6,600 sq.m, generating annual production that will be relayed back into the grid network.	In addition, the 25,000 sq.m of housing and retail in the iconic district, partially delivered in 2023, in the city of Agde, are supplied by a marine geothermal power plant.

Raising client awareness of the impact of their acquisition

The energy performance diagnostic (EPD) makes it possible to identify the energy performance and carbon performance of housing in the use phase, and thus allows for the classification of housing from an ecological point of view. This constitutes added value for the buyer, as low-energy housing is also less expensive in terms of maintenance. The group systematically promotes this information to all customers.

Beyond compliance with applicable regulations, the safe use and actual energy performance of buildings depends on the occupants. Depending on their lifestyle and the choices they make, they may or may not be able to optimise their housing in terms of energy savings. For example, blocked ventilation outlets or a pierced exterior wall can partially cancel out the good energy performance of buildings. This behavioural factor becomes more significant if housing is technically designed to be more economical. Kaufman & Broad provides customers with an owner's guide upon delivery. It presents the environmental and technical particularities of the building and the housing, as well as the best practices to adopt on a daily basis so that the use of the property is safe, sustainable and efficient.

Logistics platforms and offices are delivered with a building management system, (BMS), namely allowing for the monitoring of consumptions and the optimisation of potential losses.

Agencies' water and electricity consumption

Kaufman & Broad has implemented an energy-saving plan applied across all group sites in order to reduce the group's energy consumption. The majority of the group's energy consumption is linked to the consumption of company vehicles, and the following section provides details on the action plan to reduce this consumption.

With regard to agency consumption, the group has implemented an energy efficiency plan across all its sites and agencies, with the following principles in particular:

- Do not heat offices to more than 19 °C
- Do not air conditioning office spaces at less than 26°
- Switch off all lighting from 8.30 p.m. (this also applies to the Boutiks and Showroom premises).
- Sharing the best environmental practices within and between agencies.

As part of the application of an internal energy efficiency plan, the group has set itself the objective of reducing energy consumption by 10% in 2023 and 2024 compared to 2022. The 3% reduction in electricity consumption between 2022 and 2023 reflects this dynamic.

The energy consumption (electricity and gas) of the branches is also monitored.

	Average Headcount*	Electricity consumption *(kWh)*	Gas Consumption *(kWh LHV)*
2023	**758**	**1,635,981**	**61,206**
2022	857	1,613,463	37,229
2021	820	1,614,893	44,923

**Average headcount for the year, permanent, fixed-term and work-study contracts*

Summary table of energy consumption:

		Consumption (kWh)	Renewable energy consumption (in kWh)	Renewable energy share
2023	Gas consumption	61,206	-	0%
	Electricity consumption	1,635,981	1,175,947	72%
	Fuel consumption	5,033,834	113,620	2%
	TOTAL	**6,731,021**	**1,289,567**	**19%**

Energy optimisation of IT resources

Kaufman & Broad is committed to working towards responsible IT management by signing a sector position note on digital restraint.

To date, digital sector emissions account for approximately 4% of global emissions and are rising at a significant rate (~ 8%/year) due to a steady increase in the use of digital products and services. Aware of the environmental impact of this sector, the group has established a roadmap for all its sites, aiming for reduced digital content and healthier IT asset management in conjunction with our IT suppliers and employees.

In response to the increase in the data volumes stored and processed, Kaufman and Broad made the decision to outsource its head offices' data centre in 2019. This project is part of a Green IT approach, with the aim of reducing energy expenditure and environmental impacts. It also makes it possible to secure the group's information system and streamline costs. This project was completed in August 2020, allowing the group's data to be divided into two data centres located in France, one of which, a latest generation modular, with an energy efficiency index (PUE or Power Usage Effectiveness) of 1.23 thanks, among other things, to the «free cooling» cooling method. This technique means that the data centre aisles are cooled using air from outside at temperatures of up to 23° C, and it also uses the heat emitted by equipment to raise the temperature of the room, if necessary. This performance clearly exceeds the standard PUE of 2 for traditional data centres.

The group also intends to manage its data storage units by minimising energy consumption whilst improving processing performance. Its selection has therefore focused on scalable and eco-energy technology based on full-flash technology that makes it possible to use more data whilst simultaneously reducing the complexity and cost of managing the underlying infrastructure.

In addition, in order to cope with the health situation and to adapt to new uses and ways of working, and in order to optimise remote working and to improve its energy performance, the group has completed the replacement of its fixed computer fleet with latest-generation portable equipment for all employees, making it possible to adapt load thresholds and to automatically adjust energy parameters in line with daily use (adaptation of automatic brightness, extended monitoring, etc.).

In addition to its impacts, digital technology also plays a major role in accelerating the environmental transition, constituting one of the main leverage points for controlling energy consumption and greenhouse gas emissions. This rings particularly true for heavily consumer-centric sectors, such as the property sector, namely in regard to topics supported by the Smart Building Alliance such as BIM for design-build-deconstruction activities, and such as Smart Building technologies for the building operation business. Therefore, the company's stakeholders must be made aware of the new role of the Information Systems Departments as a key partner of the various property businesses as part of a holistic and effective CSR approach.

This logic of IT resource energy efficiency across all of the company's sites aligns with a broader logic of environmental performance, which also deals with the extension of the duration of the use of the equipment, with a view to reducing the consumption of resources, as described in Section 5.1.3.4. Circular Economy.

Reducing the group's carbon footprint: Eco-designing buildings and using low-carbon materials

Within a French market that is subject to some of the strictest regulations in Europe and worldwide, Kaufman & Broad designs environmentally and technically demanding programs with the aim of ensuring the sustainability of its customers' investments, including resale. This requires a quality of design and construction that reflects the group's commitment to contributing to the fight against climate change, whilst also ensuring comfort and peace of mind for its customers.

Considering that a significant portion of the group's emissions are associated with the construction phase, Kaufman & Broad chooses to evaluate them on an annual basis, going above and beyond the regulatory obligation of the *BEGES* (greenhouse gas emission assessments), every four years. The Group has generalised the completion of a life cycle analysis (*ACV*) to all its new operations in 2022 in the design phase, as a tool to assist in the decision making of project configurations. For previous operations (*RT* without dedicated *ACV*), the group estimates its emissions based on sector references from the "*Institut Français pour la Performance des Bâtiments*". These indicate values corresponding to the "products and equipment" contributors implemented during the construction of a building as well as the «Use» indicators (Energy and Water) as well as the construction phase.

Today, some construction materials have a high carbon intensity, particularly during the production phase, such as traditional cement. In order to reduce its carbon impact on the construction phase, the group is taking an interest in finding and implementing lower-carbon materials, such as bio-sourced materials, low-carbon concrete and reuse (see Section 5.1.2.3) Circular economy). The use of low carbon materials is also a lever for obtaining ambitious environmental labels (E+ C-, Effinergie, RE2020 level 2025, 2028 or 2031, etc.).

Aware of the scarcity of certain resources, the group is developing its skills in frugal buildings.Avoiding or reducing the use of materials constitutes an essential ecological and economic response.

Frugal housing

The group has been awarded for its Bordeaux program - Rue Malbec - which will develop 62 housing units. In this project, the group is committed to using a sustainable approach, promoting biodiversity and reducing the carbon impact of buildings, as well as relying on organic climate control via the "*Bâtiment Frugal bordelais*" (Bordeaux Frugal Building) label.

In addition, in 2015, Kaufman & Broad became a member of the "*Association Bâtiment Bas Carbone*" (Low-Carbon Building Association - BBCA), with the aim of reducing the carbon footprint of buildings, developing its knowledge in the field of low-carbon construction, and participating in the training effort within the sector. The association contributed to the development of Life Cycle Analysis (*ACV*) methodologies for new buildings, and has also launched a label for buildings in operation with a reduced carbon footprint. This participation in improving knowledge of carbon methodology and raising the sector's collective awareness of the need for greater energy and material efficiency allows Kaufman & Broad to gradually integrate sector advances in the overall reduction of the carbon footprint of buildings.

For surface areas built in 2023, estimates for each product type are presented below, with historical data for 2022. In 2023, the product construction phase, which reached 100% technical completion, represented 293,698Tons of carbon eq. For 303,178 sq.m delivered.

Sq.m FA (*SDP*) delivered [a]	2023 (Sq.m FA) (*SDP*)	Emissions from products delivered in 2023 - Construction products and equipment item (T.Carb.eq)	2022 (Sq.m FA) (*SDP*)	Emissions from products delivered in 2022 - Construction products and equipment item (T.Carb.eq)
Housing	259,357	235,323	304,647	283,294
Offices	15,991	21,124	52,532	50,750
Logistics	27,830	30,613	42,096	46,306
TOTAL [C]	**303,178**	**287,060**	**399,275**	**380,350**

(A) Calculation on completion method.

(C) Excluding land/building lots.

Low-carbon materials (including low-carbon concrete)

The Low Carbon Kaufman & Broad strategy combined with regulatory changes have imposed the inclusion of the carbon dimension in our design choices. Kaufman & Broad teams were made aware of and trained in carbon issues, the Life Cycle Analysis methodology and cost/carbon correlations (Roadshow training day on the group's Transformation and CSR issues for all employees, Bootcamp bas Carbon K&B having brought together the technical teams: 120 employees, RE2020 training courses, Green Soluce training module «Designing Low Carbon New Buildings, etc.). The carbon weight of each building component is now assessed on the basis of emission factors (greenhouse gases, in kg carbon eq.), based on an Environmental and Health Statement (FDES) prepared by the supplier, or in their absence by an Environmental Data by Default (DED). For the Usages section, an assumption is made over a specified period of use (50 years in the E+/C- label; dynamic (*ACV*) in the RE 2020).

This carbon methodology, which aims to find the most efficient configuration for our buildings through the selection of materials, was notably subject to an innovation brick distributed internally (Low-Carbon Construction), a "*Info-Carbone K&B*" sheet dedicated to facade materials, workshops bringing together technical and purchasing departments, the promotion of good carbon practices and the prohibition of non-effective selections through the Kaufman & Broad Manual for Environmental Specifications (e.g., the "Limitation of the use of metal cladding"). In 2023, the group also carried out a review of the carbon indices of all domestic service components presented in the customer ranges and Showroom. The "responsible purchasing" policy was also reviewed with the purchasing department: The company shared its objectives and low carbon strategy with its value chain and suppliers, highlighting the priority use of components benefiting from environmental data (Environmental Data Sheets).

This low-carbon strategy for building materials also involves the use of low-carbon concrete. The carbon impact in a concrete formula is essentially based on the clinker/cement ratio used.

The aim is to minimise the clinker ratio in the cement formulation and to replace it with substitutes (such as blast furnace slags, waste from the steel industry, etc.). This is commonly known as "low-carbon concrete."

For example, the group has included in the K&B Manual for Environmental Specifications (MESP) the non-use of cement with a carbon weight greater than 220 kg carbon eq/cubic meters in superstructures for all new projects. In addition, a "low-carbon concrete" innovation brick has been produced and distributed internally, and some programs go above and beyond simply using low-carbon concrete:

Lagord

Kaufman & Broad is rolling out the *Lagord* program close to the city centre of La Rochelle. This program covers 2500 sq.m SHAB (living area) and provides for 36 homes. This residence, in the heart of a city block, is designed to be a low-carbon neighbourhood, aiming for an E3C2 environmental performance, namely made possible thanks to the use of low-carbon concrete.

Active monitoring is maintained over the low-carbon materials sector, particularly through Kaufman & Broad's support for the low-carbon Prescriptor Hub of the French Institute for Building Performance (IFPEB). In 2021, the institute was able to produce sector and prospective analyses, in particular «Carbon outweighing of materials» and «Low carbon concrete» and in 2023 an analysis on Low Carbon renovations as well as feedback/prospective work on life cycle analyzes for multi family housing and office buildings.

Bio-sourced materials and the use of wood

The group is integrating a growing proportion of bio-sourced materials into its production, in the aim of both honouring and anticipating regulatory changes and to drive forward with its carbon trajectory.

- On 100% of production, the proportion of bio-sourced materials integrated from the baseline is estimated at approximately 4.5 kg/sq.m FA (Floor area),
- Many operations include a greater proportion of bio-sourced materials, both for the structure of the building and for finishings.

Tour Silva

Kaufman & Broad won the competition for the building of the *Silva* housing tower in a predominantly wood base in *Bordeaux*. The first beam of this project was laid in October 2023. This project covers 17,700 sq.m, divided between 14,200 sq.m of homes certified in compliance with NF Habitat HQE, 3,000 sq.m of office spaces certified in line with BREEAM Very Good, and 500 sq.m of shops and an underground car park.This 16 storey and 50 metre high tower has a primary structure with giant doves mostly made of wood.

***EDF* regional headquarters/Others**

The Group also built Edf's 4,500 sq.m in wood and concrete in *Bordeaux*, as well as wood frame houses in *Bussy Saint Georges*, the «Feel Wood» single family home in Villepreux in wood frame and the "*Jardins d'Ozalie*", an intergenerational residential home for social housing with a three storey wood cladding system

In order to facilitate the use of wood-based bio-sourced materials in Kaufman & Broad projects, in 2021, the group:

- Accompanied by the creation and hosting of the Woodrise Congress (the first world congress dedicated to medium- and high-rise wood buildings, aiming to establish a benchmark and international feedback on wooden construction), the latest edition of which was held in October 2021, in *Bordeaux*. The aim is to contribute to the structuring and enhancement of our ecosystem of suppliers and partners, centred around the supply and implementation of bio-sourced materials. The on-site teams presented the group's references in wooden construction. The group marked Kaufman & Broad's commitment in this field by signing the "Woodrise Paper."
- Inaugurated the *Tour Silva* project in *Bordeaux* by laying the first beam on 17 October 2023: The tower will offer 125 units from 2 to 5 rooms, spread over 16 floors. Its height design helps limit the grip on the ground and thus promotes the permeability of the soil. The technical choice was on a timbered tower with a mixed structure composed of more than 60% wood: From the ground floor to 4th floor, the structure is made of concrete (poles and floor) and from 5th floor, the structure becomes mixed with a central part of concrete and two side parts in structure and wood floors. In order to support the policy of boosting its still under represented timber industry, the research carried out for the construction of Tour Silva has been filed in the public domain to serve other projects and advance research in the field of wood construction.
- Created a Transverse Wood Construction Department to extend its use of wood structures to carry out some of its operations. The Construction Bois Director is involved in a cross functional way with the operational technical teams as well as within the K&B National Technical Committee and the Booster innovation network.

Kaufman & Broad promotes the sustainable use of bio-sourced materials in construction. For example, Kaufman & Broad requires that all bio-sourced materials used are subject to environmental certification (particularly PEFC[1] or FSC[2]) and that there is monitoring in place for the quantities used.

Active monitoring is maintained in the field of bio-sourced materials, particularly through Kaufman & Broad's support for the Low-Carbon Prescribers' Hub of the French Institute for Building Performance (IFPEB). In 2021, the Institute was able to produce sector and prospective analyses, particularly on "Bio-sourced materials."

Reducing the group's carbon footprint: Mobility

On the one hand, travel represents a significant proportion of the emissions of our Scopes 1 and 2, and on the other hand, the main source of carbon eq. emissions was the occupants of the buildings we develop and build (average individual Carbon Audit of a person in France), although this latter point does not include part of the scope of the Carbon Audit. Kaufman & Broad wants to take action on this source of emissions, which presents significant potential for reducing individuals' carbon impact.

In our projects

Indeed, the location of a project directly influences the emissions related to daily transport (particularly in regard to home-working).Connectivity is a key factor in decision-making process for launching an operation, incorporating analysis criteria such as the size of the agglomeration or the location.Since 2021, the CSR indicators deployed cover the issue of mobility through the evaluation of the pedestrian and cycling potential indicators around the land used for all our projects.The distance of our projects from public transport and main services (education, healthcare, access to nature, food).

(1) *The PEFC label guarantees that the wood used to manufacture the products purchased comes from sustainably managed forests. For more details: https://www.pefc-france.org/*
(2) *The FSC label is a label that ensures that the wood used in the manufacture of the products comes from drills whose management complies with sustainable forest management standards. For more information: https://fr.fsc.org/fr-fr*

For projects located further from public transport and services, the group is experimenting with complementary - or alternative - solutions to the automotive industry, such as: A carpooling service, a partnership including a soft mobility offer (electric cars or electric bikes).

Kaufman & Broad mainly develops its business in urban and suburban areas. This strategy makes it possible to limit urban sprawl and indirectly reduce the group's impact on soil and biodiversity and, in certain cases, to participate in the renewal of the existing fleet (see section 5.1.3.6. «preservation of biodiversity and ecosystems»).

100% I.E. programmes launched * less than one kilometre away from public transport.

95% 97% of housing programs launched* in an urban unit**

* *programs which have been subject to a technical progress change in 2022.*

** *Classification via INSEE 2020 referencing.*

Kaufman & Broad's mission requires us to play a key role in urban change and in new practices of individual mobility. In fact, carbon emissions from forced travel (mainly commuting) have a significant impact. The group is aware that its innovation strategy may have an indirect impact by taking into account the location of projects and the proximity of public transport, but also through offering sustainable mobility solutions.

The ambition is to enrich the mobility solutions offered to program users through a renewed vision of travel management, focused on demand rather than supply, and through the implementation of MaaS: The Mobility as a *Service approach* . This approach consists of offering mobility services that complement the practice of "individual cars", in line with the transformation of the regions in which Kaufman & Broad operates.

To this end, Kaufman & Broad is developing a strategy on the location of projects, and the group implements partnerships to offer innovative mobility solutions to occupants.

Implementation of the Mobility *as a Service approach*

Facilitating access to public transport	The location of programs in urban or suburban areas with access to public transport for users.
Shared parking with plenty of spaces	Offering buyers/users parking spaces in the form of a right of use, so as to move from an ownership economy to a sharing economy between different users.
Short-term carpooling incentive	Short-term carpooling is carpooling used for daily commutes, reducing the use of individual cars. The partner (service - application) addresses users directly and may be communicated by the union.
Parking quality bikes, electric bikes, shared electric bikes	Offering an alternative, environmentally-friendly solution by including parking for bikes and e-bikes for users. Offering a self-service, shared e-bike service for users.
Shared electric cars	Kaufman & Broad regularly integrates a shared electric car solution into some of its projects (details below).

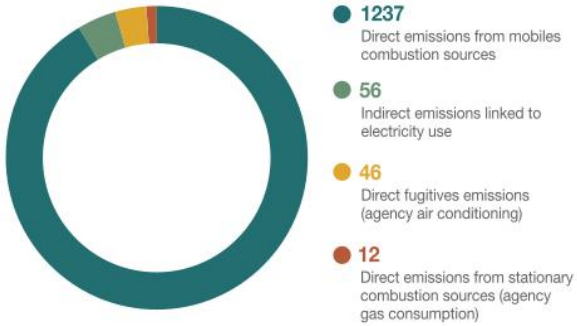
On the "Feel Wood" project in *Villepreux,* Kaufman & Broad collaborated with the Renault Group to set up a preferred long term leasing offer for an electric vehicle under exceptional conditions for all future buyers of the operation.

There has been a boom in the cycling trend since 2018, driven particularly by the development of electric bikes. The challenge is to reinvent modes of transport, particularly with ecological objectives in mind, and also to find an alternative solution for the problems posed by increasing traffic volumes, especially in cities.

Kaufman & Broad integrates on all its new projects a bicycle parking location for the 1 and 2 rooms, and 2 bicycle parking spaces from the 3 rooms. These bicycle premises comply with the local K&B bicycle charter, which provides for the functionality of these spaces and the security of bicycles. To go further, the group has been able to set up additional services on certain projects to enable residents to use bicycles and scooters. At the Residence *Côté Village* in *Saint Jean de Vedas*, Kaufman & Broad has put in place an alternative solution: Offering self service 5 electric bikes to housing users with the possibility of order via a mobile app.

These solutions can complement or even replace the use of the car, depending on the travel required by each individual. This solution also facilitates and promotes physical exercise and activity amongst occupants.

In employees' daily lives



As a service company, the group pays particular attention to Scope 1 & 2 carbon emissions (the breakdown of which is shown in the graph above). This analysis shows the significance of carbon emissions from company vehicles and remains the group's priority in regard to achieving the carbon reduction objectives set. The group expands its carbon analysis scope by taking into account all business trips taken with company vehicles and also those taken with personal vehicles, by train and by air (breakdown in the table below).

The emission factors used are derived from data in the *ADEME* Carbon Base.

	2023		2022	
Type of transport	**T Carb. eq**	**Breakdown**	**T Carb. eq**	**Breakdown**
Car	1,815	94.8%	1820	94.2%
Train	3	0.1%	2	0.1%
Aircraft	(97)	5.1%	110	5.7%
TOTAL	**1,915**	**100%**	**1933**	**100%**

Fuel consumption in litres [1]	**2023**	**2022**
Diesel	291,033	320,771
Petrol	232,188	214,686
Superethanol (E85)	2,132	-
TOTAL	**525,353**	**535,457**

(1) Across all company vehicles

A total of around 1,915 tonnes of carbon were emitted in 2023 for business travel. Cars are the largest emitter of carbon eq. on travel, for 94.8%. The item of emissions related to cars experienced a slight decrease due to the reduction in the company's car fleet as well as the introduction of electric and E85 vehicles.

In 2023, the group also included in its Bilan Carbone the impact of personal mobility of employees for daily commuting, including all modes of transport.

Aware of the significant share of transport in its greenhouse gas emissions, the group draws up a **sustainable mobility actionplan** to reduce carbon eq. emissions related to employee mobility. It has several areas:

- **Developing new ways of communicating and working , focusing** particularly on digital tools. Kaufman & Broad introduced video-conference systems in 2009. To also respond to health contexts, the group encourages its employees to prioritise video-conferences whenever possible in order to limit their travel. The use of tablets is gradually becoming widespread, contributing to the de-materialisation of certain business processes. The group has also deployed an Electronic Document Management (EDM) system. In 2021, the group updated a teleworking agreement (see section 5.1.4.3 «Quality of life at work and social relations - Health, Safety and quality of life at work»).
- **The roll out of a low carbon company car policy :**in 2023, the group introduced a grid of 100% electric vehicles or E85 bioethanol vehicles for its renewals and no longer introduced petrol/diesel thermal cars, combined with an approach to energy efficiency and vehicle weight limitation.
- **The Kaufman & Broad Sobriety Plan:** The measures in the Sobriety Plan enable the implementation of a policy to reduce greenhouse gas emissions in connection with employee business travel. Among the measures of this plan:

✓ Systematically opt for the train when travelling less than 4h, or less than 3h if the return trip is made during the day.

✓ During daily travel, focus on walking, public transport, car sharing and eco driving.

- **The alternative mobility package for employees :** In 2018, the group conducted a survey with all employees on their commuting in order to measure the impact of commuting, in order to better understand employees' habits and expectations and to implement an action plan that would reduce the group's environmental impact.Following this questionnaire, the group set up two mobility packs in 2020 (presented below) to offer alternatives to individual vehicles, these packs being made accessible to all employees. This offer was built around four cumulative solutions for green and sustainable mobility, and it is based on partnerships with organizations.
- **For all employees (Green Pack)** :

✓ The annual reimbursement of 60% of the costs of public transport subscriptions

✓ The 70% reimbursement of a company electric bike for employees taking public transport may be combined with the annual reimbursement of public transport subscriptions over the winter period.

- **For employees eligible for company vehicles, in addition to the above benefits (Green + Pack) :**

✓ Allocation of an SNCF discount card paid for by Kaufman & Broad

✓ Free access to one of the carpooling vehicles during the week and the possibility of weekend rentals on a personal and punctual basis at a preferential rate. The shared vehicle fleet includes electric vehicles.

✓ The annual reimbursement of 60% of the costs of public transport subscriptions

✓ 70% reimbursement of a company electric bike for employees taking public transport.

In 2023, 19 employees at the head office and some branches used shared vehicles, 3 of them having renounced company vehicles, more adapted to their business and personal travel.

This mobility action plan accounts for the majority of the reduction in greenhouse gas emissions of the group's Scopes 1 and 2 in 2023.

5.1.3.3. Adapting to climate change

Risk management regarding the group's ability to adapt to and anticipate the impacts of climate change

Adapting to climate change is an important issue for the group's production. The real estate programmes carried out have a lifespan of several decades or even centuries and will experience an average climate different from that of their design years. The challenge of adapting buildings to climate change can also be an opportunity for the group, as new real estate projects or major renovations are best able to assess and take into account any climate vulnerabilities at project sites and to integrate climate change resilience measures and factors.

Systematic assessment of climate risk exposures

The Group has included in its process an analysis of climate change risks for the site of each of the real estate projects. In the design phase, the group uses the R4RE-Bat Adapt (Resilience for Real Estate) tool developed by the Observatoire de l'Immobilier Durable, an organisation supported by the group. This tool generates a probability profile of forecast risks for various climate risks, in particular:

- Heat waves
- Drought
- Precipitation, floods and submersions
- Coastal dynamics
- Storms and high winds
- Forest fires
- Extreme cold
- Landslides

The analysis takes into account the site's exposure on the one hand, and the main characteristics on the other. The design of the project then aims to integrate and clarify adaptive provisions to reduce the vulnerability of the building. The group also shares its feedback on the use of the tool at the sustainable real estate obserVATory, in a logic of continuous improvement of this still recent tool.

Consideration of certain adaptive measures in Group standards

The Group's standards include provisions that contribute to the resilience of buildings to certain climate change exposures. The Environmental Specifications and Procedures Manual thus provides for the generalization:

- Facades and roofs of light hues (high albédo), as far as possible compatible with urban requirements,
- Adapting nature based solutions to adapt to climate change, particularly in the design of landscaped spaces related to buildings.

Thermal and bioclimatic design studies carried out on each of the programmes include a «summer comfort» component, with the measurement of a «degree hours» indicator and a ceiling value target.

Soil studies carried out on all projects by specialised design offices qualify the risk of «clay withdrawals and inflations» and provide for appropriate geotechnical provisions.

Climate change adaptation challenges for the company's operation

Kaufman & Broad has integrated a climate change adaptation approach into the development of its transition plan. The Group thus assessed the exposure of its main sites to the main climate risks using the R4RE Bat Adapt (Resilience for Real Estate) tool. This assessment is made in particular as part of the assessment of the group's real estate commitments (CAPEX) on the aspect of adaptation to climate change of the European Taxonomy.

In the context of adaptation to climate change, the group is also vigilant:

- The potential increase in exceptional climatic phenomena, which could lead to unexpected technical constraints: For example, particularly severe winter conditions or periods of summer heat waves that would lead to work stoppages for several days (or even weeks), which could lead to delivery delays affecting the recognition of the group's revenue and margin, see also section 4.1.2.10. «Risks related to climatic circumstances.»
- The increase in energy prices and the scarcity of certain resources could lead to additional costs for the group, particularly due to an increase in environmental taxes and higher corporate expenses (increase in the cost of materials and increasingly strict regulatory standards, particularly in terms of safety and the environment).Significant changes in the prices of raw materials (mainly cement, steel and wood) used in building buildings, could have a significant impact on the group's construction costs see also section 4.1.2.2. «Risks related to construction costs» and 4.1.2.5. "Risks related to program management."The group is also developing the integration of bio-sourced materials and second life materials into the group's property projects, see also Section 5.1.2.2. "Circular Economy."

5.1.3.4. Control and control of pollution

Soil and subsoil quality and pollution

Prior to any acquisition of land, the group carries out, through specialised design offices, a historical, documentary and memorial study of the activities that may have been carried out on land, and then the development of an investigation program, surveys and analyzes for the detection of possible soil and subsoil pollution.

Kaufman & Broad first appoints an engineering consultancy firm to carry out an additional field pollution diagnosis. A company is then responsible for carrying out, if the diagnosis is unfavourable, the site decontamination for a rehabilitation compatible with the intended destination of the program. The group is particularly vigilant in analysing the context and implementing the decontamination project, particularly if it is located on high-risk soil, such as clay soil, or if the land is located on industrial wasteland (see Section 4.1.2.9 "Risks related to pollution").

Example : As part of the «Les Reflets de l'Ourcq» project of 216 housing units developed in Bobigny, the group called on the AIC Environnement research office to carry out a historical, documentary and memorial study of the activities that could have been carried out on the land and then to develop an investigation program, surveys and analyses for the detection of possible soil and subsoil pollution. These studies revealed the presence of oil pollution, PCBs, sulphates, soluble fraction and antimony. These lands (approximately 7290 m ³) were removed by a specialised company and treated in a specialised centre for this type of hazardous waste of the type ISDI 3x3/biocentre/ISDND.

Kaufman & Broad's Human Resources Department offers employees a series of training courses on environmental issues related to the property development business. For example, in 2022 and 2023, the technical teams took the «Sites et Sols polluées» training provided by the specialised research office AIC Environnement.

Management of hazardous waste on old buildings to be deconstructed or renovated

Before launching an operation on an existing building, the program manager appoints, after signing the agreement and prior to any operation on the site, an organization responsible for diagnosing hazardous materials, including asbestos. The asbestos diagnosis makes it possible to locate and analyse any asbestos present in building components and equipment so that companies can be consulted with a view to submitting the withdrawal plan to the Regional Directorate for Enterprise, Competition, Consumption, Labour and Employment (*DIRECCTE*). Kaufman & Broad's purchasing department uses a deconstruction firm. It asks a company specialising in asbestos removal, whose role is to submit a plan to remove hazardous materials (including asbestos and lead)to the Labour Inspectorate and the Regional Health Insurance Fund. When buildings are retained, a lead diagnosis is carried out to determine whether there is any lead in paints or piping, and the risks incurred.

For example : As part of the «L'Impériale» project for 129 housing units developed in *RUEIL MALMAISON,* the group called on the *BATEXPERT* design office to carry out a diagnostic of the building to be deconstructed. These studies revealed the presence of asbestos (corrugated fibreglass cement plates, ducts, lime and glue, mastic, etc.) and lead. These hazardous items were removed by a specialised company and treated in a specialised centre for this type of hazardous waste.

In 2023, the group introduced paperless procedures for monitoring hazardous waste. The «*Trackdéchets*» tool made it possible to identify 148 dematerialised forms for approximately 388 tonnes of hazardous waste in the financial year.

Quality and safety requirements for new building components

The environmental objectives set out in the Kaufman & Broad Low-Nuisance Green Building Charter, annexed to the works contracts, include:

- Reducing disturbances (noise, dust, pollutants) caused to local residents by the project;
- Non use of pollutants or hazardous products covered by regulations, including persistent organic pollutants (POPs); substances listed in Annexe I or II of Regulation (EU) 2019/1021), hazardous substances and chemicals covered by REACH regulation;
- Limiting the risk of water and soil pollution during construction;
- Reduction, sorting, recovery and traceability of site waste, particularly through an objective of 80% (by mass) recycling or material recovery of site waste across all projects;
- Protecting the nature and biodiversity of pollution;
- Monitoring and controlling water and energy resources.

5.1.3.5. preservation of water resources

Water scarcity affects a significant portion of the world's population. Adapting to climate change requires preserving freshwater resources. Clean water and sanitation is one of the 17 United Nations Sustainable Development Goals. In France, each inhabitant consumes an average of 146 L of water per day.

Through the design of its buildings, Kaufman & Broad has a role to play in saving water consumption, for example with the installation of water saving equipment and the proper design of structures and outdoor spaces.

Preserving aquatic environments

The Group applies the "Water Law" procedures. These provisions allow the development of a real estate project to promote the consideration of issues related to water and aquatic environments (flood zones, wetlands, groundwater and groundwater, streams, pond or lake).

The group uses independent experts to develop project assessments, actions and strategies to address the issues of aquatic environments, whether they are projects subject to declaration or authorization.

For example : As part of the "Coeur Livry" project of 104 housing units developed in *LIVRY-GARGAN*, the group called on the *ROCSOL/COMIREM SCOP* study office for the completion of a declaration file under the Water Act, as part of a tablecloth. The dossier included the following precautions: Adaptation of rainwater management (increase in the surface of green roofs and choice of permeable mineral coatings).

Commit to reducing water consumption in our projects

The group's objective is to promote and enable a more sober use of freshwater resources in its projects. To this end, the group's major levers for action are the implementation of water saving equipment in projects and the integration of water management optimisation in the design phase.

This is why Kaufman & Broad has, since 2021, generalized technical measures that go in this direction by including them in its Manual of Environmental Specifications and Procedures, an internal reference applicable to all projects.

- The installation of water saving equipment, with a target of 100% of projects launched in construction starting in 2022, for sanitary and watering equipment, in particular through specifications imposing in 2023 for any new project the following ceilings:

✓ Washbasin: Maximum flow valve of 6 L/min

✓ Sink: Maximum flow tap of 6 L/min in residential and commercial

✓ Shower: Maximum flow of 8 L/min

✓ Toilets: Double control 3L/6L (or 2/4L)

✓ Urinals (commercial property): 1L flush or < 2 litres/bowl/h

✓ Other equipment, commercial property: -30% compared to reference values

- The generalisation of the principle of water management in the plot, in particular by:

✓ A target of 100% of outdoor parking spaces (excluding PMR spaces), for all projects launched as of 2022.

✓ The positioning of non impermeable surfaces at low points, in order to allow the infiltration of rainwater,

✓ The use of rainwater infiltration on the ground, depending on the potential of the project,

- A target of reducing the need for fresh water for the maintenance of outdoor spaces (particularly watering) by 50% compared to standard provisions, which may include:

✓ The hydroeconomical design of the landscaping project (choice of native and adapted plant species in particular),

✓ The use of non drinking water networks,

✓ The implementation of a rainwater recovery solution.

Example: the purchasing department Kaufman & Broad has incorporated the maximum flow rates of water saving equipment into its supplier referencing strategy.

In addition, the water consumption of the inhabitants and the water needs of the project are simulated on all new projects, at the life level (50 years per convention) as part of the life cycle analysis of the RE 2020. This parameter makes it possible to integrate and measure the preservation of freshwater resources in the design phase of new operations (Kaufman & Broad markets its real estate production and can not therefore monitor water consumption once the operations are delivered).

Finally, each home is equipped with an individual water metre with remote reading, to allow billing in line with actual user consumption during the use phase.

Agencies' water consumption

The water consumption of the branches is also monitored and consolidated. Each manager is made aware of how to control water consumption, with the aim of not increasing consumption; the theme of preserving water resources is one of the topics addressed by the green committees set up at the group's main sites. The water consumption of the branches is presented below.

	Average workforce	Water consumption *(Cm^3)*
2023	758	5,184
2022	857	5,379
2021	820	6,386

5.1.3.6. Preserving biodiversity and ecosystems

In order to reduce the environmental impact of buildings and to also make housing and commercial buildings more pleasant for occupants, measures are implemented during the design and subsequent implementation phases of the program.

Town planning rules govern the property development business. Since the SRU \[Solidarity and Urban Renewal] Act of 13 December 2000 and the earthquake-resistance regulation of the Risk Prevention Plan (RPP), municipalities have defined local town planning plans (PLUs), the RPP, which defines land that can be built on taking natural risks into account (floods, avalanches, landslides, forest fires, etc.), and have drawn up the regional coherence plans (SCOT) that are required in several municipalities. Thus, all the group's buildings are developed within the framework of urban planning authorisations duly issued by the competent authorities, in areas with urban planning regulations and identified to be buildable within the framework of public urban planning procedures.

In order to achieve the objectives of the Paris Agreement and the Green Pact for Europe, the Climate and Resilience Act of 22 August 2021 incorporates, through Article L.101-2, the economical use of natural spaces and the protection of sites, environments and natural landscapes into the general objectives of the Town Planning Code. This article thus specifies that the achievement of this objective results from obtaining a balance between: Control of urban sprawl; urban renewal; optimisation of the urban area density; urban quality; preservation and restoration of biodiversity and nature in cities; protection of the soil of natural, agricultural and forest areas; and lastly, restoration of artificial soils.

This law also applies numerous provisions to the property sector, aimed at adapting town planning rules in order to combat urban sprawl and protect ecosystems. These provisions include the goal of zero net soil artificialisation on a national level by 2050. To do this, the rate of soil artificialisation in the 10 years following the enactment of the law must reflect a national consumption of space which is less than half of that observed over the previous decade.

To take these issues into account, the group is developing its strategy to combat soil artificialisation, particularly by actively monitoring regulations related to biodiversity and the application of best practices in its production, particularly through its membership of the *Observatoire de l'Immobilier Durable* (French Sustainable Property Observatory). The Group measures and analyses its impact on soil consumption/regeneration and its biodiversity actions. The challenge of reducing soil impermeability and seeking a positive impact on biodiversity has also impacted the group's business model, which in 2020 created the subsidiary Aménagement et Territoires, whose main area of intervention is the conversion of industrial wasteland into an urban project promoting nature in cities to serve the health and well being of occupants.

In 2021, the integration of the measurement and monitoring of our production indicators into the K&B Committee tool devotes a section to assessing the impact of its projects on the preservation of soil and biodiversity. Consideration of the natural and landscape context in the development of the property project is also addressed in these decision-making phases. Data consolidation makes it possible to monitor the group's action for biodiversity and the reduction of soil sealing over time. This tool also makes it possible to evaluate the project against the «Do No Significant Harm» criteria of European taxonomy, in particular those related to the objective of protecting and restoring biodiversity and ecosystems of European taxonomy.

Taking biodiversity into account

Aware that any intervention in the region can have effects on the natural environment and biodiversity, Kaufman & Broad carries out impact studies in accordance with Article R. 122 of the French Environmental Code or, in cases whereby this is not mandatory, at the request of the local city council, in the context of a land-clearing operation or for an operation located close to an area of ecological interest (e.g., Natura 2000 site or coastal areas). Phytosanitary diagnostics are occasionally developed by landscapers to identify plants to be conserved and to verify their state of health. When a risk of damage to biodiversity is identified, the group may amend the mass layout to preserve biodiversity, or may plan for compensatory measures examined by the *DREAL*.

In addition to regulations, the group is aware that the full consideration of biodiversity constitutes an element of the quality and sustainability of its production. The environmental process relating to the company's biodiversity is divided into four phases:

1. Using soil responsibly and optimising the building:

The group measures and assesses its impact on soil and biodiversity for each of its projects. In 2022, most projects were developed on land that had already been urbanised and which had been previously built on. Several operations have even reduced the artificialisation of soil, particularly those initiated by the subsidiary Aménagement et Térritoires, which was created in 2020, and specialised in the conversion of industrial wasteland (see below).

With this in mind, Kaufman & Broad requires in its Manual for Environmental Specifications and Procedures that 100% of the projects carried out include a green space, primarily in natural earth.

2. Reducing soil sealing:

The conduct of our projects includes measures to reduce the sealing of soils in order to restore the soils.For example, the K&B Manual for Environmental Specifications and Procedures requires the use of porous systems for all outdoor parking spaces.The Biotope coefficient is simulated for each of our projects during the design phases, and compensatory actions may be implemented (e.g., green roofs and terraces).

3. Designing with nature:

For each project, the group takes care with the integration into green, blue and brown structures. A landscaper and/or ecologist is regularly involved in program design phase to study landscape integration. The integration of the project is reviewed with particular attention in the event of recommendations issued by the "*Architectes des Bâtiments de France*" (*ABF*).

In 2023, the group included in its Environmental Specifications Manual (MSPE) the systematic use of an ecologist for any project located in or within 200 meters of a protected natural area.

Beyond its aesthetic and pleasure functions, nature is seen as a system, which the project must integrate into and interact with. The design of building landscape systems also incorporates their resilience to climate change:

- **Resilience to drought:** We apply the principles of water-saving design to all our projects.The K&B Manual of Environmental Specifications and Procedures aims to reduce water requirements by 50% through the water saving design of outdoor spaces, the choice and layout of essences, the use of non drinking water networks, or the implementation of a rainwater recovery solution (this system is widespread in single family homes). Project water requirements are reduced for outdoor areas as well as water consuming equipment in buildings. The K&B Manual for Environmental Specifications and Procedures imposes maximum speeds for all equipment, these limits being set in line with best practices.
- **Resilience to heat waves :** The design of the building landscape system takes into account the challenges of combating the urban heat island, summer comfort and the optimisation of natural light sources in winter, as well as hygrometric regulation scaled to the plot.

4. Preserving and improving existent qualities:

Our approach is to identify, preserve and improve the site's biodiversity qualities. Our operations therefore seek to preserve any trees existing on the site as much as possible. The K&B Manual for Environmental Specifications and Procedures requires the identification of trees and specifies the protective measures required to ensure that the trees are preserved during construction (including their root systems).

The K&B environmental standard also specifies that all our operations must achieve a "zero net felling" objective for trees (taller than 5 m at maturity). In fact, our projects have a positive impact on the density of plant subjects.

Improving also means anticipating interactions between humans and nature. The K&B Manual for Environmental Specifications and Procedures particularly specifies that the plant species introduced must be:

- Non-invasive;
- Low allergenic (allergenic species classified as high risk are prohibited; the introduction of moderate allergenic risk species is limited to 25%);
- Adapted to the climate and the terrain;
- Must make it possible to build diversified vegetable strata.

Finally, our guidelines anticipate the principles of the sustainable management of outdoor spaces in the awareness brochures provided to buyers.

862 Trees planted on projects delivered in fiscal 2023.

In particular, Concerto, a logistics subsidiary of Kaufman & Broad, has specified, through the Charter of reciprocal commitments between the State and the members of the Afilog association, several actions relating to biodiversity:

- For all warehouse projects exceeding 20,000 sq.m of ground area and for which building permits were filed on 1st January 2022, the submission of an ecological study of the initial site and a project carried out by an ecologist who will propose recommendations with a view to maximising the site's biodiversity potential,
- For all warehouse projects, for which building permits were filed at 2022 January, 1st to preserve and protect existing vegetation when it is not included in the area of the building and roads.
- For all warehouses, signatory members undertake to plant hedgerows composed of trees and shrubs in two rows, on a linear basis, at least equivalent to 50% of the property limit, and in line with the local green framework. Under Axis 3 of the government's pollinator insects and pollination plan, at least 50% of hedges are composed of pollinator-friendly species.
- For all warehouses, signatory members undertake to systematically implement measures to welcome biodiversity in buildings: Integration of wildlife shelters (nests, cottages, etc.), following the recommendations of the systematic ecological study.

- For Multi-occupancy housing:

YOU in the ZAC Île Seguin (DDA) - "Rives de Seine" in Boulogne Billancourt	"L'enclos de Granis" in Grans	"La Forêt Verte" in Perray en Yvelines
In a designated development area (DDA), the environmental component bears particular importance and thus an environmental design office is selected through the invitation to tenders and the design phase. The YOU building in the ZAC Île Seguin - Rives de Seine district of Boulogne Billancourt, certified in compliance with NF Bâtiments tertiaires, HQE® and BREEAM®, and certified Effinergie + (Cep. RT 2012 - 46%), thus includes in its project actions in favor of biodiversity (work with an ecologist, choice of indigenous and adapted plants, implementation of hives, nests, and insect shelters, etc.).	The "L'enclos de Granis" program is classified as Natura 2000 for its exceptional habitats and is located on former farmland. Objectives have therefore been set to take into account the life cycle of the species found on the site, to protect habitats of community interest, such as green oaks and irrigation canals, to recreate remarkable spaces, and to promote the development of biodiversity. To meet these objectives, more than 300 trees have been planted, a 250 sq.m retention and infiltration basin has been designed to create an eco-complex, the canal network from the Grans estate has been restored to allow for the water supply of 94 hectares of grasslands, and, 4 hectares of land have been rehabilitated into hay meadows in collaboration with a local farmer. This program was delivered in 2021.	A "Loi sur l'eau" (Water Law) dossier was thus created for the "*La Forêt Verte*" program, which is based on land including a wetland identified by a pedology study conducted by Kaufman & Broad. The group has taken compensatory measures to restore another wetland on the same watershed as the project, on the edges of the Perray lake. In this area, a reed bed creates natural water filtration and is home to many plant and animal species. It is a spawning area for pike and is a nesting and breeding spot for birds, which stop there during their migration. This wetland and its ecosystem were gradually colonised and threatened by willow growth. Work has therefore been planned, outside the migration and reproduction period, to restore, maintain and monitor the environment over a 10 year period.

- For the Commercial business line:

New'R in Nantes	Amédée in Bordeaux
The green spaces of the group's projects can also be used as shared spaces and production spaces, such as the shared greenhouses erected on the roof of the New'R tower in Nantes, or the 4,000 sq.m dedicated to urban agriculture in the A7A8 project, which will be located in the Austerlitz district of Paris.	The Amédée project, located in Bordeaux and delivered in 2022, is part of an eco neighbourhood aimed at the Biodivercity Label, the first international label to take biodiversity into account in building and renovation projects.

- In our premises:

Kaufman & Broad promotes the implementation of biodiversity actions at each of the major sites that we occupy, in accordance with the principles applied to our production, as described above.

ToulouseAgency in "*Notre Dame des Grâces*" Church	group head offices in Courbevoie
Kaufman & Broad has established its regional headquarters in the Church of "*Notre Dame des Grâces*", in the heart of GreaterToulouse. The facade of this emblematic building is protected under communal heritage. Any modification or extension must therefore be compatible with the architectural character of the "building to be preserved", and must enhance the original architecture. Kaufman & Broad restored and redeveloped it into office spaces, working in close collaboration with the Architectes des Bâtiments de France, the city of Toulouse, and architect Pierre Louis Taillandier.	The Highlight project is certified as compliant with the Biodivercity label, attesting to the inclusion of biodiversity as a component from design to operation.

Industrial wasteland renovation operations: Projects to de-artificialise soil.

In 2020, Kaufman & Broad created the company Aménagement & Territoires, it aligns more than 50 years of property expertise with the desire to intervene upstream in large-scale development projects and to provide local authorities with sound and extensive property expertise: Residential, student or senior housing, offices, shops, hotels, public facilities, etc. The creation of this subsidiary demonstrates the group's desire to respond to the double-edged challenge presented by cities: "Combating climate change and strengthening social ties." The mission of A&T is to support the Cities in their evolution and to make profound changes at the level of a neighbourhood - two aims that Kaufman & Broad is fully committed to as its responsibility as developer. The challenge is to create low-carbon, resilient neighbourhoods and ecological urban landscapes that thrive, meet everyone's expectations, make sense, and bring people together.

Kaufman & Broad has launched major industrial wasteland renovation projects, generating value, overcoming environmental challenges, and reducing the pressure on urban sprawl.

These projects generally include upstream soil decontamination and soil unsealing. The site's sealed spaces and plant restoration have resulted in the creating of positive biodiversities.In addition to the direct environmental impact, the renovation of these wastelands has a "carbon sink" effect, particularly thanks to the vegetation of the soil. The reduction of wasteland to accommodate mixed urban projects offering high-quality nature, shops, services and buildings create benefits for the entire surrounding area, generating value for stakeholders and for K&B.

A&T's "*Magasins Généraux*" renovation program aims to become the region's first centre for creative and entrepreneurial industries, with 4,000 sq.m. dedicated to creativity and innovation; creating new appeal with a qualitative and inclusive space, bringing together 1,300 new résidents and 4,500 students. This program also aims to create an exemplary neighbourhood in terms of restraint and biodiversity. The transaction is also in the process of obtaining Effinature biodiversity certification.

Reims program - Magasins Généraux	Before renovation	Planned after renovation	Overall impact
Artificialised surface area	39,000 sq.m	27,000 sq.m	(-) 30%
Number of trees	4	1,700	1 tree/9 sq.m of green surface

The development of the site allows a 132% increase in permeable surfaces (20,332 sq.m.) with 30% green roofs planned.

5.1.3.7. Circular Economy

Reduction, traceability and recovery of waste on worksites

Kaufman & Broad acts as a "Property Developer", which means that it assumes the development risk of property projects. It initiates operations with a view to their sale, assesses the appropriateness and feasibility, steers the operation and is responsible for its financing.

Kaufman & Broad builds its structures according to two operating methods: Either by a general company, with a global contract awarded to a single company, or in separate building trades, with contracts awarded to several companies according to their construction activities. A general company has more standardised environmental processes, namely in light of its size and therefore its structure. Kaufman & Broad favours this single point of contact in the case of operations carried out in complex environments, such as in the centre of Paris or in designated development areas (DDA). In both cases, the group has a positive influence on its service providers through criteria integrated upstream in the selection process for partners and service providers, when awarding works contracts. In 2023, for example, the group tested the appointment of a player dedicated to waste sorting and recovery at a site located in Clamart. The requirement to comply with all applicable environmental and social regulations, as well as the Kaufman & Broad standards reinforcing various environmental issues, is reiterated in the contractual clauses and in the specifications, or the specifications of specific administrative clauses.

Environmental requirements are combined in the market dossier, and compliance with environmental procedures and objectives is verified by the Director of Production.

In order to specify its requirements in the construction phase, the group has drafted the Kaufman & Broad Low-Disturbance Building Guidelines. These guidelines were already being systematically applied to all NF Habitat HQE-certified projects and were systematically applied to all Kaufman & Broad projects in 2021.

The environmental objectives covered in the Low-Disturbance Building Guidelines include:

- Reduction, sorting, recovery and traceability of site waste, particularly through an objective of 80% (by mass) recycling or material recovery of site waste across all projects;

To ensure compliance with environmental requirements, the group may be assisted on certain projects by an PDEA (environmental assistant with project management). During the first site meeting, the PDEA is present to raise awareness in regard to the main lots in terms of compliance with the Low-Disturbance Building Guidelines. At the end of the project, it prepares a site review. In 2021, the "Controlling the challenges and processes of a clean worksite" training was offered to employees.

On all of our worksites, waste sorting is mandatory and is carried out on-site, if the size of the worksite allows. On average, the group produces approximately 57 kilogrammes of non hazardous waste approximately per sq.m of built FA (SDP). Kaufman & Broad estimates that approximately 17,281 metric tons of waste were produced on worksites delivered in fiscal 2023 (303,178 sq.m. FA). A majority of this site waste is recovered. For example, the "*Clos des Etoiles*" operation delivered in 2020 saw 92% of site waste recovered.In 2022, the group reinforced its standards for reducing site waste and improving traceability. Amongst the environmental requirements that we must meet, the group requires the systematic use of the Trackdéchet tool for the digitalisation of the traceability of hazardous waste, asbestos or waste containing persistent organic pollutants (*POP* waste) over the deconstruction of buildings (these materials are prohibited in new construction). Technical teams were made aware of new requirements in terms of the traceability and reduction of site waste at a national event: Site Waste Bootcamp (reminder of the requirement for the paperless traceability of all hazardous waste, register of excavated land and sediment, improvement of waste reduction and sorting-at-source actions by suppliers).

Building renovations

In line with the logic of reducing urban sprawl and reducing soil sealing, most Kaufman & Broad operations develop on land which has already been built on. The Kaufman & Broad teams are primarily studying the technical and economic viability of building rehabilitation and/or urban intensification scenarios from existing buildings (for example, to elevate, raise, extend) with regard to deconstruction, promotion scenarios. The aim is to promote the most cost-effective approaches in terms of CO2eq. emissions and to implement the best energy performance scenarios within the existing property portfolio.

This global approach is embodied, for example, in commercial real estate through the "*Revivalis*® " offer. *Revivalis*® is aimed at property developers who wish to avoid reductions in the value of their property holdings due to obsolescence, and who thus benefit from both a revaluation of their property holdings, significant reductions in energy consumption, updating in line with standards and customised building restructuring.

With this in mind, the group carries out renovation projects that allow for evolutions in the use of buildings whilst retaining the carcase and structure. This approach saves some of the carbon emissions related to materials compared to new construction:

Baud Chardonnet in Rennes	Green Village in Montpellier
Initially characterised by urban fringes, to which were juxtaposed industrial outlets and warehouses, which were subsequently left undeveloped, this site, enclaved between the river of the Vilaine and the railways, was the subject of a project of concerted development area - *CDA (ZAC)* intended to structure the urban space by making a articulation between the station district, certain metropolitan functions (commercial property, research, training) and the technopole of *Beaulieu Atalante*. The *CDA* project enables the construction of a dense housing sector which combines collective, commercial and public housing. At the heart of this urban operation, the Kaufman & Broad project, located on block F, consists of four buildings, a chapel and a base which contains a vast commercial space, with double-height glazing.	Kaufman & Broad also carries out renovation projects, with the aim of converting building uses. For example, housing was built on a former postal sorting site for the "*Green Village*" operation in Montpellier, retaining the intermediate floors and the cover slab.

To further highlight this approach and its expertise in the rehabilitation/restructuring of existing assets, Kaufman & Broad decided to establish its headquarters in 2022 in the Highlight operation it has developed. The "Highlight" project consists of the heavy renovation of a set of existing buildings. The structure of the 14-storey building was retained. With the addition of a new extension, Kaufman & Broad rehabilitated 17,600 sq.m of collaborative workspaces. The project is part of a process involving multiple certifications and labels, and the rehabilitated building is:

- Certified in line with NF BT HQE "*rénovation*"label, according to the HQE framework
- Certified with the *BBC Effinergie Rénovation* label
- Certified *Well* label

Responsible deconstruction

When the restructuring of existing buildings is not relevant, the deconstruction process is initiated. Kaufman & Broad promotes the vision of circularity that the building is to be considered as a bank of materials that can be reused, at least partially. The group has thus formalised the selective deconstruction process as part of an innovation brick which is produced and distributed internally.The K&B Manual for Environmental Specifications and Procedures makes it mandatory to carry out a Product, Equipment, Material and Waste Diagnostic (PEMD) prior to any intervention on a project of more than 1,000 sq.m FA, in addition to the group's involvement in re-use ecosystems, as described below.

Delivered in 2020, the group reused existing raw materials to build a 430-bedroom hotel in Roissy. Originally, the land was occupied by a two-storey building that was demolished. The concrete of the foundations of this building has been ground down for reuse. In total, 5,000 tonnes of concrete were reused to build the roads, pedestrian pathways and various road system networks for the project.

Integrating the reuse of materials into the design and production of new buildings

According to *ADEME* and *OPTIGEDE* Centre for Circular Economic Resources and Waste, the construction industry produces 42 million tonnes of waste and debris from demolition or deconstruction every year, three times more than household waste. Although a growing proportion of this waste is recycled, little is "reused," i.e., reused without transformation or without any major transformation. However, a very large number of materials can be reused after deconstruction, for all types of work.

The use of materials from deconstructed buildings, without transforming them (or after a very minor transformation process), has a very clear impact on the environmental balance of buildings. According to an impact calculation carried out by the reuse booster based on data from the Environmental and Health Declaration Datasheets *(FDES*) for 1,000 sq.m of surface area, reuse saves 44 tonnes of waste and 67 tonnes of CO2eq. emissions (and more than 1 million litres of water). Performance that falls within the objectives of the National Low-Carbon Strategy and the emission reduction commitments made by Kaufman & Broad.

In terms of supply, many suppliers and demolition/deconstruction firms already offer materials on reuse platforms. It is on the demand side of things that the system is less developed: The possibility of using reused materials is seldom integrated upstream. Contractors often don't have the flexibility or resources to replace new materials with reused materials, and insurance companies do not always know how to account for them. Although the new circular economy law (February 2020) requires the public order to "ensure the use of reused materials", this injunction still has a limited impact and no obligation is yet foreseen for actors in the private sector.

In order to be more environmentally friendly, Kaufman & Broad has already implemented reused material solutions in its innovation policy, detailed in Section 5.1.1.1.2 innovation within the CSR and innovation Department. Indeed, for the 10,000 sq.m Green Oak office project located in Arcueil and delivered in 2021, the 8,500 sq.m FA of flooring implements reused materials.Kaufman & Broad continuously seeks to limit the impact of its activity through its innovation policy. It has therefore been a natural move for Kaufman & Broad to be a founding member and partner of the "Reuse Booster" program since autumn 2020. This 3-year commitment aims to transform the framework for the use of reused materials in construction contracts. This involves working with site team members and developers: Architects, designers, design offices, inspection offices, technical managers, contractor companies and industrial companies.

- The "Reuse Booster" brings together more than 30 major project developers: An unprecedented alliance promoting the reuse of materials in the building industry. The initiative, which is set to count a rapidly rising number of members in its network, brings together investors (Agrica, Colliers, Covéa Immobilier, Gecina, groupama Immobilier, Icade, etc.), developers (Adim, Altarea, BNP Paribas property, Bouygues Immobilier, Ceetrus, Crédit Agricole Immobilier, Kaufman & Broad, Spie Batignolles Immobilier, etc.), and key users, who order many projects (Engie, Orange, etc.). Advanced contacts are also under way with public authorities (City of Paris, regions).

- The signatories have committed 150 projects (5 each per year) to obtaining reused materials from former deconstructed buildings. In early 2023, Kaufman & Broad renewed its commitment to this process of reusing materials on 5 projects, including 2 in the Paris region, one in Marseille and 2 in the Hauts de France region.
- An online platform designed by Fabernovel centralises, consolidates and standardises the requirements reused materials, which are now difficult to identify for suppliers: The purpose of this platform is to facilitate the reuse of materials on the market and to meet supply and demand, particularly between projects that generate materials for reuse (demolition) and recipient projects (construction).
- The Reuse Booster will accompany each project to facilitate the processes, particularly by engaging stakeholders with the use of reuse materials (Project management (PDA), contractors, architects, companies, consultants, control offices, engineering consultants, etc.).
- By structuring demand, which is now shy and fragmented, the "Reuse Booster" is certain that it is able to hugely advance the reuse of materials, which today represents less than 1% of the materials used in construction. This demand will be necessary to achieve the various objectives of the national low-carbon strategy.
- The "Booster" method involves engaging a pilot group of pioneering companies that commit to take action directly within their own projects, supporting them through the creation of tools and standards and by encouraging the market to join them, in a virtuous circle.It is managed by *A4MT* (Action pour la Transformation du Marché) and the *IFPEB*, which has been applying this method successfully for 5 years to - amongst other aims - help commercial property to achieve the energy savings stipulated in the "*ELAN*" law (-40% by 2030).

Kaufman & Broad has also chosen to implement reused materials for the ongoing construction of a student residence that the group will retain in its portfolio. The involvement of Kaufman & Broad as a developer, investor and operator makes it possible to showcase this positive approach to the entire life cycle of the building and to introduce new practices for the implementation of reused materials, in communal and private spaces alike in housing. This residence was delivered in the summer of 2022.

The circularity logic also applies to excavated land. The K&B Manual for Environmental Specifications and Procedures requires excavated land to be considered as a resource and, as a result, to seek maximum reuse on all projects before any disposal.

Kaufman & Broad's commitment to promoting the circulation of materials is reflected in its Aménagement & Térritoires structure. Circularity is already at the heart of this entity's strategy regarding land recycling (see Section 5.1.2.4. "Integrating biodiversity conservation into the group's strategy") also applies to building production. Aménagement & Térritoires was named winner of the DEMOCLÈS call for projects for the "*Magasins Généraux*" in Reims. It is a collaborative platform of stakeholders (co-financed by ADEME and Ecosystem) that aims to improve practices in terms of prevention and management of finishing waste resulting from heavy renovation and demolition projects. Kaufman & Broad will thus benefit from the support of DEMOCLES as part of the objectives set on the reuse of materials, namely relating to the conducting of a waste diagnosis, the integration of reuse into the drafting of market documents, and the traceability of reused materials

In order to drive forwards with its ambition to use reused materials, Kaufman & Broad has focused on the perception of the materials reused in new buildings by its customers. A survey was conducted in 2021 by an external service provider, covering 527 intentionists, representative of our Retail areas residential customers - one of our strategic stakeholders. Various examples of the implementation of reused materials have been subject to their qualitative perception, both in communal areas and private areas.

Operation of the "La Vallée" DDA located in Châtenay Malabry

A large-scale project addressing energy challenges (this section "Use of low-carbon labels and demanding energy efficiency standards") and circular economy. Following the closure of the École Centrale, the new eco-neighbourhood was designed to be exemplary and innovative in terms of design. For example, for the DDA, the RéaVie association was commissioned to manage the reuse of materials and furniture from the old, deconstructed school via a platform that also raises public awareness of waste management issues through participatory workshops.

Waste recycling across Kaufman & Broad premises

As a service company, the waste generated directly by Kaufman & Broad is mainly office waste. The group is developing a similar strategy to that used for site waste management, which is systematically applied to all of the company's sites: Reduce waste, and then develop recycling for the various flows. Kaufman & Broad reduces waste at the source, for example, by removing single-use coffee cups from head offices and reducing paper printing. The group is also committed to its group policy for sorting and recycling across all its agencies, with a common service provider. This service provider creates long-term jobs for people who are isolated from the job market and people with disabilities.

In 2023, approximately 43.5 tonnes of waste were collected, of which 23 tonnes were recycled. All the tonnage of cardboard paper collected and sorted by this service provider has been recycled in paper mills located in France.

Actions to reduce and control office waste also concern waste that may represent a form of danger. Ink cartridges are specifically collected at all Kaufman & Broad sites by a professional service provider, for specific processing and recycling. Since 2020, the seat has been equipped with collection points for used batteries and megaots.

	Weight of waste collected *(kg)*	**Water saved** *(L)*	**Avoided emissions** *($kgCO_2eq.$)*	**Energy saved** *(kWh)*
2023	**43,588**	**721**	**5,148**	**145,911**
2022	57,903	-	-	-

Data provided by service providers.

Circularity of IT equipment

Kaufman & Broad is committed to working towards responsible IT management by signing a sector position note on digital restraint. The manufacturing of computer hardware is its main source of carbon emissions, therefore reducing equipment consumption and making equipment last is the most effective action to be taken.

- In order to avoid multiplying the equipment used by each employee, the group has systematically offered professional phones since July 2021 which have the option of inserting two SIM cards.The employee therefore only needs to own a single phone.
- The group has also initiated a process to extend the lifespan of IT equipment, in agreement with Builders or partners, extending the lifespan of computers from 1 to 2 years to an average of 3 to 5 years (or more). In addition, hardware release conditions are also included, mainly for the Data Centre.
- Where possible, Kaufman & Broad sells its end-of-life equipment to employees or partner associations for a symbolic euro. For cases whereby the equipment is no longer usable, the group has set up partnerships with companies to recover this equipment (reconditioning, recycling, etc.).

The figures to be used

Kaufman & Broad engaged **5** worksites in the re employment booster in 2023

An objective of recovering **80%** of construction waste across new projects.

5.1.3.8. Sustainable Finance

European taxonomy

Following the adoption of EU Regulation 2020/852 on 18 June 2020 by the European Parliament and the Council, the European Commission has implemented a mechanism that will allow companies and investors to assess the environmental performance of companies, and to identify "green" economic activities, covering the business sectors with the highest greenhouse gas emissions.

Kaufman & Broad is one of the companies subject to this regulation, as a result of:

- ✓ Its workforce: More than 500 employees.
- ✓ The fact that the company is subject to the obligation to publish a Non-Financial Performance Statement.
- ✓ The classification of its Real Estate and Construction activities as eligible for taxonomy, under one or more Taxonomy objectives.

The Group is adapting its strategy, process and operational tools to comply with changes in European Taxonomy. Now limited to aligning activities with the first two objectives of mitigation and adaptation to climate change as well as eligibility for the other taxonomy criteria, communication on financial indicators will gradually expand to assess the alignment of the company's activities with all the objectives eligible for taxonomy, for fiscal year 2024.

The group constantly monitors regulatory changes, particularly by participating in the European Taxonomy working group under the ObserVAToire de l'Immobilier Durable. The objective is to monitor the indicators of the «Do No Significant Harm» and «Substantial Contribution» technical criteria for all programs in order to calculate the proportion of revenue aligned with the progress over the coming years.

Methodology:

Data related to revenue generated during the year are consolidated and transmitted by the Finance Department in detail by activity and by project. The accounting principles used for this consolidation are described in Chapter 6, section 6.1.5. «Notes to the Financial Statements» of this document. The reporting analysis scope adopted for the European Taxonomy is identical to the group's financial consolidation scope. In order to determine its share of sustainable sales within the meaning of Taxonomy The CSR and innovation Department carries out the following analyses in stages:

- ✓ The analysis of the eligibility of its activities in accordance with Delegated Regulations (EU) 2021/2139 and 2023/2486 of the respective Commissions of 4 June 2021 and 27 June 2023,
- ✓ Assessment of compliance with minimum guarantees,
- ✓ Analysis of the alignment of activities with climate change adaptation and mitigation targets through compliance with technical criteria.

Data collection and adaptation of tools to changes related to European Taxonomy

In order to adapt its strategy accordingly, in the first quarter of 2022, the group integrated the technical criteria of taxonomy into the decision-making committees through the KB Committee tool. The compliance of each promotion project with European taxonomy criteria for the «construction of new buildings» and «renovation of existing buildings» activities is assessed from the upstream phases of the operation that will be marked as «aligned» or «unaligned.» This evolution allows the CSR and innovation Department to automatically extract data related to the alignment of the business of these two activities and DNSH criteria.

Avoiding double counting

The Group has adopted the European Taxonomy Regulatory Table, which makes it possible to identify alignment by objective and by activity. When the revenue associated with a business is aligned with several objectives at the same time, the group has chosen the climate change mitigation objective as its primary objective. This method avoids double counting. The same methodology is applied to CAPEX and OpEx.

Eligibility analysis: In accordance with Delegated Regulations (EU) 2021/2139 and 2023/2486 of the respective Commissions of 4 June 2021 and 27 June 2023.

The Group provides below a map of Kaufman & Broad's eligible businesses under the current EU Taxonomy.

Activity	Definition (according to Appendix 1 EU Delegated Act)	Corresponding K & B activities	CCM	CCA	WTR	CE	PPC	BIO
7.1 Construction of new buildings	Real estate development for the construction of residential and non residential buildings by bringing together the financial, technical and human resources necessary to carry out real estate projects for subsequent sale as well as the construction of residential or non residential buildings, complete, carried out on own account for subsequent sale, or on behalf of third parties.	**REV.** : Real estate development of new buildings	**Eligible**	**Eligible**	Not eligible	**Eligible**	Not eligible	Not eligible
7.2 renovation ofexisting buildings	Construction and civil engineering works or their preparation.	**REV.** : Property development operations mainly involving major renovations and refurbishments of existing buildings **CAPEX** : Environmental improvement work on buildings owned by the group	**Eligible**	**Eligible**	Not eligible	**Eligible**	Not eligible	Not eligible
7.7 Acquisition and exercise of ownership of properties	Purchase of real estate and exercise of ownership of this real estate.	**REV.** : Rent from owned service residences. **CAPEX** : Taking or extending long term leases on buildings leased by the group as a user **OpEx** : Maintenance, maintenance and operation expenses of owned buildings	**Eligible**	**Eligible**	Not eligible	Not eligible	Not eligible	Not eligible
6.5 Transport by motorcycles, passenger cars and light commercial vehicles	The purchase, financing, leasing, leasing and operation of vehicles designated as belonging to categories M1 and N1, both falling within the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or to category L (two or three wheeled and quadricycle vehicles).	**CAPEX** : Contract making or contract extension on company vehicles **OpEx** : Maintenance, maintenance and operation of company vehicles	**Eligible**	**Eligible**	Not eligible	Not eligible	Not eligible	Not eligible

CCM: Climate Change Mitigation - Climate Change Mitigation
CCA: Climate Change Adaptation to Climate Change
WTR: Water and Marine Resources - Water
CE: Circular Economy - Circular Economy
PPC: Pollution Prevention and Control - Pollution Prevention and Control
BIO Biodiversity

Activities not eligible within the meaning of European Taxonomy:

- Development activity: This is the activity of preparing land for construction as well as the conversion of wasteland into urban projects, in 2023 this represents 0.67% of the overall turnover. This income mainly comes from the income of the subsidiary Aménagement et Territoires.
- Student residence management: This business represents 0.53% of revenue generated in 2023. This includes only the revenue generated by the Neoresid subsidiary through the management of residences that the group does not own.
- Showroom - Other: These activities accounted for 0.45% of consolidated total sales in 2023. This includes the majority (0.4%) of revenue generated through the sale of options to personalise housing, but also land, MOD and Distribution of services.

Analysis of the minimum social guarantees of the European Taxonomy:

In order to achieve the level of alignment with the European Taxonomy, activities must first respect minimum social guarantees in connection with social and governance standards before they can be qualified as environmentally sustainable. Kaufman & Broad refers to the 4 key areas mentioned by the platform for sustainable finance: Human rights, corruption, taxation and fair competition.

All of the group's activities are carried out in France in accordance with fundamental human and social rights at work.

Kaufman & Broad ensures that these rights and the following principles are respected:

- ✓ Labour standards according to the declaration of the International Labour organization.
- ✓ OECD Guidelines for Multi-national Enterprises.
- ✓ The United Nations Guiding Principles on Business and Human Rights.

This action covers the 4 key areas mentioned in the final report on minimum guarantees of the Platform on Sustainable Finance:

Human rights

The company has implemented a human rights monitoring and alert process. At the level of its value chain, the group verifies the compliance of the service providers it uses as project owner with labour rights regulations, see section 5.1.4.7. «With regard to the value chain (partners and suppliers).» The company has a CSE that monitors the health and safety of employees and third parties within the working environment. For further details, see section 5.1.4.3. Quality of life at work and social relations

Corruption

The company has established anti corruption processes. For more details, see section 5.1.2.3 «Compliance and ethics at» Kaufman & Broad. «

Taxation

The company treats tax governance and compliance as important elements of supervision, and adequate tax risk management strategies and processes are in place. For further details, see section 5.1.2.3 «Compliance and ethics at Kaufman & Broad,» and section 4.2.1. Internal control and risk management system

Loyale competition

The company raises employee awareness of the importance of complying with applicable competition laws and regulations. For more details, see section 5.1.2.3. «Compliance and ethics at Kaufman & Broad.»

Revenue eligible and aligned with European taxonomy

Products aligned with European taxonomy contribute to one or two of the following objectives: Mitigation of climate change and adaptation to climate change and meet the technical criteria for the absence of material harm known as «DNSH» for all Taxonomy objectives. For 2023, the group has not identified any alignment with the circular economy objective.

29% of revenue meets the contribution criterion for climate change mitigation.

Methodology based on technical criteria for contributing to the climate change mitigation target:

- Construction of new buildings:

The Group has adopted as a performance criterion on primary energy demand: The achievement of the regulatory Cep for projects submitted to the RE2020, or the achievement of the regulatory Cep - 10% for projects submitted to the RT2012.

For programmes over 5,000 sq.m, the criterion used is the completion of a life cycle analysis. Despite the completion of its carbon assessment of its activity, the group considers that the achievement of the criterion is linked to the completion of a life cycle analysis specific to the program carried out by an independent research office. The performance of air tightness tests and thermal quality control is a criterion that is taken into account and considered to be achieved through compliance with RT2012 or RE2020.

The Group believes that the share of its aligned revenues will continue to increase in the coming years due to the entry into force of the RE2020, regulations that require the completion of a life cycle analysis by project; and on the other hand because of the consideration and achievement of the criteria so as not to cause harm to the other issues on the basis of the vast majority of design operations.

- renovation business of existing buildings:

The criterion used was compliance with the regulations in force and in connection with renovation.

Methodology based on the technical criteria for contributing to the goal of adapting to climate change :

Regarding the objective of making a substantial contribution to adapting to climate change, the projects considered to be aligned with this objective: Carried out a climate risk analysis on the R4RE tool developed by the OID (ObserVATory for Sustainable Real Estate) and implemented solutions that reduce the major risks identified on the project in question. The R4RE tool makes it possible to carry out a risk analysis in accordance with the criteria of the European Taxonomy, that is to say an analysis of multiple time horizons, hazards and climate scenarios based on the more recent work of the IPCC as well as an assumption of the life of 50 years of the project.

This criterion has been adopted in the same way for the construction activities of new buildings, but also for those of the renovation of existing buildings.

Methodology used on the technical criteria for the absence of material harm "DNSH" :

Furthermore, the CSR department and the technical departments have incorporated criteria into the Manual for Environmental Specifications and Procedures that comply with European taxonomy, meaning that all new projects are aligned with certain points of the regulations, such as:These criteria include the DNSH of the European Taxonomy in connection with building construction and renovation activities that are not systematically integrated through the regulations in force. Based on the Taxonomy DNSH for construction and renovation activities, the following integrated objectives:

- **DNSH Mitigating climate change**: This criterion aims to achieve the environmental regulatory objectives in force, (RT2012 or RE2020 depending on the date of submission of project permits), in particular by respecting the maximum thresholds of primary energy consumption. (CEP Project < = CepMax)
- **DNSH Adaptation to climate change** : This criterion aims to perform a climate risk analysis, as well as to implement adaptive measures for major risks, see section 5.1.3.3. Adaptation to climate change
- **DNSH Circular Economy**: this criterion is achieved through the inclusion of a target of 70% by mass recovery of site waste in contract contracts, as well as the implementation of a PEMD diagnosis for demolition of more than 1,000 sq.m of floor area. Regarding the consideration of the criterion of evolution of buildings, Kaufman & Broad homes and offices are adaptable by removing or adding partitions.
- **DNSH Water** : The widespread use of water saving equipment with taxonomy compliant flows, see section 5.1.3.5. «preservation of water resources.» This criterion also includes compliance with the regulatory provisions to be respected under the Water Law, namely the discount of Declaration or Authorisation if this is necessary.
- **DNSH Pollution** : the objective of this criterion is to integrate the systematic use of products classified as VOCs A or A + in the interior and to exclude hazardous products from the works markets, on the one hand, and to carry out studies relating to soil pollution in the event of a risk, as well as decontamination in accordance with the destination in the event of proven pollution, on the other hand. Finally, this criterion also includes the implementation of measures to limit noise, dust and pollutant emissions in the construction phase. These elements are integrated into the works markets, notably through the Kaufman and Broad Green Building and Low Nuisances Charter.

Share of revenue derived from products or services associated with economic activities aligned with taxonomy :

				Criteria for substantial contribution						Non injury criteria Important («DNSH criteria»)									
Economic activities (1)	Code (a) (2)	Turnover(3)	Share of sales 2023 (4)	Mitigation of climate change (5)	Adaptation to climate change	Water (7)	Pollution (8)	Circular economy.	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change	Water (13)	Pollution (14)	Circular economy.	Biodiversity (16)	Minimum Guarantees (17)	Proportion of revenue aligned with taxonomy (A.1.) or eligible for taxonomy (A.2.) year 2022 (18)	Enabling activity category (19)	Transitional activity category (20)
A. ACTIVITIES ELIGIBLE TO TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Construction of new buildings	**CCM 7.1**/CCA 7.1	€385,269,530	27%	**YES**	YES	N/EL	N/EL	No	N/EL	Y	Y	Y	Y	Y	Y	Y	13%	-	
Construction of new buildings	**CCM 7.1**	€9542,934	0.7%	**YES**	No	N/EL	N/EL	No	N/EL	Y	Y	Y	Y	Y	Y	Y	-	-	-
renovation of existing buildings	**CCM 7.2**	€7,223,448	0.5%	**YES**	No	N/EL	N/EL	No	N/EL	Y	Y	Y	Y	Y	Y	Y	-	-	T
Revenue from environmentally sustainable operations (aligned with taxonomy) (A.1)		**€402,035,911**	**28.5 %**	**28.5 %**	0%	**0 %**	**0 %**	**0 %**	**0 %**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**13 %**		
Of which enabling		**- €**	**0 %**	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	**H**	
Of which transitional		**€7223,448**	0.5%	0.5%						Y	Y	Y	Y	Y	Y	Y	0%		**T**
A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
Construction of new buildings	**CCM 7.1**/CCA 7.1/ EC 3.1	€981,079,548	69.6%	**EL**	EL	N/EL	N/EL	EL	N/EL										
renovation of existing buildings	**CCM 7.2**/CCA 7.2/ EC 3.2	€2666,458	0.2%	**EL**	EL	N/EL	N/EL	EL	N/EL										
Revenue from activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2)		**€983,746,006**	**69.8 %**	**69.8 %**	0%	**0 %**	**0 %**	0%	**0 %**								87%		
A. REVENUE FROM ACTIVITIES ELIGIBLE FOR TAXONOMY (A.1 + A.2)		**€1385,781,917**	**98.3 %**														**99%**		
B. NON TAXONOMY ACTIVITIES																			
REVENUE FROM BUSINESSES NOT ELIGIBLE FOR TAXONOMY		**€23,272,816**	**2 %**																
TOTAL (A + B)		**1,409,054,732 €**	**100 %**																

	Proportion of Revenues/Total Revenues	
	Aligned with taxonomy by objective	Eligibility for taxonomy by objective
CCM	28.5%	98%
CCA	27.3%	98%
WTR	0%	0%
CE	0%	98%
PPC	0%	0%
BIO	0%	0%

- *CCM for Climate Change Mitigation*
- *CCA for Adaptation to Climate Change*
- *WTR for aquatic and marine resources*
- *CE for Circular Economy*
- *PPC for Pollution Prevention and Reduction*
- *BIO for Biodiversity and Ecosystem*

Capex: Investment expenditure eligible for Taxonomy:

Kaufman & Broad's property development business generates investment and operating expenses which are eligible for European taxonomy in view of their link to the business of constructing new buildings, renoVATing existing buildings, and acquiring and exercising ownership of property.

Kaufman & Broad intervenes in its projects as Property Developer, and the group therefore uses the services of various companies according to the stage of the program life cycle in question:

- Project design: Architects, contractors, design offices.
- Project production: Construction firms with various areas of expertise.

The intervening companies hold their own production capital (cranes, concrete plants, wood construction plants, computers, etc.), these expenses correspond to purchases.

The Group's capex thus correspond to structural costs (leasing of office premises for the group's operations in France; leasing or purchase of company or company vehicles); as well as, for the 2023 financial year, maintenance and renovation work on the walls of two service residences for directly owned students, identified in the eligible capex.

Share of CAPEX derived from products or services associated with economic activities aligned with taxonomy :

Economic activities (1)	Code (2)	Capex (3)	Share of capex 2023 (4)	Criteria for substantial contribution						Non injury criteria Important («DNSH criteria»)							Proportion of capex aligned with taxonomy (A.1.) or eligible (A.2.) to taxonomy 2022 (18)	Enabling activity category (19)	Transitional activity category (20)
				Mitigation of climate change (5)	Adaptation to climate change	Water (7)	Pollution (8)	Circular economy.	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change	Water (13)	Pollution (14)	Circular economy.	Biodiversity (16)	Minimum Guarantees (17)			
A. ACTIVITIES ELIGIBLE TO TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Acquisition and ownership of buildings	**CCM 7.1**	€69,000	0.8%	**YES**	No	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	64%		
Acquisition and ownership of buildings	**CCA 7.1**	€84,000	0.9%	No	**YES**	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-		
renovation of existing buildings	**CCM 7.2**	€101,633	1.1%	**YES**	No	N/EL	N/EL	NO	N/EL	Y	Y	Y	Y	Y	Y	Y	-		T
capex of environmentally sustainable operations (aligned with taxonomy) (A.1)		**€254,633**	**2.8 %**	**1.9 %**	**0.9 %**	0 %	0 %	0 %	0 %	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	64%		
Of which enabling companies		**- €**	**0.0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	**0 %**	Y	Y	Y	Y	Y	Y	Y	-	**H**	
o/w transitional		**€101,633**	**1.1 %**	**1.1 %**						Y	Y	Y	Y	Y	Y	Y	-		**T**
A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
Acquisition and ownership of buildings	**CCM 7.1**/CCA 7.1	€945,000	10.3%	**EL**	**EL**	N/EL	N/EL	N/EL	N/EL										
renovation of existing buildings	**CCM 7.2**/CCA 7.2/EC 3.2	€840,117	9.2%	**EL**	**EL**	N/EL	N/EL	**EL**	N/EL										
Transport by motorcycles, passenger cars and commercial vehicles	**CCM 6.5** /CCA 6.5	€130,000	1.4%	**EL**	**EL**	N/EL	N/EL	N/EL	N/EL										
capex of activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2)		**€1,915,117**	**20.9 %**	**20.9 %**	0 %	0 %	0 %	0 %	0 %								11%		
A. CAPEX OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A.1 + A.2)		**€2,169,750**	**23.7 %**	**22.8 %**	**0.9 %**	**0 %**	**0 %**	**0 %**	**0 %**								**75%**		
B. NON TAXONOMY ACTIVITIES																			
BUSINESS CAPEX NOT ELIGIBLE FOR TAXONOMY		**€6,983,769**	**76.3 %**																
TOTAL (A + B)		**€9,153,519**	**100.0 %**																

	Share of capex/Total capex	
	Aligned with taxonomy by objective	Eligibility for taxonomy by objective
CCM	1.9%	23.7%
CCA	0.9%	23.7%
WTR	0%	0%
CE	0%	10.3%
PPC	0%	0%
BIO	0%	0%

- *CCM for Climate Change Mitigation*
- *CCA for Adaptation to Climate Change*
- *WTR for aquatic and marine resources*
- *CE for Circular Economy*
- *PPC for Pollution Prevention and Reduction*
- *BIO for Biodiversity and Ecosystem*

OPEX: Operating expenses eligible for Taxonomy:

For fiscal year 2023, the group's mutual funds total €119,780,749.

The Group's mutual funds that qualify for European taxonomy correspond to the following items:

✓ Short term uncapitalised rents, at approximately €1,657,812

✓ Maintenance, repair and operating expenses of the buildings and assets we use, in the amount of €1,289,171

✓ The group did not record any R & D costs during the year.

The total OPEx eligible in 2023 is therefore €2,946,983, or 2.46% of the OPEX for the financial year.

As such, the group considers the portion of eligible mutual funds to be non material and applies the exemption principle. The regulatory tables are therefore included for information purposes only.

Share of mutual funds derived from products or services associated with economic activities aligned with taxonomy :

Economic activities (1)	Code (2)	OPEX (3)	Share of mutual funds 2023 (4)	Criteria for substantial contribution						Non injury criteria Important («DNSH criteria»)							Pqrt of OpEx aligned with taxonomy (A.1.) or eligible for l a taxonomy (A.2.), year 2022 (18)	Enabling activity category (19)	Transitional activity category (20)
				Mitigation of climate change (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy.	Biodiversity (10)	Mitigation of climate change (11)	Adaptation to climate change	Water (13)	Pollution (14)	Circular economy.	Biodiversity (16)	Minimum Guarantees (17)			
A. ACTIVITIES ELIGIBLE TO TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Activity																			
Activity																			
OpEx of environmentally sustainable operations (aligned with taxonomy) (A.1)																			
Of which																			
O/w transitional																			
A.2 Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)																			
Activity																			
Activity																			
OpEx activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy) (A.2))																			
A. OPEX OF TAXONOMY ELIGIBLE BUSINESSES (A.1 + A.2)																			
B. NON TAXONOMY ACTIVITIES																			
OPEX OF BUSINESSES NOT ELIGIBLE FOR TAXONOMY																			
TOTAL (A + B)																			

	Share of mutual funds/Total mutual funds	
	Aligned with taxonomy by objective	**Eligibility for taxonomy by objective**
CCM		
CCA		
WTR		
CE		
PPC		
BIO		

- *CCM for Climate Change Mitigation*
- CCA for Adaptation to Climate Change
- WTR for aquatic and marine resources
- CE for Circular Economy
- PPC for Pollution Prevention and Reduction
- BIO for Biodiversity and Ecosystem

Details on the methodology used to complete the Taxonomy regulatory tables, specifying the proportion of revenue or CAPEX from products or services associated with economic activities aligned with taxonomy

The group has completed the regulatory model, in accordance with the provisions of Annex II to Delegated Regulation (EU) 2023/2486 of the Commission of 27 June 2023 'Models for PKI of non financial enterprises'.

- **Concerning the 'Codes' column :**

✓ The codes are composed of the abbreviation corresponding to the objective to which the activity can contribute substantially, as well as the section number assigned to the activity in the annex relating to this objective,

✓ For Part A.1. Environmentally sustainable activities (aligned with taxonomy): Among the objectives to which an activity is eligible, the codes displayed in this section are only those to which the activity contributes substantially. The code shown in bold is that of the main objective chosen in order to avoid double counting.

✓ For part A.2.Activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy): The codes displayed are all the codes relating to the objectives to which this activity can contribute substantially.

- **Regarding the columns Share of revenue/Share of capex in 2023 :**

✓ The share of revenue/CAPEX shown per activity represents the revenue/CAPEX in connection with this activity and aligned with the objectives mentioned in the Codes section, as a proportion of the total revenue/total CAPEX of the group. The main objective chosen and marked in bold in the column 'Code'.

✓ The share of sales/capex A.1. For 'environmentally sustainable activities (aligned with taxonomy)' represents the sum of the revenue/CAPEX aligned for the main objective, as a proportion of the total revenue/total CAPEX of the group.

✓ The share of sales/capex A.2. For 'activities eligible for taxonomy but not environmentally sustainable (not aligned with taxonomy)' represents the sum of revenue/CAPEX eligible but not aligned for the primary objective chosen, as a proportion of total revenue/total CAPEX of the group.

- **Regarding the columns' Substantial Contribution Criteria ':**

✓ Meaning of the items indicated:

– *YES: Business eligible for taxonomy and aligned with taxonomy with respect to the environmental target*

– *NO: Business eligible for taxonomy, but not aligned with taxonomy with respect to the environmental target*

– *EL Eligible : Activity eligible for taxonomy with respect to the environmental target*

– *N/EL- Not eligible: Business not eligible for taxonomy with regard to the environmental target*

✓ On line A.1. For 'environmentally sustainable activities (aligned with taxonomy)', when the activities contribute substantially to several objectives: The contribution percentage is only specified in the column of the main objective chosen, here it is the climate change mitigation objective (CCM). The contribution percentage is systematically reduced to zero for the rest of the objectives to which this activity contributes in order to avoid double counting.

✓ On line A.2. For activities eligible for taxonomy, but not environmentally sustainable (not aligned with taxonomy), where the activities are eligible to contribute to several objectives, the eligibility percentage is only specified in the column of the main objective chosen, here it is the Climate Change Mitigation Objective (CCM). The percentage of eligibility is systematically reduced to zero for the rest of the objectives to which this activity could contribute, in order to avoid double counting.

Green Bonds

In 2019, Kaufman & Broad established a Green Loan or Green Bond. This is a Bond Loan dedicated to financing projects which contribute to ecological transition. The difference when compared with conventional bonds lies in the commitments made by the borrower. Indeed, Kaufman & Broad has reached an agreement with an issuer and must maintain commitments across four criteria:

- The rating of the non-financial agency Carbon Disclosure Project;
- The rating of the non financial agency Moody's ESG Ratings (ex Vigeo);
- Number of commercial Sq. m certified with BREEAM under construction;
- The proportion of housing units (excluding Managed Residences) delivered with NF Habitat certification for all housing units.

These criteria evolve over a given period to form part of a continuous improvement process and, each year, the group must demonstrate that it meets the commitments across the four impact indicators.

5.1.4. The group's social challenges

group commitments/objectives	**group policies and actions in 2022**
Obtaining the Great Place To Work certification by 2023	The group obtained the GPTW certification.
Developing an employee social commitment policy	Increased participation rate in solidarity rounding and employee participation in skills sponsorship initiatives developed with our partner associations
Completion rate of professional reviews > 90%	The group achieved its objective, with 97% of professional reviews conducted in 2022
Training more than 75% of employees each year	94.08% of the workforce received training in 2023
Maintaining a job retention and return-to-work policy for individuals over 55 years old	At 31 December 2023, employees aged at least 55 represented 17.12% of the total workforce
Recruiting 4% young people through work-study contracts in the group's workforce	The group exceeded its commitment, with 9.6% of its workforce under work-study contracts at 31 December
Obtaining 90/100 in the Gender Equality Index in 2022	Signing of the Quality of Life at Work and Gender Equality Agreement in 2019 Gender Equality Index: 88/100 in 2023
Maintaining employee shareholding at a minimum of 10%	Employee shareholders together hold 12.06% of the share capital held at November 30, 2023
Delivery of 1,500 affordable homes with Kalilog by 2026	Creation of Kalilog in 2021, a subsidiary dedicated to promoting affordable housing
Developing the responsible purchasing policy	Integration of a questionnaire on the CSR policy of our main suppliers via the Viaco platform.
100% of the wood materials used in the programs are eco-certified (PEFC - FSC -...)	Incorporated into the K&B "Manual for Environmental Specifications and Procedures" in 2021
Continuous improvement of the group's client experience policy	Roll-out of an update to the Klient360 tool in order to better monitor performance indicators related to client satisfaction (client request resolution rate).Inclusion of performance indicators related to client satisfaction in the variable Compensation of the Management Board and the Extended Management Board

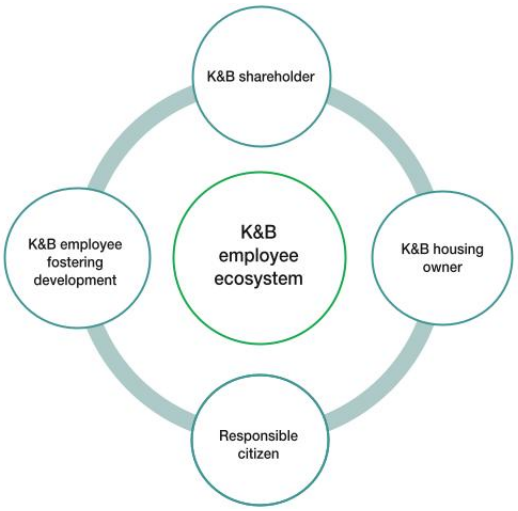
5.1.4.1. Building with employees: group human resources policy

Editorial by the Executive Director of Human Resources

Building means acting for the city, acting for the planet, acting for people

Kaufman & Broad acts for the development of a responsible and committed social model in which every employee can develop, flourish and engage. Pursuing this objective, Kaufman & Broad allows each employee to:

- Be a shareholder of the company in which he is an employee,
- Working in a positive environment that strives to develop potential and promote new ways of organising work,Acquire in favourable conditions a housing KB in which they participate directly or indirectly
- Contribute, through the group's business, to the environmental and societal challenges which we face and must now respond to, both as citizens and as a company.
- Participate in skills sponsorship actions through the actions of the Kaufman & Broad endowment fund.



This social model is a differentiating asset to attract candidates in the recruitment phase and also to retain our talents. The environmental and societal challenges that we collectively face strongly reinforce the questioning of candidates and employees about the experience offered by the company, the meaning and usefulness it gives to the work of employees as well as the activity.

Kaufman & Broad allows its employees to participate and engage in a strong, collective adventure.

Our employees expressed their sense of pride in belonging and their commitment, reflected by the obtaining of the following two labels:

- Great Place to Work certification: With 91% responses to the survey, over 8 out of 10 employees claim to be proud to work at Kaufman & Broad and 8 out of 10 recognise that premises and equipment contribute to their wellbeing. The certification recognises the group's ongoing transformation aiming to improve the trust and inclusion of all employees, and also acknowledges the well-being provided by the new HIGHLIGHT head offices, a showcase for Kaufman & Broad's property expertise.This certification is valid until Sept. 2023 .

Great Place To Work. Certified SEPT 2022–SEPT 2023 FRANCE

- HappyIndex®: Kaufman & Broad once again received the HappyIndex® Trainees and HappyIndex® Trainees Alternance 2024 labels. This award honours the commitment of all our employees and tutors to the integration and training of young people.With an average positive feedback of 3.98/5 for trainees and 4.01/5 for work study trainees, students rewarded the environment offered by Kaufman & Broad and the supervision of their tutors and managers. They praised the quality of the assignments and human relations within the company, the integration they benefited from and the company's culture. Beyond the pride of being a company focused on young people, the survey allows us to make progress in the inclusion of young employees within the group.

CERTIFIED CHOOSE MYCOMPANY ·ESG· HappyIndex®Trainees FRANCE 2024

CERTIFIED CHOOSE MYCOMPANY ·ESG· HappyIndex®Trainees Alternance FRANCE 2024

FRANCE BEST MANAGED COMPANIES

Kaufman & Broad is a learning and inclusive company.

In 2023, we continued to implement our digital workplace called Kolibri with 95% of our employees committed to this platform. All these interactions are the basis for a better knowledge of the group and the development of the link between employees.

Kolibri is a tool for the deployment of our processes and a homogeneous culture within the group.

The implementation of our digital workplace enables us to achieve several targets :

- ✓ **Connecting**employees nationwide, as soon as they arrive,
- ✓ **Enriching**human relations and facilitating exchanges,
- ✓ **Collaborate**despite the distance,
- ✓ P**tapping** the information of the various teams in a less formal way,
- ✓ **Gagner**time at all levels.

In June 2023, Kaufman & Broad was awarded The Advocate Award by LumApps. This distinction highlights the strong commitment to the internal platform, which is a genuine tool for cooperation and meets the challenges of the company's digital transformation by facilitating communication, information sharing and collaborative work.

Focus on the 4 dimensions of Kaufman & Broad's corporate social model

Kaufman & Broad employees are company shareholders

Almost 100% of our employees are shareholders of Kaufman & Broad thanks to a particularly proactive policy which is open to all employees, regardless of their income level. In fact, the group offers a comprehensive and accessible range of schemes, regular offers, including all risk profiles, an incentive contribution, and length-of-service benefits to reward their loyalty:

- Creation of a holding company in 2016, through which 125 managers chose to borrow to invest;
- Allocation of Bonus shares once a year to all employees;
- In February 2023, 137,822 shares were granted.
- Capital increases reserved for employees, every two years, the last took place in 2022 and was highly successful
- Shareholding GESP employer contribution.

Through the KB Actionnariat du Plan Epargne Entreprise ESP, each employee has the opportunity to acquire company shares with an employer's contribution. The employer's contribution is increased according to the length of service accumulated at 1st January of the current year.

For example, an employee who pays €1,500:

Length of service	Employer's contribution
Less than 2 years	€875
More than 2 years but less than 5 years	€1,750
More than 5 years	€3,000

On 2020, June 25, Kaufman & Broad negotiated and signed a participation agreement and a profit-sharing agreement. These agreements provide for the possibility for employees to invest the sums earned through the "FCPE KB Actionnariat" of the GESP (*PEE*).

As of 2023, November 30, employees together held 12.07% and were the determining shareholder. This makes it possible to create a strong alignment between the vision and the challenges of shareholding and employees.

We will recall (cf. Section 8.9. Compensation and benefits granted to corporate officers) that among the 4 criteria for Nordine HACHEMI's long term compensation is that of employee shareholding. The objective is to maintain employee shareholding above 10%.

In 2022, the Fédération Française des Associations d'Actionnaires Salariés et Anciens Salariés awarded the Kaufman & Broad group the 2022 Grand Prix de l'Actionnariat Salarié in the SME and Start-up category. This award, the highest granted by FAS, rewards a long-term policy of employee loyalty and engagement in the group's governance.

Nordine Hachemi, Chief Executive Officer of Kaufman & Broad, said:

"Kaufman & *Broad's teams are both proud and grateful to receive this FAS Grand Prix, which recognises the company's commitment over the past several years to developing a strong and significant employee share ownership that is reflected in the governance of the* company."

We are continuing our policy of developing the shareholding of our employees.

Kaufman & Broad works in a development-conducive environment:

Each employee is made aware of their utility and daily impact through the role and responsibilities entrusted to them.

These missions are carried out in an environment which is:

- Positive, dynamic and open to new ways of organising work that promote both a good work/life balance and gender equality,
- and which includes remote working. To respond to the challenges set out by the collective agreement of 31 July 2019 on quality of life at work and professional equality between men and women, which, in its Chapter 2 "Working in a company where it is good to live," Kaufman & Broad's desire "to encourage new forms of work organization to promote professional equality and quality of life at work", an amendment to the remote working agreement was concluded on 17 September 2021, establishing that "remote working now forms an integral part of the working organization implemented within the group."

The principle is that all employees benefit from at least one remote working day per week.

The "Guidelines for work/life balance - personal life and working conditions at home" were also drafted.

- An environment demonstrating agility, so as to constantly adapt to the challenges faced by the company
- Learning with 18,629 hours of training followed by our employees, an increase of 9% compared to 2022

The Great Place to Work survey revealed that 7 out of 10 employees consider that the company offers them development opportunities which are useful for their professional development

Upon arrival, the employee, regardless of their status (permanent contract, trainee, work-study, etc.), benefits from a full on-boarding course called Welcome On Broad.

The aim of this course is to share the group's culture with them, to help them adopt the group's processes and operations, and to start developing their internal network.

In 2022, 100% of employees benefited from this on-boarding process.

We have created an on-boarding process with multiple phases:

- The monthly induction meeting for new employees,led by an HR referent, employees read about KB Factory: Organisational charts, key figures, business lines, videos of KB's 50 year history, KB glossary, etc.
- Thematic training: The presentation of our business model, the presentation of our innovation and CSR policy, the challenges supported by the Department of Architecture, Processes & Continuous Improvement and Client Experience.
- Training to help employees become group ambassadors: How to optimise their presence on LinkedIn.
- Two feedback questionnaires are also sent to newcomers in order to get feedback on integration, satisfaction points and areas for improvement

In addition to the Welcome On Broad program, all our work study trainees (newly recruited and already present) were invited to participate in a «alternating day» in Highlight for Headquarters employees and in distance for regional employees. During these days, work study trainees notably:

- Discovered Kaufman & Broad's ambition with Bâtir means acting
- Awareness of the winning relationship - winner of work study
- Participated in the «Optimising its presence on LinkedIn» training led by Antidox (agency in charge of managing the group's social networks)

Kaufman & Broad is a responsible citizen, contributing to the company's environmental and societal challenges

The Great Place to Work survey reported that almost 8 employees out of 10 said that "My professional activity has a particular meaning for me: I do not consider it to be 'just a job', moreover, almost 8 out of 10 employees said that they "appreciate the corporate social contribution of their company."

Kaufman & Broad is also concretely the possibility of being citizen employees. In a world where social, societal and environmental impacts are becoming increasingly acute, it is fundamental for Kaufman & Broad's management to align the group's commitments with employees' values. In this regard, 78% of employees say they are proud to work for the Kaufman & Broad group.

As a developer of property projects, Kaufman & Broad allows each employee, within the framework of their expertise, to suggest and provide appropriate responses to climate and social emergencies, working alongside local authorities.

Since 2022, several training courses and systems have been put in place to strengthen the concept of «responsible employee.» It should be noted that:

- Nearly 20% of our work study trainees followed the fresco of the Climate
- 100% of HR recruiters completed the "Recruitment without discrimination" training; Recruitment thus becomes a driver for diversity within the company;
- 100% of employees equipped with a company car are required to take «eco driving» training, which is also available to other employees.

In addition, all our employees eligible for a company car can choose the Green Mobility Pack (see Section 5.1.3.2. Mitigating climate change - Reducing the group's impact: Mobility) in place of their company car, and can thus promote responsible and multi-modal mobility that responds and adapts better to their lives.

Kaufman & Broad employees are encouraged to own a KB home

Every day, employees give substance to the property projects that they design and build around France. The key to successfully completing this mission lies in the creation of competent and committed teams.

Encouraging employees to become a Kaufman & Broad client by becoming owners, whether it's for their main residence or as an investment, is an additional leverage point for employee pride and commitment.

In the 2021 mandatory annual negotiation report of 10 September 2021, the discounts granted to an employee in the event of a purchase of a home were revalued:

- In the event of seniority of 3 years or less, the discount is 5 %
- If the length of service exceeds 3 years, the discount is 7%.

The employee also benefits from any commercial offers available at the time of purchase.

In addition, the acquisition of a property also allows employees to build savings that are a result of their work, either directly or indirectly.

Employees are also offered financial incentives for commercial sponsorship.

All of these actions help to hedge the risks related to Human Resources, as described in paragraph 5. Non-financial performance statement 2021.

The mission of Human Resources

Kaufman & Broad's project is based on both individual development and collective strength. The mission of Human Resources is to develop an ecosystem that attracts and retains talent, offer motivating career paths, encourage and recognise the performance and commitment of our employees, while supporting the development of business lines and jobs.

The group is convinced that everyone's talent makes a difference and that training and development play a central role throughout the career of employees within our group.

The actions of the Human Resources team are structured around the following focus areas:

- Constantly ensuring that the group's ambition, its organization and our ability to recruit the best talent to meet them are aligned;
- Promote the integration of new employees as soon as they arrive and the appropriation of the group's culture;
- Revealing and developing employee potential and promoting skill transfers;
- Conducting a Compensation policy that combines external competitiveness with internal equity, whilst also ensuring pay equity between men and women in equivalent positions and with equivalent profiles.

Human Resources supports all changes in the Company, its organization and its business lines.

Human Resources and all managers strive to support the commitment of each and every individual, whilst also being attentive to expectations and areas for improvement.We all share the same objective: Improving and ensuring the group's economic, societal and environmental performance in the long term.

In addition, these actions are directly linked to the risk mapping carried out by the group. This risk analysis highlighted the importance of these issues addressed by Human Resources (see also Section 4.1.3.1. "Risks related to dependence on executives") for the group's organization, development and performance.

Social Report: Workforce data

The economic crisis in housing and the resulting decline in activity has led us, beyond the cost saving measures and optimisation efforts already implemented, to adapt our workforce to the reality of the situation.

We have thus opted for the non replacement of resignations, departures made in the context of dismissal for personal reasons or contractual termination and, finally, we have implemented the mobility leave negotiated with the social partners in our preliminary employment and skills management agreement dated 19 June 2023.

This agreement allows us to implement mobility leave with the Social and Economic Committee when economic circumstances so require or when a business is transformed. The agreement provides for the employee's departure and support conditions, which can be improved in the context of the information consultation of the CSE to be implemented.

The implementation of this HR policy has enabled us to adapt, in a concerted and monitored manner by employee representatives, the workforce to the company's economic and operational reality.

Total headcount at 31 December 2023 (1)	2023	2022
Men	325	378
Women	376	406
TOTAL	**701**	**784**

(1) (1) Through the economic interest grouping comprising all group entities in France since January 2008.

Management	2023	2022
% of managers	77	73.6
% of female managers	45.6	40.9

Employees are made available to each group company according to their requirements. These employees are divided into several teams, tasked with land prospecting, program design, tenders, engineering, construction management and supervision, marketing, revenues, customer services, financing and group administration. Staff costs are allocated to each legal entity according to the volume of business generated by each legal entity within the group.

Breakdown of workforce by business line

Since 2017, the data published concerns *GIE* and also *Serge Mas Promotion* and *Seri Ouest*, which were acquired on 2015, December 22 and 2016, June 23, respectively. At 2019, January 1st, Seri Ouest employees were integrated into the GIE workforce. At 2019, January 1st, we integrated data for "*CITEC*" employees.

2023 was characterised by the continued optimisation of the organization, aiming to further boost its efficiency.

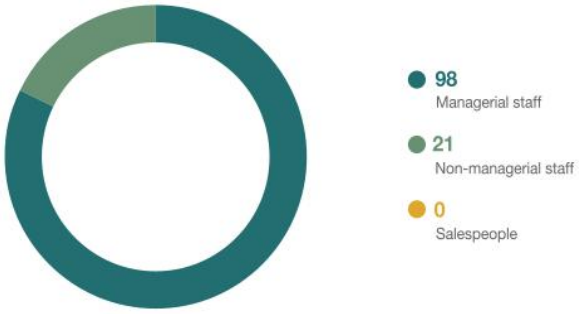
Breakdown of registered employees by role at 31 December 2022	2023	2022
Land development	110	127
program	85	91
Technical & After-revenues	180	204
Marketing/revenues	113	132
Regional support functions	94	110
Central support functions	119	120
TOTAL	**701**	**784**

Inputs and outputs

After the increase recorded in 2022 with 21.91%, the group's turnover rate fell again in 2023 to 18.36%. The decrease in the turnover rate is due to the adaptation of our workforce to the economic reality. The systematic non replacement of departures led to a decrease in the turnover rate.

Arrivals

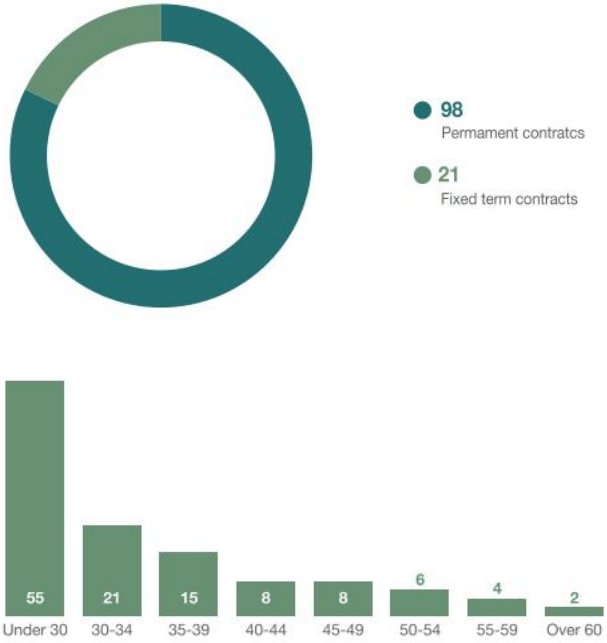
In 2023, Kaufman & Broad recruited 119 employees, including 98 on permanent contracts (175 hires, including 165 on permanent contracts in 2022). The adaptation of the workforce to the economic and operational reality of the company led us to recruit less in 2023, a number of departures having not been replaced.



These hires represent 98 executives, 21 employees and 0 vendor.

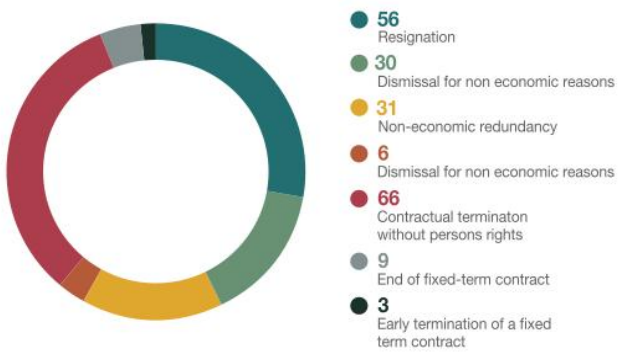
Of the 119 employees hired on fixed term and permanent contracts in 2023, 55 were under 30 at the time they joined the group, representing 46.2% of the hires.

In 2022, the group signed 55 new apprenticeship or professional development contracts. At 2022, December 31, the group counted 83 work-study students, thus constituting a pool of young people prepared to join the teams according to the opportunities presented.



Departures

Departures	2023	2022
Number of departures (resignations, contract terminations, dismissals, TP terminations, and retirements) (permanent - fixed-term contracts)	201	169
Of which number of resignations (permanent - fixed-term contracts)	56	102
Of which number of dismissals (permanent contract - CD)	31	5



The resignation rate fell sharply in 2023 to 7.19% compared to 13.15% in 2022. For employees under the age of 30, the resignation rate was 15.6% in 2023 (17 resignations), a decrease of 10.5 points compared to 2022.

In a context of economic crisis, employees are less inclined to change businesses. This context, combined with the attractiveness of Kaufman & Broad (financially sound company, employee benefits, etc.), has the effect of resulting in a significant decrease in the number of resignations.

Exit reviews are systematically conducted in the event resignations, aiming to analyse the causes of departures and to implement the appropriate action plans in order to strengthen our ability to retain talent, particularly in regard to young professionals under the age of 30.

In 2023, the organisations were stabilised and the promotion and transfer rate is now 11.94%.

Temporary workers

In 2023, the use of temporary workers remained very low: Temporary employment contracts accounted for 0.95% of the workforce (0.76% in 2022) for an equivalent of 7.24 people in the year (5.97 in 2022). The average duration of assignments was 14.09 days (15.06 days in 2022).

Talent management

Recruitment and on-boarding

School relations, recruitment and the employer brand

Aware of the challenge of attracting talent and forging attractive career paths, Kaufman & Broad is constantly seeking to enrich its employment pool.

For this purpose, the group has created a diversified recruitment policy, focused primarily on the following areas:

- The role of employee ambassadors (Employee Advocacy), who recommend and recruit.
- LinkedIn is an important recruitment channel and is a platform that we can use to showcase our employer brand. We provide all employees with LinkedIn training (creating their account, optimising their use of LinkedIn features).100% of new arrivals receive LinkedIn training
- The group has thus established privileged partnerships with the ESTP and the University of Dauphine (Master 246 Finance - Property Management course), and has a developed a significant presence in forums (ESPI, Mines d'Alès, Property Business Forum, Hautes Écoles Ingénieurs in Lille).
- Kaufman & Broad, focusing on the transfer of skills between different generations, and convinced that the success of our new hires also depends on their on-boarding and our ability to welcome and integrate them into a dynamic and demanding environment.

In 2022, the group had approximately 9.5% (7.5% in 2021) of its workforce on work-study contracts, and the group exceeded its commitment to train 4% of its workforce through work-study programs, a commitment made in the collective agreement on intergenerational employment. In addition, this percentage reflects the positive outlook and development of relationships with schools. These students constitute a privileged recruitment pool for the group, which in 2022 hired one student on fixed-term contracts and five students on permanent contracts.

Kaufman & Broad is continuing its commitment to the Espérance Banlieues Foundation by sponsoring students throughout their entire school cycle.

The figures to note

119 Employees were recruited on fixed term or permanent contracts in 2023

46.2% Employees hired on fixed term or permanent contracts in 2023 are less than 30 years old

Welcome On Broad:

Through our integration journey, our aim is to give newcomers all the keys to:

- Understand the business lines of the operational chain;
- Develop their own knowledge network;
- Familiarise themselves with the group's history and culture;
- Take on an active role in their on-boarding.

For this, each new employee:

- Takes part in an integration meeting led by the Human Resources Department from the month of his arrival and can find all the elements on the KB Factory digital training platform as well as on our Kolibri corporate social network.
- Meeting with Group employees
- Takes part in site visits,...

In 2023, we wanted to strengthen this relationship by making it live from the signing of the employment contract with the implementation of pre boarding actions.

The Great Place to Work survey showed that 9 out of 10 employees said that "new employees are receive a good welcome."On-boarding with the development of remote working poses a major challenge.

- A 6-month course;
- A course that responds to remote working, the nomadism of our teams and digital challenges;
- A career path that gives the new employee an active role in their on-boarding;
- A career path that generates synergies through meetings between employees, regardless of their business lines, and throughout our agencies in France.

Our aim is to give new recruits all of the tools that they need to:

- Understand the business lines of the operational chain;
- Develop their own knowledge network;
- Familiarise themselves with the group's history and culture;
- Take on an active role in their on-boarding.

Kaufman & Broad is committed to maintaining a lasting relationship with each new employee.

Promoting Internal Mobility

The trust built in human relations and the development of talent, thanks to individualised monitoring and personalised training cycles, now allows us to ensure team growth and the assumption of responsibilities internally.

Internal mobility is used to support changes within the group, to share expertise, and to create a relational network across the group's various agencies and entities. It is the result of several combined actions: The development of employees' skills through training and assignments entrusted to them, professional reviews, real-time access to all of the group's opportunities via the intranet, and support measures for geographical mobility, encouraged by the establishment of Kaufman & Broad throughout France.

25. Number of geographic transfers

68 Number of promotions

In order to strengthen internal mobility, the following process is deployed:

Step 1: Issuing mobility requests during the annual review or over the course of the year to their manager. This may be a geographical and/or business transfer request:

- In the case of geographical mobility, the employee is granted financial support
- In the case of job mobility, employees can be supported through training and an on-boarding program in their new position

Step 2: Review held with the employee and the HR department to set the framework for mobility: Timing, existing or future opportunities.

Step 3: If there is an opportunity for it, the employee meets local teams and integrates through the traditional recruitment process.

To promote mobility, several actions have been implemented:

- Communication of 100% of vacancies internally via Kolibri
- Systematic review of all internal applications
- Each internal candidate is accepted
- 100% of candidates are debriefed and get a response.

Compensation policy

Principles

Kaufman & Broad's Compensation policy is designed to help achieve the group's objectives. It must also be a leverage point for recognising the performance and commitment of our employees. Social and economic performance are closely linked.

Kaufman & Broad offers each of its employees a Compensation policy that combines external competitiveness with internal equity, and which rewards both individual and collective performances. We ensure fair pay that prohibits discrimination in order to ensure equal pay levels for equivalent positions and profiles.

The salary policy is adapted during annual salary reviews, which are carried out as part of a structured and homogeneous process based on a factual and objective assessment of contributions and performance. This review is carried out with all managers and the Human Resources Department.

In 2022, the Human Resources Department collaboratively put together tailored training to help upper management better understand the subject of Compensation for their teams: Building the Compensation of your employees. In addition to training, the team reflected on the ongoing process of "professionalising HR reviews" and thus strengthening the managerial position.

During this one-day training session, the following objectives are set:

- Understand and adopt an objective analysis model for employees. The ambition is for this model to be shared by all employees and HR representatives, in order for it to become a decision-making aid when preparing HR reviews
- Training, through practical cases, by generating feedback from reviews for employees.Providing feedback to your employees is a key moment that requires special attention.

Information to remember

In 2022, **a pilot group** of managers and HR took part in the training "Building the Compensation of your employees"

In 2023, training was rolled out to **100% of the managers** participating in HR reviews, during which salary decisions are made

Individual balance sheet

Kaufman & Broad provides each employee with a document detailing the evolution of their Compensation and its various components, with a view to ensuring clarity and transparency. This Individual Social Report highlights all the measures put in place around employees, such as training, group savings plan, employee shareholding, and co-option bonuses paid to associations referenced by Kaufman & Broad as part of its sponsorship policy.

In 2022, each employee received an individual social assessment.

Compensation structure

The Compensation structure is identical for all employees: Fixed Compensation, variable Compensation and long-term incentive Compensation consisting of Bonus shares.

Each employee is interested in the company's performance through both their variable Compensation and the allocation of Bonus shares. The culture of variable Compensation is thus firmly anchored within the group.

Focus on the different types of Compensation:

- Fixed Compensation is subject to an external benchmark with an external firm for executives and an internal analysis of the consistency of Compensation according to business lines and experience in the position;
- Variable Compensation is awarded according to the level of responsibility and the business line.
- Senior executives and business executives receive annual variable Compensation. Based on objective targets, this variable Compensation is composed of quantitative criteria for 70% of its value and qualitative criteria for 30% of its value, except in specific situations. A performance calculation scale is established, and is capped at 120%.
- Employees working in development, program and revenues business lines receive quantitative variable Compensation based on annual objectives. Other employees are eligible for an end-of-year bonus, the amount of which is negotiated with union representatives during mandatory annual negotiations.
- The long-term incentive Compensation consists of Bonus shares, in accordance with a plan approved by the Shareholders' Meeting. Kaufman & Broad has opted for a universal plan, which allows all employees to benefit from it. Individual allocation is based on distribution according to employee category and level of responsibility.

"Macron Bonus" value-sharing bonus

In 2022, in order to take into account the current economic situation in the daily lives of employees, management and trade unions signed an agreement on 9 September 2022 under which an exceptional bonus was set up to support purchasing power: The VSB.

This bonus is separate from the usual policy of rewarding employee performance and is awarded on an exceptional basis.

In order to take into account the loyalty of employees within the group, the amount awarded with this bonus is correlated with the employee's length-of-service.

Average annual compensation [1] and social security charges

	2023			2022		
(in euros)	Men	Women	Total	Men	Women	Total
Employees	63,439	42,649	46,605	67,905	44,055	48,497
• Of which base salary	33,434	32,160	32,402	33,869	32,033	32,375
Managers	93,704	64,911	81,116	89,401	66,248	79,944
• Of which base salary	69,802	52,205	62,109	66,516	51,862	60,530

(1) Total gross annual Compensation as a proportion of the average annual workforce.

This compensation is presented excluding the compensation of corporate officers, which is presented in section 3.2. «Management interest.»

The Group's overall average gross annual compensation (excluding employer contributions) was 73,157, up from €71644 in 2022. The gross base salary compared to 2022 was stable for employees (+0.1% in 2023 vs. +8.79% in 2022) and continued to rise for managers (+2.6% in 2023 vs. +2.9% in 2022).

The diversity of the group's business lines results in a dispersion of Compensation, depending on the business line. These averages are therefore indicative and should be interpreted with caution.

The amounts of social security contributions recognised, in respect of Compensation for 2021 and 2022, are accordingly 26.5 million euros and 26.98 million euros

Employee shareholding

Main shareholder: Employees

At 2023, November 30, Kaufman & Broad employees represented 12.07% of the capital held (Artimus Participations, Kaufman & Broad FCPE and KB Actions 2019 and 2022) 14.16% of the voting rights.

Based on the conviction that the group's economic growth must be based on its employees, this employee shareholding allows everyone to be associated with the future evolution of the group's results and to strengthen the feeling of belonging to the group.

As explained in Section 3.3 of this Universal Registration Document, Kaufman & Broad has created long-term plans for its employees and corporate officers. For a portion of employees receiving variable Compensation, the performance criteria used for the definitive allocation of their shares are the objectives of their variable Compensation in cash.

The purpose of these allocations is twofold:

- motivating and involving all employees in the future development of the group's revenue;
- Strengthen the sense of belonging amongst managers and employees by seeking to retain them over the long-term, within a context of sharply increased competition for talent.

Depending on the level of responsibility and the business lines, the allocation of shares is conditional according to the achievement of performances and/or attendance objectives.

Company Savings Plan

To encourage the accumulation of savings under advantageous financial and tax conditions, Kaufman & Broad has set up a company savings plan which is open to all employees (see Section 3.3.2. of this Universal Registration Document). It includes 5 Mutual Funds ("*FCPE*"), including the Kaufman & Broad Actionnariat fund, invested in Kaufman & Broad shares, which benefits from a matching contribution from the company, and the "KB Actions" fund with its two current sub-funds "KB Actions 2019" and "KB Actions 2022," a fund opened as part of the 2019 and 2022 shareholding offers carried out by a capital increase of Kaufman & Broad SA and closed to new payments.

At November 30, 2022, employees held 938,425 company shares, mainly through the various company savings plans and mutual funds, representing 4.34% of the capital of Kaufman & Broad SA.

Incentives and profit-sharing

Through the agreements established 2020, June 25, Kaufman & Broad introduced profit-sharing and incentive schemes.

5.1.4.2. KB Factory: Developing potential and learning at the heart of our priorities

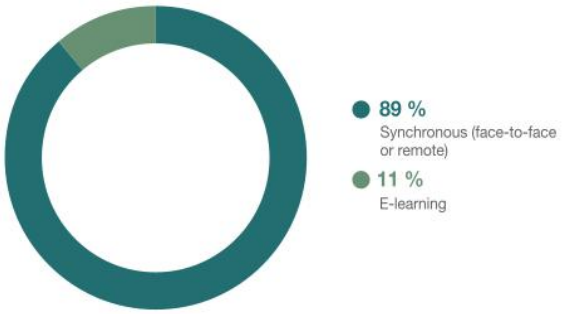
The development of employee skills and potential throughout their career is one of the key points of Kaufman and Broad's performance. Every employee is encouraged to play an active role in their own development.

5.1.4.2.1. The KB Factory structure

"The creation of the KB Factory training school is an expression of our conviction that professional training contributes to the efficiency and development of employees, and to the strengthening of their employability. Amendment No. 1 - Agreement on the management of jobs and career paths ("GEPP") of 2021, February 16.

KB Factory is the training and skills development academy for Kaufman & Broad employees. In fiscal year 2023, 18,629 hours of training were attended by our employees.

This training is split into two categories:



- 15,340 hours of training represent hours taken through face-to-face sessions or in teams, in synchronous mode. Each employee is invited to attend, depending on their job.
- 1,717 hours of training represent the hours of training taken on the digital platform. Employees can sign in and take training at times when it suits them.

We see an increase of nearly 9% compared to 2022.

Continuing education presents a real leverage point for strengthening technical skills (hard skills) and developing other skills and behavioural skills (soft skills) amongst our employees. Training also allows our employees to create an internal network of peers with whom they can exchange and develop alongside.

In accordance with our GEPP agreement (Chapter 1 - Skills framework by business line), Kaufman & Broad has a skills framework for each business line that is regularly updated and presented to employee representatives.As a result, several programs have been developed through KB Factory to meet the challenges of changing the skills of the business lines.

KB Factory's training courses are tailored in collaboration with internal expert committees. The training modules are led by:

- Internal employees, so as to pass on expertise, skills and to harmonise processes
- External training bodies, close to the field and offering high-quality contributions

As part of the training quality process, for each module, a pilot session is conducted before deployment.

Over the past three years, we have seen a positive change in the number of training hours, employees trained and employee satisfaction.

	Training hours	Proportion of average workforce trained	Proportion of the payroll
2021	10,854	88%	1.29%
2022	15,340	85%	1.16%
2023	*16,655*	*94%*	1.40%
Change 2022/2023	*9%*	*10%*	*+21%*

An important training plan concerning the customer experience and CSR issues has been rolled out. As these training courses involved a large number of employees, the proportion of the workforce trained increased significantly. In addition, we maintained our traditional training plan.

Today, KB Factory represents:

- 10 mandatory training courses focusing on business expertise:

Operational functions	Cross-functional functions
Land development	Legal
programs	Client Relations
Design and Technical Purchasing	Showroom
Commercial property	Accounting, Consolidation and Accounting Management
Production	

- A Soft Skills training course: Management, leadership, assertiveness, public speaking, time management
- Pathway linked to Map Talent: During the annual HR reviews, a significant challenge is presented by the detection of talents, high potentials and experts. Specific training programs have been developed for these populations.
- Support for the digitalisation of our business with training in IT tools

Key indicators and training performance 2023

At the CSE of 16 September 2022, the Skills Development Plan for 2023 was presented. It aims to make our employees:

1. Of experts
2. Of Talent
3. Of citizens

Serving the customer experience:

The figures to note

These areas represent **81 %** of training hours

These areas represent **71 %** of trainees

Details

Business expertise
- 41% of hours
- 37% of trainees

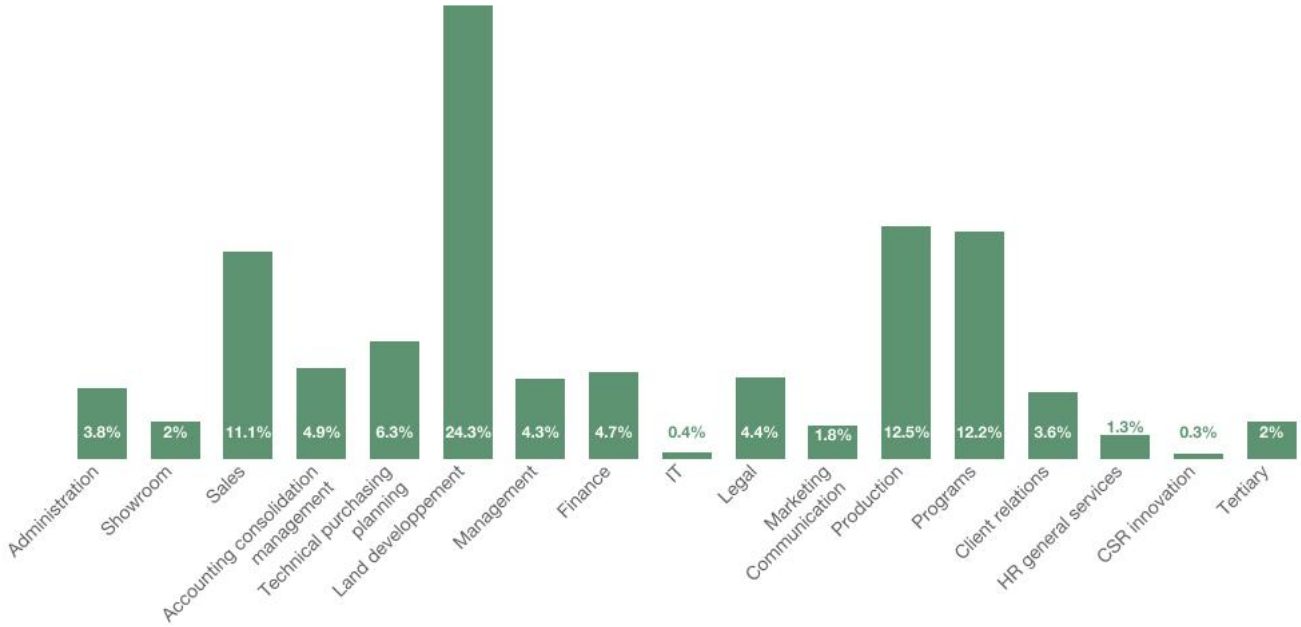
Soft Skills
- 33% of hours
- 23% of trainees

CSR
- 3% of hours *
- 6% of trainees

Customer Experience
- 11% of hours
- 5% of trainees

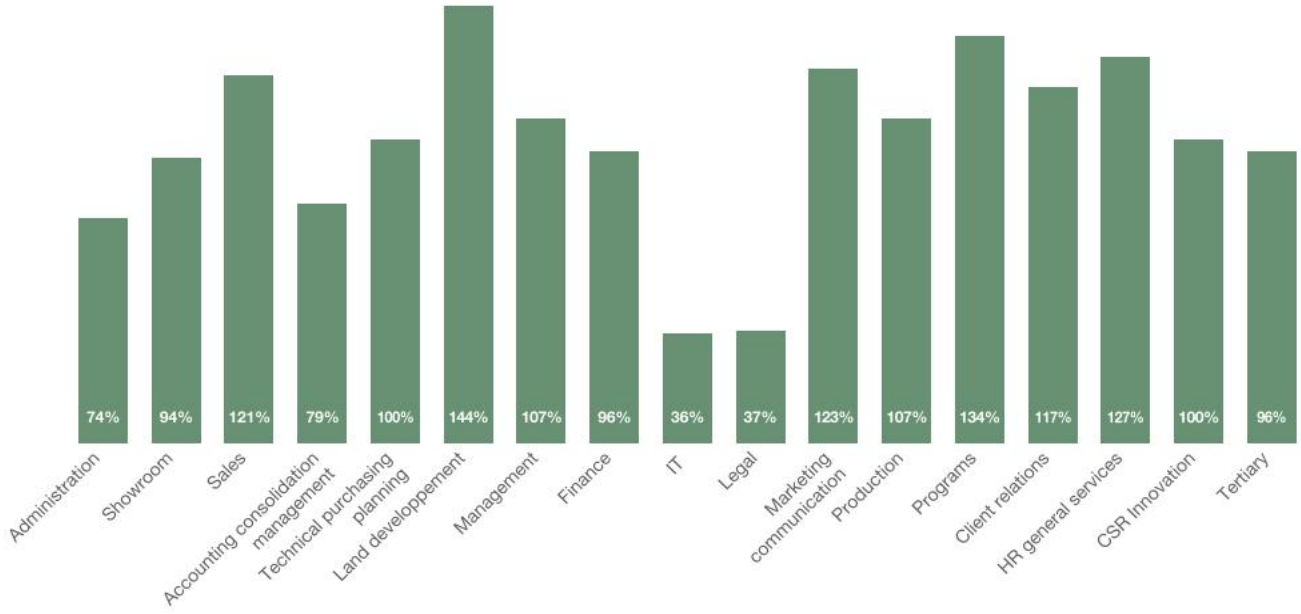
** CSR training is short-duration (two-hour digital modules)*

These figures highlight that employees in the operational business lines receive more training.The following chart presents the breakdown of training hours by business line, showing that 72% of training hours concern revenues, design and technical purchasing, land development, production, program and service teams.



In addition to the previous graph, we can assess the training rate of employees within their KB Factory function. It can be observed that some sectors have rates above 100%, this is explained by two points:

- Desire to largely train this profession
- Turn over: New employees to be trained



Focus on mandatory training and group protection

Kaufman & Broad continues its efforts to encourage employees to carry out mandatory training.An automated recovery system has been set up on a monthly basis for managers to incite their employees to complete the four training courses:

- GDPR at Kaufman & Broad
- Ethics at Kaufman & Broad
- IT security
- Introduction to CSR

We are now reporting an overall increase in the completion rate of these training courses of 87%.

Focus on using the KB Factory e-learning *platform*

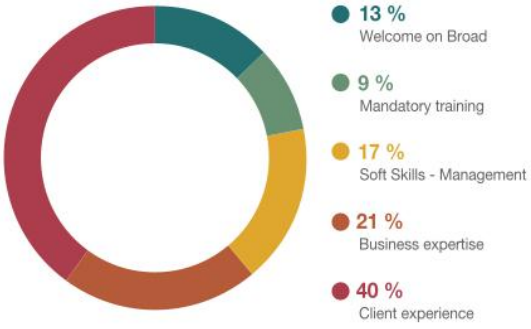
In addition, our employees are invited to take training modules on our KB Factory training platform.In 2022, employees received 1,817 hours of training, representing a 37% increase compared to 2021.

This increase in the number of hours spent on the platform is due to:

- Extensive communication with teams to encourage them to follow Soft Skills modules;
- Making blended learning modules available on the platform: Customer Experience at Kaufman & Broad.

This platform is accessible to all, on a constant basis, and provides content of various types:

- The Welcome On Broad on-boarding process
- Business expertise training courses
- Use of our internal tools
- The 3 mandatory training courses
- Training modules on soft skills, management, remote working and leadership



5.1.4.3. Quality of life at work and social relations

Kaufman & Broad aims to provide every employee with a calm and protective working environment that enables them to thrive, both professionally and personally. Sustainable growth is combined with high levels of social performance.

The health crisis presented by the Covid-19 pandemic has placed particular emphasis on the importance of quality of life at work.

5.1.4.3.1. Dialogue with employees

Dialogue with employees and their implications in corporate governance, particularly through the employee shareholding model, is a leverage point for employee engagement.

Annual professional interviews

As indicated in the "Agreement on Quality of Life at Work and Gender Equality in the Workplace" signed with employee representatives, the group has set up a system of annual reviews and undertakes to monitor their completion in order to best build the careers for employees.Each employee receives an annual review from the first year of their career, enabling them to express their short- and long-term career goals.

Creating an opportunity for sharing and communicating, the professional review allows for:

- The evaluation of skills and performance over the past year, and for new objectives to be set;
- The definition of training courses that may not already be offered amongst KB Factory courses;
- Reflections on career development;
- The determining of objectives.

The completion rate of professional reviews for 2022 remains very positive at 97%.

The training report is presented annually to the business partners, and is monitored during the year of implementation of the skills plan.

Great Place To Work survey

Kaufman & Broad, which is part of an employee satisfaction initiative, has conducted satisfaction surveys since 2019, aiming to open and develop dialogue with employees.

In 2022, Kaufman & Broad was awarded the Great Place to Work and Happy Trainees label for the period 2022-2023, which recognise the constant improvement of this dialogue with employees, permanent and work study, and the consideration of their needs.

This survey provides a snapshot of employee satisfaction and thus puts in place specific progress plans both from a local point of view within the agencies and from a national point of view. This certification and approach to improving the quality of life and working conditions does not stop there. Kaufman & Broad is committed to continuing its efforts.

5.1.4.3.3. Health, Safety and Quality of Life at Work

Occupational health and social protection

Occupational health & safety

Beyond the health crisis, Kaufman & Broad's objectives are to provide employees and their families with high-quality health insurance and, in terms of personal risk, financial protection to help them through difficult times of their life.

With regard to personal risk, death benefits, education annuities, accidental death and permanent disability have been introduced for all employees. As for healthcare costs, employees benefit from very broad coverage, meeting high market standards.

Since 1st January 2020, healthcare and welfare plans have been governed by two collective company agreements (agreements dated 16 December 2019). It should be noted that the Healthcare Expense Plan meets the obligations of a 100% Responsible Plan.

With regard to mutual insurance, the breakdown of the contribution is as follows:

	Total rate	Breakdown	Interest rate 2023	Amounts 2023
Employer share	4.35%	57.70%	2.51%	86.04
Employee share		42.30%	1.84%	63.08

Monitoring the absenteeism rate due to illness contributes to the assessment of quality of life at work.

Absenteeism by reason	2023	2022
Illness	2.61%	3.15%
Commuting accidents	0.11%	0.04%
Maternity	0.87%	1.09%
Family events	0.37%	0.28%
Total	**3.96%**	**4.55%**

The sickness absenteeism rate fell slightly between 2022 and 2023. The same is true for the overall rate 3.96% vs 4.55%

Long-term sick leave (i.e., employees who have more than 100 working days of illness over the year) accounts for 44.68% of sick leave.

Safety is at the heart of Kaufman & Broad's concerns. As part of the Great Place to Work survey, 96% of employees said that "the safety conditions are satisfied".

We ensure compliance with safety regulations, both for third parties and for our own employees.To this end ,

- the SEC (Social and Economic Committee) includes a Health, Safety and Working Conditions Commission (CSSCT), which is responsible for addressing issues in this area;
- We have prepared a single document for each institution that defines physical and psychosocial risks and then determines an annual action plan to tackle them. This document is submitted to the members of this committee for their opinion.

Working premises are adapted to guarantee the health and safety of our employees.

Technical and security facilities and systems are maintained and checked periodically. Our premises comply with specific standards, including: Ventilation and sanitation of premises, lighting, heating, noise protection, installation of computer stations, smoking protection, sanitary facilities, staff catering, signalling of danger areas in case of intervention, and first aid equipment. All agencies are regularly subject to an evacuation exercise (fire risk).

On our worksites, employees act as visitors, property developers or work coordinators for partners, service providers and customers.

100% of employees who go to our worksites have personal protective equipment and a procedure, circulated every year to the employees concerned and posted on the intranet, recalls the mandatory rules to be followed on a worksite.

In 2023, 6 workplace accidents were recorded, with an accident severity rate of 22.7% and a frequency rate of 7.51%, including 3 with lost time and 10 commuting accidents, including 6 with lost time. 48 calendar days of absences related to work related accidents and 224 calendar days related to commuting accidents. In 2023, no occupational illness was registered. In 2023, no site accidents were recorded involving Group employees.

Regarding construction sites, Kaufman & Broad, within its capacity as Property Developer, uses service providers such as architects or contractor firms, who constitute the project management team and SPS coordinators. This team monitors the work and checks that safety measures, in compliance with legal and regulatory obligations have been applied (see Section 5.1.4.7. With respect to the value chain (partners and suppliers).

Ergonomic studies of workstations are carried out in order to tailor the workstations of the employees concerned, and to train them in actions and postures.

Quality of life at work

Kaufman & Broad aims to offer its employees high standards of quality of life at work, contributing to the professional and personal development of everyone.

The Great Place to Work and Happy Trainees labels confirm the exceptional quality of life at work at Kaufman & Broad.

Focus on Highlight, new head offices:

The main features of the new head offices that have proven to be popular with employees are as follows:

- A modern layout that promotes collaboration and facilitates interactions between teams
- Excellent acoustic quality that allows teams to work in a calm, non-noisy environment
- Sports facilities that allow employees to exercise in the workplace
- A company concierge service that helps improve employees' work/life balance
- A company restaurant operated with our partner SERENEST to guarantee for employees:
  - Almost 100% of prepared products are fresh;
  - Short-circuit supply chains are used, prioritising local producers in the Ile-de-France region;
  - Combating food waste by offering employees the chance to purchase meal kits for the evening at 50% of their value;
  - The ability to sell fresh produce at good prices.
  - The proposal every day of at least one vegetarian dish.

Working hours of part-time employees

As of 31 December 2023, 16 persons were employed on a part time basis, including 7 employees and 9 managers. Of these, 93.8% are women. 93.8% of these employees work between 20 and 30 hours a week (at 4/5th), mostly in the context of parental leave. All situations of part-time work correspond to the employee requesting to work on a part-time basis.

In addition, 4 employees have benefited from work/life balance adjustments to date.

Working hours and quality of life

Pursuant to an agreement dated 16 June 2022 pertaining to the organization of work within GIE Kaufman & Broad, trade unions and management concluded a collective company agreement which "reinforced the existing guarantees in favour of employees holding an annual fixed number of days, particularly with regard to the right to rest and workload monitoring".

Remote working agreement

On 2020, March 16, the group's management and representative trade unions signed an agreement on remote working in the aim of improving the Quality of Life at Work approach, formalised in the agreement of 2019, July 31 on the Quality of Life at Work and professional equality between men and women.

A new amendment to the remote working agreement was signed on 2021, September 17, stipulating that "remote *working now forms an integral part of the organization of work within the group.*"

Maternity leave

From 2020 March 1st onwards, maternity pay is maintained by Kaufman & Broad without any length-of-service conditions. Before going on leave, or at least before returning to work, an appointment is organised with the employee's manager and HR. If the employee so wishes, the affiliation of the child on the mutual insurance contract can be arranged from birth, at no additional cost. In addition, in 2022, 100% of women returning from maternity leave received an individual increase.

Paternity leave

100% of male employees who had a child benefited from paternity leave.

Employee catering

In terms of restaurants, the group's contributions (restaurant vouchers, employer contribution to staff restaurants, and meal allowances) amounted to €612,827 in 2022.

Work/life balance: Right to sign off

The collective agreement of 31 July 2019 on quality of life at work and professional gender equality sets out the principles for guaranteeing a healthy balance between employees' personal and professional lives.

The agreement formalises the behaviour and guidelines for work/life balance that aim to respect the balance between personal life and the effectiveness of working relations, particularly on the following topics:

1) Application of the right to sign off outside of working hours.

   Particularly, with regard to the use of professional e-mail addresses, employees are never required to read e-mails sent to them or to respond to them outside of their working hours, except in cases of emergency and exceptional situations that require such attention.

2) Within the context of working organization, particular attention is paid to over-solicitation depending on the person involved in the accrued use of working hours.

   Training and awareness-raising actions are organised for managers and all employees to inform them about risks, challenges and best practices related to the use of digital tools.To this end, a specific course is deployed and accessible via the digital platform.

   When employees are able to effectively use the tools, it possible to optimise their usage, facilitate their conditions of use, and improve working conditions in this aspect.

3) Raising awareness of information volume management (good practices in the use of e-mails and remote tools).

The agreement of 16 June 2022 on the organization of work within GIE Kaufman & Broad includes a full article dedicated to the "modalities for exercising the right to connect". The following is thus stipulated:

"In order to ensure effective rest periods for employees and to maintain a good work/life balance, an obligation to sign off during legal rest periods (daily and weekly rest) is anticipated.

Employees are not required to read or respond to professional e-mails, messages or phone calls outside their working hours, during their holidays, rest periods and absences, regardless of their nature.

It is recommended that employees do not contact other employees, by telephone or e-mail, outside of the usual working hours, during weekends, holidays and paid leave, or during periods of employment contract suspension.

Each employee is reminded that they should:

- Consider when they send an email, message or contact an employee by phone;
- Not seek an immediate response if it is not absolutely necessary;
- For any absence, set up the office absence manager on their e-mail account, and indicate the terms of contact for a member of the company in case of emergency."

Each employee is asked about their work/life balance during their annual individual professional review.

Procedure for employee purchases of Kaufman & Broad housing

Kaufman & Broad has always wanted to facilitate the sale of housing to its employees whilst preserving the interests of the company and its shareholders. To this end, the group allows employees to benefit from specific discounts.

This procedure applies to all companies within the Kaufman & Broad group, and to all employees therein. The purchase by an employee of housing which is part of a group property program is considered to constitute an exceptional transaction and, whilst benefiting from specific conditions, this transaction must comply with certain rules (defined in a document that can be accessed by employees on the group's intranet site) and must be subject to the necessary approvals.

5.1.4.3.4. Corporate affairs

The group respects the collective representation of employees and freedom of association. The corporate climate within the Kaufman & Broad group is based on a principle of mutual construction between management, employees and their representatives, with a neutral attitude towards the various trade unions.

The group encourages individual employee expression, particularly through the coordination of employee representative bodies, the establishment of a local HR organization, and the promotion of tools and systems such as engagement surveys. The group adopts a listening-focused attitude, and more specifically, listening to employees feedback and obserVATions during the appraisal reviews conducted annually by managers. In accordance with the law, the group provides employee representatives with the resources necessary to carry out their duties. This includes:

- A dedicated space
- Delegation hours
- The possibility to communicate to all employees and a dedicated e-mail address.

In March 2023, new elections were held for the Social and Economic Committee (hereinafter the «CSE»).

Following these elections, employees are represented in the CSE by 15 elected representatives (9 executives, 6 employees), 5 more than in 2018.

The SEC has set up 3 commissions:

- The Health, Safety and Working Conditions Commission (hereinafter referred to as the "CSSCT");
- The composed Social and Cultural Activities Commission;
- And, since September 2020, a Mutual Commission.

The trade unions are represented by two trade union representatives, one from the Syndicat National des Gardiens Concierges et la Force Ouvrière (FO), and the other from the Syndicat national de l'urbanisme de l'habitat et des Administrateurs de biens de la Confédération Française de l'Encadrement (CGC).

The management and representatives of the SEC meet monthly, as part of regular meetings. The management and members of the CSSCT meet every three months.

Trade unions and management meet for the Mandatory Annual Negotiations each year and as often as necessary, in accordance with the legal obligations and negotiation priorities defined by the group.

Summary of collective agreements

In 2022, the trade unions and management unanimously signed 5 collective agreements on the following topics:

- Pre electoral memorandum of understanding for the 2023 elections of the staff delegation to the CSE within GIE Kaufman & Broad dated 2023, January 4
- Company agreement relating to the management of jobs and career paths (hereinafter «GEPP») dated 2023, June 19
- Wage negotiations (agreement dated 2023, September 14);

Over the years, the Kaufman & Broad group has concluded agreements mainly concerning the organization of work, Compensation and working conditions that contribute to the smooth functioning of the company and its performance.

The main agreements are:

- Employee profit-sharing agreement of 2020, June 25
- Company agreement relating to the 2020, June 25 shareholding
- Company agreement on remote working dated 2020, March 16 and its amendment No. 1, dated 2021, September 17
- Collective agreements of 2020, December 16 relating to the Healthcare and Personal Protection plans and its amendment No. 1 dated 18 January 2021
- Collective Agreement of 2019, September 4 on the Management of Jobs and Vocational Training
- Agreement of 2019, July 31 on quality of life at work and professional gender equality
- Collective agreement of 2017, September 19 on the right to sign off
- Agreement of 2022, June 16 on the organization of work within GIE Kaufman & Broad

Focus on the company agreement on the management of jobs and career paths (GEPP)

The collective agreement signed unanimously on 2023 June 19 by the social partners is a continuation of the previous agreement of 2019, September 4

In an employment market that is renewing and in which there is some form of skill scarcity, management and the trade unions wanted to find a pragmatic response to these challenges and requirements in order, on the one hand, to tackle the challenges of attractiveness, loyalty and the development of talented employees and, on the other hand, to retain and share expertise internally.

To confront these challenges, this agreement addresses the following key issues:

- Knowledge and skills transfer: By relying on the business reference framework, the development of a group-specific training and professional development school, called KB Factory;
- The three-year guidelines for vocational training and the objectives of the development and skills plan, incorporating the regulatory changes provided for in the "Law on freedom to choose professional occupation" of 5 September 2018;
- Supporting the group's transformation, both in terms of digitalisation and innovation, and preventing changes in our businesses;
- Specific measures for targeted populations: Supporting "young" employees, "older" populations, and employees exercising union functions.

The agreement also introduced an additional system that allows, in light of the market context and forecasts, to better anticipate the needs in terms of jobs (workforce) and skills (expertise, skills, professional qualities and experience).

The agreement provides, on the basis of the business reference framework applicable within Kaufman & Broad, for a categorisation of jobs (stable business, stressed business, emerging business, transformation business and sensitive business) in order to better prepare the envisaged changes in these businesses.

In the context of the tense economic situation for the next 2 to 3 years, the agreement provides for the implementation of a Mobility Leave, a support system that allows the implementation of external mobility procedures with support to promote the return to stable employment. This system was implemented in 2023.

5.1.4.4. Equal opportunities and treatment: Diversity and inclusion

In order for the various property development and construction/urbanisation projects carried out by Kaufman & Broad to correspond to the needs and developments of society, it is essential that the teams embrace this diversity and promote inclusion. Promoting diversity and inclusion in all forms is a source of social cohesion and innovation.

With the objective of continuous improvement, Kaufman & Broad pursues the following objectives:

- GPromoting gender equality at all levels of the Company ;
- Recruit more individuals with disabilities;
- Reinforce cultural and social diversity.

The group's policy on professional equality, the employment of older workers, and the employment and integration of workers with disabilities is detailed in the points above. The group is committed to recruiting and promoting employees based on the suitability of their profile in regard to the requirements of the positions proposed, without any other discriminatory criteria. In addition, the group is committed to working and communicating with the aim of raising employees' awareness of the need to share common corporate rules that enable everyone to thrive and excel, and to combat any possible situations of discrimination and harassment. Any failure to comply with the Code of Ethics and applicable laws and regulations exposes the responsible employee to disciplinary sanctions stipulated by the group.

Kaufman & Broad is based exclusively in France, a country that has ratified and transposed the eight fundamental conventions of the International Labor organization into its labour laws. As a result, the group complies with all the provisions set out in these agreements in terms of freedom of association and the right to collective bargaining, non-discrimination in terms of employment and occupation, the elimination of forced or compulsory labour, and the effective abolition of child labour. In addition, and in accordance with the law, all employees and candidates for employment, internships or company training periods are protected against discrimination in the workplace. Moreover, employees who witness or report discriminatory acts may not be punished, dismissed or discriminated against. Making a distinction between employees (or between candidates for employment or access to an internship or a period of training within a company) constitutes discrimination when it is based on any of the 23 criteria stipulated in the French Labour Code.

5.1.4.4.1. Gender equality

Each year, the group presents the action plan implemented to meet its commitments to the social partners. 53.64% of the group's employees are women.

In 2022, the following areas were notably covered in terms of gender equality:

- In terms of classification: At 2023, December 31, the proportion of women in management was 45.6%, a clear increase compared to 2022 (+4.7 points). Since 2014, reviews of all employees have been held with their line managers to allow for both individual and collective monitoring. Within this framework, female talent is identified and their ability to take on roles of responsibility is recognised;
- In terms of professional training, the implementation of the digital training platform offers women, regardless of their profession and particularly non-managers, located locally and/or facing family constraints, the opportunity to access numerous training courses;
- In terms of work/life balance: The group provides positive responses to 100% of requests for flexible working hours submitted by men and women alike;
- With regard to the recruitment of women to key positions, it should be noted that 42.86% of recruitments are women;
- In terms of Compensation: During salary reviews, following the signing of the annual agreement on mandatory negotiations, an analysis of the Compensation of men and women makes it possible to determine the specific actions that must be carried out to progressively eliminate any significant differences in Compensation for equivalent positions between men and women.

In this respect, in accordance with the provisions of Law No. 2078-771 of 5 September 2018 on the freedom to choose a professional occupation, which invites companies to measure their performance in terms of professional equality in terms of Compensation (the "Gender Equality Index"), the group obtained a score of 89/100, the minimum score required being set by the legislator at 75 points.

The group is continuing with its efforts and action plans to promote professional equality, as demonstrated by the aforementioned agreement signed on 2019, July 31 with all trade unions regarding quality of life at work and equality between men and women.

Focus on the agreement on quality of life at work and professional gender equality

On 2019, July 31, in line with previous agreements, management and trade unions signed a new collective agreement which incorporates the themes of quality of life at work and professional equality into a single agreement.The agreement covers three key areas:

- Equal opportunities: The group's renewed determination to respect and, moreover, to promote the principle of equality between men and women by implementing concrete measures;This professional equality must be demonstrated in particular in recruitment, taking into account the reconciliation of professional and personal lives, career management, Compensation and the prevention and fight against sexual violence, harassment and sexist behaviour;
- Well-being and quality of life at work: Adapting to the new world of work whilst retaining the sense and pride we have for working within our group;Quality of life at work is assessed namely through respect for the right to sign off, working methods compatible with maintaining a work/life balance, anti-discrimination measures and the possibility of donating leave days (so employees who so wish can donate days to colleagues who are caregivers for seriously ill children, relatives or partners);
- • A company that affirms its role as a responsible player in respecting and promoting environmental and societal issues.This concerns employee protection, the CSR approach and the group's commitment to partner companies.

The agreement covers the following topics: Conditions of access to employment, work/life balance and family responsibilities and, lastly, career paths (professional promotion, qualification, classification, training) and Compensation. It also addresses the reinforcement of measures aimed at the prevention and fight against sexual violence, harassment and gender-based behaviour.

5.1.4.4.2. Generational diversity

Under an agreement dated 2019, September 4 on the management of jobs and vocational training courses, Kaufman & Broad drove forward with its policy supporting young people and seniors.This agreement was renegotiated on 19 June 2023.

This agreement is based on three priorities:

1) Commitments to promote the sustainable integration of young professionals under the age of 30, specifying the methods of integration, training and support for this population.

The group believes that the youth policy is a key leverage point for integrating emerging skills that will be needed for the future of business. This concerns young graduates entering the employment market, and also work-study trainees and interns. Over the 2019-2022 period, the group has undertaken to guarantee an annual minimum of 15% of employees under the age of 30 on permanent or fixed-term contracts (excluding work-study contracts), and to have a proportion of work-study contracts (apprenticeship and/or professionalisation) of 4%.

At 2023, December 31, the group employed 119 young people under the age of 30, including 7 on fixed term contracts. 55 of these employees were hired in 2023. At 2022, December 31, this population represented 16.7% of the permanent workforce.

In 2022, the group hired 83 young people on apprenticeship or vocational training contracts. With approximately 9.6% of its workforce on work-study contracts, the group has exceeded its commitment to train a number of young people on work-study contracts equal to 4% of its workforce, a commitment set out in the collective agreement on intergenerational employment within GIE.

2) Commitments to support employment retention and return-to-employment for employees aged at least 57, or at least 55 in the event of recognition of the status of disabled worker.

At 2023, December 31, employees aged at least 55 represented 17.12% of the total workforce (16.96% in 2022).

3) Procedures for transferring knowledge and skills through KB Factory.

This new agreement of 2023, June 19 added a fourth priority: The implementation of a mobility leave system to promote the return to stable employment of employees who will be impacted by the adaptation of the workforce to the operational and economic reality and those, by support measures, training actions and working periods. The purpose of the mobility leave is to allow employees, who meet the conditions set out in the agreement, to voluntarily enter into a mobility process outside the group in order to return to stable employment outside the group, whether salaried or not. Employees thus benefit from mobility leave ranging from 6 to 12 months, support by a specialised firm and training. These conditions can be improved as part of the consultation information implemented with the CES to actiVATe the mobility leave.In 2023, the mobility leave concerned 14 employees. All of them have returned to stable employment outside the group.

This agreement also reaffirms that employees exercising trade union functions benefit from specific measures: HR reviews, assessment of work/life balance, and union mandates. Particular attention is paid to these employees, as the exercise of their mission of representing employees contributes to the development of social dialogue within the company.

Breakdown of registered employees by age at 31 December	2023	2022
Less than 24 years	16	25.
25 to 29 years	103	108
30 to 34 years	106	123
35 to 39 years	84	100
40 to 44 years	110	122
45 to 49 years	80	87
50 to 54 years	82	(86)
55 to 59 years	75	93
Aged over 60	45	40
TOTAL	**701**	**784**

5.1.4.4.3. Policy to promote the employment and integration of individuals with disabilities

At 2022, December 31, the group employed 13 disabled workers within its various entities.The number of employees with disabilities rose from 4 in 2010 to 8 in 2023.

This policy is based on the following key aspects: Recruitment, job retention, physical accessibility of premises, digital improvement, and employee awareness.

Employees are also encouraged, as part of their duties, to seek employment assistance establishments and services (ESAT), particularly as part of its waste management policy at Kaufman & Broad.

In 2024, the group also partnered with AGEFIPH to conduct an internal assessment aimed at strengthening its policy to promote the employment and integration of people with disabilities. In particular, all Group employees will be asked through an anonymous questionnaire in order to identify avenues for action to promote the integration and retention of workers with disabilities or who are experiencing health difficulties.

5.1.4.4.4. Commitment through sponsorship

In 2022, Kaufman & Broad continued its commitment to the "*Pavillon de l»Arsenal*" and the "*Palladio*" Foundation, the group sitting on the Auditors Panel and the *Palladio* Avenir Segment. The purpose of the Palladio Foundation is to stimulate reflection and debate amongst all players and stakeholders in the city of tomorrow and, in particular, to award scholarships for students and PhD students.

Employees have the opportunity, through the donation fund, to invest their time and skills in the activities and associations supported by this fund. They can also support these associations through the solidarity arrondi. In 2022, 62 employees were registered on the platform to engage with partner associations.

Kaufman & Broad has also joined forces with the "*Fondation Espérance banlieues*". *Espérance banlieues* schools aim to expand the school offering in neighbourhoods suffering from an educational crisis. These are non-religious schools, which carry out an extremely engaging educational project involving both parents and children. Kaufman & Broad's commitment to this cause is linked to a historic presence in the suburbs where the group implements its projects and contributes, alongside the municipalities, to the diversity and evolution of the urban model. For the group, education plays a role in citizen training and social elevation, in order to guarantee equal opportunities for all, with responsibility in combating human, financial and social costs, represented by "school drop-outs". As part of this commitment, Kaufman & Broad supports a school year group throughout their education, allowing them to discover the group's professions and visit the group's sites.

Kaufman & Broad also well planned the possibility for its employees to commit to the operational reserve. They then benefit from 10 working days per calendar year to carry out their reservist activities. As part of their duties, employees may also be involved in real estate projects related to Defence (for example, through logistics buildings or housing production).

5.1.4.5. With regard to our customers

5.1.4.5.1. Certification and labelling policy

The group offers its future customers, who plan to become the owners of an apartment, a house or who plan to purchase properties in blocks, the option of acquiring new properties, thus taking advantage of the many strengths offered by this type of property. Labels and certifications guarantee high quality in various areas, for example: Health, safety and well-being of occupants, the environment, and energy performance.

Housing

All housing projects launched include quality and environmental certification by an independent third party, accredited by *COFRAC*. *COFRAC* is the French national accreditation body recognised internationally by the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF).And the European Co operation for Accreditation (EA).

Certified housing offers buyers added value in terms of user comfort compared to regulatory levels, particularly in terms of thermal and environmental performance (more energy-efficient and carbon-efficient housing), acoustics, and the health and safety of products, including air quality (with more stringent "*CMV*" controls).

Each group agency has Quality Managers who are assigned the task of overseeing the proper implementation of the process and compliance with quality requirements. This network of advisers is led and managed on a group-wide level by a national adviser, who advises the agency advisers. This national reference point monitors compliance with the group's quality process for all group operations.

Regarding the Commercial business line

Commercial property, Logistics and Major Urban Projects is one of Kaufman & Broad's strategic business lines. The group forms partnerships with investors to develop the attractiveness for local authorities.

Effective facilitators, Kaufman & Broad supports all phases of a project.The project development teams design and realise projects created to have the smallest extended carbon footprint whilst sustainably optimising consumption and emissions in operation.The group designs modular spaces that respond to new ways of working and also to the challenges of building convertibility.The group strives to develop programs that actively contribute to the well-being and comfort of users.The various certifications and labels are a guarantee of quality for our stakeholders and demonstrate the quality of the programmes. These certifications or labels are adapted to each programme and can meet expectations regarding quality, environmental issues and/or the well being of occupants. Therefore, for each commercial building, the group aims for double or triple environmental certification by accredited independent third parties.

NF Habitat, NF Habitat HQE certification	E + C- label
BREEAM certification	Effinergie + label
LEED certification	Bio-sourced Building Label
WELL or Osmoze certification	Biodivercity label
Label BATIMENT Bas Carbone (BBCA)	Certification Effinature

The safety of future users and occupants is ensured by the compliance of the structures with the applicable regulations, particularly with regard to fire safety standards and earthquake-resistance standards.

Beyond compliance with construction regulations, the group grants particular importance to the well-being of occupants and users. Well-being through property is one of Kaufman & Broad's working topics, which is covered by the first recognised certification in this area, the "Well" certification.

«Highlight» project

The Highlight commercial property operation, the group's new head offices, received *Well Core & Shell* certification. This certification guarantees a number of parameters related to comfort of use (indoor air quality, hygro-thermal and acoustic comfort, comfort of natural and artificial lighting, biophilia, etc.), contributing to employee health, well-being and productivity.

5.1.4.5.2. Kaufman & Broad client support in housing: Ensuring personalised follow-up for each client

Marketing

Aware that the financial, tax and regulatory aspects of a property acquisition may seem complex for individuals, the group has set up a Consumer Information Service.This service, accessible via the internet or by telephone, gives consumers a way of obtaining information free of charge and without commitment on topics such as credit, taxation, wealth management advice, interior decoration, and rental management, etc.

Kaufman & Broad diversifies and adapts its revenues channels to align with client needs.

The group thus sets up, depending on the circumstances, traditional revenues offices in dense catchment areas and on visible, central sites. Alternatively, it creates temporary and custom "pop-up revenues offices", and event offices for launches or other commercial events. In addition, the BoutiK concept *allows* the group to have a permanent point of sale for a geographical sector, located centrally and close to transport connections. These BoutiK *spaces* are open 6 days a week and enable the presentation of Kaufman & Broad's entire offer, occasionally also serving as a showroom .

The group's revenues agents also visit customers' homes, or locations that suit the client, according to their schedules and availability.

Aware that off-plan revenues make it difficult to project and visualise possible developments or customisation elements, the group systematically uses digital tools for all its launches (illustrations, 3D plan, virtual tour, 360° model).

Client service and After-revenues

Regardless of the size of its programs, Kaufman & Broad aims to create and offer the same services and benefits to its customers. Client services, from notary signatures to After-revenues support, is included Kaufman & Broad. Any employee of the group who comes into contact with customers may request to be receive training in "Client Relationship Management."

Following the signing of the deed of sale, each client has access to their own dedicated and personalised client digital space. This secure interface can be accessed with a username and password, and it is organised thematically. customers can monitor their payment schedule and track the progression of the building project with photos. They also have access to information on their housing and neighbourhood (virtual tour and local services), as well as useful documents (owner's guide, commercial brochure).

As part of the "Client Advantage program," Kaufman & Broad has forged partnerships with companies to provide its customers with a range of services during their residential moving process, such as relocation support, maintenance or personal services, to help its customers settle into their new neighbourhood. Upon delivery, there are many companies on-site to immediately carry out any reversals or adjustments requested by the client.

Improving client satisfaction

The group has always cultivated a sense of quality and the sustainability of its achievements. Employees remain the guarantors for this quality-focused culture, which is expressed through construction and also through client satisfaction and support.

In 2021, the group reinforced its Client Experience Department and deployed an internal tool to ensure continuous improvement in service quality. This new tool is detailed in this section below.

The purpose of the satisfaction survey is to refine the measurement of satisfaction by systematically questioning all home buyers at four specific moments of their client journey:

- After the notary signature;
- After the site visit;
- Delivery;
- One year after delivery.

The results of these surveys are used to identify the main leverage points for satisfaction and dissatisfaction in order to further analyse them and then develop internal processes to improve client satisfaction and manage the performance of the various departments involved.These satisfaction surveys and analyses are carried out by BVA, a recognised, independent, third-party expert that ensures the traceability and reliability of the results.The results are analysed according to the type of buyers, products, and across all of the group's agencies.

To ensure alignment between the group's strategy and the improvement projects implemented, the results are presented at least twice a year to the members of the Management Board and the Extended Management Board. In addition, the variable Compensation objectives for Management Board and Extended Management Board members now include a component linked to the results of this client satisfaction survey.

Following the initial satisfaction surveys, working groups were formed to rewrite the client experience by constantly promoting client orientation and seeking the same level of quality in all agencies. This work led to the drafting of the client journey in a clear and transparent manner, which is now communicated to all new home buyers. These surveys also identified site visits and deliveries as key moments for client satisfaction, prompting audit work and recommendations to improve the handling of buyers at these particular moments. The methodology applied makes it possible to identify points of vigilance and to monitor the group's commitments in its client journey (e.g., acceptance of plans, number of orders, etc.).

Deployed in 2019, the *Klient 360* platform linked to the client space has become a collaborative tool, supporting Kaufman & Broad's client relations.

In the context of the health crisis, Klient 360 has proved to be structuring for:

- Maintaining a link with our customers;
- Keeping our customers informed by email in regard to the current context and the possible extension of response times;
- Facilitating collaboration and information-sharing between remote-working employees;

Developed in 9 months by the IT Department teams, in consultation with operational staff, Klient 360 is now the communication interface with our customers: It allows for complete monitoring of interactions between our buyers and the group at all stages of the journey, and to creates a log of all requests made.This tool also makes it possible to streamline relations between the business lines, so that everyone can provide the necessary response elements to satisfy customers as promptly as possible.All agency managers receive full reports on the progress of client requests and the ability of their agency to respond quickly.When a request is submitted by a client via their dedicated space or via the email address of their client services contact point, the request is identified and directed to the contact person best qualified to respond to it.The group therefore monitors lead times, allowing it to demonstrate its ability to process requests and respond to customers.

Indicator	2023	2022
Rate of client request resolution within 72 hours	63.9%	66%

In addition, for greater transparency for our customers, Klient 360 will become a document library that will push information in the new KB client space.

The teams concerned have been made aware of this, and this work has made it possible to develop online training materials that are accessible to all employees.

Whilst the quality of client relations, dialogue with customers and innovation are all essential to meeting client expectations, Kaufman & Broad remains aware that client satisfaction is also influenced by many other aspects: The quality of the work carried out by suppliers and compliance with delivery deadlines, pricing accessibility, the skills and qualities of Kaufman & Broad employees in contact with customers, the environmental performance of products, etc. These related issues and the policies implemented by the group in these fields are discussed throughout this report.

5.1.4.6. With regard to local authorities

5.1.4.6.1. Contributing to the economic and social development of regions: Facilitating access to housing

The group is attentive to the market and has an internal organization that allows it to adapt and develop its products accordingly.

From 2008 onwards, within a context of housing and economic crises, Kaufman & Broad saw its client pool evolve and therefore adapted its offer accordingly, in order to offer accessible housing of equivalent quality. In 2009, the group reorganised its housing offer to first time home buyers and investors by offering more compact and functional products whilst preserving usable space.

In order to allow first time buyers to get onto the property ladder, the group develops housing at controlled prices, sold at 20% below the market price.The reference objective is to offer Multi-occupancy housing at less than 3,000 EUR/sq.m (including VAT) in the Paris region, and from 2,500 to 2,600 EUR/sq.m (including VAT) in other regions.By deploying programs near the outskirts of cities but still with city-centre public transport connections, Kaufman & Broad proposes an accessible offer that meets investors' criteria regarding financial and fiscal profitability as well as the solvency criteria of first-time buyers.These housing units are designed by adapting traditional provisions while respecting the group's quality and environmental performance standards.In terms of affordable housing, Kaufman & Broad has worked hard on the design aspect, capitalising on its expertise to offer products giving users a pleasant living environment, with smaller surface areas at more compact prices.The "New'R" operation in Nantes thus includes housing at controlled prices.

Type of buyer by number	2023	2022	2021
Investor	13%	33%	34%
Block	78%	45%	54%
First-time buyers	7%	13%	8%
Second-time buyers	2%	9%	4%
TOTAL	**100%**	**100%**	**100%**

Kaufman & Broad also works closely with social landlords to help build social housing for low-income households. Rents and tenant allocations are subject to rules governed by the French State, as access to social housing is subject to resource conditions, which are covered by a dedicated tax system, and which are managed by an organization approved by the French State.

To meet the needs of implementing social housing programs, particularly in regions where Kaufman & Broad does not operate (outside of major cities, i.e., in social zones 2 and 3, Pinel B2 and C), the group has created a dedicated structure, Kalilog, to propose a national response to these challenges. This activity is for the group a new diversification and additional development for 100% VEFA social projects. This will be a "tailored" offer for local authorities, adapted to each region; namely: A municipality, a requirement, a project, and within an optimised timeframe. Kalilog is a response that will enable communities to reach the 25% threshold for social housing, required by the *SRU* Act. It also offers the opportunity to keep young people, families and seniors in their preferred regions, whilst enjoying of the security offered by a group like Kaufman & Broad and the expertise of a team dedicated to this activity. Kaufman & Broad works closely with social housing landlords to help build social housing for low-income households.

In 2023, **41 %** of housing orders were subject to resource terms with a social target (versus 32% in 2022 and 25% in 2021).

Aware of the importance of ensuring the comfort and well-being of its customers, Kaufman & Broad integrates a series of social and societal considerations into its strategy, related to living environments, quality of life at different ages, housing accessibility and scalability. The group is thus diversifying its activities through senior serviced residences and student residences. Presenting specific features, these business lines are a wonderful opportunity for the group to further grow.

For seniors' residences, Kaufman & Broad addresses the national challenge of keeping people without autonomy at home. To this end, Kaufman & Broad launched its innovative «Cosy Diem» concept in 2017. This concept aims to meet the need for autonomy and independence of this population wishing to extend their autonomy while taking advantage of a presence and a friendly environment.

The Cosy Diem residences were designed on the basis of the work conducted by the Toulouse Gérontopôle in the area of addiction prevention and the recommendations issued by various health organizations. The ergonomic designs of the apartments has been developed to ensure comfort and safety, and to promote autonomy.

Located in the heart of cities, the Cosy Diem residences have been designed to be genuinely social places. Each housing unit is built around a central space that features communal living areas (restaurant, library, bar, fitness area, etc.). Residents can live there without obligation, making use - or not - of shared spaces, entertainment and activities.

Kaufman & Broad aims to develop student residences in order to respond to the growing societal need for housing in this sector. This is particularly due to young people studying for longer periods of time, the metropolisation of regions, and the cohabitation of students and young professionals.

Kaufman & Broad's objective is also to combine services for students, in addition to the housing offer. New buildings will also make it easier for residents to adopt everyday eco-habits, not only individually but also with the power of collective action by residents, maximising the impact of individual actions that benefit both the environment and society.

In 2021, Kaufman & Broad acquired a majority stake of 60% in the student residences company NéoResid and aims to build a portfolio of 5 new, emblematic projects managed by Néoresid within 5 years. To date, 6 projects are under construction, development or under consideration, representing more than 1000 housing units.

The positive evolution of the indicators in the table "Development of serviced residences with a societal impact" below reflects the deployment of the group's strategy.

Development of community serviced residences in 2023	Number of units built on completion in 2023	Revenue in 2023[a]	Total revenue in 2023 [b]	Number of units built on completion in 2022	Revenue in 2022[a]	Total revenue in 2022 [b]
Senior residences	207	31,207	2%	284	42,132	3%
Student residences	145	10,960	1%	504	40,324	3%
Intergenerational residences	118	13,382	1%	85	8,305	1%
TOTAL	**470**	**55,549**	**4%**	**873**	**90,761**	**7%**

(a)In thousands of euros.

(b)Excluding JVT

Already present in the most dynamic cities in its sector, the group has reinforced its regional network by establishing itself in medium-sized cities, through the acquisition of *Serge Mas Promotion*, Safaur and *Seri Ouest*.

Through its business as a developer and builder, Kaufman & Broad contributes to job creation and professional integration in the regions where the group operates.

Wherever possible, the group uses local companies and seeks to showcase local expertise.

Through the insertion clauses, some batches are partly carried out by people who are far from the labour market or who have difficulty in entering the workforce. For example, insertion clauses have been inserted in the markets of the «Aristide Briand» programme in Arcueil or for «Novaia» in Caen.

21,066 hours of insertions on worksites delivered in fiscal year 2023

5.1.4.6.2. Establishing dialogue around the project

Consulting local residents and elected representatives

Kaufman & Broad organises consultation meetings with local residents as far as possible before the building permit application is filed. These meetings, planned to discuss the progress of the project, to inform local residents and to take into account their requests and opinions, are generally organised at the initiative of the town hall. This procedure is an "adversarial" debate, and all documents are distributed to all parties.

Gratentour project

Kaufman & Broad and the town hall organised a meeting with local residents, which enabled the project to be amended in accordance with the requests put forward.Kaufman & Broad has therefore evolved part of its project, and has moved away from the boundary limits.The group also presented and discussed the selection of vegetation for the boundary limits during meetings with local residents.

To involve citizens with the project, the group is also supported by associations that organise the participation of local residents, taking into account the history of the location and the urban project, and facilitating exchanges between the group, residents and elected representatives.

These approaches help to defuse the tensions that a new property project may create upstream, by giving priority to conversations and communications from the project design phase.

As indicated in section 1.5.2.4. «Engagement Committee.»Despite the steps mentioned above, however, third parties (associations, local residents) may challenge building and demolition permits based on the non compliance of such permits with local urban planning rules (local urban planning plan, DDA (*ZAC*)development plan, etc.) and the Urban Planning Code.

Preventive summary proceedings

Kaufman & Broad almost systematically implements preventive summary proceedings, generally optional, at the launch of each operation in dense urban areas.This system, designed to protect local residents and the group alike, allows the construction of the property program and the condition of neighbouring properties prior to construction to be verified by an independent, court-appointed expert.

Depending on the assignment issued by the court, these preventive summary procedures continue during the works and allows each local resident to identify and flag the existence of any damage or disturbance related to the construction of the site, and subsequently to request and ensure that corrective action is taken.

In addition to this legal framework, the group takes additional measures to ensure the smooth running of operations. Over the progress certain worksites, local residents are given the telephone number for a member of the group should they wish to report any disturbances. In addition, for some operations, a cleaning company is recruited to weekly clean up the surroundings of the program site.

5.1.4.6.3. Sustainable involvement with local authorities

Integration of programs into urban policies

The location of operations is chosen according to qualitative criteria such as the quality of the land, accessibility, and the presence of public facilities, shops and services. The programs are designed in close consultation with municipalities in order to contribute to city policy.

The phasing of programs can thus be linked to the opening of new public services or equipment. For major projects, Kaufman & Broad diversifies its businesses in order to adopt a vision of urban logistics, and to create a dynamic economic aspect.

Green Lodge in Villepreux

An exceptional program consisting of more than 500 housing units, which combines traditional or contemporary houses with a wide variety of apartments. It is an entire neighbourhood that has been built and developed in close collaboration with the municipality, with more than 900 parking spaces, the creation of 30,000 sq.m of roads, cycle paths and communal spaces, and 600 sq.m of commercial premises.

The group also contributes to the financing of public facilities through development taxes or a Partenarial Urban Project. Kaufman & Broad is asked to develop and improve the attractiveness of the neighbourhoods in which the group operates. As part of the "Terra Nostra" project in Montpellier, an 800 sq.m square was thus created and then sold back to the city, as in Hendaye for the operation "Hegoaldea", a playful and sporting development which was completed and then sold back to the town hall of Pélissanne for the operation "Le Domaine de Gaia", and a food village with several food shops (butcher, baker) was completed in Wambrechies.

Urban projects, regardless of their size, impact the living environment, uses and mobility, and require information to be provided to local residents, businesses, local authorities and associations. It is within this context that the Empreinte Citoyenne association and Kaufman & Broad established an operational partnership in 2020 to develop the "Approche (H)Urbaine". The challenge is to establish the conditions for urban development open to dialogue and consideration of the expectations of the region and its stakeholders. The association maintains a position of third party and intermediary in relation to stakeholders. Kaufman & Broad trains its employees on these issues and understands the societal role of a real estate development company, these modules develop the sensitivity of employees to develop models of virtuous collaboration.

5.1.4.7. With respect to the value chain (partners and suppliers)

Responsibilities of the Project Developer

As Project Developer, Kaufman & Broad uses contractors such as architects and design firms, who make up the project's contracting team. This team monitors the work and verifies the regulatory and contractual compliance of the completion of the operation.

Construction is carried out by construction firms. The group ensures that these firms are up-to-date and in good administrative order in regard to their insurance policy certificates, their social security contributions, and their registration in the Trade and Companies Register.

In 2022, Kaufman & Broad presented its CSR and Climate strategy to a panel of suppliers at an event. The aim was to raise suppliers' awareness of climate change and to show them the importance of their role (particularly through the creation of INIES data sheets for their products).

However, Kaufman & Broad may be both Project Developer and Contractor and/or be using an "internal execution" approach. This is generally the case for the programs developing Single-family homes in communities and in programs which have strategic, financial or technical issues requiring this approach. The group then assumes responsibility not only for the design and development, but also for the construction and progress of the project.

Risks related to the value chain are described in Section 4.2.3. "Insurance" and 4.1.2.3. "Risks related to relations with suppliers".

The group is particularly vigilant in regard to the conditions under which subcontractors are used, and in regard to compliance with legal provisions in terms of social, environmental and personal safety. In particular, the contract signature procedure requires that subcontractors systematically check that they are up-to-date with their social security contributions. Legal representatives must also legally certify that they do not employ any irregular labour. Failure to comply with these obligations may entail a contractual breach.

Low nuisance green yard

The impact and disturbance of the construction site for local residents and for staff working on the construction site are of several kinds: Demolition and construction waste (cement residues, plaster, concrete, packaging, etc.), wastewater, transport, noise, dust and sludge, visual appearance of the site, health risks, arduous tasks for workers, etc.

To reduce these disturbances, Kaufman & Broad requires them to be taken into account through contractual clauses (requests from local authorities or certification standards) or through proactive group initiatives.

The group has drawn up Low-Disturbance Building Guidelines as part of its quality process, which is systematically applied to all of these projects.

To ensure compliance with environmental requirements, the group is assisted by an PDEA (environmental assistant with project management). The PDEA attends the first site meeting to raise awareness regarding any issues affecting the main lots concerning the Low-Disturbance Building Guidelines, and at the end of the operation, it prepares a site assessment.

Kaufman & Broad has since generalised the application of the Low-Disturbance Building Guidelines to all its production, and the group requires its supplier partners to plan and guarantee the following on all project sites:

- The provision of green energy for construction sites, and the implementation of actions to control the site's water and energy resources;
- Non-use of hazardous materials in construction work (persistent organic pollutant; Mercury and mercury compounds; Asbestos and asbestos compounds; Ozone-depleting substances; Hazardous substances in electrical and electronic equipment; Chemicals covered by REACH (including carcinogens; Persistent, bio-accumulative and toxic substances).
- The traceability of all waste from deconstruction, earthworks and construction to its final destination through the digital management of waste tracking forms, particularly for hazardous waste using the Trackdechets tool.
- Compliance with the regulations in force concerning noise pollution while adapting to the specific requirements of municipalities when setting specific work schedules. For example, the "New R" project in Limeil Brévannes took into account the presence of a school by adjusting worksite schedules according to the passage of schoolchildren;
- The use of quieter machinery, for example with electric motors rather than internal combustion motors. Generators must also be soundproofed;
- The use of lorry wheel-cleaning systems when leaving worksites. Depending on the nature of the land and the location of the site, these may be washing areas with jets or washing barrels, so as not to dirty the surrounding roads;
- Bans on burning materials on site;
- The use of plant land storage over construction for reuse in the creation of green spaces, if the nature of the soil allows it. In particular, this avoids lorry rotations;
- Special measures in the event of a sensitive environment, such as the proximity of a school, with specific insulation of the worksite; and
- Providing local residents with a mailbox to submit complaints and comments through.

Traceability and reduction of site waste

See section 5.1.3.7. Circular Economy

Safety on worksites

As a Non-Delivery Builder, Kaufman & Broad entrusts the work to third-party companies. In accordance with the Law of 31st December 1993, the Project Developer designates, from the design phase of the structures, a Health & Safety Protection Coordinator (HSC), who defines prevention plans for its worksites in order to identify the risks and to inform the various stakeholders on the worksites of the risks they incur. Under this scheme, companies must also draw up specific health and safety plan (SHSP).

The group determines the access of its worksites to the companies that it has approved (see Section 4.1.5.1. "Risks related to regulations directly applicable to the group").

The presence on worksites of any employee, visitor, client or partner is subject to prior authorisation and the wearing of personal protective equipment. Group employees must systematically wear personal protective equipment whenever they are on-site. The order and renewal of this equipment were centralised in 2018.

The risk of serious bodily injury on a worksite cannot be completely ruled out, despite compliance with the regulations in force and the monitoring of the group's procedures. Should this risk arise, the technical departments and regional agencies concerned would be systematically informed so that they could monitor the subject in conjunction with the companies concerned. Depending on the severity, the Legal Department and Executive Management would also be informed and involved in the monitoring process.

Prevention of undeclared work

The group could suffer adverse consequences, particularly in terms of image, in the event of breaches or infringements committed by its suppliers and subcontractors.The group meets its verification and injunction obligations with respect to companies in accordance with its regulatory obligations.

Upon the conclusion of a works contract, the developer, the contractor with respect to the companies, is obliged under Article D. 8222-5 to 7 of the French Labour Code, to obtain a list of documents from its contracting parties every 6 months, until the end of the contract's execution.

A master agreement has been signed with a platform to facilitate the collection, verification and archiving of documents required for approvals, insurance and those required to combat undeclared work.

The group also systematically entrusts a service provider (generally the Health and Safety Coordinator (SPS) with an attendance control mission to verify that the workers on the worksites correspond to the staff declared by the companies.

Supplier dependency

In order to better assess its risk of exposure to supplier default, a procedure was put in place at 1 st November 2013 for the selecting suppliers, partners or affiliates, and for the signature of the contract over a call for tenders. The use of financial ratings aims to guarantee the soundness and reliability of the companies with which the group concludes contracts.

The group considers it important to assess its dependence on its main suppliers. In fiscal year 2023, the top ten suppliers accounted for 24.2% of the flows invoiced by suppliers, and the top supplier accounted for 8.4% of these.

Supplier selection and responsible purchasing

Kaufman & Broad's policy is to generally choose all of its companies and suppliers through a tender process, whether they are general companies responsible for carrying out all of the works or different companies in the event of tenders for separate state bodies. Finally, the companies are selected and the contracts signed by state body and program by program. The selection is based on their expertise, their financial proposal, their organization and the quality of their previous work (see Section 1.5.5 "Builders and suppliers").

To this end, Kaufman & Broad has put in place, in a number of agencies, tools enabling the paperless processing of tenders via the online filing of documents. The use of these tools will be extended to all branches in order to further reduce the volume of paper files and to provide more responsiveness by monitoring files and online reminders.

Kaufman & Broad has also initiated a process of centralising its purchases and standardising its supplier selection procedures for finishings on a group-wide level. Finishing management is currently the responsibility of each agency. This centralisation makes it possible to forge lasting relationships with suppliers signing a master agreement with the group. It is also a way for Kaufman & Broad to control the quality of products, and to be able to guarantee the same level of delivery and a common image from programs throughout the operating region.

Kaufman & Broad checks, to the extent allowed by the information available, the financial soundness of companies and their financial capacity to provide the program (given their size and that of the program) by using, for example, the services of a company specialising in company financial information. The use of financial ratings aims to guarantee the soundness and reliability of the companies with which the group concludes contracts. Kaufman & Broad also ensures that these companies are covered by appropriate insurance and verifies the quality of their previous achievements, as well as their compliance with worksite schedules.

As detailed in section 1.4.2.1. «Products,» Kaufman & Broad's reputation is built on the quality of its achievements. With this in mind, the group closely monitors the achievements of the construction companies it uses, which allows it to select the best subcontractors for future programs. For this purpose, and generally at the end of each project, companies are assessed by the group's technical departments.

Kaufman & Broad also selects its suppliers and desired products based on a number of non-financial criteria. In 2020, the group joined a sector-wide initiative aimed at defining and collecting certain criteria, including criteria related to ethics, governance and CSR.

This platform concerns significant technical commitments. This questionnaire, entitled "Business ethics and sustainable development pre-qualification", gathers information on:

- Governance
- Occupational health and safety
- Environmental policies
- CSR commitments through certifications or labels
- The CSR commitments of their own suppliers and/or subcontractors

This questionnaire, confidential for instructing parties, has been mandatory since 1st January 2021 and is presented to the validator(s) and/or signatories of the agreement when the contract is signed.Ultimately, the objective is to be able to supplement the assessment of their performance in the tender phase with non-financial criteria, and to develop the responsible purchasing policy.

Wherever possible, the group uses service providers and suppliers who are committed to a responsible approach.

For example, a large part of the "Espaces Déco" \[Décor Spaces] business line (a selection space for customers to provide home improvement services) is centred around parquet flooring, which is one of the concerns of customers, and which the group has identified as one of the challenges regarding its environmental responsibility. Aware of customers' expectations, the group offers them a sustainable material that is easy to maintain and also affordable.

Attentive to the quality of materials and the best practices of its partners, Kaufman & Broad excludes certain materials, and the group only works with suppliers using wood certified in compliance with PEFC (program for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council) standards. The PEFC label aims to promote sustainable forest management. It ensures that the wood used will be renewed, and that certified forest owners and operators have committed to specifications that include the preservation of water, soil, fauna and flora. The timber purchased is therefore fully traceable, guaranteeing client confidence and safety. Kaufman & Broad has almost completely eliminated exotic wood from its offer, prioritising French and European wood, such as oak, which allows it to offer a whole range of shades.

5.2. Methods used in Kaufman & Broad's non-financial reporting for the 2023 fiscal year

5.2.1. Indicator used

Kaufman & Broad»s non-financial reporting is based on:

- Article 116 of the NRE (new economic regulations) Act of 2001;
- Article L. 225-102-1 of the French commercial code, revised after the transposition of Directive 2014/95/EU as regards disclosure of non-financial information and set forth in Decree No. 2017- 1265;
- Act No. 2016-1088 of August 8, 2016 on work, the modernization of social dialog and professional career security;
- Decree No. 2016-1138 of August 19, 2016, relating to environmental information reported by companies

5.2.2. Scope of non-financial reporting

Scope of group consolidation

The Consolidated Financial Statements of the Kaufman & Broad group for the year ended November 30, 2023 include the financial statements of 336 companies, 307 of which 290 are fully consolidated and 46 recognized using the equity accounting method.

At November 30, 2023, there were no non-consolidated companies that could have a material impact on the group»s consolidated financial statements.

Scope of non-financial reporting

The non-financial data used in the reports are those of 290 fully consolidated companies, including real estate partnerships (SCIs), construction/sale companies (SCCVs) or commercial partnerships (SNCs), which include a limited number of real estate development programs over which the group has direct control (environmental certifications, labels, energy consumption, etc.).

Serge Mas Promotion, Safaur and Seri Ouest, acquired in 2015 and 2016 respectively, are included in the scope.

The 46 jointly controlled companies and those over which the group exercises significant influence, accounted for using the equity accounting method, are excluded from this scope. These are: real estate partnerships (SCIs), construction/sale companies (SCCVs) or commercial partnerships (SNCs), which are special purpose vehicles with real estate development programs. Neoresid, 60% of which was acquired at the end of 2021, is not included in the scope. The coverage rate for the scope of the non -financial performance statement is therefore 95.8% of the workforce and 99.5% of revenue.

Scope of coverage and reporting period for non-financial indicators

We use two scopes for our non-financial reporting, depending on the indicators.

The corporate data cover the scope described above, i.e. the economic interest grouping (GIE), Seri Ouest, Serge Mas Promotion. They are gathered on a calendar year basis – from January 1 to December 31 – in order to ensure consistency with the Human Resources report.

Similarly, the environmental and societal data cover the scope described above, i.e. the GIE, Seri Ouest, Serge Mas Promotion and, beyond this administrative scope, some indicators cover programs (e.g. construction sites and delivered products). Unless otherwise indicated, all of these indicators follow the accounting year – from December 1 to November 30.

Specific features and changes in scope

The scope of consolidation varies depending on the companies in which Kaufman & Broad holds direct or indirect control and the integration of the companies acquired into the internal tools and the GIE. The creation of a new business line involving commercial partnerships led to the founding of the Kaufman & Broad Partenaires entity, which is covered by the social reporting exercise.

Carbon emissions associated with administrative scopes including Boutiks.

The method used to account for carbon emissions associated with delivered programs has been changed in 2021. It is explained in the group Bilan Carbone section of this methodology note

Exclusions

Preventing food waste and food insecurity; animal welfare; responsible, fair and sustainable food are non-material issues in light of the group»s business activities and, as such, are excluded.

5.2.3. Methods

The indicators with specific features are presented in detail below.

Social challenges

- social reporting is based on the registered employees;
- the registered employees do not include interns, those under apprenticeship contracts, professional development contracts or temporary employees;
- the new hire and termination figures include the corporate officer;
- the turnover rate for employees on permanent contracts is calculated using the following formula: (number of permanent contract entries + number of permanent contract departures)/2/ workforce on permanent contracts at the start of the period.

Promotion and transfer rate

The promotion/transfer rate is calculated according to the following formula (number of promotions or transfers during the year)/number of employees at end of period N-1 (= number of employees at start of period N).

The promotion and transfer (internal mobility) rate concerns all changes in the professional position of the employee, whether it is a change relating to the geographical scope (transfer from one agency to another), the functional scope or the scope of responsibility. All of these changes have to be supported by a supplementary agreement.

If a promotion also gives rise to a transfer, only one change is recorded.

In the event of a transfer followed by a subsequent promotion, two changes are recorded.

Temporary transfers are recorded even though they do not have a permanent effect on the professional position of the employee.

Rules for taking contract transformations into account

- Several consecutive fixed-term contracts or a transformation from a fixed-term contract to a permanent contract does not give rise to any departure or hire.
- Several consecutive fixed-term contracts or a transformation from a fixed-term contract to a permanent contract with an interruption to the contract of at least one day gives rise to a departure and a hire.

Training

Methodological changes were made to the training indicators starting in fiscal year 2021 in order to include employees on permanent contracts, fixed-term contracts, professional development contracts and apprenticeship contracts, add sessions linked to on-boarding, which play a role in skills development. In 2020 and 2019, training indicators only covered permanent-contract employees. The e-learning modules available on the KB Factory platform, with the exception of the CSR modules accessible on the Green Soluce partner platform, are not included in the calculation of indicators: employees trained, number of training hours and average number of training hours per employee during the calendar year.

Total hours of training

This figure includes hours billed to the group, as well as hours taught by in-house trainers, whether the sessions covered a specific area of business expertise, the deployment of a new tool or on-boarding days.

The Personal Training Account is included if the training is completed during working time, but not individual training leave.

Training hours are booked in the calendar year during which they occurred.

Total hours of online training

This figure includes hours associated with connecting to and viewing the training courses offered on the KB Factory tool.

Share of payroll costs devoted to training

The training budget includes all expenses linked to in-service training and on-boarding. It incorporates tuition, internal training costs and travel, meal and lodging expenses, as well as ancillary expenses; it excludes salary paid during training, which is included in payroll.

Number of employees who received training

Each employee is counted a single time in the “employees trained” figure, even if such employee completed more than one training course in the calendar year.

Absenteeism by reason for the calendar year

The absenteeism rate reported is the real rate over the calendar year, from January to December.

Parental leave is not included under absenteeism.

The calculation methods are detailed below.

Absences are recorded in calendar days and a conversion is made into seven-hour working days. Half-days of absence count as 3.5 hours. As salespeople do not work only on working days, their specific case has been adjusted.

Theoretical hours worked, included in the calculation of the absenteeism rate, are determined as follows: number of working days during the year from 01/01 to 12/31 (261) - national holidays (7) - 5 weeks of vacation (25) x average number of employees per month x number of hours per day (7).

Severity rating of workplace accidents

Working days lost are counted in calendar days. The day of the accident is taken into account. Commuting accidents are also taken into account.

The severity rate of workplace accidents is calculated as follows: Number of days of absence following a workplace accident x 1000/ Total theoretical number of hours worked excluding public holidays.

Proportion of women in management

This indicator specifies the number of women classified as “Managers” in relation to the number of employees classified as “Managers”.

Gender Equality Index

The index was applied in accordance with the provisions of the French Act on the freedom to choose one»s career path, promulgated on September 5, 2018.

Environmental risks

Group Carbon Audit

The gross data from the Bilan Carbone carbon assessment apply to the accounting year, from December 1 to November 30, unless otherwise indicated. They are collected and consolidated by the CSR Department.

The majority of carbon emissions is calculated based on the emissions factors of the ADEME carbon emissions database (Base Carbone)..

In terms of carbon emissions from projects delivered during the year, the group includes emissions related to the site planning phase, construction and use of programs.

When emission factors are available through a Life Cycle Assessment (LCA), carried out specifically for the project, these are used to quantify carbon emissions related to the specific project. This scenario, previously limited to E + C- projects, is set to become the majority with the entry into force of the RE2020. For projects that do not have a Life Cycle Assessment (LCA), in order to estimate the carbon emission factors, the group relies on the emission factors calculated by the French Institute for Building Performance calculation tool.

This tool form a collaborative platform created in partnership with Carbone 4 for use by customers in the construction sector. The Observatoire E+C- has created a technical and environmental database for the buildings that took part in the trial of the E+C- standards, which predated the future environmental regulation governing new buildings (RE2020). Data from more than 1,400 real projects were fed into the database, making a very large number of environmental indicators associated with each project available to the public (including the carbon methodology). These indicators include the calculation of the project»s Bilan Carbone in accordance with the Life Cycle Analysis (LCA) principle. The tool is used to analyze data according to general characteristics (types), as well as the energy and carbon performance of buildings over their entire life cycle.

- The data used for the construction phase correspond to the indicator of GHG emissions generated by products and equipment used (“Eges-PCE”).
- The data used for the project phase correspond to the indicator of GHG emissions generated by energy consumed during the project phase (“Eges-chantier”), i.e. electricity consumption (excluding gas and fuel oil) of equipment and construction site living quarters.
- The data used for the use phase correspond to the indicator of GHG emissions generated by energy and water consumption (“Eges-Énergie + Eau”).

Greenhouse gas emissions relating to work-related travel

The report on carbon emissions linked to work-related travel was prepared in-house for all employees of the group and included: interns; those under apprenticeship contracts or under professional development contracts; and temporary employees. This was done to obtain the most accurate and representative result.

In 2023, the following were taken into account:

- Business travel using personal vehicles: Assessed on the basis of data provided by Kaufman & Broad on the mileage allowances monitored internally.
- Business vehicle travel: Assessed on the basis of data provided by our external providers of fuel cards for thermal cars and charging for electric cars.
- Train and air travel: Assessed on the basis of data provided by our external online booking provider.
- Commuting: Assessed on the basis of an internal employee travel survey.

The amount of renewable fuel is calculated based on the percentages of biofuels usually present in fossil fuels. (Source of percentages: Ministry of Ecological Transition and Territorial Cohesion).

In the Bilan Carbone, the emission factors used are those given in the Base Carbone carbon emissions database of the French agency for the environment and energy management (ADEME). These emission factors were updated in 2023.

The emission factors used are those given in the Base Carbone carbon emissions database of the French agency for the environment and energy management (ADEME). These emission factors were updated in 2023.

According to the GHG Protocol, only GHG emissions from combustion of vehicles owned by the group are included in Scope 1. Consequently, only emissions from combustion of company cars are included in Scope 1.

Water, electricity consumption and waste production at agencies

The data are taken from the water and energy bills paid by the group or from readings or bills sent by the managers. All energy consumption is reported. When the supporting documents could not be recovered, estimates were made.

For electricity, the methodology to develop the estimate consists in calculating a consumption ratio per sq.m in N-1, this ratio is then applied when the data are missing. In 2023, only one agency was subject to an estimate of its electricity consumption.

The data reported cover agencies that were open for the entire fiscal year. The scope was modified in 2021 to include BoutiKs.

Carbon emissions are calculated based on the corresponding emissions factors of the ADEME carbon emissions database (Base Carbone).

Regarding the share of renewable energy, the group identifies as renewable:

- The energy used by branches and Boutiks with a so called «green» electricity contract with Guaranteed of Origin, or the share of renewable energy in the energy mix supplied by the supplier,
- When these data are not available, the ratio of the share of renewable energy in the French electricity mix (21.5%) is applied to the agency's total consumption. (Source: RTE France)

In the Bilan Carbone, only the emission factor corresponding to the location is taken into account (France).

Calculation of direct fugitive emissions (air conditioning at agencies)

Data are taken from the CERFA forms detailing the maintenance work on air conditioning systems paid for by the group or transmitted by the managers.

When actual data could not be recovered, estimate of the leaks is made by multiplying the refrigerant load of the equipment by an average leak rate provided by ADEME. In the absence of N-1 data related to the load, an estimate is made according to the area (in sq.m) of the agency. Carbon emissions related to these leaks are then calculated using the emission factor of the ADEME Carbon Base.

The data reported cover agencies that were open for the entire fiscal year. The scope was modified in 2021 to include BoutiKs.

Calculation of carbon emissions associated with purchases of goods and services

Carbon emissions are calculated based on the emissions factor of the ADEME carbon emissions database (Base Carbone).

Emissions items include:

- Purchases of services associated with the program activity
- Purchases of services associated with administrative activities
- Purchases of accommodation services for employees on business trips
- Employer cafeteria contributions, restaurant vouchers and meal related business expenses
- Purchases of IT and electronic products: In 2023, this item declined due to the removal of a sub item related to the purchase of ink cartridges. In fact, the group's supply of ink cartridges has become very negligible due to its dematerialization strategy, which has led to a significant reduction in the number of 'individual' printers made available to employees in 2023 (around 290 fewer printers). The Group therefore now has a small number of printers, for which consumables are supplied under a maintenance agreement with a service provider.
- Purchases of telecommunication services
- Water consumption at agencies

Calculation of carbon emissions associated with capital goods

The data are calculated on the basis of a group inventory of goods including the agencies and BoutiKs, IT equipment (photocopiers, computers, tablets and screens), and the fleet of company cars.

Calculation of carbon emissions generated from energy consumption during the design, construction and use of delivered products

The data are calculated on the basis of surface area delivered in fiscal year, the type of building and the energy system installed in the housing units. The carbon emissions are calculated on the basis of emissions factors determined by the Institut Français pour la Performance des Bâtiments calculation tool.

- The data used for the project phase correspond to the indicator of GHG emissions generated by products and equipment used (“Eges-PCE”).
- The data used for the project phase correspond to the indicator of GHG emissions generated by energy consumed during the project phase (“Eges-chantier”).
- The data used for the use phase correspond to the indicator of GHG emissions generated by energy and water consumption (“Eges-Énergie + Eau”).

Other environmental indicators

Share of new housing in Urban Units: The group publishes this indicator, which corresponds to the share of programs in progress, i.e. sites that registered a variation in technical progress during the fiscal year, located in a statistical area that the French national statistics office (INSEE) defines as an «urban unit».

Traceability and reduction of site waste

In 2023, the group included data related to hazardous waste in its Bilan Carbone Assessment. This data is retrieved through the extraction carried out, during the fiscal year, through a government tool for monitoring hazardous waste slips (“TrackDéchets”).

Regarding nonhazardous waste, the group is studying the possible solutions to be put in place to monitor these data, on which it nevertheless has little control, because they are an indirect responsibility.

Societal challenges

Group's dependence on suppliers

Civil-law notaries are not considered suppliers, and administrative costs are also excluded (such as the registry of the commercial court, or the treasury) in order to analyze the group»s dependence on suppliers relative to the building and construction activity.

Types of buyers

Breakdown of the number of units ordered (including joint ventures) by first-time buyers, second-time buyers, investors and block buyers, from December 1 to November 30.

“Block sales” occur when the group sells all or part (several housing units, a complete staircase, building, etc.) of its real estate program to the same buyer.

Revenue share's associated with student and senior housing.

Calculation of revenue from sale-before-completion projects, based on the number of student and senior housing units built during the fiscal year.

Number of social housing orders

Social housing is built to accommodate people on low incomes. Rents, and the designation of tenants, are subject to rules set by the State because access to social housing is means-tested.

The group reports on the number of social housing orders completed during the fiscal year. The group also reports the percentage of social housing orders out of total housing orders.

Percentage of customer requests resolved in less than 72 hours

This indicator reflects the group»s ability to resolve a customer request in less than 72 hours. It is calculated using the date and time of the request via the Klient 360 tool and the request resolution date. Resolution times for external requests are not included.

Gathering and internal consolidation of data

A dedicated CSR entity defines the indicators included in a reporting memorandum available to contributors and collates the data, liaising with a network of contributors in the agencies. The reporting protocol was updated in 2023.

Data audit and consolidation

Each department is responsible for the data it provides for CSR reporting and for their consolidation. The consolidation of quantitative indicators is centralized.

The data in the reporting memorandum may be amended in the next reporting year if a significant anomaly is found and subject to supporting documentation. As applicable, corrections are indicated in the next management report.

External data control

Kaufman & Broad is audited by KPMG, under the obligation to be audited by an independent third party, whose role it is to express, in accordance with the French Order of September 14, 2018, a reasoned opinion on the compliance of the statement on non-financial performance with the provisions of Article R. 225-105 and on the fair presentation of the information disclosed.

5.2.4. Compliance with the TCFD

Kaufman & Broad follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to increase its transparency in regard to its climate strategy.

The group applies the TCFD guidelines around the four main themes below:

Governance

The Group takes climate issues into account in its governance. These issues, which form part of the CSR strategy, are therefore reviewed and managed by the CSR Executive Committee, as mentioned in section 5.1.2.1. CSR governance. The CSR Executive Committee meets every 2 months.

The Group's CSR strategy is presented to the CSR Committee (at the level of the Board of Directors) for validation. The CSR Committee also monitors the group's nonfinancial targets, including carbon targets certified by SBTi.

- Climate issues are also taken into account in the operational decision-making process of the programs: Evaluation of carbon performance over the Land and Commitment Committees' meetings
- An analysis of physical risks for each new program is carried out and presented to the Commitment Committees.

Strategy

Adopted for the first-time in 2015, the first French Low-Carbon National Strategy (*Stratégie Nationale Bas-Carbone* - SNBC) was revised in 2018-2019 with ambitions revised upwards, the objective being for France to reach carbon neutrality by 2050. The construction and use of residential and commercial business line buildings sector is responsible for almost 25% of French emissions: Intervention in energy-intensive buildings and the construction of new low-carbon buildings therefore have a major role to play in the combating climate change.

The group adjusts its production to meet carbon reduction targets and to anticipate the thresholds of the RE2020 environmental regulations (detailed Section 5.1.3.2. Mitigating climate change). Considering that the average lifespan of a building is 50 years, the group considers that short-term actions in the design of buildings have a medium- to long-term impact. The group is thus adapting its production today for the city of tomorrow.

Transition risks:

The group has put in place a transition plan for various IPCC scenarios, SSP1-1 .9 and SSP1-2.6. This transition plan allows the groups to measure the actions implemented to achieve these objectives.

Challenge	Definition	Referral
Selection of efficient and high-performance low-carbon design	The production and use of buildings account for nearly 25% of national greenhouse gas emissions. The design, construction and use of new and existing buildings are significant levers to achieve the group's national climate commitments and carbon reduction targets	Section 5.1.3.2. Mitigating climate change. Reducing the group's impact: The group's water and energy consumption and the occupants of our projects
	For the group, these are: • Anticipating environmental transition regulations (thermal regulations, publications, etc.) and rising energy costs, as well as the price per tonne of carbon. • Take into account the expectations of stakeholders (investors, customers, employees, local authorities, etc.) in terms of environmental performance. • Raising awareness and training employees	Reducing the group's bilan carbone: Eco-design of buildings and use of low-carbon materials Reducing the group's bilan carbone: Mobility

Physical risks

Challenge	Definition	Referral
Adaptation of projects to climate change	The group has integrated into its process the consideration of product adaptability to climate change. This involves an analysis of the risks related to climate change for the site of each property project, allowing for solutions to be integrated into the design phase to limit this risk.	5.1.3.2. Mitigating climate change
	Potential vulnerabilities of project sites are assessed based on exposure to several long-term risks: Heat waves, droughts, clay shrinkage and swelling, floods, coastal flooding, and floods.	Risk management regarding the group's ability to adapt to and anticipate the impacts of climate change

Risk management

Risks and opportunities related to climate issues are included in the analysis of non-financial risks (as described in Section 5.1.1.2. Materiality analysis and non-financial risks. In 2022, the group updated its materiality analysis and risk mapping, it was validated by the CSR Executive Committee and presented to the CSR Committee. The mapping of non-financial risks is updated each year and validated by the CSR Executive Committee.

In 2022, the mapping of non-financial risks was carried out in line with the analysis of the group's major (financial) risks. This approach

has made it possible to strengthen the coherence between these two strategic exercises. In 2023, the risk assessment following initial interviews and questionnaires was reviewed and validated by the CSR Executive Committee.

Indicators and targets

Indicators related to climate issues and carbon reduction are presented in Section 5.1.3.2. Mitigating climate change - Measurement of the group's carbon impact and reduction objectives. The group carries out a bilan carbone assessment in accordance with the GHG Protocol each year on Scope 1, 2 and the main Scope 3 emission sources. The group details its strategy and the various action plans on the main issues:

- The energy consumption of its administrative scope (Scope 1 & 2) with, particularly, the implementation of an Energy Restraint Plan
- Energy efficiency and the energy vector used on products, namely with the application of RE2020 and the anticipation of the 2025 thresholds thereof.

With regard to the objectives:

Group commitments/Objectives	Indicator monitoring
Reduce Scope 1 & 2 carbon emissions by 28% between 2019 and 2030	**7.09% between 2019 and 2023**
Reduce by 22% the carbon emissions per sq.m delivered during the construction and use phase for the housing and office development activity (Target validated by the SBTi in 2021)	**3.11% between 2019 and 2023**

In addition, Concerto, a logistics subsidiary of Kaufman & Broad, has also committed to ensuring that all of its new property projects will tend towards carbon neutrality by 2040, through the Charter of Reciprocal Commitments between the State and the members of the Afilog association (players in real estate logistics for the environmental and economic performance of French real estate logistics).

5.2.5. Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial performance statement

To the shareholders,

In our capacity as statutory auditor of your Group. (hereinafter referred to as the «entity») appointed as an independent third party («third party»), accredited by COFRAC under number [1], we conducted work to formulate a reasoned opinion expressing a limited assurance conclusion on the historical information (recorded or extrapolated) of the consolidated non financial performance statement, prepared in accordance with the entity's procedures (hereinafter the «Guidelines»), for the year ended November 30, 2023 (hereinafter the «Information» and the «Statement» respectively), presented in the group's management report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the «Nature and scope of our work» section, and the information we have collected, we have not identified any material misstatement likely to call into question the fact that the consolidated statement of non financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented fairly, in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which the Information is based allows for the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood in reference to the Reporting Criteria, the significant elements of which are presented in the Statement (or are available on the website or upon request at the entity's head office).

Limitations inherent to the preparation of the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological selections, assumptions or estimates used to prepare it and present it in the Statement.

Responsibility of the entity

Management is responsible for:

- Selecting or establishing appropriate criteria for the preparation of the Information;
- Preparing a Statement in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks, and the results of these policies, including key performance indicators and, in addition, the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Preparing the Statement by applying the entity's Guidelines, as referred to above; and
- Implementing the internal control procedures it deems necessary for the preparation of the Information that is free from significant anomalies, whether these anomalies are due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the statutory auditor appointed as ITB

It is our responsibility, on the basis of our work, to formulate a reasoned opinion, expressing a conclusion with moderate assurance on:

- Compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (recognised or extrapolated) provided pursuant to sub-paragraph 3 of sections I and II of Article R. 225 - 105 of the French Commercial Code, namely the results of the policies, including key performance indicators and actions relating to the main risks.

As it is our responsibility to come to an independent conclusion on the Information, as prepared by management, we are not authorised to be involved in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to comment on:

- Compliance by the entity with other applicable legal and regulatory provisions (in particular with regard to the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the fight against corruption and tax evasion);
- The fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work, described hereunder, was carried out in compliance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code, the professional doctrine issued by the French National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement, particularly the technical advice issued by the French *National Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes), the Statutory Auditor's* intervention, the ITB - Non-financial performance statement, in lieu of a

(1) Accreditation Cofrac Inspection, No. 3-1884, scope available at www.cofrac.fr

verification program, and ISAE 3000 [1](revised)

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics (Code de déontologie) for our profession. In addition, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional standards of the French Institute of Statutory Auditors relating to this intervention.

Means and resources

Our work involved six people and took place between November 2023 and March 2024 over a total period of three weeks.

To assist us in the conduct of our work, we called on the services of our specialists in sustainable development and social responsibility. We conducted approximately 10 interviews with the people responsible for preparing the Statement.

Nature and scope of the work

We planned and conducted our work by taking into account the risk of significant anomalies in the Information.

We believe that the procedures we have carried out by exercising our professional judgement allow us to express a conclusion with moderate assurance:

- We familiarised ourselves with the business of all of the entities included in the scope of consolidation and the presentation of the main risks;
- We assessed the suitability of the Framework in terms of its relevance, completeness, reliability, neutrality and understandability, taking into consideration, where applicable, industry best practices;
- We verified that the Statement covers each category of information provided for in paragraph III of Article L. 225-102-1 with respect to social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion, and includes, where applicable, an explanation of the reasons justifying the absence of the information required by paragraph 2th of paragraph III of Article L. 225-102-1;
- We verified that the Statement presents the information provided for in Article R. 225-105 II when it is relevant to the main risks;
- We verified that the Statement presents the business model and a description of the main risks related to the business of all of the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, and also the policies, actions and results, including key performance indicators related to the main risks;
- We consulted document sources and conducted interviews in order to:

– Assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators used, with regard to the main risks and policies presented; and

– Corroborate the qualitative information (actions and results) that we considered to be the most important presented in the Appendix. Our work was carried out at the headquarters of the consolidating entity.

– We verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code;

- We familiarised ourselves with the internal control and risk management procedures implemented by the entity, and we also assessed the data collection process with a view to ensuring the completeness and fair presentation of the Information;
- For the key performance indicators and other quantitative results that we considered to be the most important presented in the Appendix, we implemented:

– Analytical procedures to verify the correct consolidation of the data collected and the consistency of any changes;

– Detailed testing based on sampling or other means of selection, consisting in verifying the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out at the entity's head office and covers between 100% of the consolidated data selected for these tests;

– We assessed the overall consistency of the Statement based on our knowledge of all entities included within the scope of consolidation.

The procedures implemented within the context of a moderate-assurance mission are less extensive than those required for a reasonable-assurance mission, carried out in accordance with the professional standards set out by the French National Institute of Statutory Auditors; A higher level of assurance would have required more extensive verification work.

Paris - La Défense, March 25, 2024
KPMG S.A.

François Plat
Partner

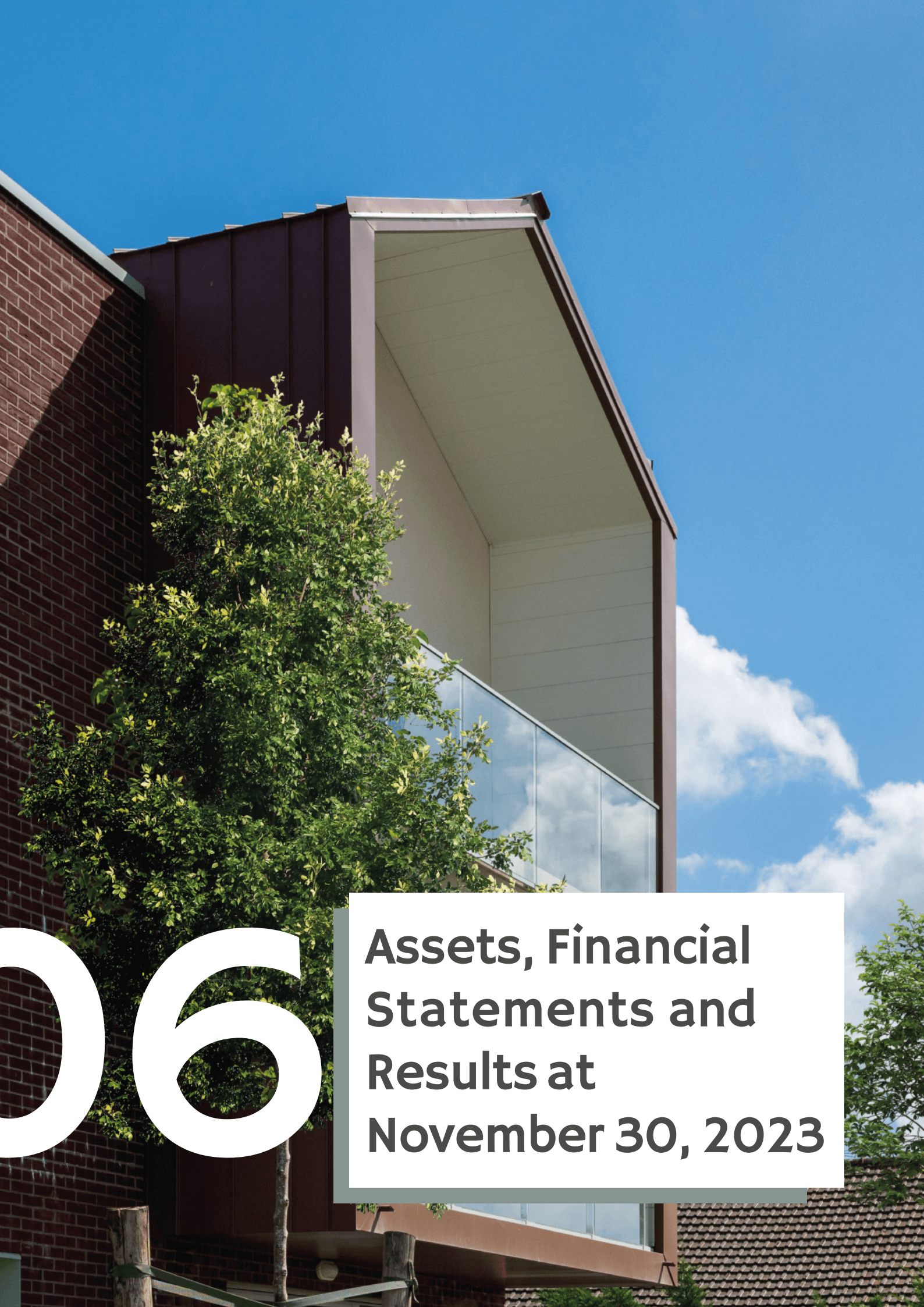
Raffaele Gambino
ESG expert

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

Appendix

Qualitative information (actions and results) considered to be the most important
Talent attraction and retention mechanisms
Procedures in place for good business conduct and the fight against corruption
Actions to control the environmental footprint
Customer satisfaction monitoring measures

Key performance indicators and other qualitative results considered to be the most important
Workforce at 31/12
Average workforce
Number of hires and departures on permanent and fixed term contracts
Turnover rate
Severity rate of workplace accidents
Percentage of employees trained over the calendar year
Greenhouse gas emissions (Scopes 1, 2 and 3)
Rate of certified housing RT 2012, RT 2012 -10% and RT 2012 -20%
Client demand resolution rate in less than 72 hours
Share of revenues related to student and senior residences.
group dependency on suppliers



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6.1. Consolidated financial statements at November 30, 2023

6.1.1. Statement of consolidated comprehensive income

Consolidated income statement

(in € thousands)	Notes	Nov. 30, 2023	Nov. 30,2022
Revenue	3.2	1,409,055	1,314,878
Cost of revenues		-1,151,823	-1,086,705
GROSS MARGIN	**3.2**	**257,232**	**228,173**
Marketing expenses	3.3	-20,875	-26,892
Administrative expenses	3.3	-64,780	-60,911
Technical and customer service expenses	3.3	-22,021	-23,175
Development and program expenses	3.3	-40,224	-18,983
OPERATING INCOME		**109,332**	**98,212**
Financial expenses		-24,770	-19,596
Financial income		10,922	2,094
NET FINANCIAL INCOME	**6.3**	**-13,848**	**-17,502**
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES		**95,484**	**80,710**
Income tax	9	-19,857	-13,482
NET INCOME (LOSS) OF CONSOLIDATED COMPANIES		**75,627**	**67,228**
Share of income (loss) of equity affiliates and joint ventures		849	2,023
INCOME (LOSS) OF THE CONSOLIDATED GROUP		**76,476**	**69,251**
Non-controlling interests income (loss)	7.1.5	16,322	20,243
Attributable net income		60,154	49,008
Average number of shares	7.2	20,300,383	20,990,005
BASIC EARNINGS PER SHARE	**7.2**	**2.96**	**2.33**
DILUTED EARNINGS PER SHARE	**7.2**	**2.93**	**2.31**

6.1.2. Consolidated comprehensive net income

(in € thousands)	Nov. 30, 2023	Nov. 30,2022
INCOME (LOSS) OF THE CONSOLIDATED GROUP	**76,476**	**69,251**
Change in gross value of derivative instruments	-	-
Tax impact on derivative instruments	-	-
TOTAL OTHER COMPREHENSIVE INCOME TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	**-**	**-**
Revaluation of net defined-benefit plan liabilities (assets)	64	1,356
Tax impact on revaluation of net defined-benefit plan liabilities (assets)	-16	-371
TOTAL OTHER COMPREHENSIVE INCOME NOT TO BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS	**48**	**985**
CONSOLIDATED COMPREHENSIVE NET INCOME	**76,524**	**70,236**
Attributable net income	60,202	49,993
Non-controlling interests	16,322	20,243

Statement of consolidated financial position

Assets

(in € thousands)	Notes	Nov. 30, 2023	Nov. 30,2022
Goodwill	5.1	68,661	68,661
Other intangible assets	5.2	92,429	91,899
Right-of-use assets	5.3	34,009	40,196
Investment property	5.4	19,528	19,876
Property, plant and equipment	5.5	10,174	11,070
Equity affiliates and joint ventures	2.1.2	23,257	14,310
Other non-current financial assets	6.1.1	2,533	7,549
Deferred tax assets	9.2.1.	14,856	15,101
NON-CURRENT ASSETS		**265,447**	**268,662**
Inventories/new projects	3.4	70,044	93,000
Inventories/current programs	3.4	343,583	354,134
Accounts receivables and contract assets	3.5	495,106	511,534
Other receivables	3.5	185,385	188,694
Current tax position	9.2.1.	-	4,863
Cash and cash equivalents	6.1.3	350,044	100,998
CURRENT ASSETS		**1,444,162**	**1,253,223**
TOTAL ASSETS		**1,709,609**	**1,521,885**

Liabilities

(in € thousands)	Notes	Nov. 30, 2023	Nov. 30,2022
Share capital		5,164	5,619
Consolidated reserves		240,522	277,280
Other reserves		-12,387	-11,905
Treasury shares	7.1.4	-12,496	-29,327
ATTRIBUTABLE SHAREHOLDERS' EQUITY		**220,803**	**241,667**
Non-controlling interests	7.1.5	13,660	14,683
SHAREHOLDERS» EQUITY		**234,463**	**256,350**
Non-current provisions for retirement benefits	4.2	5,417	5,479
Non-current provisions for liabilities and charges	8.1	23,594	25,886
Borrowings and other non-current financial liabilities	6.1.2	113,181	163,007
Long-term lease liabilities	6.1.2	31,073	36,254
Minority interests put debt	6.1.2	3,667	3,560
Deferred taxes	9.2.1.	56,922	56,184
NON-CURRENT LIABILITIES		**233,854**	**290,370**
Current provisions for liabilities and charges	8.1	1,827	1,477
Borrowings and other current financial liabilities	6.1.2	56,359	5,825
Short-term lease liabilities	6.1.2	8,171	5,647
Accounts payable	6.1.1	942,767	842,064
Other liabilities and contract liabilities	6.1.1	213,312	119,643
Current tax position	9.2.1.	18,856	509
CURRENT LIABILITIES		**1,241,292**	**975,165**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,709,609**	**1,521,885**

6.1.3. Cash flow statement

(in € thousands)	Notes	Nov. 30, 2023	Nov. 30,2022
Consolidated net income		76,476	69,251
Share of income (loss) of equity affiliates and joint ventures		-849	-2,023
Calculated income and expenses		15,490	16,305
CASH FLOW FROM OPERATIONS AFTER COST OF FINANCIAL DEBT AND TAXES		**91,117**	**83,533**
Net cost of financial debt	6.3	13,848	17,502
Tax expense (income)	9	19,857	13,483
CASH FLOW FROM OPERATIONS BEFORE COST OF FINANCIAL DEBT AND TAXES		**124,822**	**114,518**
Tax (paid)/received	3.6	4,632	-36,410
Change in Operating Working Capital Requirement	3.6	245,298	-58,383
CASH FLOW FROM OPERATING ACTIVITIES (A)		**374,752**	**19,725**
Investing activities			
Acquisitions of property, plant & equipment and intangible assets (net of disposals)	5	-5,752	-11,601
Acquisitions of property, plant and equipment intended for investment property		348	-7,924
Net change in financial assets		4,965	-365
Cash flow with equity affiliates and joint ventures		-10,546	-705
Acquisitions of equity interests	7.1.6	-98	-125
CASH FLOW FROM INVESTING ACTIVITIES (B)		**-11,083**	**-20,720**
FREE CASH FLOW		**363,669**	**-995**
Financing activities			
Distributions to non-controlling interests	7.1.5	-17,006	-17,697
Buyouts of non-controlling interests	7.1.5	-	-2,494
Purchase of treasury shares	7.1.4	-47,717	-30,617
Sale of treasury shares	7.1.4	14,698	7,323
Capital increase	7.1.1	-	5,774
Use of borrowings	6.1.2	-	148,626
Loan repayments	6.1.2	-1,085	-136,000
Payment of lease liabilities	6.1.2	-6,547	-8,568
Distributions to shareholders	7.1.3	-49,509	-40,476
Net financial interest paid		-7,457	-13,338
CASH FLOW FROM FINANCING ACTIVITIES (C)		**-114,623**	**-87,467**
INCREASE (DECREASE) IN CASH (A + B + C)		**249,046**	**-88,462**
Cash at start of period		100,998	189,460
CASH AT END OF PERIOD		**350,044**	**100,998**
INCREASE (DECREASE) IN CASH		**249,046**	**-88,462**
CASH AND CASH EQUIVALENTS	**6.1.3**	**350,044**	**100,998**

6.1.4. Statement of changes in consolidated shareholders» equity

(in € thousands)	Number of shares	Share capital	Consolidated reserves	Other reserves	Treasury shares	Attributable shareholders' equity	Non-controlling interests	Total shareholders» equity
NOVEMBER 30, 2021	**21,713,023**	**5,645**	**285,042**	**-13,146**	**-22,400**	**255,141**	**12,566**	**267,707**
Other comprehensive income	-	-	-	985	-	985	-	985
Net income at November 30, 2022	-	-	49,008	-	-	49,008	20,243	69,251
CONSOLIDATED COMPREHENSIVE NET INCOME	**-**	**-**	**49,008**	**985**	**-**	**49,993**	**20,243**	**70,236**
Distribution	-	-	-40,476	-	-	-40,476	-17,697	-58,173
Capital increase	299,999	78	5,696	-	-	5,774	-	5,774
Capital reduction	-400,000	-104	-14,099	-	14,203	-	-	-
Treasury share transactions	-	-	-	-2,164	-21,130	-23,294	-	-23,294
Share-based payments	-	-	-	2,420	-	2,420	-	2,420
Minority-interest share buyback	-	-	-7,891	-	-	-7,891	-429	-8,320
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**-100,001**	**-26**	**-56,770**	**256**	**-6,927**	**-63,467**	**-18,126**	**-81,593**
NOVEMBER 30, 2022	**21,613,022**	**5,619**	**277,280**	**-11,905**	**-29,327**	**241,667**	**14,683**	**256,350**
Other comprehensive income	-	-	-	48	-	48	-	48
Net income at November 30, 2023	-	-	60,154	-	-	60,154	16,322	76,476
CONSOLIDATED COMPREHENSIVE NET INCOME	**-**	**-**	**60,154**	**48**	**-**	**60,202**	**16,322**	**76,524**
Distribution	-	-	-49,509	-	-	-49,509	-17,006	-66,515
Capital increase	-	-	-	-	-	-	-	-
Capital reduction	-1,751,000	-455	-46,769	-	14,798	-32,426	-	-32,426
Treasury share transactions	-	-	-	-2,626	2,033	-593	-	-593
Share-based payments	-	-	-	2,096	-	2,096	-	2,096
Minority-interest share buyback	-	-	-634	-	-	-634	-339	-973
TOTAL TRANSACTIONS WITH SHAREHOLDERS	-1,751,000	-455	-96,912	-530	16,831	-81,066	-17,345	-98,411
NOVEMBER 30, 2023	**19,862,022**	**5,164**	**240,522**	**-12,387**	**-12,496**	**220,803**	**13,660**	**234,463**

6.1.5. Notes to the financial statements

Note 1. Accounting principles

The consolidated financial statements at November 30, 2023 reflect the operations of Kaufman & Broad SA and its subsidiaries (hereinafter the «Kaufman & Broad Group» or the «Group»), a French company listed on Euronext Paris, Compartment B, whose registered office is in Courbevoie (17, Quai du Président Paul Doumer CS 9001 - 92672 Courbevoie France).

For more than 50 years, the Kaufman & Broad group has designed, developed and sold single-family homes in communities, apartments and offices on behalf of third parties. Its size and strong brand name have made Kaufman & Broad one of France»s leading property developers and builders.

The consolidated annual financial statements at November 30, 2023 along with the related notes were approved by the Board of Directors on February 15, 2024.

Note 1.1. Basis of preparation

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002, the Kaufman & Broad group prepared its company consolidated financial statements at November 30, 2023 in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and rendered mandatory at the closing date of these financial statements.

These standards, available on the European Commission's website, incorporate international accounting standards (IAS and IFRS) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The accounting methods presented hereafter have been consistently applied to all periods presented in the consolidated financial statements, except for the new standards and interpretations described below.

Consolidation is based on the financial statements at November 30, for almost all entities included in the company»s scope of consolidation. Some equity affiliates have a different period-end date and are accounted for on the basis of interim financial statements at November 30, corresponding to twelve months of operations; their contribution is not material.

The consolidated financial statements and accompanying notes are denominated in euros.

Note 1.1.1. Standards applied

Standards, interpretations and amendments with mandatory application for the fiscal year beginning December 1st 2022

The IBOR reform Phase 1 amendment was applied at November 30, 2020 but had no impact on the financial statements, as the group does not document accounting hedging for its borrowings.

No new standards and interpretations whose application is mandatory for the fiscal year beginning on December 1st, 2022 have a significant impact on the financial statements of the Kaufman & Broad group.

Standards and interpretations effective after the fiscal year opening date

Application of the standards, amendments to standards and interpretations published by the IASB and presented below is mandatory for fiscal years beginning after December 1st, 2022.

Standards/Interpretation	Projected EU application date (at the latest for fiscal years beginning on or after)
Amendments to IAS 16: Property, plant and equipment - Proceeds before Intended Use	January 1st, 2022
Amendments to IAS 37: Onerous contracts	January 1st, 2022
Amendments to IFRS 3 - Updating a reference to the conceptual framework	January 1st, 2022
IFRS 9: Fees included in the "10 per cent" test for de-recognition of financial liabilities	
IAS 41: Taxation in fair value measurements	
Amendments to IFRS 10 and IAS 28: Sale or contributions of assets between an investor and its associate or joint venture	Suspended
IFRS 17 Insurance Contracts	January 1st, 2023
1st application of IFRS 17 and IFRS 9 - Comparative information	January 1st, 2023
Amendments to IAS 1: Classification of liabilities as current or non-current	January 1st, 2024
Amendments to IAS 1: Disclosure of accounting policies	January 1st, 2023
Amendments to IAS 8 - Definition of accounting estimates	January 1st, 2023
Amendments to IAS 12 Income tax: Deferred tax related to assets and liabilities arising from a single transaction	January 1st, 2023

Note 1.1.2. Use of estimates and assumptions

In order to prepare the group»s financial statements, the management of Kaufman & Broad is required to make estimates and assumptions for items in the financial statements that cannot be precisely valued.

These estimates and assumptions are based on past experience, expected changes in the markets in which the group operates, or other factors considered to be reasonable given the circumstances. These assessments have an effect on the amounts of income and expenses, and on the book value of assets and liabilities.

The estimates and assumptions primarily concern:

- earnings forecasts for real-estate programs used to recognize these operations on a percentage-of-completion basis (Notes 3.2. “Revenue and gross margin” and 3.5 “Accounts receivable and other receivables”);
- the business plans used to perform impairment tests on goodwill and other intangible assets (Notes 5.1. “Goodwill” and 5.2. “Other intangible assets”);
- investment property valuation (Note 5.4 "Investment property")
- inventory valuation (Note 3.4 "Inventories")
- measurement of provisions (Note 8.1 " Provisions"). The estimated amount recorded in provisions corresponds to the outflow of resources that the group will be likely to support in order to settle its obligation. If no reliable estimate of this amount can be made, no provision is recognized.

The selling price and take-up rate assumptions used to forecast earnings from real estate programs, and the achievement of the medium-term forecasts used, could be impacted by the economic environment and regulatory changes, particularly government tax incentives.

Impact of the chain of numerous shocks since 2020 on risk factors specific to the group

The company believes that the chain of numerous shocks since 2020 (Covid 19 health crisis, the Russian Ukrainian conflict, brutal inflation or the rise in interest rates linked to monetary policies to stem it...), have affected (and continue to affect) the global economy, although being events not specific to the group could, to a certain extent, strengthen certain risks or families of risks specific to the group such as risks related to construction costs, risks related to relations with suppliers, caused by a deterioration in the global economic situation and its repercussions on the French economy and could also impact the risks related to the company's indebtedness.

Effects of climate change

Alignment of Kaufman & Broad's approach with the national low-carbon strategy

Adopted for the first time in 2015, the first French low-carbon national strategy (SNBC) was revised in 2018-2019 with ambitions revised upwards, the objective being for France to reach carbon neutrality by 2050 (a factor of 6 reduction in national emissions). The construction and use of residential and commercial buildings sector is responsible for almost 25% of French emissions: intervention in energy-intensive buildings and the construction of new low-carbon buildings therefore have a major role to play in the fight against climate change.

Measurement of the group's carbon impact and reduction objectives

The group carried out a greenhouse gas emissions assessment in 2023 for all its activities, using the Carbon Audit methodology created by ADEME and supported by the Carbon Audit Association. The method has been constructed in full compliance with ISO 14064-1. The tool also allows exports in the ISO, GHG Protocol, French regulatory review and CDP formats to meet the other, most closely monitored standards. The Bilan carbone® method and the associated tools make it possible to meet these standards. Each year, the group measures its carbon impact in order to assess and monitor its environmental performance in regard to the main emission sources.

The analysis of greenhouse gas emissions for Kaufman & Broad's activities was carried out across the regulatory scope (Scopes 1 and 2), and across the majority of Scope 3 emission items. The Group's 2023 greenhouse gas emissions were 547,117 tons of Co_2 equivalent.

Highlights of the Period

Impact of the chain of numerous shocks since 2020 on risk factors specific to the group

The company believes that the chain of numerous shocks since 2020 (Covid 19 health crisis, the Russian Ukrainian conflict, brutal inflation or the rise in interest rates linked to monetary policies to stem it...), have affected (and continue to affect) the global economy, although being events not specific to the group could, to a certain extent, strengthen certain risks or families of risks specific to the group such as risks related to construction costs, risks related to relations with suppliers, caused by a deterioration in the global economic situation and its repercussions on the French economy and could also impact the risks related to the company's indebtedness.

Conclusion of contracts for the Austerlitz train station

Following the rejection by the Council of State, on October 19, 2022, of the appeal in cassation against the building permit for the redevelopment project of the Austerlitz station district (lots A7/A8, obtained on December 14, 2020), the aforementioned building permit became final and cleared of any appeal. On December 19, 2022, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project. Construction work began at the end of December 2022.

Proposal of the Board of Directors to pay a dividend in respect of the fiscal year ended November 30, 2022

The Board of Directors held on January 27, 2023, in view of the 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose to the Shareholders» Meeting on May 4, 2023 a dividend of €2.40 per share for the 2022 fiscal year.

Capital reduction through cancellation of treasury shares

Under the authority granted during the Shareholders» meeting held on May 5, 2022, the Board of Directors meeting on January 27, 2023 decreased Kaufman & Broad»s capital by canceling 500,000 treasury shares, thus reducing the number of shares in the company»s share capital from 21,613,022 to 21,113,022 shares.

Cash payment of the dividend for the fiscal year ended November 30, 2022

The Combined Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on May 4, 2023 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of €2.40 per share for the fiscal year ended November 30, 2022. The cash dividend was paid on May 11, 2023.

Repurchase and cancellation of 5.93% of the company's share capital from Artimus Participations

Kaufman & Broad (the «Company») announces that on September 5, 2023, as part of its share buyback program, it entered into an acquisition agreement for a block of 1,251,000 shares of the Company held by Artimus Participations at a price of €25.92 per share, a discount of 2.0% to the closing price of the day, representing a total investment of €32.4 million. Artimus Participations, a company bringing together managers and former managers of the Company, including Mr. Nordine Hachemi, its Chairman and Chief Executive Officer, previously held 11.01% of the share capital and 16.50% of the voting rights of the Company. All proceeds from the sale of Kaufman & Broad.SA shares were allocated to the repayment of Artimus Participations» debt.

Following the transaction, the repurchased shares were cancelled and Artimus Participations' interest in the capital of Kaufman & Broad was reduced to 5.40% and 8.36% of the Company's voting rights.

This operation strengthens all the Company's shareholders in the same proportions, without compromising its investment capacity, while stabilizing the Company's shareholding. This redemption was made using a limited portion of the Company's available cash. The Board of Directors unanimously approved the buyback, as the directors concerned did not take part in the vote, in accordance with the applicable legal provisions. The independent expert, Ledouble, has previously provided the Board with a statement of fairness concluding that:

- From a financial point of view, the redemption price is fair for the Company and its shareholders, given the value of the share resulting from a multi-criteria valuation;
- The transaction does not affect the Company's financial equilibrium and investment capacity;
- The transaction, carried out in the interest of the Company, will be accretive to its shareholders and treated as a related-party agreement.

At the end of this transaction, Group employees remained the Company's core shareholders, either directly or indirectly, with 12.2% of the share capital and 14.6% of the voting rights to date; Kaufman & Broad»s management has also indicated that it intends to remain a significant shareholder of the Company. This transaction was carried out as part of the authorizations granted by the Combined Shareholders» Meeting of May 4, 2023, in respect of its 11th and 12th resolutions.

Fitch Rating confirms Kaufman & Broad's Investment Grade rating

The rating agency Fitch Rating has just confirmed the «Investment grade» - «BBB-» rating with stable outlook of Kaufman & Broad S.A. Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre-marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the development phase of projects. Kaufman & Broad is currently the only pure European developer to be rated Investment Grade. Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cashflows.

Note 2. Scope of consolidation

Note 2.1. Accounting principles relating to the scope of consolidation

The consolidated financial statements include the financial statements of the parent company, as well as those of entities controlled by the parent (subsidiaries), jointly controlled entities (joint ventures), and entities over whose management and financial policies the group has significant influence (equity affiliates), which are consolidated in accordance with the consolidation and accounting methods described below.

In accordance with IFRS 10, the subsidiaries are all controlled entities.

Control, whatever the level of interest held in an entity, results from the following three components: holding the power to direct key business activities (operational and financial activities); exposure or entitlement to the variable returns associated with the equity interest; and the ability to exercise that power in order to influence those returns. In assessing whether power is held, account is only taken of substantive rights, such as those conferred by shareholder agreements, that may be exercised when decisions on key business activities must be taken and are not purely protective.

Note 2.1.1. Consolidated subsidiaries

Subsidiaries controlled by the Kaufman & Broad group are consolidated.

The accounts are fully consolidated, line item by line item.

Within consolidated shareholders» equity, the share of non-controlling interests are presented as a separate item, as it is in the income statement and in the statement of comprehensive income.

Any change in Kaufman & Broad's equity interest in a subsidiary that does not result in a loss of control is directly recognized in shareholders» equity.

Note 2.1.2. Equity accounting of joint ventures and equity affiliates

Joint ventures are partnerships in which the group and the other parties involved have joint control, as agreed contractually, over the entity and rights over the entity»s net assets.

Decisions regarding key business activities are subject to a unanimous vote by Kaufman & Broad and its joint venture partners.

Equity affiliates are entities over which the group exercises significant influence: Kaufman & Broad is entitled to participate in financial and operational policy decisions, without, however, exercising joint control or exclusive control. Significant influence is assumed to exist if the group directly or indirectly holds an equity interest of 20% or more.

Joint ventures and equity affiliates are recognized using the equity method.

This method consists in retaining in the consolidated accounts only the proportion of shareholders» equity that corresponds to the percentage held by the group.

If the group»s share in the losses of an entity accounted for using the equity method exceeds its equity interest in the entity, then the group»s share is reduced to zero. Additional losses are subject to a provision if the group has a statutory or implicit obligation in this regard.

The book value of equity affiliates and joint ventures corresponds to the share of net equity held. For the development business, this item includes capital and similar investments, i.e. the current account advances made by the group in order to finance programs.

Value of securities of equity affiliates and joint ventures

(in € thousands)	November 30, 2022	Distribution	Proportionate share of income for the financial year	Impact of changes in scope and similar	November 30, 2023
Equity-accounted investments in equity affiliates	2,946	305	610	270	4,131
Equity-accounted investments in joint ventures	8,710	(73)	-217	-645	7,921
TOTAL EQUITY-ACCOUNTED INVESTMENTS	**11,656**	**378**	**393**	**-375**	**12,052**
Receivables due from equity affiliates	3,475			-341	3,134
Receivables due from joint ventures	-821			8,892	8,071
TOTAL RECEIVABLES DUE FROM EQUITY AFFILIATES AND JOINT VENTURES	**2,654**	**0**	**0**	**8,551**	**11,205**
EQUITY AFFILIATES AND JOINT VENTURES	**14,310**	**378**	**393**	**8,176**	**23 257**

The value of securities of equity affiliates and joint ventures is shown as a liability under provisions for an amount of € 1.7 million.

Main components of the balance sheet and income statement of equity affiliates and joint ventures

	November 30, 2023		November 30, 2022	
(in € thousands)	Equity affiliates	Joint ventures	Equity affiliates	Joint ventures
Non current assets	2,779	27,786	6,015	20,784
Current assets	71,421	54,887	135,715	16,641
TOTAL ASSETS	**74,200**	**82,673**	**141,730**	**37,425**
Shareholders' equity	28,419	16,704	7,615	18,793
Non current liabilities	7,031	28,097	12,277	14,344
Current liabilities	38,750	37,872	121,838	4,288
TOTALSHAREHOLDERS» EQUITY AND LIABILITIES	**74,200**	**82,673**	**141,730**	**37,425**

	November 30, 2023		November 30, 2022	
(in € thousands)	Equity affiliates	Joint ventures	Equity affiliates	Joint ventures
Revenue	9,917	0	38,825	286
Cost of sales	-7,126	163	-33,221	-563
GROSS MARGIN	**2,791**	**163**	**5,604**	**-277**
Other costs and revenues	-1,163	-224	-5,338	-360
Current operating income (EBIT)	1,628	-61	266	-637
NET INCOME	**1,999**	**-425**	**306**	**-837**

Note 2.1.3. Business combinations

In the event of a takeover, the identifiable assets, liabilities and contingent liabilities of the acquired entity that satisfy IFRS recognition requirements are generally recognized at their fair value determined on the acquisition date.

For partial acquisitions, non-controlling interests may either be recognized at their share of the fair value of the assets and liabilities acquired, or measured at their fair value.

This choice is made on a transaction-by-transaction basis.

In accordance with the standard»s provisions, the costs associated with business combinations are recognized in expenses for the period during which they were incurred.

Note 2.2. Changes to the scope of consolidation

During the year, 15 companies entered the scope and 23 companies were dissolved or removed from the scope.

Number	30/11/2022	Entry	Disposal	Interest rate Δ	30/11/2023
Entity under exclusive control	294	14	17	1	292
Jointly controlled entities	51	1	6	-1	45
TOTAL	**345**	**15**	**23**	**0**	**337**

Note 3. Operational data

Note 3.1. Segment information

In accordance with the provisions of IFRS 8 «Operating Segments», the segment information presented corresponds to the internal structure for to the group's Chairman and Chief Executive Officer (Chief Operating Decision Maker as defined by IFRS 8) and to the group's Executive Committee and Board of Directors, in order to assess performance of these operating segments.

These aggregations are also consistent because the scopes and activities thus grouped within each segment have similar economic characteristics in accordance with the aggregation criteria set out in Article 8.12 of IFRS 8.

In addition, given their insignificant contributions to the group's financial statements and in compliance with IFRS 8.13, other activities/ scopes are grouped under a single «Other activities» segment.

Note 3.1.1. Income by operating segment

Fiscal year ended November 30, 2023 *(in € thousands)*	Île-de-France	West	East	Commercial property and logistics	Other Activities	Grand Total
Revenue	397,162	258,162	282,543	441,818	29,371	1,409,055
GROSS MARGIN	**79,685**	**41,682**	**53,649**	**75,313**	**6,903**	**257,232**
Marketing expenses	-7,811	-5,911	-6,162	-604	-387	-20,875
Administrative expenses	-18,996	-18,681	-18,065	-4,322	-4,716	-64,780
Technical and customer service expenses	-9,411	-4,885	-6,377	-503	-845	-22,021
Development and program expenses	-7,919	-12,529	-12,706	-4,345	-2,725	-40,224
OPERATING INCOME	**35,548**	**-324**	**10,339**	**65,539**	**-1,770**	**109,332**
Net cost of financial debt and other financial income/ expenses	-6,764	-7,992	-10,373	13,271	-1,990	-13,848
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**28,784**	**-8,316**	**-34**	**78,810**	**-3,760**	**95,484**
Income tax	-5,313	3,806	907	-20,356	1,099	-19,857
Share of income (loss) of equity affiliates and joint ventures	990	-118	-5	0	-18	849
INCOME (LOSS) OF THE CONSOLIDATED GROUP	**24,461**	**-4,628**	**868**	**58,454**	**-2,679**	**76,476**
Attributable net income	16,230	-9,680	-1,263	58,005	-3,138	60,154
Non-controlling interests	8,231	5,052	2,131	450	459	16,322

Head office expenses (including the Net cost of financial debt) are reallocated on the basis of each segment»s relative share of the group total. This share is assessed on the basis of business activity (measured by the number of Equivalent Housing Units – EHUs delivered) and the number of employees projected in the budget for the period concerned.

Income tax is based on a notional tax charge for each segment according to its net pre-tax income. The impact of permanent differences included in the calculation of income tax is reallocated on the basis described above.

Fiscal year ended November 30, 2022 *(in € thousands)*	Île-de-France	West	East	Commercial property and logistics	Other Activities	Grand Total
Revenue	392,914	386,186	388,462	129,799	17,519	1,314,878
GROSS MARGIN	**77,003**	**65,828**	**63,771**	**17,093**	**4,478**	**228,173**
Marketing expenses	-9,651	-7,920	-8,298	-566	-457	-26,892
Administrative expenses	-17,493	-16,953	-16,793	-3,702	-5,970	-60,911
Technical and customer service expenses	-10,231	-4,920	-6,394	-856	-774	-23,175
Development and program expenses	-5,521	-8,209	-9,303	5,524	-1,474	-18,983
OPERATING INCOME	**34,107**	**27,826**	**22,983**	**17,493**	**-4,197**	**98,212**
Net cost of financial debt and other financial income/ expenses	-3,893	-5,412	-6,217	166	-2,146	-17,502
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**30,214**	**22,414**	**16,766**	**17,659**	**-6,343**	**80,710**
Income tax	-5,310	-3,831	-1,836	-4,362	1,857	-13,482
Share of income (loss) of equity affiliates and joint ventures	1,270	-90	-81	681	243	2,023
INCOME (LOSS) OF THE CONSOLIDATED GROUP	**26,174**	**18,493**	**14,849**	**13,978**	**-4,243**	**69,251**
Attributable net income	18,210	14,180	9,176	12,285	-4,842	49,008
Non-controlling interests	7,970	4,319	5,670	1,681	604	20,243

Working Capital Requirement by operating segment

Fiscal year Ended November 30, 2023 *(in € thousands)*	Île-de-France	West	East	Corporate and Logistics Property	Other Activities	Grand Total
Inventories	176,700	105,409	103,222	18,790	9,507	413,627
Accounts receivables and contract assets	165,138	148,694	137,668	40,145	3,461	495,106
Other	-291,747	-232,769	-211,295	-322,455	68,716	-989,549
WORKING CAPITAL REQUIREMENT	**50,091**	**21,334**	**29,595**	**-263,520**	**81,684**	**-80,816**

The line item «Other» mainly consists of accounts payable in the amount of €942.8 million, social and tax payables in the amount of €109.8million, other receivables in the amount of €185.4 million and other payables in the amount of €122.3 million.

Fiscal year Ended November 30, 2022 *(in € thousands)*	Île-de-France	West	East	Corporate and Logistics Property	Other Activities	Grand Total
Inventories	177,728	122,182	108,804	32,430	5,991	447,134
Accounts receivables and contract assets	164,799	156,952	127,398	58,771	3,615	511,535
Other	-293,972	-230,764	-216,211	-87,089	59,375	-768,660
WORKING CAPITAL REQUIREMENT	**48,555**	**48,370**	**19,991**	**4,112**	**68,980**	**190,009**
						0
						0

Note 3.2. Revenue and gross margin

The Group markets all its development projects under sale-before-completion (VEFA) rules, while in a few operations it opts for Property Development Agreement (*Contrat de Promotion Immobilière*, or CPI) rules.

With the sale-before-completion contract, lawmakers have given real estate developers the option to call for payment from customers progressively over the course of a construction program based on a payment schedule determined by law, while giving customers a Performance Bond. Total payments from customers may not exceed 35% of the price upon completion of the foundations, 70% upon boxing up and 95% upon completion of the building. This contract makes the buyer the owner of the land and building progressively during the course of the construction process.

Revenue is recognized in accordance with IFRS 15 "Revenue from Contracts with customers", i.e., in proportion to the percentage of technical completion, starting from the acquisition of the land, and commercial completion (execution of the deeds of sale) for each program.

The *application of IFRS 15 calls for the application of the principle of recognizing revenue on the percentage-of-completion basis for property development business conducted on a VEFA (sale-before-completion) basis. Under a VEFA contract, the customer obtains control of the asset gradually during the course of its construction. Revenue is recognized on property developments in accordance with the accumulation of the total costs, based on the rules for recognizing work in progress.*

Revenue and margin are recognized as and when works are completed, based on project forecasts and in accordance with the following rule: the revenue recognized for a given program is equal to the total revenue from the lots for which a deed of sale has been signed, multiplied by the percentage of land expenses and related taxes, as well as construction expenses incurred by the group for the program to date relative to the program»s total budgeted costs.

The forecasts used are fully reviewed each quarter and, to the best of the Management's knowledge, they take account of expected changes in selling prices, unit sales and costs.

Below is a breakdown of revenue and gross margin by product:

(in € thousands)	November 30, 2023		November 30,2022	
	Revenue	Gross margin	Revenue	Gross margin
Multi-occupancy housing	883,008	163,141	1,076,336	185,829
Single-family homes in communities	74,788	14,071	76,178	14,109
TOTAL HOUSING	**957,796**	**177,212**	**1,152,514**	**199,939**
COMMERCIAL PROPERTY	**437,457**	**75,048**	**150,172**	**24,250**
Managed housing	6,385	1,626	6,743	2,642
OTHER	**7,417**	**3,346**	**5,449**	**1,342**
TOTAL REVENUE AND GROSS MARGIN	**1,409,055**	**257,232**	**1,314,878**	**228,173**

Note 3.3. Operating expenses

(in € thousands)	November 30, 2023				November 30, 2022			
	Salaries and payroll taxes	Advertising expenses	Other operating expenses	Total	Salaries and payroll taxes	Advertising expenses	Other operating expenses	Total
Marketing expenses	8,113	9,490	3,271	20,875	10,711	12,701	3,480	26,892
Administrative expenses	30,219	8	34,554	64,780	26,697	12	34,201	60,911
Technical and customer service expenses	19,547		2,474	22,021	20,116		3,058	23,175
Development and program expenses	18,960		21,264	40,224	18,275	2	705	18,983
TOTAL OPERATING EXPENSES	**76,839**	**9,498**	**61,563**	**147,900**	**75 800**	**12 716**	**41 445**	**129,961**

Marketing expenses

Marketing expenses amounted to €20.9 million at November 30, 2023, compared with €26.9 million in 2022. This 22.3% decrease was due to a €2.6 million decrease in «salaries and social contributions charges» and a €3.2 million decrease in «advertising expenses».

Administrative expenses

Administrative expenses amounted to €64.8 million at November 30, 2023 compared to €60.9 million in 2022, an increase of 6.4% attributable to the increase in the «salaries and social contributions charges» item for €3.5 million, a decrease in «rents and rental charges» for €1.9 million, the decrease in the «Maintenance, electricity and telephone» item for €0.9 million, the increase in other items for €0.1 million and the increase in the «calculated expenses» item for €2.3 million (of which €1.3 million amortization of rights of use assets IFRS 16, €0.7 million expenses relating to free shares and €0.3 million other expenses calculated).

Technical and customer service expenses

Technical and customer service expenses and after sales service amounted to €22 million at November 30, 2023, compared with €23.2 million in 2022, the 5% decrease mainly coming from the «salaries and social contributions charges» item for €0.6 million and the «fees» item for €0.4 million.

Development and program expenses

Development and program expenses amounted to €40.2 million at November 30, 2023, compared with €19.0 million in 2022, including a €18.4 million increase in net additions to provisions for impairment of new projects and inventories in progress, and a €2.6 million increase in other calculated expenses (excluding impairment of new projects).

Note 3.4. Inventories

«New projects» are programs that have not yet been developed.

These projects are valued at cost and include holding guarantees for the purchase of land, design fees, land development costs, and all other costs incurred in connection with the projects.

On each accounting period end date, the fraction of these costs incurred in respect of projects for which commitments to purchase land have not been signed, and on which there is little visibility on the likelihood of their being developed in the near future, is expensed.

Inventories for programs under development are valued at cost. This cost includes the land acquisition price and related fees, taxes, the cost of roads and infrastructure, the cost of construction and development of show home areas, land expenses, as well as the fees and commissions inherent in the agency agreements executed by Kaufman & Broad in order to sell the real estate programs.

IAS 2 provides for the recognition of indirect fixed expenses in inventory, insofar as such expenses are clearly identifiable and can be allocated. These expenses must be added to inventory using systematic and rational methods applied on a consistent and ongoing basis to all costs with similar characteristics.

Indirect fixed expenses (salaries, social contributions and other expenses) incurred after a contract to purchase land has been signed may be included in inventory, at the proportion chargeable to the real estate programs. Such expenses relate to the land, technical and general administration departments and essentially concern development, works supervision, project management and after-sales management costs.

Provisions are set up to cover foreseeable losses, which are valued on the basis of an analysis of the projected economic and financial data specific to each project.

	November 30,2023			November 30, 2022		
(in € thousands)	Gross	Impairment	Net	Gross	Impairment	Net
New projects	97,926	-27,882	70,044	111,953	-18,954	93,000
Current programs	349,337	-5,754	343,583	357,016	-2,881	354,134
TOTAL INVENTORIES	**447,263**	**-33 636**	**413,627**	**468,969**	**-21,835**	**447,134**

The change in impairment provisions may be broken down as follows:

(in € thousands)	November 30, 2022	Charges	Reversals	November 30, 2023
New projects	18,954	24,343	-15,415	27,882
Current programs	2,881	2,873		5,754
TOTAL INVENTORIES	**21,835**	**27,216**	**-15,415**	**33 636**

Gross inventories of new project expenses were down by €14 million.

The provision for new projects expenses corresponds to the impairment of expenses for projects that have not been formally abandoned, but whose future development is uncertain. Impairment provisions of €10,9 million correspond to unused reversals in relation to projects whose development had been considered uncertain but which were ultimately launched. The remaining reversals concern inventories that were written off and charged to expenses after the projects to which they related were abandoned.

Gross inventories for current programs were down by €7.7 million.

Provisions for current programs reflect provisions for purchased but undeveloped land and provisions for losses on completion on programs under development.

Note 3.5. Accounts and other receivables

Accounts receivable are receivables arising from the recognition of revenues in accordance with the percentage of completion of programs. Accounts receivable include the following:

- unsettled calls for payment issued to customers at various stages of construction works in accordance with the regulations in force;
- the time lag that may exist between calls for payments and the actual percentage of completion recorded at period-end.

This time lag, active on sale-before-completion contracts, generates most of these receivables.

Accounts receivable are measured at their contractual value. The recoverability of receivables is examined and a provision for expected losses is recognized where necessary. The group considers that credit risk (losses to maturity) is not material, given that the essence of its business is carried out within a regulatory framework that ensures that receivables will be settled.

	November 30, 2023			November 30, 2022		
(in € thousands)	Gross	Impairment	Net 2023	Gross	Impairment	2022 Net
Sale-before-completion contract assets *(VEFA)*	396,928		396,928	426,143		426,143
Other accounts receivable	98,553	-376	98,177	85,787	-395	85,392
ACCOUNTS RECEIVABLE AND CONTRACT ASSETS	**495,481**	**-376**	**495,106**	**511,930**	**-395**	**511,535**
Government - VAT	154,059		154,059	159,919		159,919
Advances and down-payments	1,164		1,164	1,973		1,973
Partners' current accounts	13,004		13,004	12,842		12,842
Other financial receivables			0			0
Receivables due from notaries	3,434		3,434	2,802		2,802
Prepaid expenses	338		338	972		972
Other	17,952	-4,566	13,386	13,530	-3,345	10,185
TOTAL OTHER RECEIVABLES	**189,951**	**-4,566**	**185,385**	**192,039**	**-3,345**	**188,693**
GOVERNMENT - CURRENT TAX	**0**		**0**	**4,863**		**4,863**
TOTAL ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES	**685,432**	**-4,941**	**680,490**	**708,831**	**-3,741**	**705,091**

All "Accounts receivable" and "Other receivables" mature in less than one year.

The change in impairment provisions may be broken down as follows:

(in € thousands)	November 30, 2022	Increases	Used reversals	Unused reversals	November 30, 2023
Accounts receivable	395	131	-28	-123	376
Other receivables and VAT	3,345	2,485	-941	-324	4,566
TOTAL	**3,741**	**2,616**	**-969**	**-447**	**4 941**

There were no significant increases in provisions or provision reversals for accounts receivable or other receivables during the period.

Note 3.5.1. Accounts Receivable and Contract Assets.

Net accounts receivable of €495.5 million break down as follows:

- Value of sale-before-completion contract assets for €396.9 million,
- Outstanding calls for payment for €96.3 million (net of impairment),
- Other accounts receivable for €2.3 million.

Services that have been the subject of a sale-before-completion contract or CPI but not yet recognized in revenue amounted to €1.2 billion at November 30, 2023.

Sale-before-completion contract liabilities amounted to €62.2 million in 2023 compared to €5.8 million in 2022. They are recorded as liabilities under other liabilities.

Notaries drafting deeds of sale are generally required to verify that the financing of a sale is secured by the time the deed is executed. Provisions for the impairment of accounts receivable are therefore rare.

Receivables outstanding for more than 90 days essentially consist of late payments on calls for payment for lots not yet delivered to buyers. A provision of €0.4 million was booked for receivables for which the group believes there is a risk of non-collection.

According to the standard terms of payment, calls for payment are payable immediately upon receipt.

At November 30, 2023, calls for payment by due date were as follows:

	November 30, 2023		November 30, 2022	
(in millions of euros)	Value	%	Value	%
Not yet due	6.0	6.3%	6.4	7.5%
Less than 30 days	75.0	77.8%	63.5	75.2%
30 to 60 days	11.3	11.7%	11.5	13.6%
60 to 90 days	0.8	0.8%	1.3	1.6%
More than 90 days	3.2	3.3%	1.8	2.1%
TOTAL CALLS FOR PAYMENT	**96.3**		**84.4**	

Note 3.5.2. Government - VAT

At November 30, 2023, the VAT item included: deductible VAT of €42.9 million (€39.5 million in 2022) in relation to supplier invoices; VAT of €86.3 million (€92.3 million in 2022) on invoices not yet received in relation to program expenses recognized on the percentage-of-completion basis; and VAT credits of €24.8 million (€28.2 million in 2022).

Note 3.5.3. Partners' current accounts

This item reflects the share of losses allocated to minority partners and not settled at November 30, 2023 for fully consolidated operations. A provision of €8.5 million has been established to cover the non-recoverability risk associated with partner current accounts receivable (see Note 8.1. «Provisions»).

Note 3.5.4. Other

The «Other» line item includes, among other things, two loan receivables from partners, one of which (€1.2 million) is fully provisioned on account of the legal dispute between the group and the partner in question, the payment of €1.9 million in relation to the URSSAF adjustment (see Note 8.1. «Provisions»), insurance premiums paid in 2023 that are to be reinvoiced to programs (€3.5 million), and a receivable from ETPE PROMOTION for €1.0 million repayable by deduction from the fees to be invoiced by the partner or no later than 31/12/2024.

Note 3.6. Breakdown of changes in working capital requirements

(in € thousands)	November 30, 2022	Change in WCR in the CFS	Change in scope of consolidation	Other changes in WCR	November 30, 2023
Inventories	447,134	-36,724	3,578	-361	413,627
Accounts receivable and contract assets	511,534	-16,428			495,106
Accounts payable	-842,063	-96,136	-709	-3,859	-942,767
Other operating assets and liabilities	69,050	-96,010	347	-1,313	-27,927
OPERATING WORKING CAPITAL REQUIREMENT (CASH FLOW STATEMENT)	**185,655**	**-245,298**	**3,216**	**-5,533**	**-61,960**
Current taxes	4,354	-4,632		-18,578	-18,856
WORKING CAPITAL REQUIREMENT	**190,009**	**-249,930**	**3,216**	**-24,111**	**-80,816**

The change in operating working capital requirement (excluding current taxes) in 2023 was -€247.6 million compared to November 30, 2022 .

Note 3.7. Counterparty risk management

The counterparty risks incurred by the group potentially concern suppliers and subcontractors, accounts receivable and banking counterparties.

Because of the group's numerous suppliers and subcontractors, an insolvency is unlikely to have any material impact on its operations. Kaufman & Broad believes that the risk of non-payment by customers is very low due to the large number of customers and the fact that property transactions are signed exclusively in the presence of a notary, generally after financing has been obtained to purchase the property.

Customer-related credit risk is managed by each agency and supervised by the head office. Due to the nature of its business, the group's exposure to customer default risk is low. The aging of accounts receivable is reviewed monthly.

The group places its cash, cash equivalents and investment securities with top-ranking financial institutions.

The Kaufman & Broad group enters into interest rate agreements with leading financial institutions.

Kaufman & Broad carries out certain development programs in conjunction with external partners, which inject capital into programs and provide loans. Depending, among other things, on the current economic and financial situation, certain group partners participating in joint development programs may default during the property development phase and may fail to honor their commitments, which would result in the Company having to meet the cash requirements generated by the relevant property programs.

Note 4. Employment compensation and benefits

Note 4.1. Payroll expenses

Payroll expenses incurred in relation to the group's employees break down as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Salaries (excluding retirement benefits and employer's contributions to share purchase schemes)	-51,454	-50,177
Retirement indemnities: awarded during year	149	-42
Employer's contributions to share purchase schemes	-948	-1,065
SALARIES	**-52,253**	**-51,284**
Expenses in relation to stock options	-1,911	-2,566
SALARIES AND OTHER COMPENSATION	**-54,164**	**-53,850**
Social contributions	-24,586	-24,516
Payroll taxes	-1,250	-1,265
Social contributions: retirement indemnities	16	-111
TAX AND SOCIAL CONTRIBUTION CHARGES	**-25,820**	**-25,892**
TOTAL PAYROLL EXPENSES	**-79,984**	**-79,742**
Average number of employees (full-time equivalents)	794	817

Note 4.2. Provisions for retirement benefits

The group has no commitments other than the retirement benefits for which a provision has been booked in the group's consolidated financial statements.

This provision is assessed by an independent expert.

The actuarial method used is the projected unit credit method. This method consists in evaluating the amount of the award for each employee based on his or her projected final salary and the vested rights associated with the employee's length of service on the valuation date. The amount of the award thus measured is discounted and weighted for probability using the mortality table and the employee turnover table.

Actuarial gains and losses are fully and directly recognized in other comprehensive income over the course of the period in which they arise.

The following assumptions were used in order to calculate retirement benefits:

- Discount rate: 4.0% rate on "AA" corporate bonds (value determined via the IBOXX index);
- Average wage increase rate: 3.80% for staff aged under 40 and 2.20% for staff aged 40 and over;
- Inflation rate: 2.00%;
- Retirement age of 64 for all personnel categories;
- Average annual staff turnover rate: 9.8% for managerial staff and 7.1% for others, whereby differential rates calculated on the average of the last three fiscal years were applied by age bracket.

The discount rate applied by the Company in accordance with market conditions is based on bonds whose maturity is similar to the estimated duration of the Company's employee benefit commitments.

The Company does not hold any assets to hedge retirement benefit plans.

This provision includes the social contributions that the Company would have to pay if it required employees to retire pursuant to the labor laws in force.

The table below shows the details of the retirement benefit expenses recognized for the fiscal year:

(in € thousands)	November 30, 2023	November 30, 2022
Current service cost [(a)]	-165	153
Interest cost [(b)]	155	(46)
EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**-10**	**199**

The changes to the provision are as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Net liabilities at beginning of period	5,491	6,648
Cost for the fiscal year	113	395
Benefits paid	-123	-196
Change in scope of consolidation	0	14
Actuarial gains or losses (recognized in other comprehensive income)	-64	-1,370
NET LIABILITIES AT END OF PERIOD	**5 417**	**5,491**

(a)The total amount of actuarial gains and losses at November 30, 2023 was not significant compared to a gain of €1.4 million at November 30, 2022. This change is mainly due to the update of the discount rate.

(b)The nnet liability at November 30, 2023 would change to € 5,516 thousand with a discount rate of 3.75% and € 5,293 thousand with a discount rate of 4.25%.

The cactuarial gains and losses generated can be presented on a historical basis as follows:

(in € thousands)	November 30, 2023	November 30, 2022	November 30, 2021	November 30, 2020	November 30, 2019
Obligations	5,417	5,491	6,648	7,119	7,907
Financial assets	-	-	-	-	-
FINANCIAL COVERAGE	**5,417**	**5,491**	**6,648**	**7,119**	**7,907**
Actuarial losses and (gains) generated on the obligations	-64	-1,370	-628	-555	804

Note 4.3. Share based payments

Under IFRS 2 «Share-based payment», stock options and stock warrants, offers reserved for employees and bonus awards of Kaufman & Broad shares granted to group employees and corporate officers are valued at the date of the award.

The group values benefits awarded to employees on the basis of their fair value on the date the rights are allocated. The value of stock options, stock warrants and bonus shares is determined based on the exercise price and term of the option, the current price of the underlying shares, the expected volatility in the share price, the expected dividends on the shares, the likelihood of the option being exercised, and the risk-free interest rate for the term of the option. This value is recorded in general and administrative expenses on a straight-line basis between the award date and the vesting date of the shares, with a direct contra entry recorded under shareholders' equity.

Note 4.3.1. Bonus share allocation plan

- During the first half of the year, the Board of Directors decided to introduce two new bonus share plans on February 24, 2023, , under the authority granted by the Shareholders' Meeting of May 5, 2022.

Bonus share plan	February 2021 Plan 2	February 2022 Plan 1	February 2022 Plan 2	February 2023 Plan 1	February 2023 Plan 2
Date authorized by the Extraordinary Shareholders' Meeting	May 5, 2020	May 6, 2021	May 6, 2021	May 5, 2022	May 5, 2022
Number of bonus shares that may be awarded	146,351	250,000	112,947	250,000	111,978
Date of the Board of Directors' meeting awarding the shares	Feb. 26, 2021	Feb. 25, 2022	Feb. 25, 2022	Feb. 24, 2023	Feb. 24, 2023
Number of beneficiaries	1	814	1	823	1
Types of shares	Existing	Existing	Existing	Existing	Existing
Number of bonus shares awarded	10,000	137,053	10,000	138,022	10,000
Lapsed shares	3,500	33,405	0	16,623	0
Shares outstanding at November 30, 2023	6,500	103,648	10,000	121,399	10,000
Share price on the award date	€36.55	€33.00	€33.00	€28.95	€28.95
Date of vesting	Feb. 26, 2024	Feb. 25, 2024	Feb. 25, 2025	Feb. 25, 2025	Feb. 24, 2026
Date available	Feb. 26, 2025	Feb. 25, 2026	Feb. 25, 2026	Feb. 24, 2027	Feb. 24, 2027
Initial fair value of the plan	189,985	2,504,590	186,241	2,224,160	168,581
Data input into the model:	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model
• Exercise price	-	-	-	-	-
• Loss of liquidity of the shares (% of the forward price)	1%	1%	1%	1%	1%
• Expected dividends (% of market capitalization)	€1.85 to €2.5 per share	€1.95 per share	€1.95 per share	€2.10 to €2.40 per share	€2.10 to €2.40 per share
• Risk-free interest rate (market rate)	-0.46% to -0.52%	-0.33% to 0.10%	-0.33% to 0.10%	3.30% to 3.45%	3.30% to 3.45%
• Share lending/borrowing rate					
• Forward price discounting rate	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps
• Turnover rate	0% for the Chairman	0% for the Chairman, 14.63% for key executives 18.47%/year for other employees	0% for the Chairman	0% for the Chairman, 11.69% for key executives 22.15%/year for other employees	0% for the Chairman

Given the performance criteria assessed by the Compensation Committee on January 15, 2024, 6,500 shares were awarded under Plan 2 of February 26, 2021.

The bonus share plans generated an expense of € 1.9 million in 2023 , as detailed below. This was recognized in income with a contra entry in shareholders' equity

(in € thousands)	Plan 02/27/20 No. 2	Plan 02/26/21 No. 1	Plan 02/26/21 No. 2	Plan 25/02/22 No. 1	Plan 25/02/22 No. 2	Plan 02/24/23 No. 1	Plan 02/24/23 No. 2	Total
Initial valuation	197	2,121	190	2,559	186	2,220	169	7,642
Expense for the period	-68	196	63	863	62	752	43	1,911

Note 4.4. Executive Compensation (connected parties)

Terms and cconditions of related-party transactions

Other than the transactions with Artimus Participations, dealings with related parties, including the compensation method for executives, remained comparable to 2022 and no other transaction that was unusual in its type or amount occurred during the fiscal year.

Group corporate officers

In 2022 and 2023, the group did not grant any loans to members of its administrative and management bodies.

Compensation of members of the administrative and management bodies

The table below shows the compensation of persons who were members of the group's administrative and management bodies at the closing date or during the course of the period.

(in € thousands)	November 30, 2023	November 30, 2022
Short term benefits other than employer contributions [(a)]	4,317	4,096
Short-term benefits: employer contributions	2,090	1,869
Post employment benefits - balance sheet impact [(b)]	-	-
Other long-term benefits [(c)]	-	-
Severance awards	-	-
Directors' fees [(d)]	330	365
Share-based compensation	-	-
Stock option awards (number)	-	-
Bonus share awards (number)	27,000	26,500

(a) Includes gross salaries, compensation, bonuses, incentives, profit-sharing and benefits in kind paid for the year. Compensation relates to members of the Management Committee.

(b) Benefits provided as retirement benefits.

(c)Other compensation vested but due in the long term.

(d) Compensation paid to non-executive corporate officers only.

Defined contribution pension

The members of the Management Committee, including the corporate officer Nordine Hachemi, receive a supplemental defined contribution pension plan.

For the fiscal year 2023, the amount recognized as expenses by our Company for this contract was €147.8 thousands (€61.5 thousands at November 30, 2022).

Note 5. Property, plant and equipment and intangible assets

Note 5.1. *Goodwill*

Goodwill is determined on the takeover date. Recognition of the business combination is finalized during the valuation period, i.e. within 12 months of the takeover date. The impact of subsequent percentage changes not affecting control is recognized in shareholders' equity. Debt indexed to a price adjustment clause is recognized at fair value starting from the acquisition date. Any adjustments to the fair value of the debt are generally recognized in profit or loss.

The main *goodwill* items of the consolidated companies may be analyzed by cash generating unit (CGU) as follows:

(net value in thousands of euros)	November 30, 2023	November 30, 2022
Île-de-France	8,346	8,346
Kaufman & Broad Sud-Ouest	47,287	47,287
Serge Mas Promotion	150	150
Résidences Bernard Teillaud	12,878	12,878
TOTAL *GOODWILL*	**68,661**	**68,661**

(in € thousands)	November 30, 2023	November 30, 2022
Balance at beginning of period	68,661	68,661
Increase		
impairment loss		
BALANCE AT END OF PERIOD	**68,661**	**68,661**

Goodwill was subjected to impairment tests in accordance with the principles described in Note 5.6 "Impairment of fixed assets". The tests showed that there was no impairment at November 30, 2023.
The recoverable amount used was based on value in use.

Note 5.2. Other intangible assets

Intangible assets mainly consist of the value of the Kaufman & Broad brands and logos. The lifetime of these assets is undetermined and they are therefore not amortized, but they are subject to impairment testing annually, or as soon as there is any indication of impairment.
Other intangible assets consist of software development costs and software, which are recognized at their acquisition or production cost, and are amortized using the straight-line method over their useful lifetimes, which do not usually exceed five years.

Other intangible assets break down as follows:

			November 30, 2023	November 30, 2022
(in € thousands)	Gross value	Aggregated amortization	Net value	Net value
Kaufman & Broad brand	80,422		80,422	80,422
Other intangible assets	50,785	-38,778	12,007	11,477
TOTAL INTANGIBLE ASSETS	**131 207**	**-38,778**	**92 429**	**91,899**

The brand is tested for the impairment of overall value together with goodwill (seeNote 5.6 «Impairment of fixed assets»).

The change in the net value of intangible assets may be analyzed as follows :

(in € thousands)	November 30, 2023	November 30, 2022
Balance at beginning of period	91,899	91,157
Newly consolidated companies		569
Acquisitions of intangible assets	4,347	3,482
Disposals, scrapping and change in scope of consolidation		
Amortization expenses	-3,847	-3,752
Other movements	30	444
BALANCE AT END OF PERIOD	**92 429**	**91,899**

Acquisitions of intangible assets and amortization expenses concern software programs.

Note 5.3. Usage-of-use assets (IFRS 16)

Treatment of leases in accordance with IFRS 16

Since November 1, 2019, the group has applied IFRS 16 - IFRS 16 requires the recognition of a right-of-use asset and a lease liability at the inception of each lease, with the possible exceptions of short-term leases (i.e., with a term of up to 12 months) and leases of low-value assets. A lease liability is recognized in the balance sheet from the inception of a lease at the present value of future payments.

Leases are recorded in liabilities as «long-term lease liabilities» and "short-term lease liabilities", and in assets as "right-of-use assets". They are amortized over the term of the lease, which generally corresponds to the non-cancellable period of the lease, unless it has been re-estimated based on an economic approach to determine the reasonably certain useful life.

Application of IFRS 16 to leases had a gross impact of € 53.6 million under Right-of-use assets at November 30, 2023.

Assumptions used for accounting estimates:

- Term of lease: contractual final lease payment date, i.e. for 3/6/9 leases a term of 9 years.
- Discount rate applied, given the group's centralized financing: use of a debt/equity ratio close to the reported net rate

Leases prior to 2022:

- Leases with a term of 48 months or less: 1.5%
- Leases with a term of more than 48 months: 3.0%

New leases from 2022:

- Leases with a term of 48 months or less: 1.5%
- Leases with a term of more than 48 months: 6.0 %

(in € thousands)	Nov. 30, 22.	Acquisitions	Depreciation and amortization	Other movements	Nov. 30, 23.
Buildings	48,108	2,314		-291	50,131
Shops	1,466	40			1,507
Vehicles	1,953	104		-91	1,965
IT equipment	3.3			-33	0
TOTAL RIGHT-OF-USE ASSETS (GROSS)	**51,561**	**2,458**	**0**	**-416**	**53,603**
Buildings	-9,741		-7,748	158	-17,331
Shops	-589		-237		-826
Vehicles	-1,004		-525	91	-1,438
IT equipment	-31			31	0
TOTAL RIGHT-OF-USE ASSETS – DEP. AND AMORTIZ.	**-11,365**	**0**	**-8,510**	**280**	**-19,595**
TOTAL RIGHT-OF-USE ASSETS (NET)	**40,196**	**2,458**	**-8,510**	**-135**	**34,009**

Note 5.4. Investment Property (IAS40 and IFRS13)

IAS 40 leaves the choice of accounting method used for assets classified as investment property, with the options of the fair value model and the cost model. The group uses the fair value model to measure its investment property. The fair value of investment property is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value is measured in accordance with IFRS 13.

The real estate appointed to fair value the assets have updated their estimates at November 30, 2023, and given the immaterial impact of the differences on the group's financial statements, no adjustment has been recognized in this respect.

	Book value	
(in € thousands)	**November 30, 2023**	**November 30, 2022**
Investment property commissioned	19,528	19,876
Investment property in progress		
Total Investment property	19,528	19,876

Note 5.5. Other property, plant and equipment

Property, plant and equipment are recognized at their acquisition cost.

Depreciation expenses are calculated according to the rate at which the expected economic benefits are consumed for each asset, based on the acquisition cost less a residual value where applicable.

As such, the straight-line method is usually applied over the following terms:

- Fittings, fixtures and facilities: 9 years;
- Construction equipment: 5 years;
- Transportation equipment: 5 years;
- Office equipment: 5 years;
- Office furniture: 10 years;
- IT equipment: 3 years.

Property, plant and equipment break down as follows:

	November 30, 2023				November 30, 2022
(in € thousands)	**Gross value**	**Aggregated amortization**	**Provisions for impairment**	**Net value**	**Net value**
Fixtures and fittings	15,762	-8,814		6,948	7,831
Other property, plant and equipment	13,872	-10,738		3,135	3,209
In progress	92			92	30
TOTAL PROPERTY, PLANT AND EQUIPMENT	**29,726**	**-19,552**	**0**	**10,174**	**11,070**

Other property, plant and equipment include the office fixtures and furnishings at the head office and various group agencies.

The change in the value of property, plant and equipment may be analyzed as follows:

(in € thousands)	November 30, 2023	November 30, 2022
BALANCE OF PROPERTY, PLANT AND EQUIPMENT AT OPENING DATE (GROSS)	**29,209**	**26,222**
Acquisitions of property, plant and equipment	1,408	8,119
Sales, write-offs and changes in scope of consolidation	-890	-5,132
BALANCE OF PROPERTY, PLANT AND EQUIPMENT AT CLOSING DATE (GROSS)	**29,726**	**29,209**
BALANCE OF PROPERTY, PLANT AND EQUIPMENT - IMPAIRMENT LOSS AT OPENING DATE	**-18,139**	**-20,676**
Sales, write-offs and changes in scope of consolidation	776	4,813
Depreciation (net of reversals)	-2,189	-2,776
Provision for impairment (net of reversals)	0	500
BALANCE OF PROPERTY, PLANT AND EQUIPMENT - IMPAIRMENT LOSS AT CLOSING DATE	**-19,552**	**-18,139**
NET BALANCE OF PROPERTY, PLANT AND EQUIPMENT	**10,174**	**11,070**

Note 5.6. Impairment of fixed assets

Cash-generating units

Cash generating units (CGUs) are homogeneous groups of assets, the continuous use of which generates cash inflows that are largely independent of the cash inflows generated by other groups of assets. The CGUs identified by the Kaufman & Broad group are as follows (full list):

Ile de France

– Kaufman & Broad Paris;

– Kaufman & Broad Île de France;

West

– Kaufman & Broad Sud Ouest;

– Kaufman & Broad Ouest

– Kaufman & Broad Pyrénées-Atlantiques

East

– Résidences Bernard Teillaud;

– Kaufman & Broad Rhône Alpes;

– Kaufman & Broad Méditerranée

– Kaufman & Broad Côte d'Azur;

– Kaufman & Broad Flandres;

– Kaufman & Broad Est

Commercial property and logistics

– Kaufman & Broad Immobilier d'entreprise et Logistique;

Impairment testing

For goodwill and intangible assets with an undetermined useful lifetime, impairment tests are carried out at least once a year in order to ensure that the net book value of the goodwill and nonamortizable intangible assets allocated to each CGU or group of CGUs is at least equal to the recoverable value.

Fixed assets (property, plant and equipment and intangible fixed assets) are subject to impairment if because of events or circumstances occurring during the relevant period (e.g. obsolescence, physical deterioration, significant changes in the method of use, performance below forecasts, decrease in revenue, other external factors), their recoverable value appears to be permanently lower than their net book value.

Impairment tests are carried out on each asset group (cash generating unit) by comparing their recoverable value against their net book value.

The need to recognize an impairment loss is assessed by comparing the book value of the CGUs' assets and liabilities against their recoverable value. Recoverable value is taken to be the fair value net of disposal costs or the value in use, whichever is higher.

Fair value net of disposal costs is determined as the best estimate of the sale value net of disposal costs for a transaction completed at arm's length between well-informed and willing parties. This estimate is determined on the basis of the market information available, taking specific circumstances into account.

The value in use adopted by Kaufman & Broad is equal to the aggregate discounted free cash flows generated over a five-year period, with a terminal value.

The discount rate used to determine the value in use at November 30, 2023 was 7.0% (unchanged compared to November 30, 2022). The group uses a single discount rate, as the geographic and industry segments do not have any specific features that might have an impact on the discount rate. This rate is calculated based on the average cost of capital employed and includes a risk premium.

The group used the projections established at fiscal year-end for the 2024-2028 period; these projections include growth assumptions that differ from one another to geographic area and take into account current market conditions and their expected trends, considering the current situation and the uncertainties regarding future forecasts. The financial impacts of weather-related events are recognized by the group via the project construction budgets, which must comply with new construction standards (RT2020). Projected margins are consistent with the margin targets set by the Commitment Committee and the margins reported in previous years. For forecasts of more than five years into the future, the perpetual growth rate used to calculate the terminal value was 0.5% (unchanged compared to November 30, 2022). This rate is below the average revenue growth rate for the five-year forecast period.

Asset recoverability tests are conducted for each CGU. They take into account the goodwill allocated at the time of the various acquisitions and assets with a fixed useful life (property, plant and equipment and net working capital requirement). The Kaufman & Broad brand, whose net balance sheet value is €80.4 million (see Note 5.2. "Other intangible assets"), is not allocated to the group's CGUs and its impairment testing is carried out at group level using the discounted cash flow method.

Sensitivity tests were conducted using the assumptions set out above to measure the impact of changes to the calculation parameters that were deemed to be reasonably possible by Executive Management, namely: an increase in the discount rate (50 basis points), a decline in the long term growth rate (50 basis points) and an increase in the working capital requirement rate (5 basis points). No potential impairment loss appears using these reduced assumptions.

Note 6. Financing and financial instruments

Note 6.1. Financial assets and liabilities

Financial assets are classified and measured at amortized cost. They principally comprise receivables in relation to equity interests, loans, and deposits and sureties paid.

Financial liabilities are classified into three categories and include:

– Borrowings at amortized cost;

– Financial liabilities recognized at fair value through profit or loss;

– Financial liabilities recognized at fair value through other comprehensive income

Current and non-current borrowings and financial liabilities

Transaction costs that are directly attributable to the acquisition or issuance of a financial liability are deducted from this financial liability. These costs are then amortized over the lifetime of the liability using the EIR method.

The portion of financial debt maturing in less than one year is included in current liabilities.

derivative financial instruments

Kaufman & Broad is exposed to market risk, and particularly to interest rate risk. The group uses a number of derivative financial instruments to manage this risk.

Derivatives are marked to market in the balance sheet. Changes in the fair value of derivatives are recognized through profit or loss, except in cases of hedging as indicated below. No derivative instruments were recorded at November 30, 2023

Cash flow hedgenstruments

The group only uses future cash flow hedging instruments:

- cash flow hedging, consists in covering exposure to changes in cash flow attributable to the specific risk associated with a recognized asset or liability, or with a planned transaction (e.g. interest flows on floating rate debt), where such a risk would affect the reported net income;
- the effective portion of the change in the fair value of the hedging instrument is taken to other comprehensive income. The change in the value of the ineffective portion of the hedging instrument is recognized as a profit or loss in financial expenses. The amounts recorded in shareholders' equity are recognized in the income statement in the same way as the assets and liabilities hedged. No hedging instruments were recorded at November 30, 2023.

Trade and other payables

The majority of positions recorded in the consolidated financial statements (87%) are presented at their book value, given their short-term nature. The remaining 13%, which are medium to long term in nature, are presented at their present market value.

Note 6.1.1. Book value and fair value of financial assets and liabilities by category

(in € thousands)	November 30, 2023				November 30, 2022			
	Fair value through profit or loss	Fair value through equity	Amortized cost	Balance sheet value	Fair value through profit or loss	Fair value through equity	Amortized cost	Balance sheet value
Financial assets								
Other non-current financial assets			2,533	2,533			7,549	7,549
Accounts receivable			495,106	495,106			511,535	511,535
Other current receivables			185,385	185,385			188,693	188,693
Current tax position			0	0			4,863	4,863
Cash and cash equivalents	350,044			350,044	100,998			100,998
TOTAL FINANCIAL ASSETS	**350,044**		**683,024**	**1,033,067**	**100,998**		**712,640**	**813,638**
Financial liabilities								
Borrowings and financial debts			169,540	169,540			168,832	168,832
Lease liabilities (IFRS 16)			39,244	39,244			41,901	41,901
Minority interests put debt		3,667		3,667		3,560		3,560
Accounts payable			942,767	942,767			842,064	842,064
Current tax position			18,856	18,856			509	509
Other current liabilities			213,311	213,311			118,643	118,643
TOTAL FINANCIAL LIABILITIES	**0**	**3,667**	**1,383,718**	**1,387,385**	**0**	**3,560**	**1,171,949**	**1,175,509**

IFRS 13 requires a three level hierarchy of valuation techniques used to determine fair value. The categories are as follows:

- Level 1: Direct reference to unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access on the valuation date.
- Level 2: Inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are based on unobservable data.

(in € thousands)	November 30, 2023			November 30, 2022		
	Book value	Fair value	Level	Book value	Fair value	Level
Assets						
Cash and cash equivalents	350,044	350,044	1	100,998	100,998	1
TOTAL ASSETS	**350,044**	**350,044**		**100,998**	**100,998**	
Liabilities						
Syndicated line of credit						
Bond issues	150,000	150,000	3	150,000	150,000	3
Credit facilities utilized	4,203	4,203	3	3,889	3,889	3
Other borrowings and finance leases	15,337	15,337	3	14,943	14,943	3
ISSUANCE COSTS			**3**			**3**
Fair value of derivatives						
TOTAL LIABILITIES (EXCLUDING IMPACT OF IFRS 16 LEASE LIABILITIES)	169,540	169,540		168,832	168,832	
Lease liabilities (IFRS 16)	39,244	39,244	3	41,901	41,901	3
Minority interests put debt	3,667	3,667	3	3,560	3,560	3
TOTAL EQUITY AND LIABILITIES	**212,452**	**212,452**		**214,293**	**214,293**	

Loans and receivables

The group believes that the balance sheet value of cash, accounts receivable and accounts payable is the value most representative of their fair market value because of the liquidity of these items.

Debts at amortized cost

With the exception of the bond issue and the loan intended for the housing business, the group believes that the calculated fair value of floating rate financial liabilities is close to their book value.

Note 6.1.2. Gross financial debt

Gross financial debt consists of long-term and short-term financial liabilities, financial hedging instruments relating to those liabilities, and accrued interest on those liabilities and hedging instruments.

Gross financial debt by nature

At November 30, 2023, gross financial debt broke down as follows:

(in € thousands)	November 30, 2023			November 30, 2022
	Current	Non-current	Total	
Syndicated credit facility [(a)]	0	0	0	0
Bond issue [(b)]	50,000	100,000	150,000	150,000
Credit facilities used	4,203	0	4,203	3,889
Other borrowings and finance leases [(c)]	2,156	13,181	15,337	14,943
GROSS FINANCIAL DEBT (EXCLUDING IMPACT OF IFRS16 LEASE DEBT AND MINORITY PUT DEBT)	**56,359**	**113,181**	**169,540**	**168,832**
IFRS 16 lease debt	8,171	31,073	39,244	41,901
Financial liabilities on minority put options	0	3,667	3,667	3,560
GROSS FINANCIAL DEBT	**64,530**	**147,921**	**212,451**	**214,293**

(a) The revolving credit facility (RCF) established in January 2019 was drawn and partially repaid in 2022. The repayment date for the facility was extended from January 31, 2024 to January 31, 20255.

(b)The bond issues arranged in May 2017 have the following maturities: the €50 million tranche is redeemable by a bullet payment in 2024 and the €100 million tranche is redeemable by a bullet payment in 2025.

(c) In 2022, the group issued a new loan for an amount of € 12.3 million allocated to the new operation of residences business.

At November 30, 2023, the group had € 150 million in outstanding bonds.

Bond issue

On May 18, 2017,Kaufman & Broad issued its first "Euro PP" bond, of €150 million, as part of a private placement made with institutional investors in Europe. This private placement comprised a €50 million seven-year tranche maturing in May 2024 at a fixed annual interest rate of 2.879% payable on May 31 of each year, and a €100 million eight-year tranche maturing in May 2025 at a fixed annual interest rate of 3.204% payable on May 31 of each year.

This transaction also allowed the group to diversify its financing sources, benefit from favorable market conditions and significantly extend the average maturity of its debt.

Financial covenants in place

For each six-month accounting period from November 2017 until the bond is repaid, the group is required to observe two ratios, calculated on a consolidated basis, with levels defined as follows:

Ratios at end of each half-year period	Threshold at November 30, 2023	Ratio at November 30, 2023 *
Leverage ratio (1)	≤ 3.0	N/A
Net Gearing ratio (2)	≤ 2.5	N/A

(1) Net Financial Debt (a) divided by EBITDA (b), where:

(a) financial debt means gross financial debt, less cash and cash equivalents and excluding certain subordinated debts and certain off-balance sheet items;

(b) EBITDA means the net income of the consolidated group before income tax and financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses); other extraordinary and/or non-recurring income and expenses, excluding estimated expenses (including any increases or decreases in amortization, depreciation and provisions, fair value adjustments, and income and expenses relating to the non-financial compensation of employees); and capital gains or losses from the sale of assets, less income from minority interests.

(2) Net Financial Debt (a) divided by adjusted shareholders' equity (c);

(c) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2016, plus consolidated income aggregated from December 1, 2016 to the end of the relevant quarter, minus dividends paid for the relevant period, plus the aggregated impairment charge for the period from December 1, 2016 to the end of the relevant quarter.

*These ratios will cease to apply from the date on which the company obtains a rating of at least BBB- by Standard & Poor's and/or Baa3 by Moody's and/or BBB- by Fitch. In 2023, the rating agency Fitch Rating has just confirmed the 'Investment grade' - 'BBB-' rating with stable outlook of Kaufman & Broad S.A. Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre-marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the development phase of projects. Kaufman & Broad is currently the only pure European developer to be rated Investment Grade. Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows.

Senior Facilities Agreement

On January 31, 2019, Kaufman & Broad SA signed a Syndicated Loan Agreement for €250 million with an initial maturity of five years. This loan replaced the existing senior credit facilities and RCF of €50 million and €100 million, respectively. This corporate credit line enables the Company to extend its debt maturity and lower its cost of debt, while also giving it more leeway to use these resources in accordance with any needs and opportunities that may arise, over and above its available cash. The option to extend the agreement from the date originally provided in the contract signed in January 2019 by one year to January 31, 2025 was taken and was approved by the lenders in May 2020.

As a result, at November 30, 2023, the group had syndicated loans comprising a revolving credit facility (the "Revolving Credit Facility") with a principal amount of €250 million. No amount was outstanding under the facility at November 30, 2023.

Under the 2019 Senior Facilities Agreement, the margin applicable to each drawdown will be determined according to the leverage ratio applicable at each testing date and, depending on the group's observance of the Annual CSR Criteria, a positive or negative incentive mechanism will be applied to the margin applicable at the time.

Adjustment of financial ratios

For each six-month accounting period from November 2018 until the Syndicated Loan Agreement matures, the group is required to observe two ratios, calculated on a consolidated basis, with levels defined as follows:

Ratios at end of each half-year period	Threshold at November 30, 2023	Ratio at November 30, 2023
Leverage ratio (1)	≤ 3.0	-1.59
Net Gearing ratio (2)	≤ 2.0	-0.56

(1) i.e. Net Financial Debt (a) divided by EBITDA (b), where:

(a) financial debt means gross financial debt, less cash and cash equivalents and excluding certain subordinated debts and certain off-balance sheet.

(b) EBITDA means the net income of the consolidated group before income tax and financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses); other extraordinary and/or non-recurring income and expenses, excluding estimated expenses (including any increases or decreases in amortization, depreciation and provisions, fair value adjustments, and income and expenses relating to the non-financial compensation of employees); and capital gains or losses from the sale of assets, less income from minority interests.

(2) i.e. Net Financial Debt (a) divided by adjusted shareholders' equity (c);

(C) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2017, plus consolidated income aggregated from December 1, 2017 to the end of the relevant quarter, minus dividends paid for the relevant period, plus the aggregated impairment charge for the period from December 1, 2017 to the end of the relevant quarter.

The 2019 Syndicated Loan Agreement stipulates that, in the event of a change of control of Kaufman & Broad SA, all commitments will automatically be canceled and any ongoing advances, as well as any interest accrued, any reinvestment costs, and any other amounts due under the terms set out in the financing documentation, will automatically become payable at the date of said change of control. Under the terms of the 2019 Syndicated Loan Agreement, a change of control is any event whereby one or more persons acting alone or in concert gain control of the Borrower as defined by Article L. 233-3 of the French Commercial Code, except where this event was recommended by the borrower's Board of Directors; note that the term "acting in concert" has the meaning given to this term in Article L.233-10 of the French Commercial Code.

Unutilized syndicated credit lines

(in € thousands)	November 30, 2023	November 30, 2022
Unutilized RCF line	250,000	250000

Change in gross financial debt

(in € thousands)	2023
GROSS FINANCIAL DEBT AT NOVEMBER 30, 2022 (EXCLUDING IFRS 16 LEASE LIABILITIES AND MINORITY INTERESTS PUT DEBT)	**168,831**
Change in other borrowings [(a)]	394
Change in credit facilities	314
GROSS FINANCIAL DEBT AT NOVEMBER 30, 2023 (EXCLUDING IFRS 16 LEASE LIABILITIES AND MINORITY INTERESTS PUT DEBT)	**169,539**
IFRS 16 lease liabilities and minority interests put debt at November 30, 2022	**45,461**
Change in minority interests put debt	107
Change in IFRS 16 lease liabilities	-2,656
GROSS FINANCIAL DEBT AT NOVEMBER 30, 2023 (EXCLUDING IFRS 16 LEASE LIABILITIES)	**212,451**

(a)This amount includes the payment of accrued interest.

Note 6.1.3. Net financial debt

Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and cash equivalents as defined by IAS 7. These are short-term investments, generally of less than three months, readily convertible into a known amount of cash and not subject to any material risk of a change in value; they are denominated in euros (primarily money-market SICAVs and mutual funds and certificates of deposit).

At each period-end date, short-term investments are marked to market and any difference is booked in income.

The group's cash and cash equivalents break down as follows:

(In € thousands)	November 30, 2023	November 30, 2022
Bank balances and cash in hand [(a)]	170,120	99,412
Short-term investments and demand deposits	179,263	
Order balances [(b)]	661	1,586
CASH AND CASH EQUIVALENTS	**350,044**	**100,998**

(a) In accordance with the provisions of the French Construction and Housing Code, payment of any sum owed by program companies to their partners may only be made strictly within the limits of the amounts freely available to the program companies based on the percentage of completion of building operations.

(b) Order balances represent 5% of the deposits paid by clients into an escrow account when they sign their order. These amounts are released and therefore available upon execution of the notarized deed of sale.

Net financial debt

Net financial debt consists of gross financial debt, as defined above, less cash and cash equivalents.

The balance sheet items contributing to net financial debt are as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Gross financial debt (excluding IFRS 16 lease liabilities and minority interests put debt)	169,540	168,831
Cash and cash equivalents	350,044	100,998
NET FINANCIAL DEBT (EXCLUDING IFRS 16 LEASE LIABILITIES AND MINORITY INTERESTS PUT DEBT)	**-180,504**	**67,833**
IFRS 16 lease liabilities	39,244	41,901
Minority interests put debt	3,667	3,560
NET FINANCIAL DEBT	**-137,592**	**113,295**

Note 6.2. Exposure to market risks and financial instruments

Note 6.2.1. Interest Rate Risk Management

Fair value measurements are detailed by level, in accordance with the following fair value hierarchy: the instrument is traded on an active market (level 1);the valuation techniques used for measurement are based on directly observable (prices) or indirectly observable (derived from prices) inputs (level 2); at least one significant component of the fair value is based on unobservable inputs (level 3). The fair value of financial instruments traded on active markets is based on the prices quoted on the balance sheet date. A market is considered to be active if prices are readily and regularly available from a stock exchange, traders, brokers, a pricing agent or a regulatory agency, and these prices are based on normal transactions. These instruments are classified as level 1. The fair value of financial instruments not quoted on an active market (such as over-the-counter derivatives) is determined through the use of valuation techniques. These various methods make maximum use of observable market data, if available, and are based only to a limited degree on the group's own estimates. If all the factors required to calculate an instrument's fair value are observable, it is classified as Level 2. If one or more of the main elements of the calculation are not based on observable market data, the instrument is classified as level 3.

The interest rate risk management policy is intended to limit and control fluctuations in interest rates and their impact on net income and cash flow, so that the total cost of debt remains acceptable. To achieve this objective, the group hedges its floating rate loan interest flows using interest rate swaps. These are derivatives for hedging cash flows. They are recognized in the balance sheet at their fair value. Kaufman & Broad applies cash flow hedge accounting.

Interest rate risk is hedged using instruments traded on organized markets or over the counter with high-quality counterparties.

The group does not have any hedging instruments.

The group's net debt exposure at November 30, 2023 was as follows:

Type of instrument	Floating/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated credit lines				
Bond issue	fixed	52,322	100,000	
Other borrowings	fixed			12,490
Credit facilities	floating	4,203		
FINANCIAL LIABILITIES		**56,525**	**100,000**	**12,490**
Bank balances and cash in hand [(a)]	floating	170,120		
Short-term investments	floating	179,263		
Order balances	floating	661		
FINANCIAL ASSETS		**350,044**	**0**	**0**
NET POSITION AFTER RISK MANAGEMENT		**-293,519**	**100,000**	**12,490**

(a) In accordance with the provisions of the French Construction and Housing Code, the payment of any amount due by program companies to their partners may only be made up to and within the strict limit of the sums that the program companies will have at their free disposal as the building operations are completed.

Interest rate sensitivity of financial assets and liabilities

Assumptions:1-month Euribor at 3.08%

A 50-basis point rise or a 10-basis point fall in interest rates on the above liabilities would have the following impact on pre-tax incomee:

- increase: +€1,701 thousand;
- decrease: -€340 thousand.

The group's net debt exposure at November 30, 2022 was as follows:

Type of instrument	Floating/fixed	< 1 year	1 to 5 years	> 5 years
Syndicated credit lines				
Bond issue	fixed	52,322	150,000	
Other borrowings	fixed			12,490
Credit facilities	floating	3,889		
FINANCIAL LIABILITIES		**6,211**	**150,000**	**12,490**
Bank balances and cash in hand [(a)]	floating	99,412		
Short-term investments	floating			
Order balances	floating	1,586		
FINANCIAL ASSETS		**100,998**	**0**	**0**
NET POSITION AFTER RISK MANAGEMENT		**-94,787**	**150,000**	**12,490**

(a) In accordance with the provisions of the French Construction and Housing Code, the payment of any amount due by program companies to their partners may only be made up to and within the strict limit of the sums that the program companies will have at their free disposal as the building operations are completed

Note 6.2.2. Equity risk management

The company's equity risk is limited because:

- Treasury shares are held either to cover the objectives presented in the description of the share buyback plan, including stock option and bonus share plans, or in accordance with the liquidity agreement. The impact of treasury shares and fluctuations in the share price is described in Note 7.1.4. «Treasury shares».

Note 6.2.3. Liquidity risk management

The table below shows the group's contractual obligations regarding the payment of interest and the repayment of financial debt, excluding derivatives, and derivatives with positive and negative fair values. Floating rate interest payments were calculated based on the last known interest rates at November 30, 2023.

	Less than one year		1 to 2 years		2 to 3 years		3 to 5 years		More than 5 years			Carrying amount at 30 Nov. 2023
	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments	Interest	Repay-ments	Total	
Borrowings and financial liabilities												
Syndicated credit lines		94									94	2,322
Bond issue	3,633	50,000	1,333	100,000							154,966	150,000
Housing business Loan			245		245		489		334	12,490	13,803	12,490
Other borrowings	178	4,409	(28)		(28)		56	681			5,380	4,926
TOTAL (EXCLUDING IFRS 16 LEASE LIABILITIES AND MINORITY INTERESTS PUT DEBT)	**3,811**	**54,503**	**1,606**	**100,000**	**273**	**0**	**545**	**681**	**334**	**12,490**	**174,243**	**169,738**
Minority interests put debt				1,316		1,316		1,316			3,948	3,667
IFRS 16 lease liabilities		7,997		5,059		6,245		10,191		9,752	39,244	39,244
TOTAL	**3,811**	**62,500**	**1,606**	**106,375**	**273**	**7,561**	**545**	**12,188**	**334**	**22,242**	**217,435**	**212,649**

Interest is paid monthly.

Note 6.3. Net financial income

(in € thousands)	November 30, 2023	November 30, 2022
Financial expenses	24,770	19,596
Financial income	-10,922	-2,094
NET FNANCIAL INCOME (-) OR LOSS (+)	**13,848**	**17,502**

Net financial income was € 13.8 million at November 30, 2023, a decrease of € 3.6 million compared with 2022.

Financial expenses break down as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Interest expenses on syndicated credit lines and bond issue	4,821	5,691
Interest expense on current accounts of equity accounted companies	1,149	403
Financial expenses on IFRS 16 lease liabilities	2,175	744
Expenses on dedicated operations	8,053	7,086
Undiscounting expenses	3,859	
Impairment of financial assets	1,276	2,840
Other	3,438	2,832
FINANCIAL EXPENSES	**24,770**	**19,596**

Interest expenses on syndicated credit lines and bonds were due to the use of these same credit lines. For the fiscal year 2023, the bond issue was used in the amount of €150.0 million and the credit lines were used in the amount of € 5.3 million on average.

The total effective rate payable on the debt, taking into account the overall amortization of issuance expenses and hedging arrangements, was 3.88% versus 3.25% in 2022.

Income from cash and cash equivalents breaks down as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Capital gain on disposal - Liquidity agreement	-93	-127
Interest income on current accounts of equity accounted companies	-1,131	-277
Investment income	-7,785	
Other financial income	-71	-69
Reversal of provision on fund advances	-1,843	-1,621
FINANCIAL INCOME	**-10,922**	**-2,094**

Note 7. Shareholders' equity and earnings per share

Note 7.1. Shareholders' equity

Note 7.1.1. Change in capital

Capital reduction

Under the authority granted during the Shareholders' meeting held on May 5, 2022, the Board of Directors meeting on January 27, 2023 decreased Kaufman & Broad's capital by canceling 500,000 treasury shares worth € 14.8 million, thus reducing the number of shares in the company's share capital from 21,613,022 to 21,113,022 shares.

The Board of Directors meeting on September 5, 2023 decided to cancel 1,251,000 treasury shares worth € 32.4 million, thus reducing the number of shares in the company's share capital from 21,113,022 to 19,862,022 shares.

(in € thousands)	Nov 30, 2022	Increase	Reduction	Nov 30, 2023
Number of shares	21,613,022		-1,751,000	19,862,022
par value (in €)	0.26		0.26	0.26
TOTAL (IN €K)	**5,619**		**-456**	**5,164**

Note 7.1.2. Consolidated reserves

At November 30, 2023, consolidated reserves included € 60.2 million in attributable net income for the period.

Note 7.1.3. Dividends

Kaufman & Broad SA's Shareholders' meeting held on May 4, 2023 proposed the payment of a dividend in cash for the year ended November 30, 2022.

The total dividend payable in cash to shareholders was € 49.5 million.

Note 7.1.4. Treasury shares

Purchases of treasury shares are recognized against shareholders' equity based on their acquisition cost. Gains and losses from the sale of treasury shares, net of tax, are posted to consolidated reserves.

At November 30, 2023, the group held 484,999 shares, including 2,400 shares held under a liquidity agreement. At November 30, 2022, the group held 1,053,314 treasury shares, including 6,000 shares held under the liquidity agreement.

Note 7.1.5. Non-controlling interests income (loss)

At November 30, 2023, Non-controlling interest on the balance sheet totaled € 13.7 million and related to 197 companies. This included negative amounts of € 5.0 million.

At November 30, 2022, Non-controlling interest on the balance sheet totaled € 14.7 million and related to 188 companies. This included negative amounts of € 4.6 million.

In order to take into account the risk associated with recovering negative Non-controlling interest and outstanding loans from one of its co-development partners, the group recorded a provision of €7.5 million in 2009, including €1.1 million as provisions for the impairment of receivables (see Note 3.5.4. "Other" and €6.5 million as a risk provision covering the outstanding loan amounts relating to this partner. This provision remained unchanged in fiscal year 2023.

In 2023, € 0.3 million was recorded in respect of purchases of shares from holders of non-controlling interests versus € 2.5 million in 2022. The difference between the price paid and the corresponding reduction in any non-controlling interest is recognized in attributable shareholders' equity.

Note 7.1.6. Acquisition of new entities

At November 30, 2023, the acquisition of shares in new entities had no material impact on the group's equity.

Note 7.2. Earnings per share

In accordance with IAS 33, the group discloses basic earnings per share and diluted earnings per share.

Earnings per share are calculated by dividing the net income for the fiscal year attributable to the group's shareholders by the average number of shares of common stock outstanding during the fiscal year.

Diluted earnings per share are calculated using the treasury stock method. They are calculated based on the net income attributable to the group's shareholders, adjusted for the financial costs of the dilutive instruments, net of the corresponding tax effect.

The number of shares used for the calculation of diluted earnings takes into account the conversion into shares of common stock of the dilutive instruments outstanding over the period.

In order to ensure the comparability of the earnings per share presented, the weighted average numbers of shares outstanding for the fiscal year and for earlier years are adjusted if a capital increase has been carried out at a lower than market price.

Treasury shares are deducted from consolidated shareholders' equity and are not included in the calculation of earnings per share.

(in € thousands)	November 30, 2023	November 30, 2022
Attributable net income	60,154	49,008
Average number of shares outstanding	20,300,383	20,990,005
Adjustment for dilutive effect of share awards	248,285	224,922
EARNINGS PER SHARE	**€2.96**	**€2.33**
DILUTED EARNINGS PER SHARE	**€2.93**	**€2.31**

Note 7.3. Capital Risk Management

The group's objectives in terms of capital management are to maintain the group's ability to carry on trading as a going concern and be profitable for its shareholders, and to maintain an optimal capital structure in order to limit the cost of capital.

The group calculates its debt/equity ratio as net financial debt to total shareholders' equity. At November 30, 2023, net financial debt amounted to -€144.5 million (including IFRS 16 lease liabilities of € 39.2 million and a minority interests put debt of €3.7 million) versus €113.3 million at November 30, 2022. Gearing (the ratio of net debt to consolidated shareholders' equity) was thus -61.6% in 2023, while gearing excluding IFRS 16 lease liabilities and minority interests put debt was -79.9% versus 28.1% at November 30, 2022 .

Note 8. Provisions- Contingent liabilities - Guarantees

Provisions are recognized if, at the period end, the group has an obligation to a third party resulting from a past event, the settlement of which is expected to result for the Company in an outflow of resources embodying economic benefits.

This outflow of resources may be discounted where appropriate.

The obligation may be statutory, regulatory or contractual. It may also result from the group's practices or from public commitments that created a legitimate expectation by the third parties concerned that the group will assume certain responsibilities.

The estimated amount included in the provisions is equal to the resource outflow that the group would probably have to bear in order to extinguish its obligation. If a reliable estimate of such an amount cannot be made, then no provision is recognized. The liability is then contingent.

Contingent liabilities are potential obligations resulting from past events, the existence of which is confirmed only by the occurrence of uncertain future events that are not wholly under the Company's control, or from current obligations resulting from past events that are not recognized in the accounts either because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation, or because the amount of the obligation cannot be measured with sufficient reliability. These liabilities are disclosed in Note 8.2. «Contingent liabilities».

Non-current provisions primarily include the following:

- a provision for risks with respect to certain partners;
- provisions for commercial and legal risks;
- provisions for tax risks;
- employee benefits.

Note 8.1. Provisions

Provisions may be analyzed as follows:

(in € thousands)	Provisions for risks relating to affiliates	Provisions for tax risk	Provisions for industrial relations risks	Provisions for other risks	Credit amount of equity-accounted investments	Total
NOVEMBER 30, 2022	**8,198**	**121**	**3,319**	**13,473**	**2,252**	**27,363**
Increases	346		2,494	1,363		4,203
Used reversals	-51	-35	-3,178	-554		-3,818
Unused reversals	-13		-628	-1,124		-1,765
Other movements				-12	-550	-562
NOVEMBER 30, 2023	**8,480**	**(86)**	**2,007**	**13,146**	**1,702**	**25,421**
of which less than one year			1,764	63		1,827

Provisions for risks relating to affiliates

This €8.5 million provision covers the risk associated with defaulting partners, including €6.6 million for a risk relating to one partner as the result of a dispute (see Note 7.1.5. «Minority interests»).

Provisions for social risks

The provision for social risks amounts to €2.0 million and covers disputes with former group employees.

Provisions for other risks

The provision for commercial and legal risks, totaling 13.1 million, essentially covers current disputes with customers or suppliers relating to projects delivered.

Note 8.2. Contingent liabilities

The long-term lease granted to a Kaufman & Broad SA subsidiary for a real estate development operation launched by the group in 2012 was canceled by the Council of State in a ruling handed down on March 15, 2019, without compromising the deeds that had been signed to carry out the program, which was completed and delivered in late 2017. These deeds are now final. Proceedings relating to the completion of this program remained in progress at November 30, 2023.

Note 8.3. Guarantees and bonds given

All othe items detailed below relate to the normal course of our operations.

(in € thousands)	November 30, 2023	November 30, 2022
Performance Bonds [(a)]	147,616	203,675
Hoguet Act guarantees [(b)]	440	440
Holding guarantees [(c)]	6,450	26,594
Other guarantees issued [(d)]	228,062	109,605
GUARANTEES AND BONDS ISSUED – BANKS	**382,568**	**340,314**
Land holding guarantees and works guarantees	37,360	31,315
Miscellaneous guarantees and bonds issued [(e)]	17,402	43,601
Guarantee of repayment of the sale-before-completion price	0	0
GUARANTEES ISSUED - KAUFMAN & BROAD SA	**54,762**	**74,916**
TOTAL GUARANTEES AND BONDS ISSUED	**437,330**	**415,230**

(a) Performance Bonds are provided to customers under sale-before-completion contracts. Kaufman & Broad asks a financial institution, mutual guarantee institution or insurance company to issue a Performance Bond in favor of Kaufman & Broad's customers. These bonds are arranged on a transaction-by-transaction basis and have a term comparable to the term for completion of the program. In consideration for these bonds, Kaufman & Broad typically gives the financial institutions or insurance companies an option to take out a mortgage, a non-assignment of shares undertaking if the program is funded by a special-purpose entity, and a pledge of the receivables accruing on selling prices. Performance Bonds are presented off-balance sheet, in the amount corresponding to the risk incurred by the financial institution issuing the bonds. For each transaction, this risk is valued as follows: the program's projected production cost, less the share financed by the group and the amount of the sales for which an agreement has been signed at the closing date. This valuation does not, therefore, take into account orders placed as of the closing date, or the percentage of construction completion for unsold lots. Performance Bonds are valued internally each month and the consistency of the data is then confirmed every six months based on the figures communicated by the financial institutions, according to their own disclosures to the Banque de France or the Insurance Supervision Commission.

(b) Hoguet Act guarantees are required from companies intending to operate as real estate agents. This purely occasional activity is not a part of the group's strategy.

(c) Holding guarantees are bank or financial guarantees given in lieu of security deposits in connection with land acquisition commitments.

(d) These other guarantees cover primarily acquisitions of land and matters relating to roads and infrastructure.

(e) These aare miscellaneous guarantees and bonds given by Kaufman & Broad SA primarily a lease guarantee on head office rent payments.

Note 8.4. Work and other guarantees received

(in € thousands)	November 30, 2023	November 30, 2022
Guarantees on work contracts	136,086	133,658
Buyers' guarantees received	304,470	434,826
TOTAL	**440,556**	**568,484**

On purchasing its equity interests, Kaufman & Broad obtained the usual liability guarantees to cover pre-acquisition risks.

Note 8.5. Pledges and liens

Under a memorandum of understanding, Kaufman & Broad SA stood as guarantor for one of its partners. The guarantee was limited to €4 million excluding tax and until the provision of a first-demand bank guarantee, in keeping with the commitments made by two of its subsidiaries in said memorandum. In exchange, this partner's main shareholder stood as joint and several guarantor for its subsidiary's commitments with regard to joint ventures, for the same amount and until the provision of its own first-demand bank guarantee.

Note 9. Income tax

Note 9.1. Income tax

Thetax liability is made up of current taxes, changes in provisions for tax risks and deferred taxes for the group's consolidated companies.

Note 9.1.1. Breakdown of tax liability

At November 30, 2023, the group's tax liability broke down as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Current tax expense/(income)	23,527	13,189
CVAE expense	1,115	1,685
Provision/expense for tax risks [(a)]	0	-2,150
Deferred taxes	-4,785	758
TOTAL INCOME TAX EXPENSE (INCOME)	**19,857**	**13,483**

(a) See Note 8.1 «Provisions»

Tax is calculated on attributable net income, since the entities with programs are fiscally transparent companies.

The result of the group's tax consolidation for 2023 was a profit of €87.2 million.

The current tax liability at November 30, 2023 includes a tax income of €14.6 million.

Note 9.1.2. Breakdown of tax liability

taxes are calculated on the basis of legal tax rates, i.e. 25.83% for 2023, and factor in the provisions included in Finance Act regarding a gradual reduction in the normal corporate tax rate.

The reconciliation between the theoretical tax expense and the actual tax liability is as follows:

(in € thousands)	November 30, 2023	November 30, 2022
PRE-TAX INCOME (LOSS) OF CONSOLIDATED COMPANIES	**95,484**	**80,710**
Applicable tax rate	25.83%	27.37%
THEORETICAL TAX EXPENSE (INCOME)	**24,634**	**22,069**
Tax on share of profit (loss) of equity affiliates	219	554
Impact of shares in fiscally transparent minority interests	-4,217	-5,541
Impact of tax rates	0	-2,964
Provision for tax audits [(a)]	0	-2,150
CVAE expense (net of tax effect)	827	1,224
Impact of other permanent differences	-1,606	291
GROUP TAX EXPENSE (INCOME)	**19,857**	**13,483**

(a) See Note 8.1 «Provisions»

Permanent differences at November 30, 2023 incorporated various deferred tax adjustments.

The share of the income (loss) of equity affiliates is presented before tax in the income statement given their fiscally transparent nature. The corresponding tax expense is included in the group's tax expense. The group's tax expense does not include the tax attributable to non-controlling interests in the group's subsidiaries, as the subsidiaries in question are also fiscally transparent.

The CVAE expense is presented in the income tax expense in the amount of €1.1 million before tax impact.

Other permanent differences mainly correspond to the adjustment of deferred taxes in the amount of -€2.4 million.

If these tax provisions were to change in the future, the Company would have to adjust its tax charge accordingly.

Note 9.2. Icurrent and deferred tax assets

Deferred taxes are recognized for all timing differences between the book value of assets and liabilities and their fiscal bases, and for tax losses, according to the liability method. Deferred tax assets are only booked if it is likely that they can be recovered.

Under IAS 12, deferred tax liabilities must be recognized in relation to all intangible assets recognized in the event of a business combination (brands, etc.).

Deferred tax assets and liabilities are not discounted.

The group does not recognize a tax expense in relation to the share of income attributable to non-controlling interests in fiscally transparent companies, owing to the tax status of those companies.

The primary sources of deferred tax are as follows:

- application of the percentage-of-completion method when determining the margin on operations in the parent company financial statements;
- application of the completed contract method when determining the margin on operations for tax purposes;
- the elimination of intra-group services;
- tax deductibility of certain goodwill items;
- timing differences relating to provisions for liabilities and charges;

The group recognizes tax assets when they are recoverable, either by virtue of tax policies or because of income projections.

Note 9.2.1. Breakdown of taxes

Current and deferred tax assets and liabilities are presented as follows:

(in € thousands)	November 30, 2023	November 30, 2022
Current tax (assets)	0	4,863
Current tax (liabilities)	-18,856	-509
Deferred tax liabilities	-56,922	-56,184
Deferred tax assets	14,856	15,101
BALANCE AT END OF PERIOD	**-60,922**	**-36,729**

Current tax payables of €18.9 million at November 30, 2023 mainly concern a tax payable to the French Public Treasury of entities within the tax consolidation group for an amount of €22.9 million, owing to the fact that payments on account made during 2023 are below the amount of tax due.

Sources of deferred taxes by type

(in € thousands)	Deferred tax base at November 30, 2023	Deferred tax at November 30, 2023
Differences in recognition of real estate programs	172,650	44,587
Provisions and expenses with deferred deductibility	-15,525	-4,009
Tax-deductible beneficial ownership	24,301	6,276
Right-of-use assets IFRS 16	34,010	8,783
IAS 40 Treatment of Investment Properties	-1,087	-281
Other	6,056	1,564
BALANCE AT END OF PERIOD - LIABILITIES	220,405	56,920
Tax loss carry forwards (excluding tax consolidation)	18,271	4,719
Lease liabilities IFRS 16	39,253	10,137
BALANCE AT END OF PERIOD - ASSETS	57,524	14,856

Most of the deferred taxes relate to differences for real estate programs between tax treatment and accounting treatment (recognition of income under the completed contract method in the tax accounts and differences in the type of costs included in inventories).

The new requirements of IAS 12 applicable to fiscal years beginning on or after January 1, 2023 now precise the scope of the exemption from non-recognition of deferred tax assets and liabilities. For the exemption to apply, the initial recognition of an asset or liability, in a transaction that is not a business combination, and that, at the time of the transaction, affects neither the accounting nor the tax profit or loss, shall not generate “a taxable temporary difference and a deductible temporary difference of an equal amount”. Therefore, in line with the principle of recognizing deferred taxes for temporary differences, deferred taxes on leases generating an asset and a liability of the same amount must now be recognized.

Note 10. Statutory Auditors' fees

The following table shows the breakdown of fees paid to ERNST & YOUNG Audit, KPMG and DELOITTE *et associés* by type of service. "Non-audit services" refer to the services defined by French laws and regulations, the issuance of various certificates and verification of consolidated social, environmental and societal information:

	Ernst & Young Audit				KPMG				Deloitte & Associés			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%		Amount (excl. VAT)		%	
(in € thousands)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Audit and half-year limited review of the individual and consolidated financial statements												
Issuer: Kaufman & Broad SA	132.2	127.5	+41%	29%	134.9	127.0	42%	40%				
Fully consolidated subsidiaries	183.4	283.8	56%	65%	122.0	68.8	38%	21%	26.4	34.6	100%	100%
Non-audit services												
Issuer: Kaufman & Broad SA	10.0	25.5	3%	6%	62.6	125.6	20%	39%				
Fully consolidated subsidiaries												
TOTAL	**325.6**	**436.9**	**100%**	**100%**	**319.5**	**321.4**	**100%**	**100%**	**26.4**	**34.6**		**100%**

Note 11. Events after the closing date

There was no event after the closing date.

Note 12. List of consolidated companies

TheConsolidated Financial Statements of the Kaufman & Broad group for the year ended November 30, 2023 include the financial statements of 337 companies: 291 consolidated companies and 46 equity-accounted companies.

At November 30, 2023, there were no non-consolidated companies that could have a material impact on the group's consolidated financial statements.

The main companies in the group are as follows:

Company name	Legal structure	Capital	% group control	Consolidation method [(a)]
Kaufman & Broad Financement	SNC	3,040,500	100.00%	FC
Kaufman & Broad Europe	SAS	221,440,548	100.00%	FC
Kaufman & Broad Homes	SAS	2,247,403	100.00%	FC
Kaufman & Broad Développement	SAS	152,449	100.00%	FC
Neoresid	SAS	504,148	60.00%	FC
Kaufman & Broad Investissements Séniors	SAS	100,000	100.00%	FC
Kaufman & Broad Investissements Etudiants	SAS	100,000	100.00%	FC
Kaufman & Broad Champagne	SARL	100,000	100.00%	FC
Kaufman & Broad Nantes	SARL	100,000	100.00%	FC
SMCI Développement	SAS	762,245	100.00%	FC
Kaufman & Broad Rénovation	SAS	160,000	100.00%	FC
GIE Kaufman & Broad	EIG	-	100.00%	FC
Kaufman & Broad Méditerranée	SARL	100,000	100.00%	FC
Kaufman & Broad Savoies	SARL	100,000	100.00%	FC
Kaufman & Broad Rhône-Alpes	SARL	1,300,000	100.00%	FC
Kaufman & Broad Pyrénées-Atlantiques	SARL	100,000	100.00%	FC
Safaur	SAS	200,000	100.00%	FC
Serge Mas Promotion	SAS	282,289	95.00%	FC
Kaufman & Broad Innovation et Technologies	SAS	1,000	100.00%	FC
Kaufman & Broad Aménagement et Territoires	SAS	1,000,000	100.00%	FC
Kaufman & Broad Marketing & Ventes	SAS	1,000	100.00%	FC
Show Room	SNC	457,347	100.00%	FC
Kaufman & Broad Investissements	SAS	100,000	100.00%	FC
KetB Partenaires	SAS	100,000	100.00%	FC
Citec Ingenierie	SARL	10,000	100.00%	FC
Kapital Partners Promotion	SAS	10,000	100.00%	FC
Kaufman & Broad Côte d'Azur	SARL	100,000	100.00%	FC
Kaufman & Broad Provence	SARL	100,000	100.00%	FC
Kaufman & Broad Real Estate	SAS	205,280	100.00%	FC
Kaufman & Broad Promotion 1	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 2	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 3	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 4	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 5	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 6	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 7	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 8	SNC	1,000	100.00%	FC
Kaufman & Broad Promotion 9	SNC	1,000	100.00%	FC
Kaufman & Broad Immo	SNC	1,000	100.00%	FC
Concerto Developpement	SAS	500,000	100.00%	FC
Roissy Hôtel Amenagement	SARL	1,000	70.00%	FC
Paris 14ème Rue Losserand	SAS	1,000	100.00%	FC
Kaufman & Broad Midi-Pyrénées	SARL	2,858,910	100.00%	FC
Cosy Diem	SAS	100,000	50.00%	EA
Kaufman & Broad Gironde	SARL	100,000	100.00%	FC
Kaufman & Broad Languedoc Roussillon	SARL	100,000	100.00%	FC
Kaufman & Broad Bretagne	SARL	1,000,000	100.00%	FC
Résidences Bernard Teillaud	SARL	840,000	100.00%	FC
Kaufman & Broad Ouest	SAS	561,400	100.00%	FC
Pierre et Rance	SARL	8,000	100.00%	FC
Kaufman & Broad Bordeaux Rive Gauche	SARL	37,000	100.00%	FC
Kaufman & Broad Poitou Charentes	SARL	100,000	100.00%	FC
Kaufman & Broad Flandres	SARL	7,700	100.00%	FC
Kaufman & Broad Pyrénées-Orientales	SARL	100,000	100.00%	FC
Kaufman & Broad Est	SARL	100,000	100.00%	FC
Kaufman & Broad Bourgogne Franche Comté	SARL	100,000	100.00%	FC
Avenue de Fronton	SARL	1,000	100.00%	FC

(a) FC = Full Consolidation, EA = Equity accounting.

The twenty largest Real Estate Civil Companies (SCI), Real Estate Civil Companies (SCCV), or Companies in Collective Name (SNC), structures *ad hoc* each carrying a real estate programme with the highest percentage of revenue are listed below.

Company name	Legal structure	Capital	% group control	Consolidation method [(a)]
SCCV SAINT LAURENT DU VAR LES PUGETS	SCCV	1,000	90.00%	FC
SCI SAINT SEBASTIEN/LOIRE	SCI	1,000	51.00%	FC
SCCV - CONCERTO MOULINS 2	SCCV	1,000	97.50%	FC
SCCV MONTPELLIER ZAC PORT MARIANNE REPUBLIC	SCCV	1,000	70.00%	FC
SCCV EPINAY SUR ORGE -10 RUE DE GRAND VAUX	SCCV	1,000	60.00%	FC
SCCV FRANCONVILLE 120 RUE DE LA STATION	SCCV	2,000	70.00%	FC
SCCV VILLEJUIF 56 STALINGRAD	SCCV	1,000	86.00%	FC
SCI SMOI	SCI	1,000	60.00%	FC
SCCV RUEIL MALMAISON PAUL DOUMER	SCCV	1,000	52.00%	FC
SCCV CHATENAY MALABRY ECOLE CENTRALE LOT M	SCCV	1,000	50.10%	FC
SCCV NANTES RUE DE RIEUX WILTON	SCCV	1,000	51.00%	FC
SCCV VILLIERS VILLAGE	SCCV	2,000	100.00%	FC
SCCV CHATENAY MALABRY ECOLE CENTRALE LOT L	SCCV	1,000	50.10%	FC
SCCV NEUILLY PLAISANCE 13 RUE PAUL VAILLANT COUTURIER	SCCV	1,000	60.00%	FC
SCCV IMMO SERGE MAS	SCCV	1,000	100.00%	FC
SCCV SANNOIS RUE HOCHE	SCCV	1,000	51.00%	FC
SCCV ZAC CLE SAINT PIERRE	SCCV	1,000	51.00%	FC
SCCV MONTESSON 1 AVENUE DU GENERAL DE GAULLE	SCCV	1,000	50.10%	FC
SCCV DOMONT 101 AVENUE ARISTIDE BRIAND	SCCV	1,000	85.00%	FC
SCCV THIAIS 2 VOIE RUBENS	SCCV	1,000	70.00%	FC

(a) FC = Full Consolidation, EA = Equity accounting.

6.2. Report of the statutory Auditors' on the consolidated financial statements

Year ended November 30, 2023

To the Kaufman & Broad S.A. Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Kaufman & Broad S.A. for the Fiscal Year ended November 30, 2023.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the results of operations for the year then ended and of the financial position and assets and liabilities of the consolidated group as at the end of the year.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from December 1, 2022, to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) no. 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 823 - 9 and R. 823 - 7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon. We do not express an opinion on individual items of these consolidated financial statements

Valuation of the gross margin of the real estate development activity and inventory of real estate programs (Notes 3.2., 3.4. and 1.1.2. to the consolidated financial statements)

Risk identified

At November 30, 2023, inventories of property development programmes were recorded in the balance sheet for K €413,627 and the gross margin amounted to K €257,232.

The accounting methods used to recognize revenue and gross margin, as well as the main management estimates relating to these items, are presented in Note 3.2. to the consolidated financial statements.

Your group's real estate development activity is mainly carried out through sale-before-completion contracts (VEFA), whereby your group transfers ownership of future lots as they are built. Revenue and gross margins from property development activities are recognised in the income statement in proportion to the percentage of completion of all costs that can be stored for each program, the starting point of which is the acquisition of the land.

This method requires management to make estimates, particularly for the assessment of margins at completion and for the assessment of the percentage of completion of each transaction.

As indicated in note 3.4 to the consolidated financial statements, inventories of "new projects" and "programs under development" are valued at cost. Provisions are set aside to cover foreseeable losses measured on the basis of an analysis of the forecast economic and financial data for each project.

We considered the assessment of the gross margin of the real estate development activity and the inventory of real estate programs as a key audit matter. These items are of significant importance in the consolidated financial statements. In addition, the assumptions on which these valuations are based place significant emphasis on management's judgment.

Our answer

We familiarize ourselves with the internal control procedures implemented for the preparation and monitoring of real estate program budgets.

Our approach consisted in assessing the assumptions used and the data used by management to measure the results of real estate transactions (gross margin) and real estate inventories.

For programs under development and delivered programs sold:

- We examined the assumptions related to selling prices, land costs, construction costs and service fees for a sample of programs. This sample was established by combining a random sample with a selection of certain programs, including the most significant in terms of gross margin, as well as those with negative margins. In addition, we selected programs whose budgets have atypical margin levels as well as former operations with a small variation in commercial progress and a high level of inventories.
- For the most significant programs in terms of gross margin, the percentage of completion of the costs of the selected operations was confirmed to us by the project managers in charge of real estate operations. We assessed these confirmations in relation to the expenditure incurred. For these programs, we also rationalised the commercial progress rates by dividing the amount of revenues signed by the amount of revenues budgeted and we performed detailed revenues tests by reconciling them with notarial acts.
- Finally, we assessed, on a sample of completed and sold programs, the consistency of the margin rates actually generated with the margin rates initially budgeted by analyzing the supporting documents and the information obtained from the program managers and/or management controllers.
- For programs not yet launched commercially, we assessed, on the basis of a sample, the existence of profitable prospects through interviews with management.
- For delivered programs with units not yet sold, we analysed, based on a sample, the flow prospects presented by management and compared the forecast selling prices of the units in stock with the selling prices of the units.

We also assessed the appropriateness of the information provided in the notes to the consolidated financial statements with respect to these items.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by law and regulations of the information relating to the group presented in the Management report by the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non financial performance statement provided for in Article L. 225 - 102 - 1 of the French Commercial Code is included in the information relating to the group provided in the management report, it being specified that, in accordance with the provisions of Article L. 823 - 10 of this Code, we have not verified the fair presentation or consistency of the information contained in this statement with the consolidated financial statements and must be the subject of a report by an independent third party.

Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements for inclusion in the annual financial report

In accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, we have also verified compliance with this format defined by European Delegated Regulation no. 2019/815 of December 17, 2018, in the presentation of the annual financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chair and Chief Executive Officer. As regards the consolidated financial statements, our procedures include verifying that the marking of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic information format.

Due to the technical limitations inherent in the macro marking of the consolidated financial statements according to the single European electronic information format, it is possible that the content of certain tags in the notes to the financial statements may not be returned in the same way as the consolidated financial statements attached to this report.

In addition, it is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Kaufman & Broad S.A. by your Annual General Meeting of May 6, 2021 for the firm KPMG Audit and July 3, 1991 for the firm ERNST & YOUNG Audit.

As of November 30, 2023, KPMG S.A. was in the third year of its uninterrupted engagement and ERNST & YOUNG Audit in the thirty third year (including twenty four years since the company's shares were admitted to trading on a regulated market).

Responsibilities of management and those constituting company governance in regard to the annual financial statements

Management is responsible for the annual financial statements that present a faithful and fair image, in compliance with French accounting rules and principles, as well as for implementing the internal control that management determines is necessary to enable the preparation of annual financial statements that are free from significant anomalies, whether such anomalies be due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the company's ability to continue with its operations, disclosing in these financial statements, as applicable, the necessary information related to business continuity and the applying the business continuity accounting convention, unless it is expected to liquidate the company or to cease trading.

The Audit Committee is responsible for monitoring the financial reporting process and the efficacy of internal control and risk management systems, as well as, where applicable, internal auditing, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the auditing of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free of significant anomalies. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any significant anomalies. Anomalies may arise from fraud or error and are considered significant when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition, the Statutory Auditors:

- Identify and assess the risks of significant anomalies in the annual financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- Evaluate the appropriateness of the accounting policies used and the reasonable nature of the accounting estimates and related disclosures made by management in the annual financial statements;
- Assess the appropriateness of management's use of the business continuity accounting convention and, based on the audit evidence obtained, whether a significant uncertainty exists related to events or circumstances that may cast significant doubt on the company's ability to continue trading. This assessment is based on the audit evidence obtained up to the date of their report. However, subsequent events or circumstances may cause the company to cease trading. Should the Statutory Auditors conclude that a significant uncertainty exists, they draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, they issue a qualified opinion, or refuse to certify;
- Evaluate the overall presentation of the annual financial statements and assess whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Regarding the financial information of the persons or entities included in the scope of consolidation, they gather sufficient and appropriate information to express an opinion on the annual financial statements. They are responsible for the direction, supervision and performance of the audit of the annual financial statements, and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in the internal control that we have identified, with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of significant anomalies that, in our professional judgement, were of most significance in the audit of the annual financial statements for the current period, and which are therefore the key audit points that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014 confirming our independence under the terms of the rules applicable in France, as stipulated in particular by Articles L. 821 - 27 to L.822 - 14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss the risks impacting our independence and the related safeguards applied with the Audit Committee.

Paris La Défense, March 25, 2024

The Statutory Auditors

KPMG S.A.
François Plat

ERNST & YOUNG Audit
Denis Thibon

6.3. Parent company financial statements at November 30, 2023

Annual financial statements at November 30, 2023

Income statement

(in € thousands)	Section	November 30, 2023	November 30, 2022
Revenue	6.3.2.14	2,605	3,449
Other purchases and external charges	6.3.2.15	-3,300	-1,713
Wages and salaries		0	-
Taxes		-552	-286
Amortization, depreciation and provisions		-3,772	-6,854
Reversal of provisions and expense transfers		3,647	7,824
Other operating charges and revenues		-330	-438
OPERATING INCOME		**-1,702**	**1,982**
Profits allocated and losses incurred	6.3.2.16	48,832	44,999
Net financial income (including dividends from subsidiaries)	6.3.2.17	15,925	7,475
CURRENT OPERATING INCOME		**63,055**	**54,456**
Non-recurring income (expenses)	6.3.2.18	-2,808	-2,318
Corporate income tax	6.3.3	-3,030	1,229
NET INCOME/(LOSS)		**57,218**	**53,367**

Balance sheet

Assets

(in € thousands)	Section	November 30, 2023	November 30, 2022
Intangible assets	6.3.2.2	0	-
Property, plant and equipment	6.3.2.3	112	113
Financial assets	6.3.2.4	466,975	520,999
FIXED ASSETS		**467,087**	**521,112**
Inventories		0	-
Receivables	6.3.2.5	88,235	83,269
Treasury shares	6.3.2.6	12,496	29,327
Cash		45,717	202
Prepaid expenses	6.3.2.16	93	91
CURRENT ASSETS	**6.3.2.17**	**146,541**	**112,889**
TOTAL ASSETS		**613,628**	**634,001**

Liabilities

(in € thousands)	Section	November 30, 2023	November 30, 2022
Share capital	6.3.2.2	5,164	5,619
Premiums and reserves	6.3.2.3	342,887	385,798
Net income	6.3.2.4	57,219	53,368
SHAREHOLDERS' EQUITY		**405,270**	**444,785**
Provisions for liabilities and charges		15,651	15,527
Financial debt	6.3.2.5	152,359	152,359
Accounts payable and related accounts	6.3.2.6	1,874	1,038
Other liabilities		38,475	20,292
TOTAL EQUITY & LIABILITIES		**613,628**	**634,001**

6.3.1. General principles

The fiscal year lasts 12 months, from December 1 to November 30.

The annual financial statements were prepared in accordance with current French accounting regulations (the General Chart of Accounts and Commercial Code).

6.3.1.1. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated in the balance sheet at acquisition cost. Amortization and depreciation are calculated on a straight-line basis according to the expected life of the asset concerned.

The depreciation periods generally used are as follows:

- IT licenses: 3 years;
- Fittings, fixtures, and facilities: 10 years;
- Office furniture: 10 years.

6.3.1.2. Financial assets

The gross amount of the equity investments in companies in the balance sheet is equal to their cost. A provision is recognized when the book value is lower than the acquisition value.

The book value is determined by reference to the value in use of each company. This value in use is measured on the basis of the share of the net equity held, which includes a share in the income from programs hosted by the company and the earnings outlook of the subsidiaries. Receivables from equity interests and loans are recognized at their value on acquisition or par value. Provisions are recorded for receivables where there is a risk that they will not be recovered, or will not be recovered in full.

To assess the value in use of the group's subsidiaries, the management of Kaufman & Broad makes estimates and assumptions that are based on past experience and anticipated changes in the markets in which the companies operate, or other factors considered to be reasonable under the circumstances.

The estimates and assumptions primarily concern:

- earnings forecasts for real estate developments;
- business plans for future fiscal years.

The selling prices and take-up rate assumptions used to forecast earnings from real estate programs, and the achievement of the medium-term forecasts used in impairment testing, could be impacted by the economic environment and regulatory changes, particularly government tax incentives.

Receivables relating to equity interests correspond to current account advances to group companies.

The net income from fiscally transparent subsidiaries (construction-sale partnerships or other business partnerships) of which Kaufman & Broad SA is a partner or shareholder becomes immediately and entirely vested in Kaufman & Broad SA at the end of the fiscal year. At year-end, the shares of the annual income of fiscally transparent companies are posted in the current account.

6.3.1.3. Treasury shares

The treasury shares purchased for allocation to group employees (under bonus share plans) are recognized in a "Treasury shares" account, and are categorized by purpose in accordance with the decision to allocate the shares. Treasury shares held for the purposes of the liquidity agreement, or not yet allocated, are valued at their acquisition price. A provision is recorded in the event of a loss compared to the average stock market price during the last month of the fiscal year. Treasury shares allocated to a bonus share plan are kept at their book value on the allocation date.

6.3.1.4. Provisions for liabilities and charges

Every quarter the Legal And Accounting Departments review the provisions for litigation posted as liabilities on the balance sheet. Provisions made previously are reviewed and reassessed on the basis of the current status of the proceedings. If applicable, new provisions are made on the basis of an individual assessment of risks for new disputes. The creation of a provision is not conditional on whether or not proceedings are being litigated in court but depends on the nature of the risk.

6.3.1.5. Accruals, prepayments, and financial instruments

Unrealized gains and losses on interest-rate instruments used in hedging transactions are not recognized.

6.3.1.6. Share of profits and losses borne

Most of the group's subsidiaries have opted for the preferred percentage-of-completion method to recognize revenues and margin on real estate programs in their financial statements.

Revenue and margin are recognized in proportion to the percentage of technical completion, for which the starting point is the purchase of the land, and to the progress of sales (signed deeds of sale) of each program. This method is applied whether the program is expected to be profitable or loss making.

The taxable income of these subsidiaries is still determined using the completed contract method.

The bylaws of these companies, which have the legal form of SCIs (real estate partnerships) and SNCs (commercial partnerships), provide for the automatic transfer of profits to their partners in the same fiscal year.

In accordance with the provisions of the Construction and Housing Code, payment of any sum owed by programme companies to their partners may only be made strictly within the limits of the amounts freely available to the programme companies based on the percentage of completion of building operations.

6.3.1.7. Tax consolidation

The tax consolidation agreement signed by the companies that are members of the consolidated group stipulates that tax liabilities will be borne by the consolidated companies (parent and subsidiary), as they would in the absence of tax consolidation, after deduction of their previous losses. In addition, tax savings obtained as a result of losses are retained by Kaufman & Broad SA, as the parent company, and are considered as earnings for the period even if they give rise to an expense in the period during which the loss-making subsidiaries return to profit.

6.3.1.8. Consolidated VAT

The Kaufman & Broad group has been reporting VAT on a consolidated basis since December 1, 2012. The agreement signed by the companies included in the scope of consolidation provides that VAT payments and credits must be transferred to Kaufman & Broad SA which, as the parent company of the group, becomes the only company responsible for paying the VAT or receiving VAT refunds.

Nevertheless, each legal entity checks to ensure that the VAT credits of each company included in the scope of consolidation are repaid by Kaufman & Broad SA (60 days later).

6.3.2. Comments on financial statements

6.3.2.1. Significant events

Impact of the chain of numerous shocks since 2020 on risk factors specific to the group

The company believes that the chain of numerous shocks since 2020 (Covid 19 health crisis, the Russian Ukrainian conflict, brutal inflation or the rise in interest rates linked to monetary policies to stem it...), have affected (and continue to affect) the global economy, although being events not specific to the group could, to a certain extent, strengthen certain risks or families of risks specific to the group such as risks related to construction costs, risks related to relations with suppliers, caused by a deterioration in the global economic situation and its repercussions on the French economy and could also impact the risks related to the company's indebtedness.

Conclusion of contracts for the Austerlitz train station

Following the rejection by the Council of State, on October 19, 2022, of the appeal in cassation against the building permit for the redevelopment project of the Austerlitz station district (lots A7/A8, obtained on December 14, 2020), the aforementioned building permit became final and cleared of any appeal. On December 19, 2022, Kaufman & Broad announced that it had completed the acquisition of all the building volumes of the A7/A8 - Austerlitz Train Station transaction and that it had signed the contracts necessary for the completion of the project. Construction work began at the end of December 2022.

Proposal of the Board of Directors to pay a dividend in respect of the financial year ended November 30, 2022

The Board of Directors held on January 27, 2023, in view of the 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose to the Shareholders' Meeting on May 4, 2023 a dividend of €2.40 per share for the 2022 fiscal year.

Capital reduction through cancellation of treasury shares

Under the authority granted during the Shareholders' Meeting held on May 5, 2022, the Board of Directors meeting on January 27, 2023 decreased Kaufman & Broad's capital by canceling 500,000 treasury shares, thus reducing the number of shares in the company's share capital from 21,613,022 to 21,113,022 shares.

Cash payment of the dividend for the fiscal year ended November 30, 2022

The Combined Ordinary and Extraordinary Shareholders' Meeting of Kaufman & Broad SA, held at the registered office on May 4, 2023 under the chairmanship of Nordine Hachemi, decided to distribute a total dividend of €2.40 per share for the fiscal year ended November 30, 2022. The cash dividend was paid on May 11, 2023.

Repurchase and cancellation of 5.93% of the company's share capital from Artimus Participations

Kaufman & Broad (the «Company») announces that on September 5, 2023, as part of its share buyback program, it entered into an acquisition agreement for a block of 1,251,000 shares of the Company held by Artimus Participations at a price of €25.92 per share, a discount of 2.0% to the closing price of the day, representing a total investment of €32.4 million. Artimus Participations, a company bringing together managers and former managers of the Company, including Mr. Nordine Hachemi, its Chairman and Chief Executive Officer, previously held 11.01% of the share capital and 16.50% of the voting rights of the Company. All proceeds from the sale of Kaufman & Broad.SA shares were allocated to the repayment of Artimus Participations' debt. Following the transaction, the repurchased shares were cancelled and Artimus Participations' interest in the capital of Kaufman & Broad was reduced to 5.40% and 8.36% of the Company's voting rights.

This operation strengthens all the Company's shareholders in the same proportions, without compromising its investment capacity, while stabilizing the Company's shareholding. This redemption was made using a limited portion of the Company's available cash. The Board of Directors unanimously approved the buyback, as the directors concerned did not take part in the vote, in accordance with the applicable legal provisions. The independent expert, Ledouble, has previously provided the Board with a statement of fairness concluding that:

- From a financial point of view, the redemption price is fair for the Company and its shareholders, given the value of the share resulting from a multi-criteria valuation;
- The transaction does not affect the Company's financial equilibrium and investment capacity;
- The transaction, carried out in the interest of the Company, will be accretive to its shareholders and treated as a related-party agreement.

At the end of this transaction, Group employees remained the Company's core shareholders, either directly or indirectly, with 12.2% of the share capital and 14.6% of the voting rights to date; Kaufman & Broad's management has also indicated that it intends to remain a significant shareholder of the Company. This transaction was carried out as part of the authorizations granted by the Combined Shareholders' Meeting of May 4, 2023, in respect of its 11th and 12th resolutions.

This operation relfects all the Company's shareholders in the same proportions, without compromising its investment capacity, while stabilising the Company's shareholding. This redemption was made using a limited portion of the Company's available cash. The Board of Directors unanimously approved the buyback, as the directors concerned did not take part in the vote in accordance with the applicable legal provisions. The independent expert, Ledouble, has previously provided the Board with a statement of fairness concluding that

- From a financial point of view, the redemption price is fair for the Company and its shareholders, given the value of the share resulting from a multi criteria valuation;
- The transaction does not affect the Company's financial equilibrium and investment capacity;
- The transaction, carried out in the interest of the Company, will be accretive to its shareholders and treated as a regulated agreement.

At the end of this transaction, Group employees remained the Company's core shareholders, directly or indirectly, with 12.2% of the share capital and 14.6% of the rights to date; the management of Kaufman & Broad also indicated their intention to remain a significant shareholder of the Company. This transaction was carried out under the delegations granted by the Combined General Meeting of Shareholders of 4 May 2023 under its 11th and 12th resolutions.

Fitch Rating confirms Kaufman & Broad's Investment Grade rating

The rating agency Fitch Rating has just confirmed the «Investment grade» - «BBB-» rating with stable outlook of Kaufman & Broad S.A. Fitch Rating refers in particular to the robust profile of its business model, based on a strict pre marketing policy and a high level of operating cash flow favored by a controlled working capital requirement throughout the development phase of projects. Kaufman & Broad is currently the only pure developer in Europe with an Investment Grade rating. Fitch's confirmation of this rating in a difficult environment highlights the strength of the group's financial structure and its ability to structurally generate substantial cash flows.

Dividends received

The financial result of Kaufman & Broad SA at November 30, 2023 includes dividends paid by five subsidiaries in the amount of 14.04 million euros (see note 6.3.3.17).

6.3.2.2. Intangible assets

(in € thousands)	November 30, 2023	November 30, 2022
Software licenses	274	274
Depreciation and amortization	-274	-274
NET INTANGIBLE ASSETS	**0**	**0**

6.3.2.3. Property, plant and equipment

(in € thousands)	November 30, 2023	November 30, 2022
Facilities and fittings	184	184
Depreciation and amortization	-72	-71
FACILITIES AND FITTINGS	**112**	**113**
Office and IT equipment – furnishings	601	601
Depreciation and amortization	-601	-601
OFFICE AND IT EQUIPMENT – FURNISHINGS	**-**	**-**
NET PROPERTY, PLANT AND EQUIPMENT	**112**	**113**

6.3.2.4. Financial assets

Equity interests	324,898	324,899
Receivables related to equity interests and loans [1]	147,985	202,101
Other financial assets [2]	1,386	1,293
Impairment [3]	-7,294	-7,294
NET NON-CURRENT FINANCIAL ASSETS	**466,975**	**520,999**

(1) Receivables relating to equity interests and loans correspond to the Company's share in the non-distributable earnings of fiscally transparent companies at the year end (€78 million) and to the current account advance of €69.9 million granted to Kaufman & Broad Financement SNC to coordinate and centralize the cash management needs of all Kaufman & Broad group companies (at November 30, 2022 this advance totaled €167.9 million).

(2) ther investments and loans consist primarily of deposits and guarantees, including the €1.4 million in cash made available by Rothschild Bank pursuant to the share buyback agreement.

(3) At November 30, 2023 the provision on shares in subsidiaries primarily concerned Kaufman & Broad Financement (€2.1 million), and Kaufman & Broad Bretagne (€5.1 million)..

6.3.2.5. Receivables

(in € thousands)	November 30, 2023	November 30, 2022
Value-added tax	4,418	152
Territorial Economic Contribution	6	-
Corporate income tax	0	10,653
Current accounts [1]	74,622	64,201
Intra-group customers - Invoices to be issued [2]	7,963	8,253
Other receivables	1,226	10
RECEIVABLES	**88,235**	**83,269**

(1) This sum comprises: €51.5 million, being the share of the revenue upstreamed from subsidiaries (versus €48.3 million at November 30, 2022); €19.6 million , being the current accounts for tax consolidation purposes with other group companies (see Note 6.2.3.); and €3.6 million for consolidated VAT current accounts.

(2) This sum corresponds to intra-group reinvoicing relating to the bonus shares awarded to employees of the Kaufman & Broad group.

(in € thousands)	November 30, 2023	Within one year	Due in more than one year
Value-added tax	4418	4,418	0
Territorial Economic Contribution	6	6	0
Corporate income tax	0	0	0
Current accounts [1]	74,622	58,656	15,965
Intra-group customers - Invoice to be issued	7,963	7,963	0
Other receivables	1,226	1,226	0
RECEIVABLES	**88,235**	**72,270**	**15,965**

(1) The proportion at more than one year corresponds to the share of non-distributable income upstreamed from subsidiaries during the 12-month period, taking into account the projected completion date of construction works for the programs concerned, in accordance with the provisions of the French Construction and Housing Code (see Note 6.2.1.6.).

6.3.2.6. Treasury shares

(in € thousands)	November 30, 2023	November 30, 2022
Treasury shares	12496	29327
Provisions for impairment of treasury shares		
TREASURY SHARES (VALUE NET OF IMPAIRMENT)	**12496**	**29327**

At November 30, 2023, the group held 484,719 treasury shares (representing 2.44% of the Company's share capital). This comprised 309,758 shares (representing 1.56% of the Company's share capital) valued at €8.4 million intended to cover the bonus share plans of plan 2 of 2021, plans 1 and 2 of 2022 and plans 1 and 2 of 2023, 172,561 shares (representing 0.87% of the Company's share capital) valued at €4.1 million held to ensure that the other objectives of the share buyback plan are met (share cancellations by the Company), and 2,400 shares held under the liquidity agreement (representing 0.01% of the Company's share capital) amounting to €0.1 million.

At November 30, 2022, there were 1,053,314 treasury shares comprising:

- 199,842 shares (€5.8 million) allocated to bonus share plans;
- 847,472 shares (€23.4 million) held to achieve the other objectives of the share buyback plan.
- 6,000 shares (€0.1 million) held under the liquidity agreement.

6.3.2.7. Shareholders" equity

The change in shareholders' equity is broken down as follows:

(in € thousands)	Share capital	Legal reserve	Stock warrants	Premium	Other reserves	Balance of retained earnings	Net income	Shareholder s' equity
NOVEMBER 30, 2021	**5,645**	**979**	**781**	**59,094**	**0**	**338,131**	**35,691**	**440,321**
Distribution						-4,785	-35,691	-40,476
Capital reduction	-104			-14,098				-14,202
Capital increase	78			5,696				5,774
Net income for the fiscal year							53,368	53,368
NOVEMBER 30, 2022	**5,619**	**979**	**781**	**50,692**	**0**	**333,346**	**53,368**	**444,785**
Distribution						3,858	-53,368	-49,510
Capital reduction	-455			-46,769				-47,224
Capital increase								0
Net income for the fiscal year							57,219	57,219
NOVEMBER 30, 2023	**5,164**	**979**	**781**	**3,923**	**0**	**337,204**	**57,219**	**405,269**

In addition to the legal reserve, the Company has reserves for an amount at least equal to the value of all the shares it holds.

As part of its share buyback program, Kaufman & Broad entered into an acquisition agreement on September 5, 2023 for a block of 1,251,000 shares of the Company held by Artimus Participations, a company bringing together managers and former managers of the Company, representing a total investment of €32.4 million.

Following the transaction, the repurchased shares were cancelled. This operation strengthens all the Company's shareholders in the same proportions, without compromising its investment capacity, while stabilizing the Company's shareholding. At the end of this transaction, Group employees remained the Company's core shareholders, either directly or indirectly, with 12.07% of the share capital and 14.43% of the voting rights to date.

6.3.2.8. Change in capital

(in euros)	November 30, 2022	Increase	Reduction	November 30, 2023
Number of shares	21,613,022		1751000	19862022
Par value	0.26			0.26
CAPITAL	**5,619,386**			**5164126**

At November 30, 2023,

Kaufman & Broad's share capital was €5,164,125.72, divided into 19,862,022 shares of common stock with a par value of €0.26.

Bonus share plans

During the first half of the year, the Board of Directors decided to introduce two new bonus share plans on February 24, 2023, under the authority granted by the Shareholders' Meeting of May 5, 2022.

The main features of the group's plans in effect at November 30, 2023 are presented in the table below:

Bonus share plan	February 2021 Plan 2	February 2022 - Plan 1	February 2022 - Plan 2	February 2023 Plan 1	February 2023 Plan 2
Bonus share plan	February 2021 Plan 2	February 2022 Plan 1	February 2022 Plan 2	February 2023 Plan 1	February 2023 Plan 2
Date authorized by the Extraordinary Shareholders' Meeting	May 5, 2020	May 6, 2021	May 6, 2021	May 5, 2022	May 5, 2022
Number of bonus shares that may be awarded	146,351	250,000	112,947	250,000	111,978
Date of the Board of Directors' meeting awarding the shares	Feb. 26, 2021	Feb. 25, 2022	Feb. 25, 2022	Feb. 24, 2023	Feb. 24, 2023
Number of bonus shares awarded	10,000	137,053	10,000	138,022	10,000
Number of beneficiaries	1	814	1	823	1
Types of shares	Existing	Existing	Existing	Existing	Existing
Shares outstanding at November 30, 2022	6,500	103,648	10,000	121,399	10,000
Share price on the award date	€36.55	€33.00	€33.00	€28.95	€28.95
Date of vesting	Feb. 26, 2024	Feb. 25, 2024	Feb. 25, 2025	Feb. 25, 2025	Feb. 24, 2026
Date available	Feb. 26, 2025	Feb. 25, 2026	Feb. 25, 2026	Feb. 24, 2027	Feb. 24, 2027
Lapsed shares	3,500	33,405	0	16,623	0
Shares outstanding	6,500	103,648	10,000	121,399	10,000
Initial fair value of the plan	189,985	2,504,590	186,241	2,224,160	168,581
Data input into the model:	Binomial model	Binomial model	Binomial model	Binomial model	Binomial model
• Exercise price	-	-	-	-	-
• Loss of liquidity of the shares (% of the forward price)	1%	1%	1%	1%	1%
• Expected dividends (% of market capitalization)	€1.85 to €2.5 per share	€1.95 per share	€1.95 per share	€2.10 to €2.40 per share	€2.10 to €2.40 per share
• Risk-free interest rate (market rate)	-0.46% to -0.52%	-0.33% to 0.10%	-0.33% to 0.10%	3.30% to 3.45%	3.30% to 3.45%
• Share lending/borrowing rate	0	0	0	0	0
• Forward price discounting rate	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps	Euribor + 300 bps
• Turnover rate	- - - - 0% for the Chairman	0% for the Chairman, 14.63% for key executives 18.47%/year for other employees	- - - - 0% for the Chairman	0% for the Chairman, 11.69% for key executives 22.15%/year for other employees	- - - - 0% for the Chairman

6.3.2.9. Provisions for liabilities and charges

(in € thousands)	November 30, 2023	November 30, 2022
Provision for bonus share awards [1]	6,646	6,852
Provision for tax liabilities	(86)	(86)
Provision for subsidiary liabilities [2]	8,179	8,179
Other provisions for liabilities and charges	739	410
PROVISIONS FOR LIABILITIES AND CHARGES	**15,651**	**15,527**

(1) Provision created up to the capital loss that the Company will incur on the delivery of bonus shares to employees.

(2) Provision of €5.05 million , in the amount of the net negative position of subsidiary Kaufman & Broad Bretagne, and of €2.05 million for Kaufman & Broad Financement.

(in € thousands)	November 30, 2022	Charges	Used reversals	Unused reversals	November 30, 2023
Provision for bonus shares awarded	6,852	3,441	3,647	-	6,646
Provision for tax liabilities	(86)	-	-	-	(86)
Provision for subsidiary liabilities	8,179	-	-	-	8,179
Other provisions for liabilities and charges	410	329	-	-	739
PROVISIONS FOR LIABILITIES AND CHARGES	**15,527**	**3,770**	**3,647**	**-**	**15,651**

6.3.2.10. Financial debt

(in € thousands)	November 30, 2023	November 30, 2022
Syndicated bank credit line	-	-
Bond issue	150,000	150,000
Credit facilities used	-	-
Interest accrued on borrowings	2,359	2,359
FINANCIAL DEBT	**152,359**	**152,359**

Kaufman & Broad SA has a syndicated banking credit line and a bond borrowing, the terms and conditions of which are described below.

Main utilizations of financial debt

(in € thousands)	Debt capacity	Utilization at November 30, 2023	Maturity	Rate [1]
Bond issue	150,000	150,000	50 million at maturity 2024	2.879% Fixed
			100 million at maturity 2025	3.204% Fixed
RCF[2]	250,000			E [3] +162.5 to 277.5 BPS
TOTAL	**400,000**	**150,000**		

(1) E = Euribor, which is, for a given maturity, the fixed average rate at which a panel of fifty major banks in Europe offer to make unsecured loans to other major banks, calculated every business day.

(2) Revolving credit facility.

(3) The aapplicable margin depends on the leverage ratio.

Bond issue

On 18 May 2017, Kaufman & Broad issued its first "Euro PP" bond, of €150 million, as part of a private placement made with institutional investors in Europe. This private placement comprised a €50 million seven-year tranche maturing in May 2024 at a fixed annual interest rate of 2.879% payable on May 31 of each year, and a €100 million eight-year tranche maturing in May 2025 at a fixed annual interest rate of 3.204% payable on May 31 of each year.

This transaction also allows the group to diversify its financing sources, benefit from favorable market conditions and significantly extend the average maturity of its debt.

Financial covenants in place

For each six-month accounting period from November 2018 until the bond is repaid, the group is required to observe two ratios, calculated on a consolidated basis, with levels defined as follows:

Ratios at the end of each six-month period	Threshold at November 30, 2023	Ratio at November 30, 2023
Leverage ratio (1)	≤ 3.0	N/A
Net Gearing ratio (2)	≤ 2.5	N/A

(1) i.e. net financial debt (a) divided by EBITDA (b), where:

(a) financial debt means the gross financial debt, less cash and cash equivalents and excluding certain subordinated debts and certain off-balance sheet commitments;

(b) EBITDA imeans the net income of the consolidated group before income tax and financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses); other extraordinary and/or non-recurring income and expenses, excluding estimated expenses (including any increases or decreases in amortization, depreciation and provisions, fair value adjustments, and income and expenses relating to the non-financial compensation of employees); and capital gains or losses from the sale of assets, less income from minority interests.

(2) i.e. net financial debt (a) divided by adjusted shareholders' equity (c):

(c) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2016, plus consolidated income aggregated from December 1, 2016 to the end of the relevant quarter, minus dividends paid for the relevant period, plus the aggregated impairment charge for the period from December 1, 2016 to the end of the relevant quarter.

Senior Facilities Agreement

On January 31, 2019, Kaufman & Broad SA signed a Syndicated Loan Agreement for €250 million with an initial maturity of five years. This loan replaced the existing senior credit facilities and RCF of €50 million and €100 million, respectively. This corporate credit line enables the company to extend its debt maturity and lower its cost of debt, while also giving it more leeway to use these resources in accordance with any needs and opportunities that may arise, over and above its available cash. The option to extend the agreement from the date originally provided in the contract signed in January 2019 by one year to January 31, 2025 was taken and was approved by the lenders in May 2020.

As a result, at November 30, 2023, the group had syndicated loans comprising a revolving credit facility (the "Revolving Credit Facility") with a principal amount of €250 million. No amount was outstanding under the facility at November 30, 2023.

Under the 2019 Senior Facilities Agreement, the margin applicable to each drawdown will be determined according to the leverage ratio applicable at each testing date and, depending on the group's observance of the Annual CSR Criteria, a positive or negative incentive mechanism will be applied to the margin applicable at the time.

Financial covenants in place

For each six-month accounting period from November 2018 until the bond is repaid, the group is required to observe two ratios, calculated on a consolidated basis, with levels defined as follows:

Ratios at end of each half-year period	Threshold at November 30, 2023	Ratio at November 30, 2023
Leverage ratio (1)	≤ 3.0	-1.59
Net Gearing ratio (2)	≤ 2.0	-0.51

(1) i.e. net financial debt (a) divided by EBITDA (b), where:

(a) financial debt means the gross financial debt, less cash and cash equivalents and excluding certain subordinated debts and certain off-balance sheet commitments;

(B) EBITDA means the net income of the consolidated group before income tax and financial income (including net financial expenses, foreign exchange gains and losses and other financial expenses); other extraordinary and/or non-recurring income and expenses, excluding estimated expenses (including any increases or decreases in amortization, depreciation and provisions, fair value adjustments, and income and expenses relating to the non-financial compensation of employees); and capital gains or losses from the sale of assets, less income from minority interests.

(2) i.e. net financial debt (a) divided by adjusted shareholders' equity (c):

(c) Adjusted shareholders' equity = consolidated shareholders' equity at November 30, 2017, plus consolidated income aggregated from December 1, 2017 to the end of the relevant quarter, minus dividends paid for the relevant period, plus the aggregated impairment charge for the period from December 1, 2017 to the end of the relevant quarter.

The 2019 Syndicated Loan Agreement stipulates that, in the event of a change of control of Kaufman & Broad SA, all commitments will automatically be canceled and any ongoing advances, as well as any interest accrued, any reinvestment costs, and any other amounts due under the terms set out in the financing documentation, will automatically become payable at the date of said change of control. Under the terms of the 2019 Syndicated Loan Agreement, a change of control refers to any event whereby one or more persons, acting alone or in concert, gain control of the Borrower, as defined by Article L. 233-3 of the French Commercial Code, if this event was not recommended by the Borrower's Board of Directors; note that the term "acting in concert" refers to the definition given in Article L. 233-10 of the French Commercial Code.

Repayment schedule

(in € thousands)	November 30, 2023	Less than one year	1 to 5 years repayment schedule	More than 5 years
Bond issue	150,000	50,000	100,000	-
Credit facilities used	-	-	-	
Accrued interest	2,359	2,359	-	-
GROSS FINANCIAL DEBT	**152,359**	**52,359**	**100,000**	**-**

6.3.2.11. Other liabilities

(in € thousands)	November 30, 2023	November 30, 2022
Value-added tax	1,599	5,378
Corporate income tax	18,014	-
Other taxes	14	85
Other miscellaneous payables	401	400
Current accounts [1]	18,447	14,429
OTHER LIABILITIES	**38,475**	**20,292**

(1) This amount comprises: €16.7 million relating to the current accounts of the member companies of consolidated VAT group (compared to €7.2 million at November 30, 2022), and €0.7 million in relation to cash advances granted by group companies (compared to €0.4 million at November 30, 2022).

(in € thousands)	November 30, 2023	Less than one year	1 to 5 years repayment schedule	More than 5 years
Value-added tax	1,599	1,599		
Corporate income tax	18,014	18,014		
Other taxes	14	14		
Other miscellaneous payables	401	401		
Current accounts	18,447	17,707	740	
OTHER LIABILITIES	**38,475**	**37,735**	**740**	**0**

6.3.2.12. Amounts due to or owed by related companies

(in € thousands)	November 30, 2023	November 30, 2022
Receivables from equity interests	147,985	202,101
Other receivables	74,622	72,424
Current accounts	-18,447	-14,430
RELATED COMPANIES – RECEIVABLES AND PAYABLES	**204,159**	**260,095**

6.3.2.13. Accrued expenses and income

(in € thousands)	November 30, 2023	November 30, 2022
Borrowings and financial debts	-2,359	-2,359
Accounts payable and related accounts	-1,742	-654
Tax and social security liabilities	-	-
TOTAL ACCRUED EXPENSES	**-4,101**	**-3,013**

The amount listed under accounts payable and related accounts corresponds primarily to fees not yet invoiced.

(in € thousands)	November 30, 2023	November 30, 2022
Other receivables [1]	7,963	8,253
TOTAL ACCRUED INCOME	**7,963**	**8,253**

(1) These are invoices to be issued relating to bonus share plans for employees of the Kaufman & Broad group.

6.3.2.14. Revenue

(in € thousands)	November 30, 2023	November 30, 2022
Provision of services	2,606	3,449
TOTAL	**2,606**	**3,449**

Revenue mainly corresponds to the re-invoicing of operating expenses relate mainly to the reinvoicing of operating costs incurred in 2021 by Kaufman & Broad SA on behalf of group companies or some of its shareholders, namely Artimus Participations, and to the reinvoicing to GIE Kaufman & Broad, an entity employing Kaufman & Broad group employees, of expenses related to the future delivery of bonus shares awarded during the year.

6.3.2.15. Other purchases and external charges

(in € thousands)	November 30, 2023	November 30, 2022
Legal fees and arrangement costs	-571	-296
Audit fees	-412	-316
Intra-groupservices	-784	-546
Other expenses	-1,531	-555
TOTAL	**-3,298**	**-1,713**

6.3.2.16. Profits allocated and losses incurred

This item records the income from program support companies, the net total of which was €48.8 million for the year ended November 30, 2023, compared with €44.9 million for the year ended November 30, 2022. This net figure includes shares of losses totaling €2.6 million for the year ended November 30, 2023, compared with €3.3 million for the year ended November 30, 2022.

6.3.2.17. Net financial income

(in € thousands)	November 30, 2023	November 30, 2022
Dividends received [1]	14,037	9,082
Net change in provisions [2]	-	-1,364
Financial income related to the early repayment of Senior B and C lines	-	-
Net interest expenses [3]	1,888	-243
TOTAL	**15,925**	**7,475**

(1) Dividends aand financial income consist of dividends received from Kaufman & Broad Europe, Kaufman & Broad Rénovation, SMCI Développement, Serge Mas Promotion and Residence Bernard Teillaud.

(2) In 2023, this amount included €0.3 million for the associated risks (SNC Saint-Cloud - Armengaud).

(3) The interest charge reflects interest incurred on borrowings and intra-group current accounts.

6.3.2.18. Non-recurring income (expenses)

(in € thousands)	November 30, 2023	November 30, 2022
Other net non recurring expenses [1]	-2,808	-2,318
TOTAL	**-2,808**	**-2,318**

(1) Non-recurring income (expenses) included the capital loss of €2 million on the treasury shares delivered under the March 2020 bonus share plan and offset by a provision reversal for the same amount (see note 6.3.2.3).

6.3.2.19. Off-balance sheet items

Interest rate hedging

Interest rate risk is hedged using instruments traded on organized markets or over the counter with high-quality counterparties.

Off-balance sheet commitments received

Unutilized syndicated credit lines

(in € thousands)	November 30, 2023	November 30, 2022
Unutilized RCF line [1]	250,000	250,000
TOTAL	**250,000**	**250,000**

(1) The revolving credit facility (RCF), providing up to €250 million for an initial five-year period ending in January 2024, was extended until the end of January 2025 during the period. The facility was set up in January 2019 to finance the group's general and working capital needs. The facility was utilized from January 2022 to enable the group to meet its immediate cash needs. The amount drawn was gradually repaid over the period to July 31, 2022.

Pledges and liens

Under a memorandum of understanding, Kaufman & Broad SA stood as guarantor for one of its partners. The guarantee was limited to €4 million excluding tax and until the provision of a first-demand bank guarantee, in keeping with the commitments made by two of its subsidiaries in said memorandum. In exchange, this partner's main shareholder stood as joint and several guarantor for its subsidiary's commitments with regard to joint ventures, for the same amount and until the provision of its own first-demand bank guarantee.

Off-balance sheet commitments given

Guarantees and bonds issued

(in € thousands)	November 30, 2023	November 30, 2022
Land holding guarantees and works guarantees	37,360	31,315
Guarantees granted (1)	21,941	43,601
Guarantee of repayment of the sale-before-completion price	-	-
TOTAL	**59,301**	**74,916**

(1) These are miscellaneous guarantees and bonds given by Kaufman & Broad SA, primarily a lease guarantee on head office rent payments and a €4 million bond under a memorandum of understanding with a partner.
Performance bonds are provided to customers as part of sale-before-completion contracts by Kaufman & Broad SA subsidiaries. Kaufman & Broad asks a financial institution, mutual guarantee institution or insurance company to issue a performance bond.
In consideration for these bonds, Kaufman & Broad typically gives the financial institutions or insurance companies a mortgage undertaking ("promesse hypothécaire") and a non-assignment of shares undertaking in relation to the companies running the programs, and a pledge of receivables accruing on the sale price.

6.3.3. Tax consolidation and future tax position

The Company opted for tax consolidation starting from the year ended November 30, 1990, in accordance with Article 223 of the French Tax Code, for a term of five years. The Company has renewed this option six times, making it valid until the end of 2025.

(in € thousands)	Pre-tax accounting income (loss)	Tax adjustments (1)	Income for tax purposes	Tax loss carry forward to be charged	Taxable income	Kaufman & Broad SA theoretical tax	Effect of tax consolidation income/ (expense)	Recognized tax income/ (expense)	Net income
Current	63,056	11,096	74,152	-	74,152	-18,314	14,606	-3,708	59,348
Non-current	-2,808	182	-2,626	-	-2,626	678	-	678	-2,130
TOTAL	**60,248**	**11,278**	**71,526**	**-**	**71,526**	**-17,636**	**14,606**	**-3,030**	**57,219**

(1) The tax adjustments include mainly the deduction of dividends received from subsidiaries and the restatement of 2023 revenues and income, whereby the amounts recognized in the financial statements on the percentage-of-completion basis are reversed and taxable income is calculated instead on the completed contract basis.

Due to the difference in the methods used to recognize profit for accounting purposes (the percentage-of-completion basis) and for tax purposes (the completed contract basis), a significant deferred tax position arises. As an indication, the total gross margin recognized on a percentage of completion basis, which is eliminated for the purpose of calculating the taxable income, was €97.2 million, representing a deferred tax of €25.1 million at November 30, 2023.

6.3.4. Related parties transactions

Under the license agreement signed with Kaufman & Broad Europe SAS, Kaufman & Broad SA benefits from a free license to use Kaufman & Broad's trademarks, logos and domain names in France. All other transactions with related parties are carried out under market conditions.

Dealings with related parties, including the compensation method for executives, remained comparable to 2022 and no transaction that was unusual in its type or amount occurred during the fiscal year.

6.3.5. Post-closing events

None

6.3.6. Consolidation

Kaufman & Broad SA iis the parent company in the scope of consolidation that consists of Kaufman & Broad SA and its subsidiaries.

6.3.7. Other

Kaufman & Broad SA has no employee.

The total compensation paid to directors and corporate officers for 2023 amounted to €1,726,986, of which €366,618 was paid to Non-Executive Directors.

Subsidiaries and equity affiliates

	Capital	Other shareholders' equity before allocation of profit or loss	% ownership	Gross book value of shares held	Net book value of shares held	Outstanding loans and advances granted by the Company	Sum of guarantees and endorsements given by the Company	Last published net revenue	Last published net income (loss)	Dividends received by the Company during the fiscal year
A - Detailed information on investments whose gross value exceeds 1% of the capital of Kaufman and Broad SA										
1. SUBSIDIARIES (AT LEAST 50% OF THE CAPITAL HELD BY THE COMPANY)										
Kaufman & Broad Europe SAS	221,440,548	-6,380,309	99.90 %	217,436,878	217,436,878	0	-0	12,988,450	15,923,592	
Kaufman & Broad Homes SAS	2,247,403	-872,078	100.00 %	10,450,195	10,450,195	0	3,825,850	24,633,242	-8,027,971	
Kaufman & Broad Développement SAS	152,449	-2,608,075	100.00 %	152,449	152,449	0	2,127,500	13,450,362	926,541	1,000,000
Kaufman & Broad Champagne	100,000	-887,157	100.00 %	100,000	100,000	0	-0	280,731	1,432,240	
SMCI Développement SAS	762,245	-80,320	100.00 %	762,245	762,245	0	-0	75,832	21,768	
Kaufman & Broad Rénovation SAS	160,000	-24,518	100.00 %	152,297	152,297	0	-0	128,679	2,599	
Kaufman & Broad Financement SNC	3,040,500	-1,032,750	99.96 %	4,307,708	2,236,234	0	-0	371,682	-5,550,608	
Kaufman & Broad Real Estate SAS	205,280	16,915,344	100.00 %	30,191,792	30,191,792	0	5,060,000	38,298,471	61,954,916	5,000,000
Kaufman & Broad Méditerranée SARL	100,000	30,293,000	100.00 %	100,000	100,000	0	1,508,116	5,013,797	-4,015,712	
Kaufman & Broad Savoie SARL	100,000	8,668,629	100.00 %	100,000	100,000	0	331,059	1,767,376	-2,642,189	
Kaufman & Broad Rhône Alpes SARL	1,300,000	28,458,067	100.00 %	1,300,000	1,300,000	0	1,210,500	3,139,825	-3,489,346	
Kaufman & Broad Pyrénées-Atlantiques SARL	100,000	14,276,839	100.00 %	100,000	100,000	0	44,500	394,284	-2,680,897	
Residences Bernard Teillaud SARL	840,000	-14,661,655	100.00 %	15,663,729	15,663,729	0	-0	104,342	587,939	
Kaufman & Broad Midi-Pyrénées SARL	2,858,910	2,461,339	100.00 %	36,404,834	36,404,834	0	17,999,900	5,332,979	-4,673,356	140,000
SARL Kaufman & Broad Languedoc-Roussillon	100,000	11,802,466	99.00 %	99,000	99,000	0	2,588,375	3,462,759	-1,633,801	
SARL Kaufman & Broad Gironde	100,000	10,179,330	99.00 %	1,387,900	1,387,900	0	320,186	3,459,116	-6,015,614	
Kaufman & Broad Bretagne	1,000,000	9,185,246	100.00 %	5,064,530	-	0	355,000	151,377	-4,474,524	
Kaufman & Broad Flandres	7,700	1,417,246	99.90 %	449,360	449,360	0	974,750	3,917,103	-1,726,800	
Kaufman & Broad Innovations	1,000	1,814,138	100.00 %	1,000	1,000	0	-0	385,488	11,228	
Kaufman & Broad Marketing and Sales	1,000	659,301	100.00 %	1,000	1,000	0	-0	24,096,061	-69,203	

	Capital	Other shareholders' equity before allocation of profit or loss	% ownership	Gross book value of shares held	Net book value of shares held	Outstanding loans and advances granted by the Company	Sum of guarantees and endorsements given by the Company	Last published net revenue	Last published net income (loss)	Dividends received by the Company during the fiscal year
Kaufman & Broad Poitou Charentes	100,000	3,873,669	100.00 %	100,000	100,000	0	207,214	392,200	-2,689,947	
Kaufman & Broad Pyrénées-Orientales	100,000	-298,110	100.00 %	100,000	100,000	0	136,000	2,215	-129,177	
Kaufman & Broad Est	100,000	7,652,545	100.00 %	100,000	100,000	0	703,005	5,716,373	4,490,425	
Kaufman et Broad Bourgogne-Franche-Comté	100,000	-349,760	100.00 %	100,000	100,000	0	162,972	1,364,989	-1,629,588	
Kaufman & Broad Investissement	100,000	734,430	100.00 %	100,000	100,000	0	-0	-0	-71,940	
Serge Mas Immo	1,000	-0	99.90 %	999	999	0	-0	7,047,177	325,578	
2. EQUITY AFFILIATES (10% TO 50% OWNED BY THE COMPANY)										
B - General information on other interests with a gross value less than 1% of Kaufman & Broad SA's capital										
1. Subsidiaries not included in section A										
SNC Kaufman & Broad Promotion 1	1,000	-0	99.00 %	990	990	0	0	91,620,452	9,576,421	
SNC Kaufman & Broad Promotion 2	1,000	-0	99.00 %	990	990	0	0	888,204	-475,155	
SNC Kaufman & Broad Promotion 3	1,000	-0	99.00 %	990	990	0	555,628	123,115,139	7,141,853	
SNC Kaufman & Broad Promotion 4	1,000	-0	99.00 %	990	990	0	0	46,355,594	6,437,382	
SNC Kaufman & Broad Promotion 5	1,000	0	99.00 %	990	990	0	0	66,711,657	7,200,493	
SNC Kaufman & Broad Promotion 6	1,000	0	99.00 %	990	990	0	2,718,241	104,201,577	9,259,734	
SNC Kaufman & Broad Promotion 7	1,000	0	99.00 %	990	990	0	0	22,388,001	2,379,439	
SNC Kaufman & Broad Promotion 8	1,000	0	99.00 %	990	990	0	158,000	117,570,967	9,064,423	
SNC Kaufman & Broad Promotion 9	1,000	0	99.00 %	990	990	0	0	-0	-434	
Other French subsidiaries (total)				163,085	5,015	0				

6.4. Report of the statutory Auditors on the parent company financial statements

Year ended November 30, 2023

To the Kaufman & Broad S.A Shareholders' Meeting,

Opinion

I

In compliance with the engagement entrusted to us by your Annual Shareholders' meeting, we have audited the accompanying financial statements of Kaufman & Broad S.A. for the Fiscal Year ended November 30, 2023.

In our opinion, the financial statements give a true and fair view of the results of operations for the year then ended and of the financial position and assets of the Company at the end of the year, in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in accordance with the independence rules set out in the French Commercial Code and the French Code of Ethics for Statutory Auditors for the period from December 1, 2022, to the date of our report, and in particular we did not provide any prohibited non audit services referred to in Article 5 (1) of Regulation (EU) no. 537/2014.

Justification of our assessments - Key audit matters

Pursuant to the provisions of Articles L. 823 - 9 and R. 823 - 7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of the audit of the financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual items of these financial statements.

Valuation of equity investments (Note 6.3.2.2 to the financial statements)

Risk identified	At November 30, 2023, the net value of equity investments amounted to € 317,605 thousand, representing more than 50% of total assets. They are recognized at acquisition cost. A provision for impairment is recorded when the carrying amount of investments in subsidiaries and affiliates is lower than their acquisition value. As indicated in Note 6.3.2.2. to the annual financial statements, the carrying amount is determined in relation to the value in use of equity investments based on the share of equity held in each company and the outlook for the subsidiaries concerned. The assessment of the value in use of equity investments, taking into account the earnings forecasts of the real estate programs developed by the subsidiaries, requires assumptions and estimates from management. The valuation of equity investments is therefore considered a key audit matter due to their importance in the annual financial statements and the estimated nature associated with their determination.
Our answer	We examined the method used to determine the value in use of subsidiaries and reviewed the related internal control procedures. For a representative sample of securities, we reconciled the equity used by management in its valuations with those appearing in the financial statements of the subsidiaries concerned, which were the subject of an audit or analytical procedures as part of our audit of the consolidated financial statements of the group. Regarding the outlook for the subsidiaries taken into account, our procedures mainly consisted in: • Analyzing the consistency of the data and budgetary assumptions used by management to assess the results of real estate transactions with known historical data and development prospects, and in relation to the economic and financial context in which the subsidiaries of your company operate, • Analyzing the business plan assumptions and, with valuation specialists included in the audit team, the discount rates used by management to value the intangible assets attached to the subsidiaries. We also assessed the appropriateness of the information provided in the notes to the financial statements with respect to these items.

Assessment of the share of profits and losses of subsidiaries of equity investments (Notes 6.3.2.6. The annual financial statements)

Risk identified	As of November 30, 2023, , the net amount of the share of profits and losses of subsidiaries recognized by your company for the year amounts to €48,837 thousand and is presented on the line 'Profits granted and losses incurred' in the income statement. This net amount includes share of losses amounting to €2,560 thousand. As indicated in note 6.3.2.6. In the notes to the financial statements, most of your company's subsidiaries have opted to recognize the revenue and margin of the property development programmes using the percentage of completion method in their financial statements. Revenue and margin are recognized in proportion to the technical and commercial progress of each program. The bylaws of these companies, mainly formed in the form of S.C.I. And S.N.C., provide for a clause to automatically report their income to their associates, the very year they are realized. We considered the measurement of the share of profits and losses of subsidiaries to be a key audit matter due to their significant importance in the annual financial statements and the judgment necessary to determine the estimates used to determine the value of the share of profits and losses of subsidiaries, which depend on the progress and forecast margin of the programs carried, in the context of uncertainties specified above and mentioned in Note 6.3.2.6. of the annual financial statements.
Our answer	We familiarized ourselves with the internal control procedures put in place to assess the share of profits and losses of subsidiaries. For a representative sample of subsidiaries formed in the form of S.C.I. and S.N.C., our work consisted mainly in examining: • That the bylaws of these entities effectively include a clause that automatically reports income to their partners in the year in which they are made; • That the results adopted by management are consistent with those appearing in the financial statements of the subsidiaries concerned, which have been analyzed for the progress and forecast margin of the main programs they carry; • That the share of ownership applied in the calculation corresponds to that indicated in the respective bylaws of association of the entities concerned. We also assessed the appropriateness of the information provided in the notes to the financial statements with respect to these items.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management report by the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information relating to the payment terms mentioned in Article D. 441-6 of the French Commercial Code.

We attest that the non financial performance statement provided for in Article L. 225 - 102 - 1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of Article L. 823 - 10 of this Code, the information contained in this statement has not been verified by us as to its fair presentation or consistency with the annual financial statements and must be the subject of a report by an independent third party.

Corporate governance report

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information provided pursuant to the provisions of Article L. 22-10-9 of the French Commercial Code relating to Compensations and benefits received or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information relating to items that your company has considered likely to have an impact in the event of a public tender or exchange offer, provided pursuant to the provisions of Article L. 22-10-11 of the French Commercial Code, we have verified their compliance with the source documents provided to us. Based on our work, we have no matters to report on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Presentation format of the annual financial statements for inclusion in the annual financial report

We have also verified, in accordance with the professional standard on the Statutory Auditor's procedures relating to the annual and consolidated financial statements presented in accordance with the single European electronic reporting format, compliance with this format defined by European Delegated Regulation No. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements for inclusion in the annual financial report respects, in all material respects, the single European electronic information format.

It is not our responsibility to verify that the annual financial statements that will actually be included by your company in the annual financial report filed with the FMA correspond to those on which we conducted our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Kaufman & Broad S.A. by your Annual General Meeting of May 6, 2021 for the firm KPMG Audit and July 3, 1991 for the firm ERNST & YOUNG Audit.

As of November 30, 2023, KPMG S.A. was in the third year of its uninterrupted engagement and ERNST & YOUNG Audit in the thirty third year (including twenty four years since the company's shares were admitted to trading on a regulated market).

Responsibilities of management and those charged with corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, as applicable, disclosing matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the efficacy of internal control and risk management systems, as well as, where applicable, internal auditing, with respect to the accounting and financial reporting procedures.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the annual financial statements

Audit objective and approach

Our responsibility is to prepare a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any significant anomalies. Anomalies may arise from fraud or error and are considered significant when, individually or in the aggregate, they can reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified in Article L. 823 - 10 - 1 of the French Commercial Code, our statutory audit does not include assurance on the viability or quality of the management of your Company.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit. In addition, the Statutory Auditors:

- it identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assess the appropriateness of management's use of the business continuity accounting convention and, based on the audit evidence obtained, whether a significant uncertainty exists related to events or circumstances that may cast significant doubt on the company's ability to continue trading. This assessment is based on the audit evidence obtained up to the date of their report. However, subsequent events or circumstances may cause the company to cease trading. If the statutory auditor concludes that a material uncertainty exists, the statutory auditor draws attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, issues a qualified opinion or a disclaimer of opinion;

evaluates the overall presentation of the financial statements and assesses whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the conclusions of our audit. We also bring to its attention, where applicable, any significant weaknesses in the internal control that we have identified, with respect to the procedures relating to the preparation and processing of accounting and financial information.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014 confirming our independence under the terms of the rules applicable in France, as stipulated in particular by Articles L. 822 - 10 to L.822 - 14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss the risks impacting our independence and the related safeguards applied with the Audit Committee.

Paris La Défense, March 25, 2024

The Statutory Auditors

KPMG S.A.
François Plat

ERNST & YOUNG Audit
Denis Thibon

6.5. Five-year financial summary

Type of information	2023	2022	2021	2020	2019	2018
1. Financial position at year-end						
a) Authorized capital	5,164,126	5,619,386	5,645,386	5,742,886	5,742,886	5,684,659
b) Number of shares issued	19,862,022	21,613,022	21,713,023	22,088,023	22,088,023	21,864,074
c) Number of convertible bonds						
2. Total income from operating activities						
a) revenues excluding VAT	2,605,059	3,448,625	2,692,036	1,839,625	3,304,344	2,842,553
b) Earnings before tax, depreciation, amortization and provisions	60,373,404	52,531,497	58,232,873	42,477,345	107,854,956	105,062,412
c) Tax on profits	3,029,504	-1,229,432	20,776,484	5,082,377	14,017,152	42,405,115
d) Earnings after tax, depreciation, amortization and provisions	**57,218,677**	53,368,072	35,690,796	40,913,230	91,362,351	57,170,733
e) Amount of distributed profits [(1)]	**47,668,853**	50,671,253	41,560,395	38,034,684	55,220,058	53,547,078
3. Earnings per share from operations						
a) Earnings after tax before depreciation, amortization and provisions	2.89	2.68	1.78	1.69	4.25	2.87
b) Earnings after tax, depreciation, amortization and provisions	2.88	2.66	1.69	1.85	4.14	2.61
c) Dividend per share [(1)]	2.40	2.40	1.95	1.85	1.75	2.50
4. Personnel						
a) Number of employees	-	-	-	-	-	-
b) Total payroll	-	-	-	-	-	-
c) Amount paid in respect of employee benefits	-	-	-	-	-	-

(1) The 2018 figures include €4,856,739 paid via the issue of 150,690 new shares. The 2023 figures are in keeping with the income allocation plan to be submitted at the next Shareholders' meeting.

6.6. Management report of the Board of Directors

1. Business and financial review of Kaufman & Broad SA

1.1. Business volumes

See section 6..3. Parent company financial statements at November 30, 2023 - section 6.3.2.1. «Significant events».

1.2. Situation

See section 6.3. Parent company financial statements at November 30, 2023 - section 6.3.2. «Analysis of the financial statements» et seq.

2. Business and situation of the Kaufman & Broad group

See Section 2. "Business and situation of the Kaufman & Broad group."

3. Information on risks

See Section 4.1. «Risk factors».

4. Other information

4.1. Summary of share purchases and sale transactions (L. 225-211 al. 2)

See section 7.2.3.2. «Summary of share purchases and sale transactions»

4.2. Stock option or stock warrant plans - bonus share awards

See section 3.3. «Incentive programs" et seq».

4.3. Directors' interests

See section 3.2. «Directors' interests».

4.4. Internal control and risk management and insurance system

See section 4.2. «Internal control and risk management system and Insurance».

4.5. Non financial performance statement: Kaufman & Broad's corporate social responsibility

See section 5.1. «Non financial performance statement: Kaufman & Broad's social, environmental and societal responsibility».

5. Ordinary resolutions to be proposed to the Shareholders' meeting on May 6, 2024

- See section 8.7. «Agenda and resolutions of the Ordinary and Extraordinary Combined Shareholders' Meeting of May 6, 2024» - from the first to the sixteenth resolution.

6. Extraordinary resolutions to be proposed to the Shareholders' meeting on May 6, 2024

See section 8.7. «Agenda and resolutions of the Ordinary and Extraordinary Combined Shareholders' Meeting of May 6, 2024» - from the seventeenth to the nineteenth resolution.

Appendices to the Board of Directors' report

Appendix 1 Summary table of securities transactions by corporate officers and related parties during the last fiscal year

See section 7.2.3.5. «Summary table of the securities transactions by corporate officers and related parties during the last fiscal year»

Subsidiaries and affiliates

See Section 6.3.« Parent company financial statements at November 30, 2023» – Notes to the parent company financial statements, Section 6.3.7 «Subsidiaries and equity affiliates»
See Section 6.1 - «Scope of consolidation, Section 6.1.5. 'Notes to the financial statements', Note 12 'List of consolidated companies»

Five-year financial summary

See section 6.5. «Five-year financial summary».

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7.1. General information concerning the Company

7.1.1. Company name and registered office

Company name: Kaufman & Broad SA

Registered office: 17, quai du Président Paul Doumer

CS 90001 - 92672 Courbevoie Cedex - France

Telephone: +33 (0) 1 41 43 43 43

7.1.2. Legal form and applicable legislation

The Company is a French "société anonyme" (joint stock company) governed by a Board of Directors and, in particular, by the provisions of Book II of the French Commercial Code.

7.1.3. Date of incorporation and term of the Company

The Company was created by private deed dated June 28, 1968 and registered in the Trade and Companies Register of Nanterre on October 29, 1968. The Company is incorporated for a term of 99 years, and will be dissolved on October 29, 2067, unless it is wound up earlier or its term is extended.

7.1.4. Corporate purpose

As defined in Article 3 of the bylaws, the corporate purpose of the Company is to perform the following, directly or indirectly, in France or abroad:

- to acquire any developed or undeveloped land, with or without structures requiring demolition, for the construction and sale, upon or before completion, of new buildings of any type (apartments, single-family homes, offices and commercial premises) as a package or in individual lots, to any individual or legal entity;
- to design and complete any project for subdivision into real estate lots or for groups of housing units, governed or not by condominium status, for urban development or any program to rehabilitate or renovate existing buildings;
- to prepare all documents, take all administrative steps and perform all formalities on its own behalf or on behalf of landowners, to obtain all administrative authorizations, sign all contracts of sale or, before contracts are signed, to analyze and prepare all construction and service contracts with any contractors, architects, design firms and project owners and, more generally, all technical, legal, financial, marketing and advertising programs, transactions and campaigns to promote the implementation and sale of real estate developments;
- to construct, on behalf of landowners, buildings of any kind, under real estate development contracts, Project Management contracts, Project Owner Assistance contracts or any other type of contract for the provision of services;
- to own, lease or manage any building, whether or not constructed by the Company, for the requirements of its business;
- to execute all industrial, commercial or financial transactions, in tradable securities or real estate, relating directly or indirectly to the corporate purpose or any similar or related purposes;
- to acquire equity interests for the Company in any existing or future businesses or companies, directly or indirectly relating to the corporate purpose or any similar or related purposes, particularly businesses or companies the purpose of which would assist in achieving the corporate purpose, and by any means, particularly by the creation of new companies, contributions of capital, mergers, alliances or acquisitions of ownership interests in any type of jointly owned company or intercompany partnership;
- to carry out any partnership or other transactions, with any companies, directly or indirectly relating to the corporate purpose or to any similar or related purpose, or likely to facilitate its growth or development, or make it more profitable;
- incidentally to acquire and sell, by any means and particularly by contribution, subscription, purchase, swap or otherwise, and to manage a portfolio of listed and/or unlisted securities, as well as shares in partnerships or private companies, and/or partnership interests, and rights in real estate or securities of any kind;
- to provide all services, studies, Corporate Services, access to resources, interpretations, technical or legal, expert assessments and consulting services arising therefrom;
- independently, and more generally, to provide administrative, economic, marketing and technical support to all private or public organizations, businesses, local authorities or to any individuals, in all areas;
- to carry out, in whatever form, any type of transaction directly or indirectly relating to the above-mentioned purposes, including forming partnerships with any individuals, legal entities and any organizations, to acquire an ownership interest in existing businesses and to create new businesses, merging companies, or representing any French or foreign corporations or companies;
- and generally, to carry out any scientific, technical, industrial, sales, financial, securities or real estate transactions directly or indirectly relating to the above-mentioned purposes or any similar or related purposes, or that are likely to facilitate their growth or development or make them more profitable.

7.1.5. Trade and Companies Register

The Company is identified under number 702 022 724 in the Trade and Companies Register of Nanterre (RCS).

7.1.6. Consultation of documents

All the legal documents relating to the Company that must be made available to shareholders by law, as well as all published documents of the Kaufman & Broad group referred to in this Universal Registration Document, may be consulted at the Company's registered office at: 17, quai du Président Paul Doumer in Courbevoie (92400), France or on the website www.kaufmanbroad.fr.

7.1.7. Fiscal year

The Company's fiscal year begins at December 1 of one year and ends at November 30 of the following year.

7.1.8. Distribution of profits

After approval of the financial statements and recognition of the existence of distributable income, at least five percent (5%) of net income is appropriated to the legal reserve up to a limit of one tenth of the Company's share capital.

The remaining income, less any prior-year losses and plus any retained earnings, constitutes distributable income.

The Ordinary Shareholders' Meeting may deduct from this distributable income any sums deemed appropriate to set, either to be taken to retained earnings for the next fiscal year, or to be recorded in one or more general or special reserve funds, for which it is responsible for determining the allocation or use.

Dividends must be distributed within nine (9) months of the end of the fiscal year, unless such period is extended by an order of the President of the Commercial Court.

Since the refinancing of the Senior Facilities Agreement signed on April 4, 2016, the Company is no longer obliged to comply with the ratio set in the financial covenants to be able to distribute dividends. The dividend distribution policy is presented in Section 7.5.1. «Distribution policy».

The distribution of dividends must take place within nine (9) months after the end of the financial year, unless this period is extended by authorization of the President of the Commercial Court.

Since the group's refinancing under the Senior Credit Agreement signed on April 4, 2016, the Company is no longer required to comply with the «Financial Covenants» ratio to be able to pay dividends. The Company's dividend policy is described in section 7.5.1. «Distribution policy».

7.1.9. General Meetings

Shareholders' decisions are made at Shareholders' Meetings. Ordinary Shareholders' Meetings cover all matters that do not require amendments to the bylaws (unless otherwise stipulated by law.

Extraordinary Shareholders' Meetings may be convened to amend the bylaws (unless otherwise stipulated by law).

Shareholders' Meetings are held at the registered office or in any other location indicated in the notice of meeting.

They are convened by the Board of Directors, in the manner and within the time limit set by law. All shareholders are entitled to attend Shareholders' Meetings, either in person or by proxy, provided that they submit proof of their identity and of ownership of at least one share, in the form and at the place specified in the notice of meeting. All shareholders are entitled to be represented at Shareholders' Meetings in the manner stipulated by law. Shareholders may also cast postal votes in the manner stipulated by law.

Shareholders who attend a meeting via video conference or other telecommunication technology that enables them to be identified, the type and use of which are defined by law, are deemed in attendance for the purpose of calculating a quorum and voting majorities. These provisions are contained in Article 18 of the Company's bylaws.

All shareholders may be represented by their spouse, their civil-pact (PACS) partner, by another shareholder or by any individual or legal entity of their choice, at all Shareholders' Meetings. Shareholders may also cast postal votes in the manner stipulated by law.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in the Chairman's absence, by the Deputy Chairman or, in the Deputy Chairman's absence, by a director designated by the Board. The two shareholders in attendance holding the largest number of votes in their own names and/or as proxies shall, if they agree, act as the tellers. The officers appoint the meeting secretary, who does not have to be a shareholder.

7.1.10. Double voting rights

The voting rights attached to shares are, in principle, proportional to the share capital they represent. However, the Company's Extraordinary Shareholders' Meeting of January 21, 2000 attributed voting rights which are double those attributed to other shares - on the basis of the proportion of the share capital which they represent - to all fully paid-up shares registered in the name of the same shareholder for at least two years, and to any new shares resulting from those shares. Bonus shares resulting from a capital increase by incorporation of reserves, earnings or premiums will benefit from double voting rights when they are issued, provided they are attributed on the basis of shares that already enjoy this right. Double voting rights cease for all shares that have been converted to bearer shares or have been transferred, except for all transfers from one registered owner to another registered owner as part of an inheritance or a family settlement.

A decision to strip shares of double voting rights may be made by an Extraordinary Shareholders' Meeting, but only if authorized by a Special Meeting of the holders of such rights.

7.1.11. Disclosure thresholds

Pursuant to Article 7 of the bylaws, any individual or legal entity, acting alone or in concert with others, who directly or indirectly acquires, through one or more legal entities that such individual or legal entity controls as defined by Article L. 233-3 of the French Commercial Code, a number of shares representing a proportion of the authorized capital or the voting rights equal to or exceeding 2% (or any multiple thereof, including above the disclosure thresholds set forth by law or regulation) must, by registered mail with acknowledgment of receipt within five trading days of the date when such threshold was crossed, notify the Company of the total number of shares and voting rights such individual or legal entity holds, including any securities attached thereto which give future access to the capital and voting rights.

Furthermore, according to Article L. 233-7 of the French Commercial Code, any individual or legal entity, acting alone or in concert with others, who acquires, directly or indirectly, a number of shares representing more than one twentieth, one tenth, three twentieths, one fifth, one quarter, two-tenth, one third, a half, two thirds, eighteen twentieths or nineteen twentieths of the Company's capital and/or voting rights, must, by registered mail with acknowledgment of receipt at the latest before the close of trading on the fourth trading day following the day when such threshold was crossed, notify the Company, in particular, of the number of shares and voting rights which he/it holds.

The methods for calculating the disclosure thresholds, as well as the content of the disclosures to be made to the Company and to the AMF, are defined in the applicable laws and regulations.

The duty to inform the Company applies equally when the percentage of the authorized capital or voting rights held by a shareholder falls below the aforementioned thresholds.

In the event of failure to make the required disclosure, the shares in excess of the relevant threshold will automatically be stripped of the right to vote at all Shareholders' Meetings until the end of a two-year period following the date on which the owner has remedied the situation. The legal penalties applicable in the event of failure to disclose the crossing of statutory thresholds also apply in the event of failure to disclose the crossing of thresholds stipulated in the bylaws, provided that one or more shareholders holding at least 5% of the capital or voting rights have requested this, and that said request has been entered in the minutes of the Shareholders' Meeting.

Disclosure of changes in ownership percentages is set forth in Section 7.3.1. "«Shareholding structure of the Company at November 30, 2023 and three-year change», paragraph «threshold-crossing».

7.2. General information concerning the capital

7.2.1. Provisions of the bylaws governing changes in share capital and the rights attached to shares

Since the bylaws do not contain any specific provisions relating thereto, any change in the capital or the rights attached to shares is subject to legal provisions.

7.2.2. Rights, privileges and restrictions attached to shares

At November 30, 2023, the Company's authorized capital was composed of 19,862,022 shares all carrying the same rights (see Section 7.1.8. "Appropriation of income"), subject to the existence of double voting rights (see Section 7.1.10. "Double voting rights"). Only the shares held by Kaufman & Broad itself shall, during the period that it holds them, be stripped of their voting and dividend rights, and of the rights to a share in any winding-up bonus.

Under the authority granted at the Shareholders' Meeting held on May 4, 2023, in respect of its 11th and 12th resolution, the Company entered into a share buyback agreement on September 5, 2023 concerning a block of Company shares held by Artimus Participations. This acquisition agreement for a block of 1,251,000 shares in the Company held by Artimus Participations was carried out at a price of €25.92 per share, representing a 2.0% discount to the closing price on the transaction date, i.e. on September 5, 2023, representing a total investment of €32.4 million. Following the transaction, the repurchased shares were cancelled, bringing the number of shares comprising the company's share capital to 19,862,022 shares for a share capital of €5,164,125.72.

The voting rights attached to shares are, in principle, proportional to the share capital they represent. However, the Company's Extraordinary Shareholders' Meeting of January 21, 2000 attributed voting rights which are double those attributed to other shares – on the basis of the proportion of the share capital which they represent – to all fully paid-up shares registered in the name of the same shareholder for at least two years, and to any new shares resulting from those shares. Bonus shares resulting from a capital increase by incorporation of reserves, earnings or premiums will benefit from double voting rights when they are issued, provided they are attributed on the basis of shares that already enjoy this right. Double voting rights cease for all shares that have been converted to bearer shares or have been transferred, except for all transfers from one registered owner to another registered owner as part of an inheritance or a family settlement.

A decision to strip shares of double voting rights may be made by an Extraordinary Shareholders' Meeting, but only if authorized by a Special Meeting of the holders of such rights.

7.2.3. Acquisition by the company of its own shares

The sixth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 9, 2001 authorized the Company to implement a share buyback program, up to a maximum 10% of the number of shares comprising the Company's capital. The authority granted to the Board of Directors for the Company to buy back its own shares was renewed by the Shareholders' Meeting of May 5, 2022 in its thirteenth resolution for a period of eighteen months. The authority was granted to the Board of Directors during this Shareholders' Meeting by the fourteenth resolution to proceed with the cancellation of the shares held by the Company following the buyback of its own shares, and to do so over a period of twenty-six months.

7.2.3.1. Buyback program authorized by the Shareholders' Meeting of May 4, 2023

The eleventh resolution submitted and approved by the Combined Shareholders' Meeting of May 4, 2023 authorized the Board of Directors, for a period of eighteen months, to purchase the Company's own shares. The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, and after a reading of the report of the Board of Directors, authorizes the Board of Directors, with the option to delegate in the manner provided for by law, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code to have the Company purchase its own shares.

This authorization may be used to:

stimulate the market or the liquidity of the Company's shares through an investment service provider under a liquidity agreement that complies with the market practice permitted by the AMF (French Financial Markets Authority) on July 1, 2021;

- acquire shares to be held and subsequently delivered in payment or exchanged as part of corporate acquisition transactions;
- award or transfer stock to employees and/or corporate officers (on the terms and in the manner provided for by law) in particular as part of a stock option plan, a bonus share award plan or a company savings plan;
- award stock by the delivery of shares when exercising the rights attached to securities giving the right via redemption, conversion, exchange or presentation of a warrant, or in any other way, to an allocation of the Company's stock;
- potentially cancel the shares acquired, subject to adoption of the nineteenth extraordinary resolution appearing on the agenda for today's Shareholders' Meeting;
- more generally, execute any transaction allowed or that may in the future be allowed by then current rules and regulations, particularly if it is part of a market practice that may be accepted by the French Financial Markets Authority (AMF).

The purchases, disposals or transfers described above may be executed by any method compatible with the applicable law or regulations, including by using derivative financial instruments or block trades. The part of the program transacted as a block may extend to the entire share buyback program.

The Board of Directors may not, except with the prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer aimed at the Company's shares until the end of the offer period.

The Shareholders' Meeting sets the maximum number of shares that may be acquired under this resolution at 10% of share capital, adjusted for transactions made after this meeting that may affect the capital, it being specified that (i) under this authorization, the number of treasury shares must be taken into consideration so that the Company remains consistently within the limit of the number of treasury shares owned, equal to a maximum of 10% of the share capital; and (ii) the number of treasury shares to be used as payment or in exchange as part of a merger, demerger or contribution, may not exceed 5% of the capital.

The Shareholders' Meeting resolves that the total amount for such acquisitions may not exceed €105,565,110 and resolves that the maximum purchase price may not exceed €50 per share.

In the event of a capital increase through capitalization of premiums, reserves, profits or in the form of an award of bonus shares during the period of validity of this authority, or in the event of a stock split or reverse stock split, the Shareholders' Meeting delegates to the Board of Directors the authority to adjust, if necessary, the maximum purchase price per share referred to above to take into account the impact of such transactions on the value of the stock.

The Shareholders' Meeting grants full authority to the Board of Directors, with the option to delegate this authority under the terms provided for by law, to:

- resolve to implement this authority;
- set the terms and conditions the observance of which ensure, if necessary, the preservation of the rights of bearers of securities convertible into share capital, stock warrants or stock options, or rights to allocation of performance shares, in compliance with legal, regulatory or contractual provisions;
- place any stock market order and enter into any agreement specifically in order to keep the records of buy and sell transactions in compliance with applicable regulations;
- file all required disclosures and comply with all formal, legal and other requirements and, in general, take all necessary measures.

The Board of Directors will inform the shareholders attending the Annual Ordinary Shareholders' Meeting about all the transactions executed in application of this resolution.

This authority is granted for a period of 18 months from the date of this Shareholders' Meeting.

It replaces the authority previously granted by the Shareholders' Meeting of May 5, 2022 in its thirteenth resolution.

Liquidity agreement

Since October 22, 2018, for a period of one year renewing automatically, Kaufman & Broad has entrusted financial institution Rothschild Martin Maurel with implementing a Liquidity Agreement in accordance with current laws and regulations. To this end, the following resources were allocated to the liquidity account: €283,138.17 and 32,765 Kaufman & Broad SA shares.

At November 30, 2023, the following resources were reported in the liquidity account: 2,400 shares and €1,385,912.66 not invested in shares.

7.2.3.2. Summary of share purchase and sale transactions

Implementation of the Liquidity Agreement resulted in the following transaction volumes and prices during the 2023 fiscal year:

Number of shares purchased:	148,571 shares
Average purchase price:	€26.45
Number of shares sold:	152,171 shares
Average selling price:	€26.44
Total trading costs:	**€48,357**

At November 30, 2023, the group held 484,719 treasury shares (representing 2.44% of the Company's share capital). This comprised 251,547 shares (representing 1.27% of the Company's share capital) intended to cover the bonus share awards of February 2021, February 2022 and February 2023 authorized by the Shareholders' Meetings of May 5, 2020, May 6, 2021 and May 5, 2022, 140,000 shares (representing 0.70% of the Company's share capital) reserved for the award of bonus shares of February 2024, as well as 90,772 shares (representing 0.46% of the Company's share capital) held to ensure that the other objectives of the share buyback plan are met (as defined in the buyback program authorized by the Shareholders' Meeting) and 2,400 shares held under the liquidity agreement (representing less than 0.01% of the Company's share capital).

On October 10, 2018, Kaufman & Broad tasked Rothschild Martin Maurel with helping it ensure it has the means to fulfill some of the objectives of its share buyback program, as authorized by the Shareholders' Meeting of May 2, 2019. In respect of the implementation of the share buyback program, the Company gave Rothschild Martin Maurel an irrevocable mandate as an independent financial services provider to buy back the Company's own shares up to a limit of €8,000,000 (eight million euros) between October 11, 2018 and February 15, 2019. Under that mandate, the buyback price cannot exceed the maximum buyback price set by the Combined Shareholders' Meeting of May 3, 2018. On December 18, 2018, Kaufman & Broad decided to raise that ceiling from €8,000,000 to €10,000,000. On February 8, 2019, the mandate was extended until July 20, 2019. On July 19, 2019, the mandate was extended again until October 31, 2019 for buybacks up to the amount of €10,000,000 set by the Combined Shareholders' Meeting of May 2, 2019. On October 31, 2019, Kaufman & Broad resolved to renew the term of the mandate until February 28, 2020 for buybacks up to the amount of €10,000,000, within the limits set by the Shareholders' Meeting of May 2, 2019. On February 24, 2020, the Company resolved to extend the mandate granted to Rothschild Martin Maurel until July 31, 2020 for buybacks up to the amount authorized by the Shareholders' Meeting of May 2, 2019.

On March 10, 2020, Kaufman & Broad SA resolved to reduce to €2,000,000 the total amount to be purchased under the mandate granted to Rothschild Martin Maurel. On March 24, 2020, Kaufman & Broad SA resolved to allot a further €5,000,000 to the amount of the buyback program arranged with Rothschild Martin Maurel.

Lastly, in line with Kaufman & Broad SA's announcement of the implementation of its share buyback program under the conditions set out in the eleventh resolution of the Shareholders' Meeting of May 4, 2023, Kaufman & Broad SA on July 13, 2023 renewed the non-cancellable mandate with an independent investment services provider for the repurchase of the company's shares up to a maximum of 7.71% of the Company's share capital, for a 12-month period, depending on market conditions.

7.2.3.3. Summary of bonus share grants

Pursuant to the authorizations of its Shareholders' Meetings of May 5, 2020, May 6, 2021 and May 5, 2022, Kaufman & Broad SA decided to introduce bonus share plans for certain executives of Kaufman & Broad SA and its affiliates, notably to give them the opportunity to share in the Company's growth.

Title to the shares allocated under the various share plans detailed below is transferred at the end of the vesting period, i.e., after a period of two years from the date of award by the Board of Directors for the plans of February 26, 2021 (1st Plan), February 25, 2022 (1st Plan) and February 24, 2023 (1st Plan), and after three years from the date of award by the Board of Directors for the plans of February 26, 2021 (2nd Plan), February 25, 2022 (2nd Plan) and February 24, 2023 (2nd Plan).

In addition, the beneficiaries of these plans may not transfer the title to vested shares, by any means whatsoever, prior to the end of the lock-in period under the plans, which is either one year or two years.

During the first half of the year, the Board of Directors decided to introduce a new bonus share plan on February 24, 2023, under the authority granted by the Shareholders' Meeting of May 5, 2022.

The main features of the group's plans in effect at November 30, 2023 are presented in the table below:

Bonus shares	February 26, 2021, Plan 2	February 25, 2022, Plan 1	February 25, 2022, Plan 2	24 February 2023 1 Plan	24 February 2023 2 Plan
Date authorized by the Extraordinary Shareholders' Meeting	05/05/2020	06/05/2021	06/05/2021	05/05/2022	05/05/2022
Number of bonus shares that may be awarded	146,351	250,000	119,947	250,000	111,978
Date of the Board of Directors' meeting awarding the shares	26/02/2021	25/02/2022	25/02/2022	24/02/2023	24/02/2023
Total number of shares awarded	10,000	137,053	10,000	138,022	10,000
Number of beneficiaries	1	814	1	823	1
Date of transfer of ownership of bonus shares	26/02/2024	25/02/2024	25/02/2025	24/02/2025	24/02/2026
Date of sale of bonus shares	26/02/2025	25/02/2026	25/02/2026	25/02/2027	27/02/2027
Lapsed shares	3,500	33,405	0	16,623	0
Shares outstanding	6,500(1)	103,648	10,000	121,399	10,000

(1) At its meeting on 29 January 2024, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, decided to award to Nordine Hachemi, in respect of his long-term compensation in the form of performance shares (period 2021-2023) a total of 6,500 shares.

7.2.3.4. Special reports on the stock options, stock warrants, and bonus shares presented to the Shareholders' Meeting of May 6, 2024

7.2.3.4.1. Stock subscription and purchase options (L. 225-184 par. 1) awarded to employees and corporate officers

None.

7.2.3.4.2. Bonus shares awarded during the fiscal year ended November 30, 2023 to Kaufman & Broad SA's corporate officers by Kaufman & Broad SA and by the companies that are related to it in the manner set forth in Article L. 225-197-2

Table 6 AMF Definitions

Bonus shares awarded during the fiscal year to each corporate officer by the issuer and by all group companies (listed by name)	No. and date of plan	Number of shares awarded during the fiscal year (a)	Share price on award date	Valuation of the shares under the method used for the consolidated financial statements	Date of vesting	Date available
Nordine Hachemi						
O/w 2022 Plan (1st Plan) (a)	24/02/2023	15,000	28.95	337,814	24/02/2025	25/02/2027
O/w 2022 Plan (2nd Plan) (b)	24/02/2023	10,000	28.95	168,581	24/02/2026	25/02/2027

(a) At its meeting of February 24, 2023, the Board of Directors awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, on condition that he is still in office when they are fully vested in 2025. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

- *Fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;*
- *Fulfillment of qualitative criteria reflecting team management and the quality of the working atmosphere in the Company, the continued implementation of CSR policy and sound risk management. At its meeting of January 29, 2024, the Board of Directors made a final award, subject to the condition of presence in 2025, of 15,000 performance shares of the 15,000 performance shares initially awarded to Nordine Hachemi in respect of his deferred variable compensation for overall performance in fiscal year 2023.*

(b) At its meeting of February 24, 2023, the Board of Directors renewed a long-term compensation scheme for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. In addition, the Board decided that these shares were to be subject to long-term performance conditions assessed over the period 2023-2025 (CSR performance – Quality of Property and Service – level of employee shareholding – total shareholder return (TSR))

7.2.3.4.3. Bonus shares awarded during the fiscal year to the corporate officers by companies considered to be controlled within the meaning of Article L. 233-16, for offices or positions that they held in such companies

None.

7.2.3.4.4. Bonus shares awarded, during the fiscal year ended November 30, 2023, by the Company or by companies or groups associated with it in the manner provided for in Article L. 225-197-2 to each of the ten employees of the Company, other than corporate officers, who were awarded the highest number of shares

Company employees	Number	Price at date of award	Date of share award	Company awarding the shares
SShares awarded during the fiscal year to the ten group employees holding the highest number of shares thus awarded [(a)]	20,200	28.95	24/02/2023	Kaufman & Broad SA

(a) 20,300 shares under the 1st 2023 Plan, subject to compliance with a series of quantitative and qualitative performance criteria with an impact on the group's business activities over the short term (budget year).

Title to the shares thus awarded will be transferred at the end of the vesting period, i.e. after a period of two years from the award date as defined by the rules established for the award. The opening price for the shares on the award date was €28.95 on February 24, 2023.

7.2.3.4.5. Bonus shares awarded during the fiscal year ended November 30, 2023 by the Company and by the companies or groups associated with it in the manner provided for in Article L. 225-197-2, to all eligible employees by category of beneficiary

Category	Number of beneficiaries	Number of shares granted
Executive corporate officers (a)	1	15,000
Member of the Management Committee	12	24300
Directors of profit centers or of a support department	3-4	21120
Department heads	82	22700
Other employees	694	54902
TOTAL [(B)]	**823**	**138022**

(a) At its meeting of February 24, 2023, the Board of Directors awarded 15,000 performance shares to the Chairman - Chief Executive Officer for 2023, on condition that he is still in office when they are fully vested in 2025. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

- *fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;*
- *fulfillment of qualitative criteria reflecting team management and the quality of the working atmosphere in the Company, continued implementation of CSR and efficient risk management.*

At its meeting of January 29, 2024, the Board of Directors made a final award of 15,000 performance shares, corresponding to an overall performance score of 100%.

(b) The definitive awarding of these shares was subject to performance conditions in respect of the 2023 fiscal year. Of the 81,400 shares allocated on February 24, 2023, 74,100 were definitively awarded based on the performance achieved.

Title to the shares thus awarded will be transferred at the end of the vesting period, i.e. after a period of two years from the award date as defined by the rules established for the award. The opening price for the shares on the award date was €28.95 on February 24, 2023.

7.2.3.5. Summary table of securities transactions by corporate officers and related parties during the last fiscal year

None.

7.2.3.6. Summary table of securities transactions by corporate officers and related parties after the end of the 2023 fiscal year

None.

7.2.4. Share capital

The Company's authorized capital at November 30, 2023, was €5,164,125.72 consisting of 19,862,022 ordinary shares, each with a par value of €0.26, all subscribed and fully paid up. In 2023, the company carried out two reductions in its share capital by cancelling treasury shares. These transactions are described in section 7.2.8. «Table of changes in share capital' of this document».

7.2.5. Capital authorized but not issued

The summary of the authorizations granted by the Extraordinary Shareholders' meeting to the Board of Directors to increase the Company's authorized capital by issuing shares or securities giving rights to said capital appears in Chapter 9 «Appendix», Section 9.4. "Summary table of currently valid authorizations concerning capital increases"

7.2.6. Non-equity securities

The Board of Directors has the authority, granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 4, 2023, to issue securities giving rights to an allocation of debt instruments for a period of 26 months, up to a maximum limit of 10% of share capital. This authorization has not been used to date.

7.2.7. Other securities giving arights to capital

The Company has introduced different bonus share and stock option plans (see in particular Sections 3.3.3. «Stock option or stock warrant plans – Awards of bonus shares – Awards of stock warrants» and 7.2.3.3. «Summary of bonus share grants» and Section 9.4. «Summary table of currently valid authorizations concerning capital increases»).

7.2.8. Table of changes in share capital

Transactions	Number of shares issued	Total change in capital	Premium per share	Total issue premium	Successive capital amounts	Total number of shares	Par value
November 30, 1997	**-**	**-**	**-**	**F 29,992,949**	**F 19,414,200**	**194,142**	**F 100**
January 21, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
30-for-1 stock split	5,630,118	-	-	F 29,992,949	F 19,414,200	5,824,260	F 3.3333
January 21, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Conversion of capital into euros [(a)]	-	€10,696.89	-	€4,572,395.60	€2,970,372.60	5,824,260	€0.51
February 7, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase in cash by public offering	5,130,000	€2,616,300	€22.49	€119,946,095.60	€5,586,672.60	10,954,260	€0.51
February 7, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase in favor of company savings plan (FCPE) Kaufman & Broad Actionnariat [(d)]	18,937	€9,657.87	€21.34	€120,350,211.18	€5,596,330.47	10,973,197	€0.51
February 10, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Distribution of issue premium [(b)]	-	-	-	€34,669,383.34	-	10,973,197	€0.51
March 8, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Greenshoe [(c)]	165,390	€84,348.90	€22.49	€38,389,004.44	€5,680,679.37	11,138,587	€0.51
March 8, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Allocation of issue costs	-	-	-	€35,729,089.28	-	11,138,587	€0.51
April 19, 2006	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase by withdrawal from retained earnings	-	€111,385.87	-	€35,729,089.28	€5,792,065.24	11,138,587	€0.52
2-for-1 stock split	11,138,587	-	-	€35,729,089.28	€5,792,065.24	22,277,174	€0.26
December 3, 2007	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Distribution of reserves	-	-	-	€975,128.67	€5,792,065.24	22,277,174	€0.26
July 8, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital reduction	-692,516	- €180,054.16	-	€975,128.67	€5,612,011.08	21,584,658	€0.26
February 10, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital reduction	-747,619	- €194,380.94	-	€975,128.67	€5,417,630.14	20,837,039	€0.26
May 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase	947,136	€246,255.36	€29.87	€29,266,080.99	€5,663,885.50	21,784,175	€0.26
Capital reduction	-947,136	- €246,255.36		€29,266,080.99	€5,417,630.14	20,837,039	€0.26
November 30, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase in favor of the Company savings plan (FCPE) KB Actions 2017 [(d)]	236,496	€61,488.96	€30.85	€36,561,982.59	€5,479,119.10	21,073,535	€0.26

Transactions	Number of shares issued	Total change in capital	Premium per share	Total issue premium	Successive capital amounts	Total number of shares	Par value
May 31, 2018							
2017 capital increase dividend payout	790,539	€205,540.14	€37.60	€66,080,708.85	€5,684,659.24	21,864,074	€0.26
May 6, 2019							
Capital reduction	-210,732	- €54,790.32	€34.10	€58,895,185.72	€5,629,868.92	21,653,342	€0.26
June 14, 2019							
2018 capital increase dividend payout	150,690	€39,179.40	€31.97	€63,712,745.02	€5,669,048.32	21,804,032	€0.26
November 30, 2019							
Capital increase in favor of the Company savings plan (FCPE) KB Actions 2019 (d)	283,991	€73,837.66	€27.32	€71,471,379.14	€5,742,885.98	22,088,023	€0.26
February 5, 2021							
Capital reduction	-375,000	- €97,500.00	33.01	€59,093,757.56	€5,645,385.98	21,713,023	€0.26
November 30, 2021			**-**	**€59,093,757.56**	**€5,645,385.98**	**21,713,023**	**€0.26**
February 1, 2022							
Capital reduction	- 400,000	-€104,000.00	-€35.25	€44,995,223.35	€5,541,385.98	21,313,023	€0.26
Capital increase in favor of FCPE KB Actions 2022 (d)	299,999	€77,999.74	€18.99	€50,691,604.36	€5,619,385.72	21,613,022	€0.26
November 30, 2022			**-**	**€50,691,604.36**	**€5,619,385.72**	**21,613,022**	**€0.26**
January 31, 2023							
Capital reduction	-500,000	-€130,000.00	-€29.34	€36,023,309.50	€5,489,385.72	21,113,022	€0.26
January 31, 2023				**€36,023,309.50**	**€5,489,385.72**	**21,113,022**	**€0.26**
Capital reduction	-1,251,000	-€325,260.00	-€25.92	€3,597,389.50	€5,164,125.72	19,862,022	€0.26
November 30, 2023				**€3,597,389.50**	**€5,164,125.72**	**19,862,022**	**€0.26**

(a) Conversion oof the par value of the share capital into euros and rounding up the total amount by a capital increase with capitalization of reserves of €10,696.89.

(b) Pursuant to the sixth and eighth resolutions of the Shareholders' meeting of January 21, 2000, the sum of €85,680,827.84 was granted solely to shareholders of the Company at the date of the Shareholders' meeting of January 21, 2000, in proportion to the amount of their equity interests at this date.

(c) Since the offering for individual and institutional investors was oversubscribed, the capital increase of February 7, 2000 was supplemented by a further increase resulting from exercise of the greenshoe option.

(d) See section 3.3.2. «Group savings plan».

In 2023, the Company's share capital was impacted by the cancellation of 500,000 treasury shares on January 31, 2023, bringing the number of shares from 21,613,022 to 21,113,022, representing a share capital of €5,489,385.72. In addition, on September 5, 2023, as part of its share buyback program, the company entered into an acquisition agreement for a block of shares of the Company held by Artimus Participations. This acquisition agreement for a block of 1,251,000 shares in the Company held by Artimus Participations. Following the transaction, the repurchased shares were cancelled, bringing the number of shares comprising the company's share capital to 19,862,022 shares for a share capital of €5,164,125.72

7.3. Current distribution of capital and voting rights

7.3.1. The company's shareholding structure at November 30, 2023 and changes over three years

The shareholding structure of our Company at November 30, 2023 was as follows:

Shareholders at November 30, 2023	Number of shares	Percentage of share capital	Percentage exercisable at Shareholder's Meeting	Percentage of theoretical voting rights
Shareholders				
Public [(a)]	10,624,454	53.49%	42.14%	41.36%
Rolloy family (Promogim)	4,588,428	23.10%	29.67%	29.12%
Artimus Participations [(b)]	1,073,423	5.40%	8.36%	8.21%
Prédica/Spirica	1,766,629	8.89%	13.76%	13.51%
Employees [(c)]	1,324,369	6.67%	6.06%	5.95%
Kaufman & Broad SA	484,719	2.44%	0.00%	1.85%
TOTAL	**19,862,022**	**100.00 %**	**100.00 %**	**100.00 %**

(a) Thares owned by Directors are included in "Public" shareholders at November 30, 2023.

(b) A company owned by certain group executives and employees and chaired by Mr. Nordine Hachemi, Chairman and CEO of Kaufman & Broad SA (who held more than 27% of the share capital and voting rights of Artimus Participations).

(c) Includes the shares held in the FCPE funds Kaufman & Broad Actionnariat and KB Actions plans, as well as individually held shares, recorded in the share register by employees of Kaufman & Broad employed by the company to date.

At the closing date, the number of shares held by employees, as defined in Article L. 225-102 of the French Commercial Code, represented 4.80% of the Company's authorized capital

The total number of shares known to have double voting rights at November 30, 2023 was 6,294,479, representing 14,320,171 votes exercisable at the Shareholders' Meeting (including double votes). Accordingly, the total number of the Company's theoretical voting rights totaled 26,156,501 on the same date, and the total number of voting rights exercisable at Shareholders' Meetings amounted to 25,671,782 (with the difference corresponding to the number of treasury shares held by the Company, which are stripped of voting rights).

There are 1,127 holders of registered shares, individuals and legal entities combined

At November 30, 2023, the number of shares held by members of the Board of Directors totaled 123,355 shares representing 207,415 votes.

To the Company's knowledge, no shareholder holds more than 5% of the share capital and voting rights with the exception of the funds managed by Prédica, Artimus Participations, the Rolloy family and funds managed by Henderson Global Investors Limited.

Shareholders on February 29, 2024	Number of shares	Percentage of share capital	Percentage exercisable at Shareholder's Meeting	Percentage of theoretical voting rights
Shareholders				
Public [(a)]	10,676,069	53.75%	42.18%	41.55%
Rolloy family (Promogim)	4,588,428	23.10%	29.54%	29.10%
Artimus Participations [(b)]	1,041,050	5.24%	8.07%	7.95%
Prédica/Spirica	1,766,629	8.89%	13.70%	13.50%
Employees [(c)]	1,400,349	7.05%	6.51%	6.41%
Kaufman & Broad SA	389,497	1.96%	0.00%	1.49%
TOTAL	**19,862,022**	**100.00%**	**100.00%**	**100.00%**

(a) Shares owned by Directors are included in "Public" shareholders at February 29, 2024.

(b) A company owned by certain group executives and employees and chaired by Mr. Nordine Hachemi, Chairman and CEO of Kaufman & Broad SA (who held more than 27% of the share capital and voting rights of Artimus Participations SAS).

(c) Includes the shares held in the FCPE funds Kaufman & Broad Actionnariat and KB Actions plans, as well as individually held shares, recorded in the share register by employees of Kaufman & Broad employed by the company to date.

The Company is not aware of any material changes in relation to its shareholding structure since February 29, 2024.

Disclosure thresholds on shares held in Kaufman & Broad SA

In 2023:

In a letter dated May 15, 2023 and in accordance with Article L 233-7 of the French Commercial Code, Amundi confirms that it holds 416,505 voting rights in their mutual funds in Kaufman & Broad SA, which represents a 1.97% stake resulting in the crossing of the statutory threshold of 2.00% in terms of securities.

✓ In a letter dated June 5, 2023 and in accordance with the Bylaws, Wellington Management Group LLP ('Wellington Management Group LLP'), in its capacity as investment adviser, wishes to inform the Company that, as at June 1, 2023, Wellington Management Group LLP held on behalf of its customers 429,323 shares in Kaufman & Broad SA (based on a total number of shares of 21,113,022) representing 2.03% of the voting rights of the company.

✓ In a letter dated September 6, 2023 and in accordance with the Bylaws, Artimus Participations SAS informs that, following the signature by the company of a sale agreement for the purpose of buying back by Kaufman & Broad SA, a block of 1,251,000 treasury shares with the company, the company crossed, downwards, on September 6, 2023, (I) the statutory thresholds of 10%, 8% and 6% of the company's share capital and (II) the statutory thresholds of 16%, 14%, 12% and 10% of the voting rights of Kaufman & Broad S.A.

✓ In the same letter of September 6, 2023, following this transaction to sell the block of 1,251,000 shares to Kaufman & Broad.SA and in accordance with Article L 233-7 of the French Commercial Code, Artimus Participations SAS also informs the AMF of the declarations of crossing downwards the legal thresholds of 10% of the company's capital and the legal thresholds of 15% and 10% of the voting rights of Kaufman & Broad. SA and thus hold 1,073,423 shares, or 5.40% of the share capital and 2,146,846 voting rights (or 8.21%).

✓ In a letter dated September 11, 2023 and in accordance with the Bylaws, PROMOGIM GROUPE SAS states that, following the company's announcements dated September 6, 2023, it has gone above:

- The statutory threshold of 22% of the capital[1] of Kaufman & Broad and hold 4,588,428 shares of Kaufman & Broad. SA, i.e. 23.10% of the share capital.
- The statutory threshold of 28% of the voting rights of Kaufman & Broad. SA and hold 7,617,657 voting rights of Kaufman & Broad. SA, i.e. 29.12% of the theoretical voting rights[2] of the company.

✓ In a letter dated October 6, 2023 and in accordance with Article L 233-7 of the French Commercial Code, Franklin Templeton acts in the name and on behalf of Franklin Resources, Inc. and its affiliates. Franklin Resources, Inc., declares that Kaufman & Broad has exceeded a 2.00% voting threshold. SA and hold 520,893 shares in Kaufman & Broad. SA, representing 2.62% of the Company's share capital and 1.99% of its voting rights[3]. Then in a letter dated October 12, 2023, hold 527,061 shares of Kaufman & Broad. SA, representing 2.65% of the share capital and 2.01% of the voting rights of your company.

✓ In a letter dated November 15, 2023 and in accordance with the Bylaws, Invesco Ltd, declares that it holds a total of 787,055 shares of Kaufman & Broad SA on behalf of various investment companies and other customers for which it or one of its subsidiaries acts as investment manager, representing 3.96% of the company's share capital as at November 14, 2023.

Since the year ended November 30, 2023:

✓ In a letter dated February 19, 2024 and in accordance with the Bylaws, Artimus Participations SAS advised that, following the sale of a block of 32,314 shares of Kaufman & Broad.SA on February 14, 2024, it had fallen below the statutory threshold of 8% in voting rights with 2,082,218 votes out of the 26,152,433 theoretical voting rights[4] (i.e. 7.98%) and 8.13% of the voting rights exercisable in Shareholders' Meetings. As of February 19, 2024, the Company held 5.25% of the share capital (*i.e. a total of 1,041,109 shares*) and 7.98% of the theoretical voting rights of Kaufman & Broad. SA

✓ In a letter dated March 7, 2024 and in accordance with the Bylaws, Invesco Ltd, declares that it holds a total of 569,115 shares of Kaufman & Broad SA on behalf of various investment companies and other customers for which it or one of its subsidiaries acts as investment manager, representing 2.17% of the company's share capital as at March 6, 2024

At the date of this document, Kaufman & Broad SA has not been informed of any threshold crossings other than those previously declared, whether legal or statutory, or by other companies holding more than 5% of the share capital.

Kaufman & Broad SA shares held by the Directors as of February 29, 2024	Number of shares	Number of voting rights
Shareholders		
Sylvie Charles	264	514
Jean Louis Chaussade	678	956
Yves Gabriel	250	500
Michel Giannuzzi	250	500
Nordine Hachemi	131,368	226,035
Sophie Lombard	283	533
Annalisa Loustau Elia	250	500
Michel Paris	1,289	1,578
Lucile Ribot	270	540
Aline Stickel	3,339	6,006
TOTAL	**138,241**	**237,662**

(1) *Based on a total number of shares comprising the share capital of 19,862,022 as of September 6, 2023, in accordance with the AMF declaration of Artimus Participations*

(2) *Based on a total theoretical number of voting rights of 26,162,791 as of September 6, 2023, according to the AMF declaration of Artimus Participations*

(3) *Based on the number of shares and the number of voting rights communicated by the company to the financial markets as of September 12, 2023, i.e. 19,862,022 shares and 26,161,459 voting rights*

(4) *Based on the number of shares and the number of voting rights communicated by the company to the financial markets as of February 6, 2024, i.e. 19,862,022 shares and 26,152,433 theoretical voting rights*

7.3.2. Changes in the distribution of authorized capital during the past three fiscal years

Three-year changes in shareholding structure at November 30	2023		2022		2021	
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital
Shareholders						
Public [a]	10,624,454	53.49%	10,626,600	49.17%	11,768,143	54.20%
Rolloy family (Promogim)	4,588,428	23.10%	4,588,428	21.23%	4,140,444	19.07%
Artimus Participations [b]	1,073,423	5.40%	2,324,423	10.75%	2,324,423	10.71%
Prédica/Spirica	1,766,629	8.89%	1,766,629	8.17%	1,766,629	8.14%
Employees [c]	1,324,369	6.67%	1,253,698	5.80%	1,039,629	4.79%
Kaufman & Broad SA	484,719	2.44%	1,053,244	4.87%	673,755	3.10%
TOTAL	**19,862,022**	**100.00%**	**21,613,022**	**100.00%**	**21,713,023**	**100.00%**

(a) Shares owned by Directors are included in "Public" shareholders at November 30, 2023

(b) A company owned by certain group executives and employees and chaired by Mr. Nordine Hachemi, Chairman and CEO of Kaufman & Broad SA (who held more than 27% of the share capital and voting rights of Artimus Participations SAS).

(c) Includes shares held in the FCPE funds Kaufman & Broad Actionnariat and KB Actions.

Three-year changes in voting rights at November 30,

Holders	2023	2022	2021
Shareholders			
Public [1]	42.14%	38.61%	48.44%
Rolloy family (Promogim)	29.67%	27.00%	16.29%
Artimus Participations [2]	8.36%	16.62%	18.29%
Prédica/Spirica	13.76%	12.63%	13.90%
Employees [3]	6.06%	5.14%	3.07%
TOTAL	**100.00%**	**100.00%**	**100.00%**
TOTAL VOTING RIGHTS EXERCISABLE AT SHAREHOLDERS' MEETINGS	**25,671,782**	**27,968,520**	**25,412,682**
TOTAL THEORETICAL VOTING RIGHTS	***26,156,501***	***29,021,764***	***26,086,437***

(1) Shares owned by Directors are included in "Public" shareholders at November 30, 2023.

(2) A company owned by certain group executives and employees and chaired by Mr. Nordine Hachemi, Chairman and CEO of Kaufman & Broad SA (who held more than 27% of the share capital and voting rights of Artimus Participations SAS)).

(3) Includes sshares held in the FCPE funds Kaufman & Broad Actionnariat and «KB Actions».

7.3.3. Legal entities with controlling interests over the Company

7.3.3.1. Shareholders' agreement

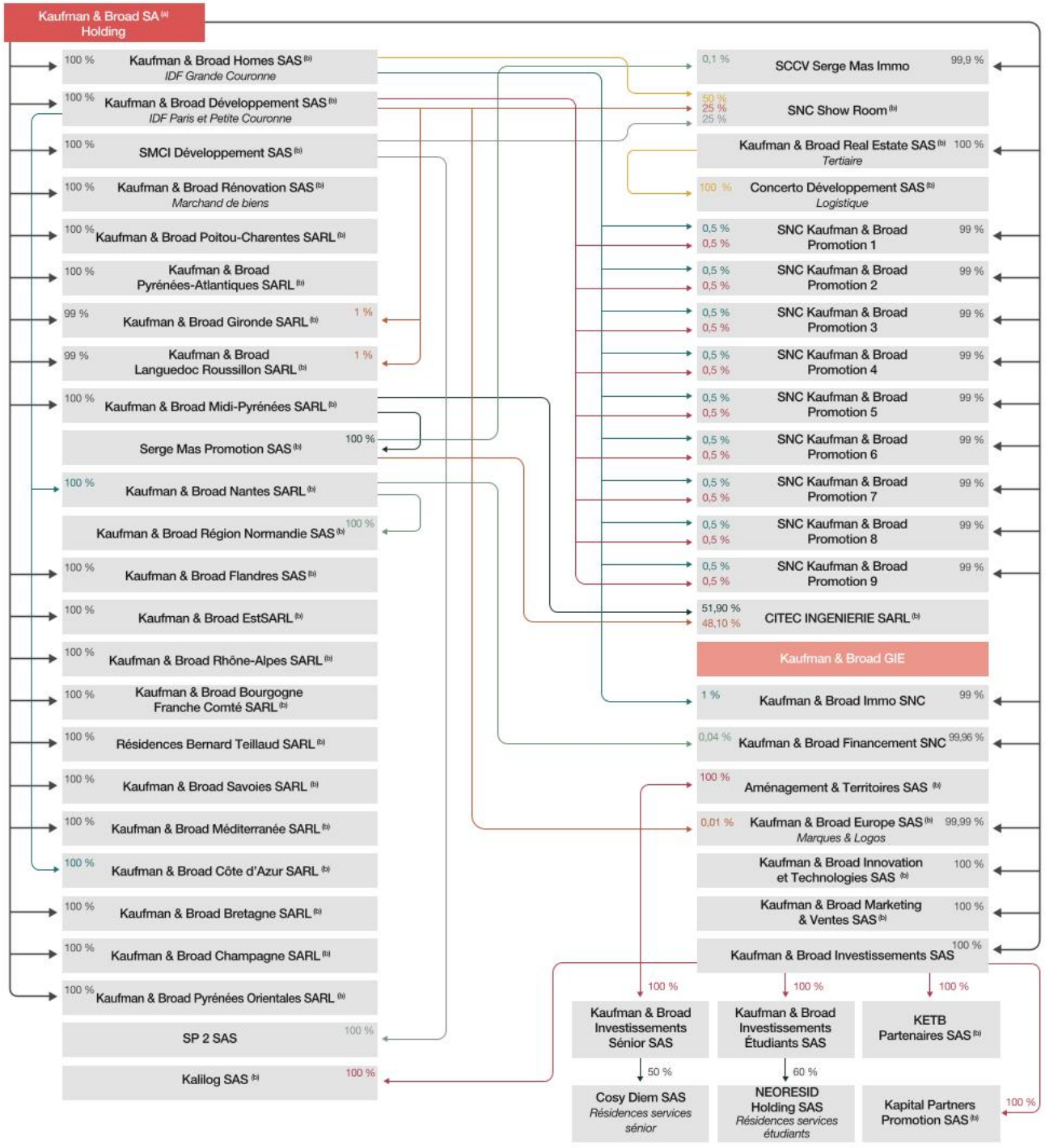
No shareholders' agreements have been entered into by the group's companies with contracting parties outside the group. For joint development programs, the partners sign a Memorandum of Understanding defining the allocation of responsibilities and the fees to be invoiced to these service providers.

7.3.3.2. Pledges

To the Company's knowledge, no pledges of its securities exist.

7.3.4. Group organization chart

The following organization chart shows the companies owned by Kaufman & Broad SA as holding company at November 30, 2023, in France, together with the percentage of the capital and voting rights held:



(a) L'ensemble des filiales du groupe Kaufman & Broad est situé sur le territoire français.
(b) Sociétés opérationnelles du groupe adhérantes au GIE.

7.3.4.1. Related party agreements

TheThe terms and conditions of application of the agreements entered into by the various group entities are described in Section 6.1.5. "Notes to the financial statements" in Note 4.4. «Executive compensation (related parties)», paragraph «Terms and conditions of related-party transactions».

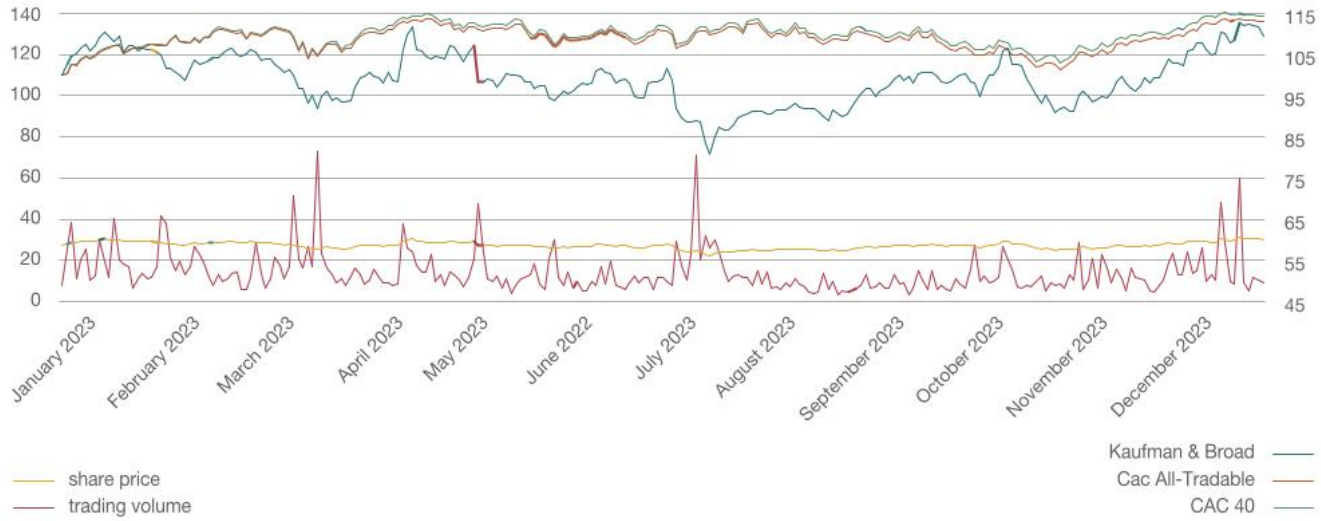
7.4. Trading in the Company's shares

From January 1, to December 31, 2023, the CAC All Tradable rose 14.15% while the Kaufman & Broad SA share gained 7.69%.

2023	Cumulative monthly price	Number of days	Average price	Cumulative volume in stocks	Average volume in stocks	Average volume in capital resources	Cumulative volume in capital resources
January	644.00	22	29.27	420,292	19,104	559,194	12,302,275
February	569.50	20	28.48	325,773	16,289	462,552	9,251,033
March	618.25	23	26.88	434,219	18,879	503,252	11,574,799
April	512.70	18	28.48	274,250	15,236	437,664	7,877,956
May	603.80	22	27.45	318,201	14,464	394,623	8,681,716
June	591.10	22	26.87	217,166	9,871	265,135	5,832,975
July	518.75	21	24.70	410,173	19,532	476,350	10,003,344
August	580.80	23	25.25	173,351	7,537	190,595	4,383,688
September	570.45	21	27.16	172,147	8,197	222,570	4,673,973
October	591.40	22	26.88	259,276	11,785	245,098	7,034,826
November	588.95	22	26.77	283,557	12,889	345,245	7,595,383
December	565.70	19	29.77	338,527	17,817	531,615	10,100,677

Source: Euronext Paris, data from January 2024 - KOF code - ISIN FR 004007813.

Change in Kaufman & Broad stock compared to the CAC 40 and CAC All-Tradable and the trading volume of Kaufman & Broad stock



7.5. Dividends

7.5.1. Distribution policy

Over the past five years, the company has paid the following dividends:

Fiscal year during which the dividend was paid	Type	Dividend paid per share (in euros)	Total amount (in euros)
2019	Dividends [a]	1.75	38,654,040.25
2020	Dividends [b]	1.85	40,169,092.55
2021	Dividends [c]	1.95	41,560,394.85
2022	Dividends [d]	2.40	50,671,252.80
2023	Dividends [e]	2.40	47,668,852.80

(a) Gross dividends calculated on the basis of 22,088,023 shares (including dividends payable on treasury shares).

(b) Gross dividends calculated on the basis of 21,713,023 shares (including dividends payable on treasury shares).

(c) Gross dividends calculated on the basis of 21,313,023 shares (including dividends payable on treasury shares).

(d) Gross dividends calculated on the basis of 21,113,023 shares (including dividends payable on treasury shares).

(e) Gross dividends calculated on the basis of 19,862,022 shares (including that relating to treasury shares held by the group).

Note: The amount of profit distributed, including via the issue of new shares, is stated in section 6.5. «Five-year financial summary».

Since tthe refinancing of the Senior Facilities Agreement, successively by a €150 million Euro PP bond issue on May 18, 2017 (the "Bond issue") followed by a syndicated loan agreement for €250 million concluded on January 30, 2019 (the "Senior Facilities Agreement"), the Company is no longer obliged to comply with the ratio set in the financial covenants to be able to distribute dividends. A description of these financial liabilities is provided, along with a breakdown of the group's net financial debt, in Note 6. "Income by operating segment" to the Consolidated Financial Statements at November 30, 2023.

Payment in cash of the dividend for the fiscal year ended November 30, 2022

The Combined Ordinary and Extraordinary General Shareholders' of Kaufman & Broad SA held behind closed doors May 4, 2023 under the chairmanship of Nordine Hachemi resolved to distribute a total dividend of €2.40 per share for the year ended November 30, 2022. The dividend was paid in cash on May 11, 2023.

Payment in cash of the dividend for the fiscal year ended November 30, 2023

The Board of Directors held on January 29, 2024, taking note of the 2023 results, the financial structure of Kaufman & Broad and the high level of its equity, decided to propose to the next Shareholders' Meeting to be held on May 6, 2024, a dividend of €2.40 per share for fiscal year 2023.

7.5.2. Limitation period

Under French law, dividends which are not claimed within five years of the date of payment become statute-barred in favor of the French government.

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8.1. Person responsible for the Universal Registration Document

Nordine Hachemi

Chairman and Chief Executive Officer of Kaufman & Broad SA

8.2. Statement by the person responsible for the Universal Registration Document

I certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position, and results of the company and all the companies included in the consolidation and that the management report (Section 6.7.) Presents a true and fair view of the business development, results and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face.

Courbevoie, 27 March 2024

The Chair and Chief Executive Officer

8.3. Person responsible for financial communications and investor relations

Bruno Coche
Chief Financial Officer
Kaufman & Broad SA
17, quai du Président Paul Doumer
92672 Courbevoie Cedex
Telephone: +33 (0) 1 41 43 43 43
E-mail: infos-invest@ketb.com
Website: www.kaufmanbroad.fr

The group's financial statements are reviewed twice yearly by the Statutory Auditors, who conduct a full audit of the annual results and a limited review of the half-year results. Estimated financial results are published quarterly.

The publication timetable is as follows :

- The first-quarter results, April 9, 2024 after market close;
- The first-half results, July 11, 2024 after market close;
- The third-quarter results, September 30, 2024 after market close;
- Annual results, in January 2025.

(This schedule is subject to change).

8.4. Information incorporated by reference

Pursuant to Article 19 of Regulation (EU) No. 2017/1129 of the Commission, the European Parliament and the Council, the following information is incorporated in this Universal Registration Document by reference:

- the consolidated and annual financial statements and the corresponding audit reports, presented in Sections 6.1., 6.3., 6.2. and 6.5, respectively of the 2021 Registration Document filed with the AMF on March 31, 2022 under number D.22-0223;
- the financial information presented in Sections 2.1., 2.2. and 1.1.2.1. of the 2021 Registration Document filed with the AMF on March 31, 2022 under reference No. D.22-0223;
- the consolidated and annual financial statements and the corresponding audit reports, presented in Sections 6.1., 6.3., 6.2.and 6.5, respectively of the 2022 Registration Document filed with the AMF on March 31, 2023 under number D.23-0210;
- the financial information presented in Sections 2.1., 2.2. and 1.1.2.1. of the 2021 Registration Document filed with the AMF on March 31, 2023 under reference No. D.23-0210.

Items in the above documents that have not been incorporated by reference are either of no relevance to the investor or are covered elsewhere in the Universal Registration Document.

8.5. Person responsible for the audit of the financial statements

8.5.1. Statutory Auditors

Ernst & Young Audit

1-2 place des Saisons, 92400 Courbevoie, Paris La Défense 1, represented by Denis Thibon, appointed on April 16, 2015 until the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending November 30, 2026.

KPMG S.A.

Tour Eqho – 2, avenue Gambetta - 92066 PARIS-LA DÉFENSE CEDEX, represented by François Plat, appointed on May 6, 2021 until the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending November 30, 2026.

8.5.2. Alternate Statutory Auditors

None.

8.6. Fees paid by the group to the Statutory Auditors and members of their networks

See Section 6.1.5. «Notes to the financial statements» Note 10 «Statutory Auditors' fees» to the consolidated financial statements for the year ended November 30,2023, within Chapter 6.1. «Consolidated Financial Statements at November 30, 2023» of this Universal Registration Document.

8.7. Agenda and Resolutions of the Shareholders' Meeting of May 6, 2024

Combined Ordinary and Extraordinary Shareholders' Meeting of May 6, 2024

AGENDA

Review and approval of the statutory financial statements for the fiscal year ended November 30, 2023;

- Appropriation of earnings for the fiscal year ended November 30, 2023;
- Review and approval of the consolidated financial statements for the fiscal year ended November 30, 2023;
- Review and approval of agreements subject to Article L. 225-38 of the French Commercial Code;
- Approval of the compensation policy for the Chairman and Chief Executive Officer;
- Approval of the compensation policy for the Directors;
- Approval of the payment of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended November 30, 2023 or awarded to the Company's Chairman and Chief Executive Officer for the same fiscal year;
- Approval of information mentioned in Article L. 22-10-9-I of the French Commercial Code;
- Acknowledgment of the expiry of the directorship of Nordine HACHEMI, reappointment of Nordine HACHEMI as director for a three-year term;
- Acknowledgment of the expiry of the directorship of Lucile Ribot, reappointment of Lucile Ribot as director for a three-year term;
- Acknowledgment of the expiry of the directorship of Annalisa Loustau Elia, reappointment of Annalisa Loustau Elia as director for a three-year term;
- Acknowledgement of the expiry of the directorship of Michel Giannuzzi, appointment of a new director for a three-year term;
- Acknowledgement of the expiry of the directorship of Sylvie Charles, reappointment of Sylvie Charles as director for a three-year term;
- Acknowledgement of the expiry of the directorship of Sophie Lombard, reappointment of Sophie Lombard as director for a three-year term;
- Authority to be granted to the Board of Directors, for a period of 18 months, for the Company to buy back its own shares;
- Determining the amount of compensation;;

Extraordinary decisions

- Authority to be granted to the Board of Directors, for a period of 26 months, to cancel shares held by the Company following the buyback of its shares;
- Delegation of authority to be granted to the Board of Directors, for a period of 26 months, to issue shares and/or securities convertible into equity securities to be issued by the Company, without preemptive subscription rights for shareholders, to participants in the group's Company Savings Plan(s) up to a maximum amount of 3% of the share capital;
- Authority to be granted to the Board of Directors, for a period of 38 months, to award bonus shares to be issued or already issued to employees and/or executive corporate officers of the Company and related entities

Ordinary decision

- Powers to be granted to carry out the formalities.

TEXT OF THE RESOLUTIONS

Ordinary Resolutions

FIRST RESOLUTION

(Review and approval of the parent company financial statements for the fiscal year ended November 30, 2023)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings and after a reading of the report of the Board of Directors and the report of the Statutory Auditors, approves the annual financial statements for the fiscal year ended November 30, 2023, which include the balance sheet, income statement and accompanying notes as transactions reflected in these financial statements and summarized in the aforementioned reports, which show a net income of €57,218,677.52.

The Shareholders' Meeting duly notes that no expenditure or cost provided for under Article 39-4 of the French General Tax Code was made by the Company for the fiscal year ended November 30, 2023.

SECOND RESOLUTION

(Appropriation of earnings for the fiscal year ended November 30, 2023)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, and after a reading of the report of the Board of Directors, resolves to appropriate:

The profit for the fiscal year ended November 30, 2023,

Amounting to	€57,218,677.52
plus retained earnings in the amount of	€338,366,145.67
namely, a total of	€395,584,823.19
for the distribution of a dividend of	€47,668,852.80
the balance, namely	€347,915,970.39

will be allocated to retained earnings, which accordingly will increase from €338,366,145.67 to €347,915,970.39

The dividends in respect of the Company's treasury shares at the dividend payment date shall be allocated to retained earnings.

The net dividend per share will be €2.40. This dividend will be paid out no later than June 30, 2024.

Pursuant to Article 243 bis of the French General Tax Code, the Shareholders' Meeting notes that it has been informed that, over the course of the last three fiscal years, the following dividends[1] have been paid:

Year	Dividend	Eligibility for the allowance
2022	€2.40/share	YES
2021	€1.95/share	YES
2020	€1.85/share	YES

THIRD RESOLUTION

(Review and approval of the consolidated financial statements for the fiscal year ended November 30, 2023)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, and after a reading of the report of the Board of Directors and the report of the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended November 30, 2023, which include the consolidated balance sheet and income statement and accompanying notes as submitted by the Board of Directors, as well as the transactions reflected in the financial statements and summarized in the aforementioned reports, and which show attributable net income of €60,154 thousands.

FOURTH RESOLUTION

(Review and approval of agreements referred to in Article L. 225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, and after a reading of the special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, approves all the provisions of this report and the agreement referred to therein entitled 'Share Purchase Agreement' approved by the Board of Directors on September 5, 2023, entered into between the Company and Artimus Participations.

FIFTH RESOLUTION

(Approval of the compensation policy for the Chairman and Chief Executive Officer)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors on Corporate Governance prepared in accordance with Article L. 225-37 of the French Commercial Code, describing the components of the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer of the Company, as presented in Section 2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

(1) Amount (s) eligible for the 40% tax allowance for individuals domiciled in France for tax purposes, as indicated in Article 158-3-2° of the French General Tax Code

SIXTH RESOLUTION

(Approval of the compensation policy for the Directors')

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, describing the components of the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors, as presented in Section 2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

SEVENTH RESOLUTION

(Approval of the payment of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended November 30, 2023 or awarded to the Company's Chairman and Chief Executive Officer for the same fiscal year)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the previous fiscal year, or awarded to the Company's Chairman and Chief Executive Officer for the same fiscal year, as presented in paragraph 2.2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

EIGHTH RESOLUTION

(Approval of information mentioned in Article L. 22-10-9-I of the French Commercial Code)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34-I of the French Commercial Code, the information mentioned in Article L. 22-10-9-I of the French Commercial Code as presented in the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

NINTH RESOLUTION

(Acknowledgment of the expiry of the directorship of Nordine Hachemi, reappointment of Nordine Hachemi as director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Nordine Hachemi would expire at the close of this Shareholders' Meeting, decides to reappoint Nordine Hachemi as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Nordine Hachemi has made it known in advance that he would accept these duties in case of reappointment.

TENTH RESOLUTION

(Acknowledgment of the expiry of the directorship of Lucile Ribot, reappointment of Lucile Ribot as director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Lucile Ribot would expire at the close of this Shareholders' Meeting, decides to reappoint Lucile Ribot as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Lucile Ribot has made it known in advance that she would accept these duties in case of reappointment.

ELEVENTH RESOLUTION

(Acknowledgement of the expiry of the directorship of Annalisa Loustau Elia, reappointment of Annalisa Loustau Elia as director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Annalisa Loustau Elia would expire at the close of this Shareholders' Meeting, decides to reappoint Annalisa Loustau Elia as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Annalisa Loustau Elia has made it known in advance that she would accept these duties in case of reappointment.

TWELFTH RESOLUTION

(Acknowledgement of the expiry of the directorship of Michel Giannuzzi, appointment of a new director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Sylvie Charles would expire at the close of this Shareholders' Meeting, decides to reappoint Sylvie Charles as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Sylvie Charles has made it known in advance that she would accept these duties in case of reappointment.

THIRTEENTH RESOLUTION

(Acknowledgement of the expiry of the directorship of Sylvie Charles, reappointment of Sylvie Charles as director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Sylvie Charles would expire at the close of this Shareholders' Meeting, decides to reappoint Sylvie Charles as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Sylvie Charles has made it known in advance that she would accept these duties in case of reappointment.

FOURTEENTH RESOLUTION

(Acknowledgement of the expiry of the directorship of Sophie Lombard, reappointment of Sophie Lombard as director for a three-year term)

The Shareholders' Meeting, with the quorum and majority required for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and noting that the directorship of Sophie Lombard would expire at the close of this Shareholders' Meeting, decides to reappoint Sylvie Charles as director for a three-year term, which will end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending November 30, 2026.

Sophie Lombard has made it known in advance that she would accept these duties in case of reappointment.

FIFTEENTH RESOLUTION

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, and after a reading of the report of the Board of Directors, authorizes the Board of Directors, with the option to delegate in the manner provided for by law, in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code to have the Company purchase its own shares.

This authorization may be used to:

- stimulate the market or the liquidity of the Company's shares through an investment service provider under a liquidity agreement that complies with the market practice permitted by the AMF (French Financial Markets Authority) on July 1, 2021;
- acquire shares to be held and subsequently delivered in payment or exchanged as part of corporate acquisition transactions;
- award or transfer stock to employees and/or corporate officers (on the terms and in the manner provided for by law) in particular as part of a stock option plan, a bonus share award plan or a company savings plan;
- award stock by the delivery of shares when exercising the rights attached to securities giving the right via redemption, conversion, exchange or presentation of a warrant, or in any other way, to an allocation of the Company's stock;
- potentially cancel the shares acquired, subject to adoption of the seventeenth extraordinary resolution appearing on the agenda for today's Shareholders' Meeting;
- more generally, execute any transaction allowed or that may in the future be allowed by then current rules and regulations, particularly if it is part of a market practice that may be accepted by the French Financial Markets Authority (AMF).

The purchases, disposals or transfers described above may be executed by any method compatible with applicable laws or regulations, including by using derivative financial instruments or block trades. The part of the program transacted as a block may extend to the entire share buyback program.

The Board of Directors may not, except with the prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer aimed at the Company's shares until the end of the offer period.

The Shareholders' Meeting sets the maximum number of shares that may be acquired under this resolution at 10% of share capital, adjusted for transactions made after this meeting that may affect the capital, it being specified that (i) under this authorization, the number of treasury shares must be taken into consideration so that the Company remains consistently within the limit of the number of treasury shares owned, equal to a maximum of 10% of the share capital; and (ii) the number of treasury shares to be used as payment or in exchange as part of a merger, demerger or contribution, may not exceed 5% of the capital.

The Shareholders' Meeting resolves that the total amount for such acquisitions may not exceed €99,310,110 and resolves that the maximum purchase price may not exceed €50 per share.

In the event of a capital increase through capitalization of premiums, reserves, profits or in the form of an award of bonus shares during the period of validity of this authority, or in the event of a stock split or reverse stock split, the Shareholders' Meeting delegates to the Board of Directors the authority to adjust, if necessary, the maximum purchase price per share referred to above to take into account the impact of such transactions on the value of the stock.

The Shareholders' Meeting grants full authority to the Board of Directors, with the option to delegate this authority under the terms provided for by law, to:

- resolve to implement this authority;
- set the terms and conditions the observance of which ensure, if necessary, the preservation of the rights of bearers of securities convertible into equity capital, stock warrants or stock options, or rights to allocation of performance shares, in compliance with legal, regulatory or contractual provisions;
- place any stock market order and enter into any agreement specifically in order to keep the records of buy and sell transactions in compliance with applicable regulations;
- file all required disclosures and comply with all formal, legal and other requirements and, in general, take all necessary measures. The Board of Directors will inform the shareholders attending the Annual Ordinary Shareholders' Meeting about all the transactions executed in application of this resolution.

This authority is granted for a period of 18 months from the date of this Shareholders' Meeting.

It replaces the authority previously granted by the Shareholders' Meeting of May 4, 2023 in its 11th resolution.

SIXTEENTH RESOLUTION

(Setting the amount of compensation)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, resolves to set at €450,000 the total sum allocated to the directors, as remuneration for their activities, for the year ended November 30, 2024 and for each subsequent fiscal year until further decision of the Shareholders' Meeting.

Extraordinary resolutions

SEVENTH RESOLUTION

(Authority to be granted to the Board of Directors, for a period of 26 months, to cancel shares held by the Company following the buyback of its own shares)

The

Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and the special report of the Statutory Auditors, authorizes the Board of Directors, pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code, to cancel, at its sole discretion, on one or more occasions, all or part of the shares of the Company that the Company holds or may hold under the aforementioned Article L. 22-10-62 and to reduce the share capital by the total nominal amount of the shares thus canceled, up to a maximum of 10% of the share capital per 24-month period, adjusted for any capital increases subsequent to this Shareholders' Meeting affecting the share capital.

The Shareholders' Meeting grants the Board of Directors full powers to carry out capital reductions, deduct the difference between the repurchase price of the canceled shares and their nominal value from any reserves or premiums, amend the bylaws accordingly, reallocate the portion of the legal reserve that has become available as a result of the capital reduction, make any declarations to the AMF, and complete any other formalities and, generally, do whatever is necessary.

This authority is granted for a period of twenty-six months from the date hereof.

It replaces the authority previously granted by the Shareholders' Meeting of May 4, 2023 in its 12th resolution.

EIGHTEENTH RESOLUTION

(Delegation of authority to be granted to the Board of Directors, for a period of 26 months, to issue shares and/or securities convertible into equity securities to be issued by the Company, without preemptive subscription rights for shareholders, to participants in the group's Company Savings Plan(s) up to a maximum amount of 3% of the share capital)

The

The Shareholders' Meeting, with the quorum and majority required for Extraordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and the special report of the Statutory Auditors, pursuant to Articles L. 225-129-2, L. 225-138, L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labor Code and also in compliance with the provisions of Article L. 225- 129-6 of the French Commercial Code:

1. Delegates to the Board of Directors, with the option to sub-delegate, its authority to (i) increase, on one or several occasions, the Company's share capital by issuing shares and/ or securities convertible into future equity securities reserved for participants in the group's Company Savings Plans (PEE) and (ii) as applicable, to award bonus shares or securities convertible into capital to replace in full or in part the discount referred to in 3. below in accordance with the terms and within the limits set forth in Article L. 3332-21 of the French Labor Code, it being specified, as applicable, that the Board of Directors may substitute in whole or in part such capital increase with the disposal, under the same conditions, of already existing securities held by the Company;
2. Resolves that the number of shares that may result from all the shares issued under this authority, including those resulting from shares or securities that may be awarded as bonus shares to replace in whole or in part the discount under the conditions set out in Article L. 3332-18 et seq. of the French Labor Code cannot exceed 3% of the capital; the nominal amount of any capital increase carried out in application of this authority will be deducted from the total nominal maximum limit of €2,220,000 for capital increases set forth in the twenty-third resolution of the Shareholders' Meeting of May 4, 2023. In addition to the shares issued there may be, if applicable, a number of additional shares to be issued in order to preserve, in accordance with the Law, the rights of holders of securities convertible into Company shares;
3. Resolves that (i) the issue price for new shares may neither exceed the average of the first share prices quoted in the twenty trading sessions prior to the day of the decision of the Board of Directors or of the Chief Executive Officer setting the subscription start date nor be lower than such average by more than 30%; the Board of Directors or the Chief Executive Officer may, as applicable, decrease or eliminate the discount that may be applied to account for, among other things, the legal and tax rules applicable outside France or elect to fully or partially compensate for this maximum discount of 30% by awarding bonus shares and/or securities convertible into shares and that (ii) the issue price of securities convertible into shares will be determined in accordance within Article L. 3332-21 of the French Labor Code;
4. Resolves to remove, in favor of the participants in the group's savings plan(s), the shareholders' preemptive rights to subscribe to Company shares or securities that may be issued under this delegation of authority and to waive all rights to the shares and stock equivalents that may be awarded as bonus shares under this present resolution;
5. Delegates all powers to the Board of Directors, with the option to sub-delegate this authority, in compliance with the provisions of law, in order particularly to:

- decide whether the shares must be subscribed directly by employees participating in the group's savings plans, through a company mutual fund (an 'FCPE'), or through an employees' mutual fund (a 'SICAVAS');
- identify the companies whose employees will be eligible for the subscription offer;
- decide whether employees should be given a deadline for paying up their securities;
- set the terms and conditions for joining the group's PEE plan(s), by establishing or amending their regulations;
- set the opening and closing dates for subscriptions and the issue price of the securities;
- award, within the limits set in Article L. 3332-18 et seq. of the French Labor Code, the bonus shares or securities convertible into shares and to set the type and amount of reserves, profits or premiums to be incorporated into the share capital;
- approve the number of new shares to be issued, and the reduction rules applicable in the event of over-subscription;
- charge the cost of increases in share capital and of issuance of other stock equivalents against the amount of the premiums relating to these increases and to deduct from such amount the sums required to increase the legal reserve to 10% of the Company's new capital after each increase.

This delegation of authority is granted for a period of twenty-six (26) months from the date of this Shareholders' Meeting.

This authority supersedes the authority granted to the Board of Directors by the Shareholders' Meeting of May 4, 2023 in its 21st resolution.

NINETEENTH RESOLUTION

(Authority to be granted to the Board of Directors, for a period of 38 months, to award bonus shares to be issued or already issued to employees and/or executive corporate officers of the Company and related entities)

The

Shareholders' Meeting, with the quorum and majority required for Extraordinary Shareholders' Meetings, after a reading of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with Articles L. 225-197-1, L. 225-197-2, L. 22- 10-59 and L. 22-10-60 of the French Commercial Code:

- authorizes the Board of Directors to award, on one or more occasions, existing ordinary shares of the Company as bonus shares to the employees or executive corporate officers of the Company and its related French and foreign companies or the economic interest groups (GIE) related to it on the terms and conditions set forth in Article L. 225-197-2 of the French Commercial Code or to certain categories among them;
- resolves that, without prejudice to the potential impact of the adjustments referred to below, the total number of bonus shares awarded may not exceed 250,000 shares, while the number of shares awarded to executive corporate officers may not exceed 50,000 shares;
- resolves that the allotment of shares to their beneficiaries will become definitive either (i) at the end of a minimum one-year vesting period, after the beneficiaries have held said shares for a minimum of one year from the date of the definitive award; or (ii) at the end of a minimum vesting period of two years, and in this case with no minimum lock-in period. It is understood that the Board of Directors will have the option of choosing between the above two possibilities and to apply them alternately or concurrently, and may, in the first case, extend the vesting and/or lock-in period, and in the second case, extend the vesting period and/or set a lock-in period.

It should be noted, however, that the shares will vest prematurely in the event of the death or incapacity of a beneficiary under the second or third category referred to in Article L. 341-4 of the French Social Security Code;

- resolves that the shares will vest to the beneficiaries who are corporate officers contingent on meeting the performance conditions as defined by the Board of Directors;
- resolves that the vesting of the shares to the beneficiaries who are employees may be contingent on meeting the performance conditions as defined by the Board of Directors;
- sets the validity of this authority at thirty-eight (38) months from the date of this Shareholders' Meeting;
- notes that if the award relates to shares to be issued, this authorization automatically entails, for the benefit of the beneficiaries of the bonus shares, the shareholders' waiver of their preemptive rights to subscribe.

The Shareholders' Meeting grants full authority to the Board of Directors, in compliance with applicable laws and regulations and with the provisions of this resolution, to award bonus shares, and in particular:

- to determine the performance conditions and, if necessary, the terms and conditions on which bonus shares may be awarded, and to approve the list(s) of beneficiaries; to determine, subject to the given minimal duration, the holding period for the shares, in the knowledge that it will be up to the Board of Directors to decide on the shares which would be vested, if need be, in the corporate officers referred to in Article L. 225-197-1, II para. 4 of the French Commercial Code, or to decide that these shares cannot be sold by the interested parties, prior to ceasing their functions, or to determine the quantity of these shares that they will have to hold until cessation of their functions;
- to decide, in the event of authorized capital transactions occurring during the vesting period of the awarded shares, whether to adjust the number of shares awarded in order to preserve the rights of beneficiaries and, if so, to determine the terms and conditions for this adjustment;
- to carry out all formalities and, generally, to take all necessary and appropriate measures in connection therewith.

This authority terminates the authority granted to the Board of Directors under the 22nd resolution of the Shareholders' Meeting of May 4, 2023 to award existing bonus shares to employees and/or executive corporate officers of the Company.

Ordinary Resolution

TWENTIETH RESOLUTION

(Powers to be granted to carry out the formalities)

The Shareholders' Meeting grants all powers to the bearer of any original, copy or extract hereof in order to complete all legal formalities relating to the foregoing resolutions.

APPENDIX TO THE REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Kaufman & Broad S.A.

Internal Charter on related-party agreements and commitments and on the procedure for assessing current agreements entered into under normal conditions

This Charter (the «Charter»)

is part of (i) the regulations applicable to non-regulated and related-party agreements and commitments set forth in Articles L. 225-38 et seq. of the French Commercial Code as in force following Act No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies (the «Pacte Act») and Order no. 2019-1234 dated November 27, 2019 relating to the compensation of corporate officers of listed companies, and (ii) the recommendation of the Autorité des marchés financiers (the «AMF») no. 2012-05 of July 2, 2012, as amended on October 5, 2018 (the «AMF Recommendation»). The charter was approved by the Board of Directors of Kaufman & Broad SA («KBSA») on February 27, 2020 and is included in KBSA's corporate governance report, available on its website (www.kaufmanbroad.fr) and included in KBSA's Universal Registration Document.

The purpose of the charter is to describe, in accordance with the provisions of Article L. 22-10-10 of the French Commercial Code, the procedure implemented by KBSA within the group (as defined below) in application of the provisions of Article L. 22-10-1 of said Code, making it possible to regularly assess whether agreements relating to current operations and entered into under normal conditions do indeed meet these conditions.

The charter applies to KBSA and its subsidiaries subject to the regulations on related-party agreements (together the «group»).

1. Reminder of applicable regulations

As a preliminary remark, it is noted that, in accordance with the provisions of Article L. 225-38 of the French Commercial Code, the following are subject to the prior authorization of the Board of Directors: related-party agreements, agreements entered into between, on the one hand, the Company and, on the other hand, (i) directly or through an intermediary, its Chief Executive Officer, one of its directors, one of its shareholders holding more than 10% of the voting rights or, in the case of a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, or (ii) an entity having common corporate officers with the company. Agreements in which one of the persons referred to in (i) above has an indirect interest also constitute related-party agreements. These agreements, referred to as "related-party agreements", are then submitted to the Shareholders' meeting for subsequent approval in accordance with the provisions of Article L. 225-40 of the French Commercial Code.

On the other hand, in accordance with the provisions of Article L. 255-39 of the French Commercial Code, agreements relating to current operations and entered into under normal conditions and agreements entered into between a company and its wholly-owned direct or indirect subsidiary do not require a prior authorization procedure by the Board of Directors or approval by the Shareholders' meeting.

Lastly, pursuant to the provisions of Article L. 225-43 of the French Commercial Code, the conclusion of certain agreements is prohibited, otherwise they shall be made void, in particular loans, overdrafts on current accounts or other, guarantees or endorsements, entered into with or for the benefit of any director (other than a legal entity), the Chief Executive Officer and representatives of legal entities that are directors of the said company, as well as the spouses, ascendants and descendants of the aforementioned directors and any intermediary.

2. Practice of agreements within the group

2.1. Criteria used to define an agreement relating to current operations entered into under normal conditions

(a) Concept of current operation

The group assesses the concept of a current operation with regard to its conformity with the corporate purpose of the company concerned and the nature of the operation, which must be similar to others already carried out by the company.

Repetition and/or habit constitute a presumption of current nature but are nevertheless not in themselves decisive. The group also takes into account the circumstances of the conclusion of the agreement, its financial and legal consequences, its duration or the usual practices for companies in a similar situation.

(b) Concept of normal conditions

The group assesses the concept of normal conditions in the light of the conditions usually practiced by the Company in its relations with third parties, so that the party concerned does not derive from the operation an advantage that it would not have had if it had been a supplier or a customer of the Company. It should also be ensured that the conditions applied are comparable to those of the same type of operations in other companies engaged in real estate development.

The normal nature of the conditions is assessed by reference to a market price or usual market conditions (within or outside the group) and to the general scheme of the contract, which invites consideration not only of the price itself but more generally of all the conditions under which the operation is concluded, such as payment deadlines or the granting of guarantees.

2.2. Types of current agreements entered into under normal conditions within the group

The group considers that the following agreements constitute agreements relating to current operations entered into under normal conditions (as defined in paragraph 2.1.(b) above):

- agreements with low financial stakes, provided that the agreement does not represent a significant challenge for the co-contractors;
- agreements between group companies relating in particular to the following transactions, provided that these agreements (i) are concluded in the common economic, social or financial interest assessed in the light of a policy drawn up for the group as a whole, (ii) are not deprived of any counterparty or do not upset the balance between the respective commitments of the companies concerned and (iii) do not exceed the financial possibilities of the company bearing the cost:
- agreements related to the group's real estate development activities, such as those relating to the construction of buildings (real estate development contracts, sales before completion), technical management and marketing, and all other ancillary agreements customary for this type of operation,
- tax consolidation agreements for which the parent company provides for compensation in the event of the subsidiary's exit from the tax consolidation group,
- the sale or loan of Company shares to a corporate officer in the performance of his duties,
- loan and assistance agreements for the financing and reinvoicing of financial instruments,
- lease or sublease agreements,
- cash management operations and/or loans/current accounts/borrowings,
- service agreements (particularly in the areas of human resources, insurance, trademark licensing, IT, management, communication, finance, legal, accounting and purchasing),
- acquisitions and/or disposals of insignificant assets or securities.

The above list, which is not exhaustive and is for illustrative purposes only, has been drawn up on the basis of the agreements regularly entered into within the group to date and is intended to be supplemented as and when the group's practices change. In any event, the classification of the current nature of an agreement is assessed on a case-by-case basis, with the support of the group Legal Department, if necessary, in conjunction with KBSA's Statutory Auditors.

2.3. Criteria used by the group to define a regulated agreement

The group considers that the prior authorization procedure for related-party agreements applies whenever an agreement is entered into between a company and one of the persons subject to the control procedure and does not constitute a non-regulated or prohibited agreement, as defined above.

This procedure does not apply to merger-absorption, demerger and partial asset contribution transactions subject to the legal regime for demergers, between two companies with common corporate officers. Conversely, the contribution operation that is not subject to the legal regime for demergers must be subject to the procedure for related-party agreements at the transferring company but not at the receiving company, whose Shareholders' Meeting is consulted.

2.4. Specific regime applicable to executive compensation

The determination of the compensation of senior executives in respect of their term of office and the elements of compensation due on termination of their term of office are not subject to the procedure provided for in Article L. 225-38 of the French Commercial Code, but are the responsibility of the Board of Directors in accordance with Articles L. 22-10-16 and L. 22-10-17 of the French Commercial Code and, in the case of KBSA, a company whose shares are admitted to trading on a regulated market, to the approval of the Shareholders' meeting, in accordance with the provisions of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code ("Say on Pay" regime).

3. Procedures for assessing and monitoring agreements

3.1. Assessment procedure for current agreements entered into under normal conditions

(a) Prior information to the Board of Directors

In accordance with Article 14 of the Internal Rules of KBSA's Board of Directors, each Director undertakes to inform the Chairman of the Board of Directors of the conclusion of any agreement relating to current operations and entered into under normal conditions which he/she has entered into or in which he/she is interested, within one month of its conclusion.

(b) Annual assessment by the Board of Directors

KBSA's Board of Directors has set up a procedure for the annual assessment of current agreements entered into under normal conditions.

As part of this assessment, the Board of Directors, which meets to examine the annual financial statements, reviews the criteria for determining current agreements entered into under normal conditions defined above to ensure that they are always appropriate and comply with market practice and, more particularly, analyses the normal nature of the financial terms and conditions of the agreements it assesses. Agreements that no longer meet these criteria, and are therefore reclassified as related-party agreements, are then submitted to the Board of Directors for approval, as described in paragraph 3.2. below.

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the persons directly or indirectly concerned by the agreement do not participate in its assessment.

3.2. Audit procedure for related-party agreements

(a) Prior information of the Board of Directors

In accordance with Article 14 of the Internal Rules of the Kaufman & Broad SA Board of Directors and the provisions of Article L. 225-40 of the French Commercial Code, each Director undertakes to inform the Chairman of the Board of Directors of any plans to enter into a related-party agreement, so as to enable the Board of Directors to be consulted in accordance with the provisions of Article L. 225-38 of the Commercial Code.

(b) Prior authorization granted by the Board of Directors

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Any conclusion, amendment, renewal (including tacit renewal) and termination of related-party agreements must be subject to the prior authorization of the Board of Directors, in accordance with the provisions of Article L. 225-38 of the French Commercial Code.

Each related-party agreement is authorized by a special deliberation of the Board of Directors, it being specified that the persons directly or indirectly interested in the agreement do not participate in the deliberations nor in the vote on the authorization requested and the Board of Directors must also justify the interest of this agreement for the Company, particularly with regard to the financial conditions attached to it. Pursuant to Article R. 225-30 of the French

Commercial Code, these reasons are submitted to the Statutory Auditors and are included in their report. An absence of reasons may lead the Statutory Auditors to point out this irregularity in their special report (Article L. 823-12 of the French Commercial Code) and to inform the AMF (Article L. 621-22 of the French Monetary and Financial Code). KBSA may decide, in accordance with proposal no. 4.6 of the AMF

Recommendation, to appoint an independent expert if the conclusion of a related-party agreement is likely to have a «*very significant impact on the balance sheet or results of the company and/or the group*». This expertise will be mentioned in the special report of the Statutory Auditors and made public, subject, where applicable, to any elements that may infringe on business secrecy.

In the absence of prior authorization of related-party agreements, the group also ensures, in accordance with proposal no. 4.7 of the AMF Recommendation, that such agreements are ratified by the Board prior to their approval by the Annual Shareholders' meeting, except in special cases where the directors are in a conflict of interest situation.

(c) Approval of related-party agreements by the Shareholders' Meeting

Related-party agreements are subject to the approval of the Shareholders' Meeting following their conclusion, it being specified that, in accordance with proposal no. 4.11 of the AMF Recommendation, the group submits any significant related-party agreement, authorized and concluded after the end of the fiscal year, to the approval of the next Meeting provided that the Statutory Auditors have had the opportunity to analyze these agreements and commitments within a period of time compatible with the issuance of their report.

In addition, in accordance with proposal no. 4.13 of the AMF Recommendation, the group ensures that the special report of the Statutory Auditors on related-party agreements is included in its Universal Registration Document, in order to allow a shareholder to quickly access the relevant information.

(d) Publication on Kaufman & Broad SA's website

In accordance with the provisions of Article L. 22-10-13 of the French Commercial Code, information on related-party agreements is published on the KBSA website no later than the time they are concluded. This information shall include in particular the nature of the relationship with the interested party, the name of the interested party and the date and value of the transaction concerned.

(e) Annual review of related party agreements by the Board of Directors

In accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, the Board of Directors is informed of and reviews each year all agreements and commitments entered into and authorized during previous years, the performance of which was continued during the last fiscal year, without, however, requiring a new authorization.

In this respect, it downgrades any agreement when its related-party nature has become irrelevant.

8.8. Report of the Board of Directors on corporate governance (Articles L. 225-37 et seq. of the French Commercial Code)

1. Corporate governance

See section 3.1. Members of the administrative and management bodies

1.1. Corporate Governance Code

See section 3.1.1.2.1. Corporate Governance Code

1.2. Operating procedures of the Board of Directors

1.2.1. Provisions governing the membership of the Board of Directors

See section 3.1.1.2.2. "Rules governing the composition of the Board of Directors."

1.2.2. Other provisions of the Articles of Association and Internal Rules

See section 3.1.1.2.3. Other provisions of the Articles of Association and Internal Rules

1.2.3. Duties of the Board of Directors

See section 3.1.1.2.5. Duties of the Board of Directors

1.2.4. Duties and powers of the Lead Independent Director

See section 3.1.1.2.7. "Duties and powers of the Lead Independent Director."

1.2.5. Board of Directors» meetings and proceedings

See section 3.1.1.2.4. Board of Directors» meetings and proceedings

1.2.6. Independence of Directors

See section 3.1.1.2.8.Independence of Directors

1.2.7. Shares held by Directors

See sections 3.1.1.1. «Composition of the Board of Directors» (Summary table), See section 3.1.1.2.9. «Shares held by the Directors» and 7.3.1. Shareholding structure of the Company as of November 30, 2022 and changes over three years (Table "Ownership of Kaufman & Broad SA shares by the Directors as of 28 February 2023").

1.2.8. Operation of the Board of Directors

See sections 3.1.1.1. «Composition of the Board of Directors» and 3.1.1.2.11 Annual evaluation of the Board of Directors -3.1.1.2.12. «Meetings of the Board of Directors during the 2023 financial year» and 3.1.1.2.13. «Description of the diversity policy within the Board of Directors within the meaning of Article L. 225-37-4 6° of the French Commercial Code.»

1.2.9. Directors' compensation

See sections 3.1.1.2.10. «Compensation allocated (ex directors' fees) to the Directors» and 3.2.1.1. «Remuneration of members of administrative bodies» (see Table 3 AMF nomenclature).

1.3. Specialised Committees of the Board of Directors

1.3.1. Audit Committee (composition as of November 30, 2022, missions, functioning, compensation of members, meetings and work during the financial year ended November 30, 2022

See sections 3.1.2.1. «Audit Committee» and 3.1.2.1.2. " Composition of the Audit Committee, «3.1.2.1.3. «Missions of the Audit Committee,» 3.1.2.1.4. «Functioning of the Audit Committee» 3.1.2.1.7. «Meetings of the Audit Committee in 2023.»

1.3.2. Compensation and Nomination Committee (composition as of November 30, 2022, missions, compensation of members, meetings and work during the financial year ended November 30, 2022)

See sections 3.1.2.2. «Remuneration and Nomination Committee» and 3.1.2.2.1. «Composition and duties,» and 3.1.2.2.3. «Meetings of the Remuneration and Nomination Committee during the year 2023.»

1.3.3. CSR Committee

See section 3.1.2.4 "CSR Committee" and 3.1.2.4.1 "CSR Committee meetings in 2022."

1.4. Operating procedures of management bodies

See section 3.1.1.2.6. Operating procedures of management bodies

2. Compensation and benefits granted to corporate officers

2.1. Compensation policies

See section 8.7 "Agenda and text of the resolutions to be submitted to the Combined General Meeting of 4 May 2023" and section 8.9 "Appendix to the Corporate Governance Report" of this Universal Registration Document.

2.1.1. Principles and decision making processes used to determine, revise and implement the group's policy

See section 8.9.I.1 "Principles and decision making processes used to determine, revise and implement the group's compensation policy."

2.1.2. Components of the compensation of the Chairman and Chief Executive Officer

See section 8.9.I.2 "Components of the Chairman and Chief Executive Officer's compensation."

2.1.3. Components of Directors' compensation

See section 8.9. I.3 "Components of Directors' compensation."

2.2. Compensation and benefits granted to corporate officers during the financial year ended November 30, 2022

See section 3.2.7. «Components of compensation due or awarded for the financial year ended November 30, 2023 to Mr Nordine Hachemi, Chairman and Chief Executive Officer, subject to shareholder vote» (see table «Components of compensation»).

See section 3.2.1.2.2. «Group remuneration policy» (see tables «AMF Nomenclature»).

2.2.1. Chairman and Chief Executive Officer

See section 8.9.II.1 "Chairman and Chief Executive Officer."

2.2.2. Directors

See section 8.9. II.2 "Directors."

2.3. Other information

2.3.1. Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of the group's employees

See section 8.9. III.1 "Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of the group's employees."

2.3.2. Annual changes in the Compensation, the performance of the company, the average Compensation on a full-time equivalent basis of the employees of the company other than the executives and the ratios referred to above over the last five years "

See section 8.9. III.2 "Annual changes in the Compensation, the performance of the company, the average Compensation on a full-time equivalent basis of the employees of the company other than the executives and the aforementioned ratios over the last five years."

3. Other information

3.1. Draft agenda and resolutions drawn up by the Board of Directors to be submitted to the Shareholders' Meeting of 4 May 2023.

See section 8.7. «Agenda and resolutions of the Shareholders' Meeting of 6 May 2024.»

3.2. Regulated agreements - current - commitments - Related party transactions

3.2.1. Agreements governed by Article L. 225-38 of the French Commercial Code;

See section 8.9 IV.2.1 "Agreements referred to in Article L. 225-38 of the French Commercial Code "

3.2.2. Current agreements

See section 8.9 IV.2.2 "Current agreements"

3.2.3. Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code

See section 8.9 IV.2.3 "Commitments authorised pursuant to Article L. 225-42-1 of the French Commercial Code "

3.3. Terms of participation of shareholders in General Meetings

3.3.1. Notice of and participation in General Meetings

See section 7.1.9. «Shareholders' Meetings.»

3.3.2. Exercise of voting rights, double voting rights, limitations on voting rights

See section 7.1.10.Double voting rights.

3.4. Delegations and authorisations in force granted by the Shareholders' Meeting regarding capital increases

3.4.1. Summary table of authorisations to carry out capital increases in force

See section 9.4. Summary table of current authorisations to increase the share capital

3.5. Factors likely to have an impact in the event of a public offer

3.5.1. Capital structure

See section 7.2.4. «Share capital.»

3.5.2. Shareholding structure at November 30, 2022 and changes over three years

See sections 7.3.1. «Company shareholding at November 30, 2023 and changes over three years» and 7.3.2. Changes in the ownership structure over the last three fiscal years

3.5.3. Statutory restrictions on the exercise of voting rights

See section 7.1.11. «Crossing of thresholds.»

3.5.4. Rights, preferences and restrictions attached to shares

See section 7.1.10.«Double voting rights» and 7.2.2. Rights, preferences and restrictions attached to shares

3.5.5. Investments in the Company

See section 7.3.4. «Group organisation chart.»

3.5.6. Shareholders' agreement

See section 7.3.3.1. «Shareholders' agreement.»

3.5.7. Powers of the Board of Directors to increase the share capital and to buy back shares

See sections 7.2.3. «Acquisition by the company of its own shares» and 9.4. Summary table of current authorisations to increase the share capital

3.5.8. Change of control clauses

See section 4.1.3.4. Risks related to restrictive clauses in financing agreements

8.9. Compensation and benefits granted to corporate officers

I. Compensation policy

The information presented below constitutes the compensation policy for the Company's executive corporate officers, particularly for 2024. It describes the components for the fixed and variable compensation and explains the decision-making process followed for its determination, revision and implementation.

In accordance with the provisions of Article L. 22-10-8-II of the French Commercial Code, the principles and criteria presented below will be submitted to the Combined Shareholders' Meeting of May 4, 2023 for approval. It should be noted that the most recent annual approval of the compensation policy for Kaufman & Broad SA's executive corporate officers took place at the Combined Shareholders' Meeting of May 4, 2023.

I.1. Principles and criteria for determining, revising and implementing the group compensation policy

The Company has implemented a group compensation policy that compensates all employees with (i) a base salary, as compensation for the employee's work, and which is aimed at attracting and retaining talent, and (ii) a variable portion, which compensates individual and collective performance according to the attainment of ambitious, fixed objectives, which is nonetheless limited to a maximum level to avoid excessive risk taking and in accordance with the Company's interests. This variable component is based on annual or even biennial criteria, which avoids limiting performance assessment to a strictly short-term review. In addition, this variable portion is supplemented by a universal award of bonus shares, which links all group employees to value creation over the medium and long-term to support the group's commercial strategy and continuity. The Chairman and Chief Executive Officer, as well as the members of the Executive Committee and the Regional Vice-Presidents and Agency Directors are also awarded bonus shares, in addition to their variable compensation, the final vesting of which is subject to performance conditions, in accordance with the principles of good governance.

Against this backdrop, at the time of the Company's free float increase (re-IPO) in May 2016, the senior executives (including the Chairman and Chief Executive Officer) and some of the group's employees tendered their shares from the 2014 and 2016 bonus share plans to Artimus Participations, a management investment structure within the Company, set up during this transaction. Through this company comprising executives and employees of the Company, the Group Employee Savings Plan and individuals, on November 30, 2023 the group's employees held about 10% of the share capital of the company, becoming its leading shareholders. This configuration guarantees an alignment of long-term interest with the shareholders and the management of the company, with the Chairman and CEO owning, directly or indirectly, approximately 3% of the capital of Kaufman & Broad SA at the date of this report.

Recognition of a lasting, sustainable and collective performance fits with the philosophy governing the compensation policy of the executive corporate officer that is the subject of these developments.

The compensation policy of the executive corporate officer, i.e., Nordine Hachemi as of the date of this report, in his capacity as Chairman and Chief Executive Officer of the Company, was approved by the Board of Directors after review and issue of an opinion by the Compensation and Nomination Committee. The Board of Directors applies the recommendations of the AFEP-MEDEF Code, amended in January 2020 and December 2022, relating to the compensation of Executive Directors of listed companies. Accordingly, the Board of Directors sets the principles for determining the compensation of the Chairman and Chief Executive Officer, with particular attention to compliance with the following principles:

- Principle of balance and moderation: it is ensured that each element of the compensation of the Chairman and Chief Executive Officer is clearly justified and that none is;
- Principle of competitiveness: It ensures that the Chairman and Chief Executive Officer's compensation is competitive, notably through sector-based compensation surveys.
- Principle of alignment of interests: the compensation policy is a management tool intended to attract, motivate and retain talent necessary to the; At the same time it addresses the expectations of shareholders and other stakeholders of the company, in particular in relation to performance.
- Performance principle: the compensation of the Chairman and Chief Executive Officer is closely linked to the performance of the company, in particular through variable compensation assessed each year. Payment of this variable portion is subject to achieving objectives rewarding immediate performance that lays the groundwork for the future and ensures the sustainability of the group, and whose impact can be measured over a period (i) of one year (changes in revenue, EBITDA, Attributable Net Income, WCR) and (ii) of two years (number of orders and number of lots approved by the Commitment Committees).

The compensation of the Chairman and Chief Executive Officer includes a fixed and a variable portion based on a number of objectives determined on an annual basis. At the end of each fiscal year, the Board of Directors, acting on the recommendation of the Compensation and Nomination Committee, sets the amount of his gross annual fixed compensation for the following year as well as the ceiling of his annual variable compensation for that year, and quantitative criteria on the basis of which this will be calculated. At the beginning of each fiscal year, the Board of Directors, acting on the proposal of the Compensation and Nomination Committee, determines the amount of his annual variable compensation due for the previous fiscal year based on that year's results and the achievement of his quantitative and qualitative objectives, and sets objectives for the qualitative part of his annual variable compensation for the current fiscal year.

In order to link the Chairman and Chief Executive Officer with long-term performance, part of his compensation consists of performance shares. This component of compensation is directly related to the group's performance since the number of shares definitively granted to the Chairman and Chief Executive Officer at the end of the vesting period depends on the group's performance, according to certain criteria (see paragraph I.2.2. (b) and 3. below).

At its meeting of February 15, 2024; the Board of Directors approved two sets of rules governing plans that set out the terms and conditions of free share awards, i.e:

- a first set of rules applicable to senior executives and employees of the group ("1st 2024 Plan"),

Excerpt from the Rules of the 1st 2024 Plan (Article 5 - Conditions governing the availability of shares):

../...

"If *at any time during the Vesting period, there occurs.....*

For senior executives, in the event of the termination of their duties under their corporate office (resignation or dismissal) binding them to Kaufman & Broad SA, or to one of the companies or entities controlled by Kaufman & Broad SA within the meaning of Article L. 233-3 of the French Commercial Code, or the Kaufman & Broad economic interest group, the Beneficiaries will no longer be eligible to receive Bonus Shares, and will lose all entitlements awarded under the plan, as from the date of notification of their resignation, or the date of the Board of Directors' meeting on which their dismissal was decided, depending on the case. This condition includes the case in which their employer ceases to be a Subsidiary of Kaufman & Broad SA.

In the event of the Beneficiaries' death during the Vesting Period, the heir(s) of their estate may request the Award of Shares within a period of 6 months from the date of death.

In the event of the Beneficiaries' invalidity during the Vesting Period, entitlement to Bonus Shares will take effect immediately and the Bonus Shares will automatically be delivered to the relevant person, within a brief period as from the date of termination of the employment contract due to said invalidity.

In the event of the Beneficiaries' retirement during the Vesting Period, they will remain eligible to receive the Bonus Shares and will maintain all entitlements awarded under the plan. The rules of operation of these Rules will continue to apply.

- a second plan ("2nd 2024 Plan") applicable solely to the Chairman and Chief Executive Officer ("the Beneficiary"):

.../...

"*If at any time during the Vesting Period, the executive corporate officer ceases to exercise his corporate office (resignation or dismissal), the Beneficiary will no longer be eligible to receive the Free Shares, and will lose all entitlements awarded under the Plan.*

In the event of the Beneficiary's death during the Vesting Period, the heir(s) of his estate may request the Award of Shares within a period of 6 months from the date of death.

In the event of the Beneficiary's invalidity during the Vesting Period, entitlement to Bonus Shares will take effect immediately and the Bonus Shares will automatically be delivered to the relevant person, within a brief period as from the date of termination of the employment contract due to said invalidity.

In the event of the Beneficiary's retirement during the Vesting Period, they will remain eligible to receive the Bonus Shares and will maintain all entitlements awarded under the Plan. The rules of operation of these Rules will continue to apply."

For the fiscal year ended November 30, 2024, the Compensation and Nomination Committee filed a motion with the Board of Directors at its meeting of February 15, 2024 to leave the different components of the compensation policy unchanged relative to the policy approved at a rate of more than 80% by the Shareholders' Meeting of May 4, 2023.

It should be noted that in order to further emphasize the link between the compensation of the Chairman and Chief Executive Officer and the interests of the shareholders, the Board of Directors proposes the renewal for 2024 of the long-term plan implemented in 2018 and approved by the Shareholders' Meeting of May 4, 2023.

I.2. Components of the compensation of the Chairman and Chief Executive Officer

The compensation of the Chairman and Chief Executive Officer is made up of fixed and variable compensation components, to which is added a long-term compensation component.

1. Fixed compensation

The Board of Directors, acting on the proposal of the Compensation and Nomination Committee, determines the fixed annual compensation of the Chairman and Chief Executive Officer in view of a detailed study of the fixed and variable compensation of senior executives of comparable companies by an independent firm contracted by the Company.

The gross annual fixed portion of the Chairman and Chief Executive Officer's compensation was set by the Board of Directors on February 15, 2024 at €650,000 for 2024 (compared with a fixed compensation of €600,000 in 2023). At its meeting on February 15, 2024, the Board of Directors decided to increase the fixed compensation of the Chairman and Chief Executive Officer by €50,000 in order to reflect the termination, effective January 1, 2024, of the insurance provided to the Chairman and Chief Executive Officer in the event of a loss of income related to the loss of his corporate office, for which the contributions (which amounted to €36,244 in 2023) were paid by the Company. The fixed compensation of the Chairman and Chief Executive Officer was unchanged since his date of appointment to this position

2. Variable compensation

The variable compensation of the executive corporate officer includes (i) a target and maximum annual variable portion, paid in cash, and (ii) an annual deferred payment portion, in the form of free performance shares.

a) Target annual variable portion and maximum variable portion in cash

The Board of Directors, acting on the proposal of the Compensation and Nomination Committee, determines the variable annual compensation of the Chairman and Chief Executive Officer on the basis of quantitative and qualitative criteria. At its meeting of February 15, 2024, the Board of Directors set the gross maximum annual variable portion of the Chairman and Chief Executive Officer's compensation for

2024 at €700,000 (unchanged from 2022, i.e. 117% of his fixed annual compensation), provided the objectives are 100% achieved and, in the event of outperformance, up to 130% of the sum referred to above, i.e. a gross maximum amount of €910,000 (approximately 150% of his fixed annual compensation), subject to his continued presence in January 2025.

The Board of Directors, at the recommendation of the Compensation and Nomination Committee, considered it appropriate to maintain the principle of rewarding the corporate officer's outperformance in a still challenging economic environment at 130% of the annual variable compensation.

A total of 70% of the variable portion of this compensation will be calculated from quantitative elements and 30% from qualitative elements, each of which has an assigned weighting.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this variable compensation is subject to an affirmative vote by the Ordinary Shareholders' Meeting that will vote in 2024 on the financial statements for the fiscal year ending November 30, 2023.

- Quantitative criteria:

They are based on indicators that the Board of Directors, on the proposal of the Compensation and Nomination Committee, deemed the most relevant for assessing the financial performance of the group. For 2024, the quantitative criteria represent 70% of variable compensation, of which 15% is linked to revenues, 15% to EBITDA, 15% to Attributable Net Income, 5% to WCR, 10% to annual housing orders and 10% to the Number of lots approved by the Commitment Committees for 2024 (the latter two indicators reflect the group's medium-term business outlook).

- Qualitative criteria:

As regards the non-financial criteria, which make up 30% of variable compensation for 2024, they are now based on the following qualitative targets adopted by the Board of Directors to set the 2023 compensation of the corporate officer: management of group teams and quality of company's working environment; the continued deployment of the CSR policy (particularly with regard to the group's CSR commitments and objectives described in paragraph [5.1.3] of the group's non-financial performance statement) and sound risk management.

b) Deferred payment of the annual variable portion in the form of performance shares

The 22nd resolution of the Shareholders' Meeting of May 4, 2023, authorized the Board of Directors to grant, on one or more occasions, awards of bonus shares to the members of company staff or executive officers up to a total of 250,000 shares, including 50,000 shares to the executive corporate officer.

After taking into account the awards made during the fiscal year 2023, 250,000 shares may be awarded under the aforementioned 22nd resolution, including a maximum of 50,000 shares to the executive corporate officer.

At its meeting of February 15, 2024, the Board of Directors made use of the authorization conferred by this resolution, awarding 15,000 performance shares to the Chairman and Chief Executive Officer for 2024, provided that he is still in office when they are fully vested in 2026 ("1st 2024 Plan").

On the basis of valuation work carried out by a specialized actuary at the request of the Company and using the Company's share price on February 15, 2024, the benefit corresponding to the 15,000 performance shares whose allocation to the Chairman and Chief Executive Officer is being considered in respect of his annual variable compensation with deferred payment is estimated at approximately €367,427.

Final award of these performance shares to the Chairman and Chief Executive Officer would be subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in paragraph I.2.2. a) above.

In the event that these performance conditions are met, the Chairman and Chief Executive Officer would be entitled to an award of performance shares in respect of the deferred annual variable compensation, at the same ratio and in the same proportions as for the annual variable compensation in cash. In the event of 100% achievement of the performance conditions, the maximum number of attributable performance shares, i.e. 15,000 shares, would be awarded to the Chairman and Chief Executive Officer. No additional performance shares would be awarded in the event of outperformance above 100%.

It should be noted that, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, the final awarding of performance shares in respect of this deferred variable compensation is subject to an affirmative vote by the Ordinary Shareholders' meeting that will vote in 2025 on the financial statements for the fiscal year ending November 30, 2024.

3. Long term compensation

It should be noted that the Board of Directors introduced a long-term compensation plan in 2018 for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year and performance conditions assessed over the period 2018-2020. This long-term compensation plan was renewed:

- In 2020 by the Board of Directors, with the award of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2020 – 2022 period,
- In 2021 by the Board of Directors, with the award of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2021 – 2023 period,
- In 2022 by the Board of Directors, with the award of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2022 – 2024 period,
- In 2023 by the Board of Directors, with the award of 10,000 performance shares to the Chairman and Chief Executive Officer, subject to performance conditions assessed over the 2023 – 2025 period,

On February 15, 2024, the Board of Directors awarded 10,000 performance shares to the Chairman and Chief Executive Officer, under the 22nd resolution approved by the Combined Shareholders' Meeting of May 4, 2023, in respect of the renewal of the long-term compensation plans introduced in 2018 and renewed for 2019, 2020, 2021, 2022 and 2023 ("2nd 2024 Plan").

Vesting of these shares is subject to the following conditions:

- The shares will only be fully vested after a period of three years, i.e. in 2027, and must then be held for a period of one year by the Chairman and Chief Executive Officer;
- Long-term performance conditions assessed over the period 2024-2026 (three fiscal years), including CSR performance, Quality of Property and Service, the level of employee share ownership in the Company's share capital and the TSR (total shareholder return or rate of return for shareholders). The relative weight of the four conditions is 25% for CSR performance, 25% for Quality of Property and Service, 20% for employee share ownership, 30% for TSR.
- The condition related to CSR performance is as follows:

– being one of the top 50 companies in the GAIA index[1], consisting of 230 companies, for three years;

– Maintain an A- rating in the CDP index in 2026[2];

At the end of each of the three years, note will be made of whether the objective has been 100% achieved, in which case 1/2 of the 25% of the awardable performance shares will be vested. Otherwise, no award will be made.

- The condition related to Property and Service Quality is as follows:

Obtaining the following scores (out of 100) for the Property and Service Quality measurement composite index based on the annual BVA survey conducted by the Company:

- 69/100 in 2024
- 70/100 in 2025
- 70/100 in 2026

At each of the three years, note will be made of whether the objective has been 100% achieved, in which case 1/3 of the 25% of the awardable performance shares will be vested. Otherwise, no award will be made.

- The condition related to the level of employee share ownership is as follows:

Maintain an employee share ownership level of at least 10% of the Company's capital (excluding specific financial transactions) through Artimus Participations, the PEE employee savings plan and on an individual basis by 2026.

- The TSR condition is reached in stages, at the following levels and thresholds:

Target: achieve a TSR of 10% to 15% after three years

- 0 if the TSR is strictly below 10%,
- 0% to 100%, by linear interpolation, if the TSR is between 10% and 15% after 3 years
- 100% if the TSR is 15% or higher.

On the basis of valuation work carried out by a specialized actuary at the request of the Company and using the Company's share price on February 15, 2024, the benefit corresponding to the 10,000 performance shares whose allocation to the Chairman and Chief Executive Officer is being considered in respect of his long-term 2024-2026 compensation with deferred payment is estimated at approximately €203,642.

(1) The GAIA index analyzes the data of a panel of companies each year and evaluates their commitment to sustainable development

(2) The CDP (Carbon Disclosure Project) is an international non-profit organization that studies the impact of the world's leading publicly traded companies on climate change. The rating is awarded each year on the basis of demanding criteria, and regularly reviewed by the CDP to ensure that they represent best practices. Maintaining its A- rating by the group thus requires the regular implementation of ambitious initiatives, in order to comply with future changes in the CDP framework.

The table below summarizes the calculation and weighting procedures applied to the various long-term performance criteria:

Criteria	Scale	Objectives	Calculation rules	% of performance shares awarded
CSR		• Stay in the top 50 companies in the GAIA index (230 companies) for 3 years	1/2	100% otherwise 0
		• Maintain an A- rating in the CDP (*Carbon Disclosure Project*) index in 2026	1/2	100% otherwise 0
Property and Service Quality		• Obtain the following score for each of the next 3 fiscal years:		
		– 2024: 69/100	1/3	100% otherwise 0
		– 2025: 70/100	1/3	100% otherwise 0
		– 2026: 70/100	1/3	100% otherwise 0
Employee shareholding		Maintain employee shareholding at a lever at least 10% by 2026		100% otherwise 0
TSR		Target: achieve a TSR of 10% to 15% after three years	< 10%	0
			TSR between 10% and 15%	by linear interpolation
			TSR of 15% or higher	100%

4. Total Compensation

The maximum total compensation that may be awarded to the Chairman and Chief Executive Officer for his performance in the fiscal year 2024, including:

- his fixed compensation (€650,000);
- his variable cash compensation (maximum of €910,000);
- his deferred variable compensation (15,000 shares estimated at around €367,427).

This amounts to around €1,927,427, i.e. 33.72% fixed compensation, 66.28% variable compensation, of which 71.24% paid in cash and 28.76% paid in the form of performance shares, in line with market practices.

He will also receive long-term compensation (based on the awarding of 10,000 performance shares estimated at around €203,642) subject to performance conditions assessed over the long term (2024-2026 period) and a presence condition.

In addition, the total number of performance shares granted in 2023, in respect of the deferred variable portion, representing 15,000 shares, represents less than 0.10% of the share capital of the Company, also in line with market practices. As such, this allocation will have no dilutive effect, being realized by means of existing shares, which are owned by the Company.

5. Company car

The Chairman and Chief Executive Officer benefits from a company car with a budget of €1,700 per month (excluding tax) for the year ending November 30, 2023.

6. Pension plan

The Chairman and Chief Executive Officer is entitled to the Company supplemental defined-contribution pension plan under the same terms as the members of the Management Committee as stipulated by Article 83 of the General Tax Code; the amount of the contribution paid by the company on behalf of the Chairman and Chief Executive Officer was € 23,462.40 for the 2023 calendar year. This corresponds to the annual contributions capped at 8% of gross salary, up to a maximum of eight times the Social Security ceiling.

See also paragraph 1.7 of this report.

7. Severance and non-compete indemnity

Severance pay will be equal to 12 months gross fixed and variable compensation for the fiscal year ended, extended to 18 months if control over the Company is taken by one or more third parties acting in concert triggering the obligation to launch a public offering of the Company shares. Regardless of the date and circumstances of the dismissal from office, such severance pay will be payable only if the Chief Executive Officer has received or should have received in the two fiscal years preceding the termination of his term in office at least 70% of the maximum variable portion (excluding outperformance) of his compensation on average for each of these two fiscal years, the variable portion being based on both quantitative and qualitative targets.

No compensation shall be paid to the Chairman and Chief Executive Officer for voluntary departure.

The non-compete clause is applicable to the Chairman and Chief Executive Officer, extends over a period of twelve months and covers all French territory. In consideration for this, he shall receive flat-rate monthly gross compensation equal to 50% of the average monthly gross fixed compensation that he will have received during the twelve months preceding the termination of his term of office (or the duration of the latter if it is lower). The Company however will have the option of reducing this term or releasing the Chairman and Chief Executive Officer from

this commitment.

8. Insurance for loss of income

The iinsurance provided to Mr. Nordine Hachemi for loss of revenue should he lose his term in office was terminated on December 31, 2023, with effect from January 1, 2024.

Summary table of the fixed and variable components of the Chairman and Chief Executive Officer's compensation

Compensation components	Principle	Determination criteria
Fixed compensation	The Chairman and Chief Executive Officer receives fixed compensation paid out in twelve monthly installments.	The gross annual amount is fixed at €650,000 for the 2024 fiscal year.
Variable compensation	The Chairman and Chief Executive Officer receives variable compensation determined in light of the group's performance. This compensation is paid during the fiscal year following that for which performance was recorded. In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, this variable compensation is subject to the approval of the compensation components of the Chairman and Chief Executive Officer by an Ordinary Shareholders' meeting under the conditions set out in Article L. 22-10-34 of the French Commercial Code.	The annual variable portion of the Chairman and Chief Executive Officer's compensation is €700,000 gross if objectives are 100% achieved and, in the event of outperformance up to the achievement of 130% of these objectives, a maximum amount of €910,000 gross, of which 15% is related to revenues, 15% to EBITDA, 15% to Attributable Net Income, 5% to WCR, 10% to annual housing orders, 10% to the number of lots approved by the Commitment Committees for 2024 and 30% linked to qualitative objectives, as presented above. In addition to this variable monetary part, a variable portion paid in the form of bonus share awards (15,000) is added, subject to the achievement of the performance criteria described above and a vesting period of two years.
Long-term compensation	In 2018, the Board of Directors proposed the establishment of a long-term compensation program for the Chairman and Chief Executive Officer based on an award of 10,000 bonus shares. The long-term compensation plan was renewed for the first time in 2019, 2020, 2021, 2022 and 2023. A proposal has been made to renew the plan in 2024 for the 2024-2026 period.	Final award of these shares is subject to the achievement of the objectives detailed in paragraph 3. above and a vesting period of three years.
Pension plan	The Chairman and Chief Executive Officer will also receive a supplementary defined contribution pension; the amount of the contribution paid by the company for the Chairman and Chief Executive Officer amounted to €23,462.40 in 2023.	The scheme is that described in paragraph (vi) above
Severance and non-compete indemnity	The Chairman and Chief Executive Officer is entitled to a commitment by the company to pay a termination indemnity in the event of the Board's decision to terminate his duties and an indemnity intended as compensation for his non-compete commitment.	Severance pay and non-competition benefit schemes are described in paragraph (vii) above.
Company car	The Chairman and Chief Executive Officer benefits from a company car with a budget of €1,700 per month (excluding tax) for the year ending November 30, 2024.	Not applicable.

Draft resolution prepared by the Board of Directors in accordance with Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of May 6, 2024

FIFTH RESOLUTION

(Approval of the compensation policy for the Chair and Chief Executive Officer)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, after a reading of the report of the Board of Directors on Corporate Governance prepared in accordance with Article L. 225-37 of the French Commercial Code, describing the components of the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Chairman and Chief Executive Officer of the Company, as presented in Section 2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

I.3. Components of Directors' compensation

On May 3, 2018, the shareholders decided, in the fifteenth resolution, to set the total amount of compensation allocated annually to the Board of Directors to €400,000 for fiscal year 2018 as well as for subsequent years, until decided otherwise by the Shareholders' Meeting.

On the recommendation of the Compensation and Nomination Committee, the Board of Directors distributes among its members holding no functions in the group, the compensation allocated to the Board by the Shareholders' Meeting, for their role as Director. The amounts which compensate the function of Director are paid pro rata based on their physical attendance (or via videoconference) at Board of Directors' meetings during the fiscal year. A share fixed by the Board and deducted from the amount of the compensation allocated to the Board of Directors is paid to the members of the Committees who have no function in the group and, where applicable, to the Lead Director, also taking into account their actual participation in the Committees.

Within the limit of a maximum individual amount of €55,000 allocated to directors, the basic compensation for 2023 has been set at €26,800 per year, paid on a pro rata basis according to physical attendance (or by videoconference) at Board meetings during the fiscal year, it being understood that Nordine Hachemi and the director representing employee shareholders will not be entitled to payment of this compensation.

In addition, €5,000 per year is paid to the Chairman of each Committee, it being understood that the Chairman of the Audit Committee receives a compensation of €7,000 per year.

In addition to the basic compensation, €3,000 is paid for each Board Committee meeting attended by the Director in question.

Given the additional duties attributed, relative to other members of the Board of Directors, the Lead Director receives an additional compensation of €17,000 over and above the compensation allocated for their position as Director, as from fiscal year 2023.

the Board of Directors of January 29, 2024, acting on the recommendation of the Compensation and Nomination Committee, decided to pay additional compensation in the amount of €8,000 only to the directors who participated in the work of the ad hoc committee formed, by decision of the Board of Directors on May 30, 2023, as part of the Company's purchase of a block of Kaufman & Broad shares held by Artimus Participations.

I.4. Draft resolution prepared by the Board of Directors in accordance with Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' Meeting of May 6, 2024

SIXTH RESOLUTION

(Approval of the compensation policy for the Directors)

The Shareholders' meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, describing the components of the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French Commercial Code, the compensation policy for the Directors, as presented in Section 2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

II. Compensation and benefits granted to corporate officers during the fiscal year ended November 30, 2023

In accordance with Article L. 22-10-34 of the French Commercial Code, the Shareholders' meeting approves a draft resolution concerning the information mentioned in I of Article L. 22-10-9-I of the French Commercial Code, to be included in the corporate governance report and including in particular the compensation paid in respect of the term of office during the past fiscal year or allocated in respect of the term of office for the same fiscal year, i.e. the year ended November 30, 2023. These elements are presented in paragraphs II.1. and II.2. below for the Chairman and Chief Executive Officer and the Directors.

In addition, in accordance with Article L. 22-10-34-II of the French Commercial Code, the Annual Shareholders' meeting shall deliberate on the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the past fiscal year or allocated in respect of the same fiscal year, in a separate resolution for each corporate officer. Regarding the Chairman and Chief Executive Officer of the Company, these elements are presented in paragraph II.1. below.

The Combined Shareholders' meeting of May 6, 2024 will therefore be asked to vote, in separate resolutions, on the one hand on the information mentioned in I of Article L. 22-10-9 of the French Commercial Code, including in particular the items presented in paragraphs II.1. and II.2. below, and on the other hand on the compensation items paid or awarded in respect of the fiscal year ended November 30, 2023 to the Chairman and Chief Executive Officer, as set out in paragraph II.1. below.

II.1. Chairman and Chief Executive Officer

1.1. Fixed compensation

The gross fixed compensation paid to the Chairman and Chief Executive Officer during the fiscal year ended November 30, 2023 amounted to €600,000.

1.2. Variable compensation

The 2023 variable compensation of the executive corporate officer includes (i) a target and maximum annual variable portion, paid in cash, and (ii) an annual deferred payment part in the form of awards of bonus shares with performance conditions attached.

a) Annual variable portion in cash

The

Board of Directors meeting of January 29, 2024, acting on the proposal of the Compensation and Nomination Committee meeting of January 15, 2024, after reviewing the results of the Company and the qualitative results of the Chairman and Chief Executive Officer during the year ended November 30, 2023, set the quantitative portion of the variable compensation due to the Chairman and Chief Executive Officer for the year ended November 30, 2023 at €451,124 and the qualitative portion of this compensation at 130% of the target, i.e. €273,000 (a rounded total of €724,124, i.e. 103.45% of the target amount).

Concerning the quantitative part, representing 70% of the variable compensation, the Board of Directors noted that rights to variable compensation are awarded according to the grid below:

	2023		
Objective	**Weighting**	**Achievement of target** *(as % of target)*	**Bonus award** *(as % of target amount)*
Revenue	**15 %**	94.03%	92.58%
EBITDA	**15 %**	103.42%	103.42%
Attributable net income	**15 %**	100.17%	100.17%
WCR	**5 %**	281.28%	130.00%
Number of housing orders	**10 %**	85.69%	71.72%
Number of lots approved by the Commitment Committees	**10 %**	81.75%	63.49%

As regards the qualitative portion, representing 30% of variable compensation, the following qualitative targets were reviewed by the Compensation and Nomination Committee.

At its meeting of January 15, 2024, the Committee made the following observations:

Management of group teams and quality of the working atmosphere:

- The decrease in headcount with the support of staff representatives,
- Maintaining HR development initiatives and training efforts;
- Employee relations: unanimous signing of 3 company agreements by the trade unions (NAO and GEPP),
- Obtaining various labels that recognize managerial changes and the group's transformation: Great Place to Work (73% satisfaction rate and 91% participation rate), Happy Trainees, Best Managed Companies,

Continued implementation of the CSR policy [1][2] *:*

- All the actions implemented in the context of CSR are mentioned in the CSR Committees held during the year,
- Changes in the technical cost analysis,
- The evolution of EPSM (biodiversity and ecologist, infiltration of rainwater, generalization of certification),
- Implementation of Track Waste,
- The evolution of the Green Site Charter and low nuisance (Annex DCE),
- The implementation of the Supplier Ethics Charter,

Good risk management :

- TheMaintaining a positive outcome, management of operating expenses and absence of debt in tense economic conditions reflect the group's sound risk management.

The Committee found that the results obtained met established targets and gave entitlement to a bonus of 130%, or €273,000.

b) Deferred payment of the annual variable portion in the form of performance shares

It

It is noted that the Board of Directors meeting of February 24, 2023 made use of the authorization conferred by the 16th resolution of the Combined Shareholders' Meeting of May 5, 2022, awarding 15,000 performance shares to the Chairman and Chief Executive Officer for fiscal year 2023, provided that he is still in office when they are fully vested in February 2025. These fully vested shares must then be held for a period of two years ("1st 2023 Plan").

Excerpt from the Rules of the 1st 2023 Plan (Article 5 - *Conditions governing the availability of shares*):

../...

- "*For senior executives, in the event of the termination of their duties under their corporate office (resignation or dismissal) binding them to Kaufman & Broad SA, or to one of the companies or entities controlled by Kaufman & Broad SA within the meaning of Article L. 233-3 of the French Commercial Code, or the Kaufman & Broad economic interest group, the Beneficiaries will no longer be eligible to receive Bonus Shares, and will lose all entitlements awarded under the plan, as from the date of notification of their resignation, or the date of the Board of Directors' meeting on which their dismissal was decided, depending on the case. This condition includes the case in which their employer ceases to be a Subsidiary of Kaufman & Broad SA.*

In the event of the Beneficiaries' death during the Vesting Period, the heir(s) of their estate may request the Award of Shares within a period of 6 months from the date of death.

In the event of the Beneficiary's invalidity during the Vesting Period, entitlement to Bonus Shares will take effect immediately and the Bonus Shares will automatically be delivered to the relevant person, within a brief period as from the date of termination of the employment contract due to said invalidity.

In the event of the Beneficiaries' retirement during the Vesting Period, they will remain eligible to receive the Bonus Shares and will maintain all entitlements awarded under the plan. The rules of operation of these Rules will continue to apply."

Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in the annual variable compensation in cash set out in paragraph II.1.1.2. a) above. In the event that these performance conditions are met, the Chairman and Chief Executive Officer would be entitled to an award of performance shares in respect of the deferred annual variable compensation, at the same ratio and in the same proportions as for the annual variable compensation in cash. No additional performance shares would be awarded in the event of outperformance above 100%.

At its meeting of January 29, 2024, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, made a definitive award of 15,000 performance shares to Nordine Hachemi in respect of his deferred variable compensation, for fiscal year 2023, corresponding to an overall performance of 103,45%.

On the basis of valuation work carried out by an independent actuary at the request of the Company and using the Company's share price on February 24, 2023, the benefit corresponding to the 15,000 performance shares whose allocation to the Chairman and Chief Executive Officer is being considered in respect of his annual variable compensation with deferred payment is estimated at approximately €337,814.

1.3. Long-term compensation

At its meeting of February 26, 2021, the Board of Directors resolved, on the recommendation of the Compensation and Nomination Committee, to introduce a long-term compensation scheme in 2021 for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year ("2nd 2021 Plan").

The Board decided to include the following performance conditions: long-term performance conditions evaluated over the 2021-2023 period (three fiscal years), including CSR performance, property and service quality, the level of employee share ownership in the Company's share capital and the TSR (total shareholder return or rate of profit to shareholders). The relative weight of these four conditions is broken down to 20% for CSR performance, 22.5% for property and service quality, 22.5% for employee share ownership and 35% for TSR.

(1) Regarding the selection of criteria, in order to assess the achievement of the qualitative criteria and, in particular, the criterion of 'Implementation of the CSR policy,' the Compensation and Nomination Committee and the Board of Directors have notably adopted the improvement of the GAIA and CDP ratings which are based on the criterion of reduction of carbon emissions, an environmental indicator monitored within the framework of the group's SNFP. In addition, it was also taken into account that the Commitment Committees systematically apply 4 environmental criteria (all monitored as part of the group's SNFP) when presenting a programme at the Commitment Committees.

(2) Mrs. Sophie Lombard, Chairwoman of the Remuneration and Nomination Committee and Mr. Jean Louis Chaussade, a member of said Committee, are also members of the CSR Committee. This interaction between the two Committees enables the members of the Compensation and Nomination Committee to better assess the achievement of the CSR objectives set for the corporate officer.

Performance criteria	Weighting	Objectives	Calculation rules	% of performance shares granted
CSR	**20%**	Stay in the top 70 companies in the GAIA index (230 companies) for 3 years	6.66%	100% otherwise 0
		Obtain a minimum rating of 50 from VIGEO beginning in 2021	6.66%	100% otherwise 0
		Obtain a B rating on the CDP index in 2021 *	6.66%	100% otherwise 0
Property and Service Quality**	**22.5%**	Obtain the following score for each of the next 3 fiscal years:		
		2021: 67/100	1/3	100% otherwise 0
		2022: 67/100	1/3	100% otherwise 0
		2023: 67/100 **	1/3	100% otherwise 0
Employee shareholding	**22.5%**	Maintain an employee share ownership level of at least 12% of the Company's capital (through Artimus Participations, the PEE employee savings plan and on an individual basis).		100% otherwise 0
TSR	**35%**	TSR performance of the company evaluated compared to TSR performance of the SBF 120 after 3 years	TSR < 100%	0
			TSR between 100% and 110%	From 75% to 100%, by linear interpolation
			TSR > 110%	100%

* *Having a score of B in 2021 on the CDP index: regarding this indicator, the Minutes of the 2021 Compensation and Nomination Committee and Board of Directors contained a material error. The target achieved of obtaining a score of B was set for the last fiscal year of the three-year period, **i.e. 2023**, and not 2021 as indicated.*

** *This is a composite index measuring Property and Service Quality, based on the annual BVA survey conducted by the Company. The index comprises 10 indicators, each scored on a scale from 1 to 10, with 9 corresponding to the level of Satisfaction (with KB, the real estate asset, the contact person who recorded the order, the handling of the TMA request, the customer account, the inspection of the partitions, the handover of the keys, the support since the handover of the keys, Cleanliness of the Housing Unit on delivery) and 1 corresponding to the Recommendation.*

The Compensation and Nomination Committee meeting of January 15, 2024 made the following observations on the achievement of the performance conditions over the period under review:

- With regard to the condition linked to CSR performance:

Objective	Valuation		
	2021	2022	2023
Stay in the top 70 companies in the GAIA index (230 companies) for 3 years	Achieved: **13th out of 230** companies (GAIA Index)	Achieved: **7th in the sector rankings and 38th out of 371** companies (GAIA Index)	Achieved: **24th in the sector rankings (196** companies**) and 66th out of 349** companies (GAIA Index)
	Note: 65/100	Note: 74/100	Note: 73/100
Obtain a minimum rating of 50 from VIGEO beginning in 2021	Achieved: The unsollicited rating is 51/100	Achieved: The unsollicited rating is 51/100	Achieved: The unsollicited rating is 51/100
Obtain a B rating on the CDP index in 2021 *	Not achieved: B	Achieved: A	Achieved: A

As the three targets were achieved, the CSR performance condition was fully met.

- With regard to the Property and Service Quality condition:

			VALUATION
Customer satisfaction	**2021**	**2022**	**2023**
Objective	66	67	68
Realised	68	70.4	68.4
	Achieved	Achieved	Achieved

The Property and Service Quality condition was achieved.

- With regard to the employee share ownership condition: The objective is to maintain this shareholding (through Artimus Participations, the Group Employee Savings Plan and individually) at least 12% of the Company's capital:

Employee share ownership	**2019**	**2020**	**2021**	**2022**	**2023**
% shareholding structure	14.82%	15.20%	15.49%	16.56%	12.07%

The performance condition is met.

- As regards the condition relating to the company's TSR performance compared to the TSR performance of the SBF 120:

TSR	**Kaufman & Broad**	**SBF 120**
1-month average	3.97%	43.96%
3-month average	2.33%	45.91%

As the TSR is less than 100%, this indicator is 0.

Summary table of number of performance shares to be granted

Performance Criteria	**Weighting**	**Number of bonus shares (AGA)**	**Achieved (base 100)**	**Obtained**
CSR performance	20%	2,000	100%	2,000
Property and Service Quality	22.50%	2,250	66%	2,250
Employee share ownership	22.50%	2,250	100%	2,250
TSR	35%	3,500	0	0
TOTAL	**0**	**10,000**		**6,500**

At its meeting of January 29, 2024, the Board of Directors, on the recommendation of the Compensation and Nomination Committee, decided to award to Nordine Hachemi, in respect of his long-term compensation in the form of performance shares (2021-2023 period) a total of 6,500 shares (valued at roughly €123,500).

In accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code (ex-post vote), the payment of the performance shares will be subject to a favorable vote by the Shareholders' Meeting which will be held on May 6, 2024 to decide on the definitive award of said shares. The effective transfer of ownership of the shares can only take place after approval of the relevant resolution by the Shareholders' Meeting.

1.4. Exceptional compensation

None.

1.5. Compensation for the office of directorship

None.

1.6. Severance and non-compete indemnity

See paragraph I.2.7 above.

1.7. Pension plan

The Chairman and Chief Executive Officer is entitled to the Company supplemental defined-contribution pension plan under the same terms as the members of the Management Committee as stipulated by Article 83 of the General Tax Code; the amount of the contribution paid by the company on behalf of the Chairman and Chief Executive Officer was €23,462.40 for the 2023 calendar year. This corresponds to the annual contributions capped at 8% of gross salary, up to a maximum of eight times the Social Security ceiling.

This commitment was authorized by the Company's Board of Directors of April 16, 2015 and approved by the Shareholders' Meeting of April 15, 2016. This commitment was approved by the Shareholders' Meeting of May 6, 2021, in its eighth resolution, when Nordine Hachemi's directorship was renewed. At its meeting of May 6, 2021, the Board reappointed Nordine Hachemi as Chairman of the Board of Directors exercising executive management of the Company.

1.8. Company car

The Chairman and Chief Executive Officer benefits from a company car with a budget of €1,700 per month (excluding tax) for the year ending November 30, 2023.

1.9. Asurance in the event of loss of revenue

The Chairman and Chief Executive Officer benefits from insurance for loss of revenue should he lose his term in office. This insurance was terminated on December 31, 2023, with effect from January 1, 2024.

1.10. Summary tables of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended November 30, 2023 or awarded for the same fiscal year

Compensation components	Amounts or accounting valuation subject to a vote	Comments
Fixed compensation	€600,000	-
Variable compensation	€724,124	Amount approved by the Board of Directors on January 29, 2024
Compensation in respect of directorship	None	–
Exceptional compensation	None	Seniority bonuses in accordance with the group's policy applicable to all employees and managers paid in December 2018
Stock options or stock warrants or bonus shares	€506,395	
o/w 2023 Plan (1st Plan)	*€337,814*	*15,000 bonus shares [(a)]*
o/w 2023 Plan (2nd Plan)	*€168,581*	*10,000 performance shares [(b)]*
Pay relating to entering or leaving office	None	-
Supplemental retirement plan	€23,462.40	Annual contributions capped at 8% of gross salary up to a maximum of eight times the maximum Social Security contribution
Company car	€20,400	(€1,700 per month excl. tax)
Any type of benefits	€36,244	Unemployment insurance

(a) At its meeting of February 24, 2023, the Board of Directors awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, on condition that he is still in office when they are fully vested in 2024. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

- *fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;*
- *fulfillment of qualitative criteria reflecting team management and the quality of the working atmosphere in the Company, the continued implementation of CSR policy and sound risk management.*

At its meeting of January 29, 2024, the Board of Directors made a final award, subject to the condition of presence in 2025, of 15,000 performance shares of the 15,000 performance shares initially awarded to Nordine Hachemi in respect of his deferred variable compensation for overall performance in fiscal year 2023.

(b) At its meeting of February 24, 2023, the Board of Directors renewed a long-term compensation scheme for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. In addition, the Board decided that these shares were to be subject to long-term performance conditions assessed over the period 2023-2025 (CSR performance – Quality of Property and Service – level of employee shareholding – total shareholder return (TSR)).

Table 1 AMF Definitions

Summary table of the compensation and stock options and shares awarded to each executive corporate officer (amounts in euros)

Nordine Hachemi *Chairman and Chief Executive Officer*	**Year ended November 30, 2023**	**Year ended November 30, 2022**
Compensation for the fiscal year (detailed in Table 2)	1,360,368	1,511,593 [(1)]
Valuation of the multi-year variable compensation allocated during the fiscal year		
Valuation of the options awarded during the fiscal year (detailed in Table 4)		
Valuation of the bonus shares awarded during the fiscal year (detailed in Table 6)	506,395[(2)]	585,503[(3)]
TOTAL	**1,866,763**	**2,097,096**

(1) The amount includes the payment to the Chairman and Chief Executive Officer of an exceptional bonus related to the Austerlitz project, amounting to €200,000, for the year ended November 30, 2022, which was the subject of a specific resolution passed at the Shareholders' Meeting on May 4, 2023.

(2) At its meeting of February 24, 2023, the Board of Directors awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, on condition that he is still in office when they are fully vested in 2025. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

- *fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;*
- *Fulfillment of qualitative criteria reflecting team management and the quality of the working atmosphere in the Company, the continued implementation of CSR policy and sound risk management.*

At its meeting of January 29, 2024, the Board of Directors made a final award, subject to the condition of presence in 2025, of 15,000 performance shares of the 15,000 performance shares initially awarded to Nordine Hachemi in respect of his deferred variable compensation for overall performance in fiscal year 2023.

At its meeting of February 24, 2023, the Board of Directors renewed a long-term compensation scheme for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. In addition, the Board decided that these shares were to be subject to long-term performance conditions assessed over the period 2023-2025 (CSR performance – Quality of Property and Service – level of employee - total shareholder return (TSR)).

(3) At its meeting of February 25, 2022, the Board of Directors awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2021, on condition that he is still in office when they are fully vested in 2024. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

• fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;

• fulfillment of qualitative criteria reflecting team management, the quality of the working atmosphere in the Company, control over operating expenses (including payroll), the implementation of the CSR policy and efficient risk management.

At its meeting of January 27, 2023, the Board of Directors made a final award, subject to the condition of presence in 2024, of 14,550 performance shares of the 15,000 performance shares initially awarded to Nordine Hachemi in respect of his deferred variable compensation for overall performance in fiscal year 2022.

At its meeting of February 25, 2022, the Board of Directors renewed a long-term compensation scheme for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. In addition, the Board decided that these shares were to be subject to long-term performance conditions assessed over the period 2022-2024 (CSR performance – Quality of Property and Service – level of employee shareholding – total shareholder return (TSR)).

Table 2 AMF Definitions

Summary summarizing the compensation paid to each executive corporate officer (amounts in euros)

Nordine Hachemi	**Fiscal year ended November 30, 2023**		**Fiscal year ended November 30, 2022**	
Chairman and Chief Executive Officer	**Amounts paid**	**Amounts due**	**Amounts paid**	
Fixed compensation	600,000[(a)]	600,000	600,000	600,000
Annual variable compensation	724,124[(e)]	677,518[(c)]	677,518[(c)]	790,686[(b)]
Multi-year variable compensation	-	-	-	-
Exceptional compensation		200,000[(d)]	-	-
Compensation (formerly Directors' fees)	-	-	-	-
Any type of benefits (unemployment insurance)	36,244	34,075	34,075	34,033
TOTAL	**1,360,368**	**1,511,593**	**1,511,593**	**1,424,761**

(a)The fixed compensation amount was approved by the Board of Directors on January 29, 2024

(b)The variable compensation for fiscal year 2021 was approved by the Board of Directors on January 26, 2022 and paid in February 2022.

(c)he variable compensation for fiscal year 2022 was approved by the Board of Directors on January 27, 2023 and paid in February 2023.

(d)The exceptional compensation for fiscal year 2022 was approved by the Board of Directors on January 27, 2023.

(e)The variable compensation for fiscal year 2023 was approved by the Board of Directors on January 29, 2024.

The Chairman and Chief Executive Officer is also entitled to a supplemental defined-contribution pension plan since he joined the Company, pursuant to the provisions of Article 83 of the French General Tax Code. For 2023, the Company paid a total of €23,462.408 into the plan, corresponding to the annual contributions capped at 8% of gross salary, up to a maximum of eight times the social security ceiling. In addition to the retirement benefits offered to all employees, the Company also provides a supplementary plan for corporate officers and for members of the Management Committee.

At the date of this document, Nordine Hachemi holds 131,368 Company shares, directly or through RKCI, of which he is shareholder. In addition, he owns 27.34% of the share capital of Artimus Participations, which itself owns 5.24% of Kaufman & Broad SA's share capital. Nordine Hachemi therefore owns 2.09% of the share capital of Kaufman & Broad SA directly and indirectly.

Table 4 AMF Definitions

Stockwarrants or stock options awarded by the issuer or by any group company to each executive corporate officer during the fiscal year ended November 30, 2023

Name of executive corporate officer	N° and date of plan	Type of options (stock purchase or subscription)	Valuation of the options under the method used for the consolidated financial statements	Number of options awarded during the fiscal year	Exercise price
Nordine Hachemi	–	–	–	None	–

Table 5 AMF Definitions

Stock warrants or stock options exercised during the fiscal year ended November 30, 2023 by each executive corporate officer

Options exercised during the fiscal year by each executive corporate officer	N° and date of plan	Number of options exercised during the fiscal year	Exercise price
Nordine Hachemi	–	None	–

Table 6 AMF Definitions

Bonus shares awarded to each corporate officer

Bonus shares awarded during the fiscal year to each corporate officer by the issuer and by all group companies (listed by name)	N° and date of plan	Number of shares awarded during the fiscal year [(a)]	Share price on award date	Valuation of the shares under the method used for the consolidated financial statements	Date of vesting	Date available
Nordine Hachemi	24/02/2023	15,000	28.95	337,814	24/02/2025	24/02/2027
o/w 2023 Plan (1st Plan) [(a)]						
o/w 2023 Plan (2nd Plan) [(b)]	24/02/2023	10,000	28.95	168,581	24/02/2026	24/02/2027

(a) At its meeting of February 24, 2023, the Board of Directors awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2023, on condition that he is still in office when they are fully vested in 2025. Final award of these shares to the Chairman and Chief Executive Officer is subject to the same performance conditions as those provided for in his annual variable compensation in cash, namely:

- *Fulfillment of quantitative criteria reflecting short-term performance indicators such as revenue, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of lots established by the Commitment Committees;*
- *Fulfillment of qualitative criteria reflecting team management and the quality of the working atmosphere in the Company, the continued implementation of CSR policy and sound risk management.*

At its meeting of January 29, 2024, the Board of Directors made a final award, subject to the condition of presence in 2025, of 15,000 performance shares of the 15,000 performance shares initially awarded to Nordine Hachemi in respect of his deferred variable compensation for overall performance in fiscal year 2023.

(b) At its meeting of February 24, 2023, the Board of Directors renewed a long-term compensation scheme for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. In addition, the Board decided that these shares were to be subject to long-term performance conditions assessed over the period 2023-2025 (CSR performance – Quality of Property and Service – level of employee shareholding – total shareholder return (TSR))

Table 7 AMF Definitions

Bonus *shares vested during fiscal year 2023 for each executive corporate officer*

Bonus shares vested for executive corporate officers (listed by name)	Date of plan	Number of shares that became exercisable during the fiscal year	Vesting conditions
Nordine Hachemi	15,000	15,000	(a)
Chairman and Chief Executive Officer	26/02/2021 (1st Plan)		
	10,000	5,750	(b)
	27/02/2020 (2nd Plan)		

(a) Making use of the authorization conferred by the Shareholders' meeting of May 5, 2020, the Board of Directors, on February 26, 2021, decided to grant deferred annual compensation in the form of performance shares. The Board of Directors thereby awarded 15,000 performance shares to the Chairman and Chief Executive Officer for 2021, provided that he is still in office when they are fully vested in 2023.

- *Final award of the performance shares to the corporate officer would be subject to the same performance conditions as those provided for in relation to the annual variable compensation in cash. The quantitative criteria reflect short-term performance in indicators such as revenues, EBITDA, attributable net income and the WCR, as well as future performance, such as the number of housing units ordered and the number of Commitment Committee meetings. The qualitative criteria are assessed on the basis of the following qualitative elements: management of group teams, quality of the working atmosphere in the Company, control over operating expenses (including payroll), return on capital employed, adapting the Company to technological developments, and sound risk management.*

Because the performance conditions set by the Board were partially met, the shares were definitively awarded in February 2023.

(b) At its meeting of February 27, 2020, the Board of Directors resolved to introduce a long-term compensation scheme in 2020 for the Chairman and Chief Executive Officer based on the award of 10,000 performance shares to the latter, with a vesting period of three years and a lock-in period of one year. The Board decided to establish the following performance conditions:

- *Long-term performance conditions evaluated over the period 2020-2022 (three fiscal years), including CSR performance, customer satisfaction, the level of employee share ownership in the Company's share capital and the TSR (total shareholder return or rate of profit to shareholders). The relative weight of these four conditions is broken down to 20% for CSR performance, 22.5% for customer satisfaction, 22.5% for employee share ownership and 35% for TSR.*

At its meeting of January 27, 2023, the Board of Directors resolve to award 5,750 performance shares to Nordine Hachemi in respect of his long-term compensation, assessed over the 2020-2022 period. The Shareholders' Meeting of May 4, 2023 voted on the final award of shares, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code (ex-post vote).

Table 11 AMF Definitions

Executive corporate officers	Employment contract	Supplemental retirement plan	Indemnities or benefits due or likely to be due by reason of the cessation or change of positions	Indemnities relating to a non-compete clause
Nordine Hachemi	No	Yes (a)	Yes (b)	Yes (c)
Chairman and Chief Executive Officer				

(a)Nordine Hachemi is covered by the Company supplemental defined-contribution pension plan under Article 83 of the French General Tax Code; the amount of the contribution paid by the Company on Nordine Hachemi's behalf was €23,462.40 for fiscal year 2023. This corresponds to the annual contributions capped at 8% of gross salary, up to a maximum of eight times the Social Security ceiling

(b) Compensation for loss of office is equal to 12 months' gross fixed and variable compensation for the past fiscal year, extended to 18 months if control over the Company is taken by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

(c) 12-month non-compete clause, covering the territory of France, generating a gross flat monthly compensation equivalent to 50% of the average monthly gross fixed compensation received during the 12 months preceding the termination of the term of office (or during the duration of the term, if this is shorter), with the Company nevertheless having the option to reduce the duration or to exempt the executive officer of this commitment.

1.11. Draft resolution prepared by the Board of Directors in accordance with Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' meeting of May 6, 2024

SEVENTH RESOLUTION

(Approval of the payment of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year ended November 30, 2023 or awarded to the Company's Chairman and Chief Executive Officer for the same fiscal year)

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the previous fiscal year, or awarded to the Company's Chairman and Chief Executive Officer for the same fiscal year, as presented in paragraph 2.2.1. of the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

II.2. Directors

The table below presents the compensation allocated to the Directors in respect of their term of office during the fiscal year ended November 30, 2023:

Director	Amount paid in fiscal year 2023 or allocated for fiscal year 2023
Sylvie Charles	
Compensation in respect of directorship	€63,000
Other compensation	-
Jean Louis Chaussade	
Compensation in respect of directorship	€58,436
Other compensation	-
Yves Gabriel	
Compensation in respect of directorship	€26,927
Other compensation	-
Michel Giannuzzi	
Compensation in respect of directorship	€35,927
Other compensation	-
Sophie Lombard	
Compensation in respect of directorship	€63,000
Other compensation	-
Annalisa Loustau Elia	
Compensation in respect of directorship	€24,364
Other compensation	-
Michel Paris	
Compensation in respect of directorship	€53,164
Other compensation	-
Lucile Ribot	
Compensation in respect of directorship	€41,800
Other compensation	-

III. Other information

III.1. Ratio between the level of compensation of the Chairman and Chief Executive Officer and the average and median compensation of group employees

For the calculation of the ratios presented below in accordance with Article L. 22-10-9 of the French Commercial Code, the Company referred to the AFEP- MEDEF guidelines dated December 19, 2019. In accordance with Article L. 22-10-9, these ratios are presented for the last five fiscal years.

The ratios below have been calculated on the basis of the fixed and variable compensation paid during the fiscal years mentioned and taking into account the performance shares and bonus shares granted during the same periods and valued at their fair value (IFRS value) at the time they were granted.

	Fiscal year 2023	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019
Ratio on average compensation	25.15	25.91	24.67	27.43	27.22
Ratio on median compensation	32.97	33.61	32.00	35.15	34.75

III.2. Annual changes in compensation, company performance, average compensation on a full-time equivalent basis of the company's employees other than senior executives and the aforementioned ratios over the last five fiscal years

	Fiscal year 2023	Fiscal year 2022	Fiscal year 2021	Fiscal year 2020	Fiscal year 2019
Compensation of executive Corporate officers [1]	€2,020,157	€2,010,264	€1,771,732	€2,010,991	€1,982,096
Performance of the company (attributable net income)	€60.05M	€49.0M	€43.9M	€40.1M	€76.3M
Average compensation on a full-time equivalent basis of the company's employees other than senior executives [2]	€80,322	€77,574	€71,820	€73,315	€77,806
Ratio on average compensation	25.15	25.91	24.67	27.43	27.22
Ratio on median compensation	32.97	33 61	32.00	35.15	34.75

(1) Includes the fixed and variable compensation, exceptional bonuses, benefits in kind paid during the fiscal years, as well as the performance shares granted during the same periods and valued at their fair value (IFRS value) at the time they were granted.

(2) Calculated in accordance with the AFEP-MEDEF guidelines dated December 19, 2019, taking into account the group scope of employees (including fixed compensation, variable compensation, exceptional bonuses, benefits in kind, employers' contribution to the Company Savings Plan, paid during the fiscal year as well as bonus shares granted during the same periods and valued at their fair value - IFRS value at the time they were granted).

Draft resolution prepared by the Board of Directors in accordance with Article L. 22-10-34 of the French Commercial Code submitted to the Combined Shareholders' meeting of May 6, 2024

EIGHTH RESOLUTION

(Approval of information mentioned in Article L. 22-10-9 of the French Commercial Code)

The Shareholders' meeting, deliberating in accordance with the quorum and majority requirements for Ordinary Shareholders' meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10-34-I of the French Commercial Code, the information mentioned in Article L. 22-10-9-I of the French Commercial Code as presented in the aforementioned report, included in Section 8.9. of the Company's 2023 Universal Registration Document.

IV. Other information

IV.1. Draft agenda and resolutions prepared by the Board of Directors that will be submitted to the Shareholders' meeting of May 6, 2024.

See section 8.7 "Agenda and resolutions of the Shareholders' meeting of May 6, 2024" of this document.

IV.2. Related party agreements - current agreements - commitments - related party transactions

IV.2.1. Agreements subject to Article L. 225-38 of the French Commercial Code

The Board of Directors of Kaufman & Broad S.A. (The 'Company'), meeting on September 5, 2023, approved the signature by the Company of a sale agreement for the purpose of the buyback by the Company of a block of 1,251,000 treasury shares from Artimus Participations.

The contract was signed on September 5, 2023. The sale agreement provides for a price of €25.92 per share, representing a 2.0% discount to today's closing price, representing a total investment of €32.4 million.

The sale agreement constitutes a related-party agreement, within the meaning of Article L. 225-38 of the French Commercial Code, to which Artimus Participations, a company bringing together managers and former managers of the Company, is a party. The directors concerned did not take part in the vote.

No new agreement referred to in Article L. 225-38 of the French Commercial Code was authorized by the Board of Directors during the year ended November 30, 2023.

IV.2.2. Current agreements

The procedure for assessing current agreements and its implementation is described in a charter adopted by the Board of Directors on February 27, 2020 (*see document in appendix*).

IV.2.3. Commitments authorized in application of Article L. 225-42-1 of the French Commercial Code

At its meeting of May 6, 2021, your Board of Directors, on the recommendation of the Compensation and Nomination Committee, renewed Nordine Hachemi's term of office as Chairman and Chief Executive Officer for a period of three years and authorized the following commitments:

(a) Severance pay for the Chief Executive Officer

The Board of Directors' meeting of June 25, 2013 appointed Nordine Hachemi as Chief Executive Officer as of July 1, 2013 and approved the terms of his contract which provides for the payment to his benefit of compensation for loss of office under the following conditions:

In the event of dismissal from office for any reason other than gross misconduct, as defined in labor law by the Court of Cassation, the Company undertakes to indemnify the Chief Executive Officer for the loss suffered in relation to the dismissal from office.

The compensation is equal to 12 months' gross fixed and variable compensation for the past fiscal year, extended to 18 months if control over the Company is taken by one or more third parties acting in concert triggering the obligation to launch a public offer for the Company's shares.

Regardless of the date and circumstances of the dismissal from office, such severance pay will be payable only if the Chief Executive Officer has received or should have received in the two fiscal years preceding the termination of his term in office at least 70% of the maximum variable portion (excluding outperformance) of his compensation on average for each of these two fiscal years, the variable portion being based on both quantitative and qualitative targets (determined for the first time upon his appointment and subsequently at the start of each fiscal year).

No compensation shall be paid to the Chairman Executive Officer for voluntary departure.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, said commitment was submitted to the Shareholders' Meeting of May 4, 2023 for approval.

(b) Non-compete compensation for the Chief Executive Officer

In the event of Nordine Hachemi's departure, he will be bound by an obligation of non- competition and non-solicitation, unless waived or reduced by the group, for a period of 12 months following the termination of his term in office. In consideration, he will receive a gross lump-sum monthly compensation equivalent to 50% of the average monthly fixed gross compensation he received during the 12 months preceding the termination of his mandate (or during the duration of the mandate, if this is shorter). However, the Company will have the option to reduce this duration or release the Chief Executive Officer from this obligation.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, said commitment was submitted to the Shareholders' Meeting of May 4, 2023 for approval.

(c) Supplementarydefined-contribution pension plans granted to the Chairman and Chief Executive Officer

Nordine Hachemi

is entitled to the Company supplemental executive pension plan and a supplemental defined-contribution pension plan under the same terms as the members of the Management Committee.

The maximum amount of annual contributions is capped at 8% of gross salary within the limit of eight times the maximum social security ceiling. The contribution paid by the Company amounted to € 23,462.40 in 2023.

In accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, said commitment was submitted to the Shareholders' Meeting of May 6, 2024 for approval.

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Topics (headings of Annexe 1 of European Regulation 809/2004)		Sections	Pages
9.2.	**Operating income**	**2.2./6.1.**	**81-262**
9.2.1.	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations	2.1.	68
9.2.2.	Changes in revenues and the reasons for such changes	2.3.1.	82
9.2.3.	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, the issuer's business	1.3./4.1./4.2.2./6.1.5. Note 6.2.	33-144-165-291
10	**CAPITAL RESOURCES**		
10.1.	**Information on the issuer's capital resources (short term and long-term)**	**2.4./6.1.5 Note 7.1.**	**90-294**
10.2.	**Sources and amounts of the issuer's cash flows**	**1.5.4./2.4./6.1.3.**	**62-90-265**
10.3.	**Information on the borrowing requirements and funding structure of the issuer**	**4.1.3./4.1.5./2.4.2./ 6.1.5. Note 6.1.2.**	**155-160-91-288**
10.4.	**Information regarding any restrictions on the use of capital resources**	**7.1.11./7.2.2.**	**334-335**
10.5.	**Information regarding anticipated sources of funds**	**1.5.4./4.1.3/4.1.5.**	**62-155-160**
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES**		
	Description of the issuer's research and development policies, including the amount spent on issuers sponsored research and development activities	1.7.	64
12.	**TREND INFORMATION**		
12.1.	**Most significant recent trends in production, sales and inventory, and costs and selling prices, from the end of the latest fiscal year to the date of the Registration Document**	**1.3.**	**33**
12.2.	**Known trends, uncertainty or demand or any commitment or event, which could reasonably materially impact the outlook of the issuer, at least for the current fiscal yea**	**1.3./1.4.**	**33-47**
13.	**PROFIT FORECASTS OR ESTIMATES**	**NA**	**NA**
14.	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT**		
14.1.	**Information on the positions and other directorships held by the following persons, and the absence of criminal convictions:**		
	• Members of the administrative, management or supervisory bodies	3.1.1.1.	100
	• Any Chief Executive Officer who is relevant to establishing that the issuer has the appropriate expertise and experience to manage the issuer's business	3.1.1.1./3.1.3.	100-121
14.2.	**Conflicts of interest of administrative, management and supervisory bodies and Executive Management:**		
	• Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 14.1. was selected as a member of the administrative, management or supervisory bodies or member of Executive Management	3.1.1.1./3.1.3.2.	100-124
	• Details of any restrictions agreed to by the persons referred to in item 14.1. on the disposal within a certain period of time of their equity interests in the issuer's authorized capital		
15.	**COMPENSATION AND BENEFITS AWARDED TO PERSONS REFERRED TO IN ITEM 14.1.**		
15.1.	**Amount of compensation paid and benefits-in-kind granted by the issuer, its subsidiaries or its controlling entity**	**3.2.1./3.2.2./3.2.3./ 3.2.7./8.9.**	**124-131-132-365**
15.2.	**Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or other benefits**	**3.2.1.2./3.2.1.3./ 3.2.7./8.9. /6.1.5 Note 4.4.**	**124-131-132-365-281**
16.	**BOARD PRACTICES**		
16.1.	**Date of expiry of the current terms of office of members of the issuer's administrative, management and supervisory bodies**	**3.1.1.1.**	**100**
16.2.	**Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries**	**3.2.4./3.2.5./3.2.6.**	**131-132**
16.3.	**Information about the issuer's Audit Committee and Compensation Committee**	**3.1.2.1./3.1.2.2.**	**115-118**
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Topics (headings of Annexe 1 of European Regulation 809/2004)		Sections	Pages
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17.2.	**Shareholdings and stock-options of each person referred to in item 14.1.; information as to their share ownership and any existing stock options**	**3.3.3.**	**134**
17.3.	**Description of any employee shareholding agreement**	**3.3.1./3.3.2./3.3.3.**	**133-134**
18.	**MAJOR SHAREHOLDERS**		
18.1.	**Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's share capital or voting rights, which must be notified under the issuer's national law**	**7.3.1.**	**342**
18.2.	**Different voting rights**	**7.1.10./7.3.1.**	**334-342**
18.3.	**Control over the issuer and measures in place to ensure that such control is not abused**	**4.1.3.1./7.3.3.**	**153-344**
18.4.	**Any arrangements which may result in a change of control of the issuer**	**4.1.3.4./7.3.3.2.**	**154-344**
19	**RELATED PARTY TRANSACTIONS**	**3.2.4./3.2.6./6.1.5. NOTE 12/7.3.4./ 3.4.**	**131-132-301-345-140**
20.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
20.1.	**Historical financial information**	**6.1.**	**262**
20.2.	**Pro forma financial information**	**N. A.**	
20.3.	**Financial statements**	**6.1./6.3.**	**262-307**
20.4.	**Audit of historical annual financial information**		
20.4.1.	Declaration that the historical financial information has been audited	8.2./6.2./6.4.	350-303-322
20.4.2.	Other information in the Registration Document which has been verified by the Statutory Auditors	N. A.	
20.4.3.	Where financial data in the Registration Document is not extracted from the issuer's audited financial statements, statement of the source of the data and that the data is unaudited	N. A.	
20.5.	**Date of latest financial information**	**6.1./6.3./9.3.**	**262-307-390**
20.6.	**Interim and other financial information**	**NA**	**NA**
20.7.	**Dividend policy**	**7.5.1.**	**347**
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	• Par value per share	7.2.4./7.2.8.	339-340
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21.1.4.	Convertible securities, exchangeable securities or securities with warrants	N. A.	
21.1.5.	Information about the terms of any acquisition rights and/or obligations attached to capital subscribed, but not paid-up, or any undertaking to increase the capital	7.2.2./7.3.3.	335-345
21.1.6.	Information about any capital of any member of the group, which is under option or agreed to be placed under option	N. A.	
21.1.7.	History of the issuer's share capital for the period covered by the historical financial information	7.3.1./7.3.2.	342-345
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21.2.1.	Corporate purpose of the issuer	7.1.4.	332
21.2.2.	Summary of the provisions of the issuer's bylaws, charter or rules with respect to the members of the administrative, management and supervisory bodies	3.1.1.2./3.1.2./3.1.3.	106-115-121
21.2.3.	Rights, preferences and restrictions attaching to each class of shares	7.2.2.	335
21.2.4.	Number of shares necessary to change the rights of shareholders	7.1.10.	334
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Topics (headings of Annexe 1 of European Regulation 809/2004)		Sections	Pages
	Conditions governing the manner in which annual and Extraordinary Shareholders' meetings are called, including conditions of admission		
21.2.6.	Provisions of the issuer's bylaws, charter or rules that would have the effect of delaying, deferring or preventing a change in control of the issuer	7.1.11./7.3.3.2.	334-345
21.2.7.	Provisions of the bylaws, charter or rules governing the ownership threshold above which shareholder ownership must be disclosed	7.1.11.	334
21.2.8.	Conditions imposed by the bylaws, charter or rules governing changes in the capital, where such conditions are more stringent than is required by Law	7.2.1.	335
22.	**MATERIAL CONTRACTS**	**1.6.1.1./4.1.3.3.**	**63-153**
23.	**THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST**	**N. A.**	
24.	**DOCUMENTS AVAILABLE TO THE PUBLIC**	**7.1.6.**	**333**
25.	**INFORMATION ON EQUITY INTERESTS**		
	Information on businesses in which the issuer holds a proportion of the capital, which could have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	6.4./7.3.4.	306-345

9.2. Annual financial report Cross-Reference table

In application of Article No. 222-3 and Article No. 212-13, paragraphs VI and VIII, of the AMF's General Regulations, the documents constituting the annual financial report for fiscal year 2023 are incorporated by reference in this Universal Registration Document in the Sections referred to in the table below:

Annual financial report	Sections	Pages
Annual financial statements	6.3.	307
Consolidated financial statements	6.1.	262
Management report (Board of Directors' report)	6.6.	328
Objective and exhaustive analysis of the business, results and financial position of the company and the group, as well as its main risks and uncertainties	2./4.1.	67-144
Capital structure and factors likely to have an impact in the event of a public offer	7.2./7.3.	335-342
Information about the implementation of the share buyback program during the fiscal year	7.2.3.	335
Declaration by the persons responsible	8.1/8.2/8.3	350
Statutory Auditors' reports:		
• Report of the Statutory Auditors on the consolidated financial statements	6.2.	303
• Report of the Statutory Auditors on the annual financial statements	6.4.	322
Special report of the Statutory Auditors on related party agreements	3.4.	140
Report by the independent third party on the consolidated human resources, environmental and social information included in the management report	5.2.5	257
Fees paid by the group to the Statutory Auditors and members of their networks	8.6./6.1.5 note 10	300/351
Board of Directors' report on Corporate Governance	8.8.	361

9.3. List of publications since December 2023

Annual information document prepared in accordance with Article 222-7 of the Amf Regulation.

Nature	Date	Subject	Support
Weekly and monthly statements of the share buyback programme	28/12/2022	Transaction reporting December, 19 to 23, 2022	Internet
Weekly and monthly statements of the share buyback programme	31/12/2022	Information on the total number of voting rights and shares comprising the share capital	Internet
Governance: By laws and regulations	01/01/2023	Code of Ethics KB 2023	Internet
Weekly and monthly statements of the share buyback programme	02/01/2023	Transaction reporting January, 26 to 30, 2023	Internet
Weekly and monthly statements of the share buyback programme	09/01/2023	Transaction reporting January, 2 to 6, 2023	Internet
Annual results	30/01/2023	2022 Annual Results (Press Release)	Internet
Annual results	31/01/2023	Annual results 2022	Internet
Weekly and monthly statements of the share buyback programme	31/01/2023	Information on the total number of voting rights and shares comprising the share capital	Internet
Governance: By laws and regulations	01/02/2023	By laws	Internet
Weekly and monthly statements of the share buyback programme	28/02/2023	Information on the total number of voting rights and shares comprising the share capital	Internet
Shareholders' Meeting	17/03/2023	Report of the Statutory Auditors on the capital reduction	Internet
Shareholders' Meeting	20/03/2023	Voting form Ordinary and Extraordinary Shareholders' Meeting	Internet
Shareholders' Meeting	27/03/2023	Statutory Auditors' special report on related party agreements	Internet
Shareholders' Meeting	27/03/2023	Report of the Statutory Auditors on the issue of shares and/or securities with and/or without preferential subscription rights	Internet
Shareholders' Meeting	27/03/2023	Report of the Statutory Auditors on the consolidated financial statements	Internet
Shareholders' Meeting	27/03/2023	Report of the Statutory Auditors on the financial statements	Internet
Shareholders' Meeting	27/03/2023	Report of the Statutory Auditors on the authorization to grant existing or future bonus shares	Internet
Shareholders' Meeting	27/03/2023	Report of the Statutory Auditors on the issue of shares and/or securities with cancellation of preferential subscription rights reserved for employees of company savings plans	Internet
Shareholders' Meeting	27/03/2023	Notice of Meeting/Meeting - Bulletin of Mandatory Legal Announcements (BALO)	Internet
Shareholders' Meeting	28/03/2023	Table of the Board of Directors relating to the delegations of authority and powers relating to the share capital increase	Internet
URD	30/03/2023	2022 UNIVERSAL REGISTRATION DOCUMENT	Internet
URD	31/03/2023	Availability of the Universal Registration Document 2022	Internet
Shareholders' Meeting	03/04/2023	Five-year financial summary	Internet
Shareholders' Meeting	03/04/2023	Report of the Board of Directors on corporate governance	Internet
Shareholders' Meeting	03/04/2023	Agenda - Ordinary and Extraordinary Shareholders' Meeting of May 4, 2023	Internet
Shareholders' Meeting	04/04/2023	Management report by the Board of Directors	Internet
Weekly and monthly statements of the share buyback programme	07/04/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Shareholders' Meeting	13/04/2023	Provision of preparatory documents for the Ordinary and Extraordinary Shareholders' Meeting of May 4, 2023	Internet
Quarterly results	13/04/2023	First quarter 2023 results	Internet
Quarterly results	14/04/2023	Presentation of first quarter 2022 results	Internet
Shareholders' Meeting	04/05/2023	Payment of the dividend for the year ended November 30, 2022	Internet
Shareholders' Meeting	04/05/2023	Presentation Shareholders' Meeting of Kaufman & Broad SA of May 4, 2023	Internet

Nature	Date	Subject	Support
Weekly and monthly statements of the share buyback programme	04/05/2023	Description of the share buyback programme 2023	Internet
Weekly and monthly statements of the share buyback programme	05/05/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Governance: By laws and regulations	02/06/2023	Supplier ethics charter	Internet
Shareholders' Meeting	02/06/2023	Voting result AG May 4, 2023	Internet
Weekly and monthly statements of the share buyback programme	06/06/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Weekly and monthly statements of the share buyback programme	06/07/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Half yearly balance sheet - liquidity agreement	06/07/2023	Half yearly balance sheet of the liquidity agreement	Internet
Half year results	12/07/2023	First half 2023 results	Internet
Half year results	13/07/2023	First half 2023 results and outlook	Internet
Weekly and monthly statements of the share buyback programme	13/07/2023	Implementation of the share buyback programme	Internet
Half year results	27/07/2023	Interim Financial Report 2023	Internet
Press releases	27/07/2023	Interim Financial Report 2023	Internet
Press releases/Ongoing information	27/07/2023	Sustainable Fitch rewards Kaufman & Broad's ESG performance with a score of 80/100	Internet
Weekly and monthly statements of the share buyback programme	03/08/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Other press releases Finance	06/09/2023	Purchase of 5.93% of the company's share capital from Artimus Participations	Internet
Press releases/Ongoing information	06/09/2023	Signature of a related-party agreement between Kaufman & Broad S.A and Artimus Participations	Internet
Weekly and monthly statements of the share buyback programme	06/09/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Weekly and monthly statements of the share buyback programme	12/09/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Press releases/Ongoing information	28/09/2023	Fitch Rating confirms Kaufman & Broad's Investment Grade rating	Internet
Quarterly results	02/10/2023	Results for the first 9 months of the fiscal year 2023	Internet
Quarterly results	03/10/2023	Presentation of results for the first nine months 2023	Internet
Weekly and monthly statements of the share buyback programme	06/10/2023	Monthly information on the total number of voting rights and shares comprising the share capital	Internet
Weekly and monthly statements of the share buyback programme	03/11/2023	Monthly information on the total number of voting rights and shares comprising the share capital October 2023	Internet

9.4. Summary table of currently valid authorizations concerning capital increases

Table and report submitted by the Board of Directors concerning the grants of authority and powers relating to the capital increase

(in euros)	Date of the ESM	Delegation's expiry date	Nominal amount of authorized capital increase	Capital increase(s) made in earlier years	Capital increase(s) made during the fiscal year	Capital increase(s) made since the close of the fiscal year	Residual amount upon the preparation of this table
Authority in the event of the issuing of common stock and/or equity securities convertible into other equity securities or debt securities and/or securities convertible into equity securities to be issued, without preemptive rights, to set the issue price in accordance with the rules set by the Shareholders' Meeting up to a maximum of 10% of the share capital (1)	May 4, 2023	4 July 2025	10% of the share capital per 12-month period	None	None	None	10% of the share capital
Delegation to issue shares or equity securities convertible into other equity securities or debt securities in compensation for contributions in kind of equity securities or securities convertible into shares up to a maximum of 10% of the share capital (1)	May 4, 2023	July 4, 2025	10% of the share capital at May 4, 2023	None	None	None	10% of the share capital at May 4, 2023
Delegation to issue shares and/ or equity securities convertible into other equity securities or debt securities in compensation for securities contributed in the event of a public exchange offer initiated by the Company (1)	May 4, 2023	July 4, 2025	€543,000	None	None	None	€543,000
Delegation to increase capital by incorporating reserves or premiums	May 4, 2023	July 4, 2025	€823,000	None	None	None	€823,000
Authority to increase the number of securities to be issued in the event of a capital increase, with or without preemptive rights (3)	May 4, 2023			None	None	None	None
Authority in the event of the issuing of common stock and/or equity securities convertible into other equity securities or debt securities and/or securities convertible into equity securities to be issued, without preemptive rights, via public offerings other than those referred to in Article L. 411-2 of the	May 4, 2023	4 July 2025	€543,000 (shares or securities) €500,000,000 (or securities representing debts on the company giving access to equity securities)	None	None	None	€543,000 (shares or securities) €500,000,000 (or securities representing debts on the company giving access to equity securities)

(in euros)	Date of the ESM	Delegation's expiry date	Nominal amount of authorized capital increase	Capital increase(s) made in earlier years	Capital increase(s) made during the fiscal year	Capital increase(s) made since the close of the fiscal year	Residual amount upon the preparation of this table
French Monetary and Financial Code [1]							
Authority in the event of the issuing of common stock and/or equity securities convertible into other equity securities or debt securities and/or securities convertible into equity securities to be issued, without preemptive rights, via public offerings referred to in Article L. 411-2 of the French Monetary and Financial Code [1]	May 4, 2023	4 July 2025	€543,000 (shares or securities) €500,000,000 (securities representing debts of the company giving access to the capital or to a debt security)	None	None	None	€543,000 (shares or securities) €500,000,000 (debt securities or securities representing debts of the company giving access to the share capital or debt securities)
Delegation to issue common stock and/or equity securities convertible into other equity securities or debt securities and/or securities convertible into equity securities, with preemptive rights [4]	May 4, 2023	4 July 2025	€2,200,000 (shares or securities) €500,000,000 (securities representing debts of the company giving access to the capital or to a debt security)	None	None	None	€2,200,000 shares or securities) €500,000,000 (securities representing debts on the company giving access to the share capital or debt securities)
Delegation of authority to issue shares of common stock and/or equity securities convertible into other equity securities without preemptive rights for members of the group's employee savings plan up to a maximum amount of 3% of share capital [1]	May 4, 2023	4 July 2025	Ceiling of 3% of the share capital	None	None	None	
Authorization to grant existing or future bonus shares	May 4, 2023	4 July 2026	250,000 shares of which 50,000 shares to corporate officers	None	None [2]	None	111,978

(1) The amount of this authorization is deducted (I) the amount of the general ceiling for delegations of authority of €2,220,000 and (II) the sub ceiling of €568,000 (itself deducted from the overall nominal ceiling of all capital increases of €2,220,000 referred to above) for capital increases through the issue of shares or equity securities giving access to other equity securities or securities giving access to equity securities to be issued with cancellation of preferential subscription rights and (III) €500,000,000 for issues of debt securities entitling holders to the allocation of a share capital or debt security as provided for by the Combined Shareholders' Meeting of May 4, 2023.

(2) Due to the allocation of treasury shares to cover these plans, these plans are no longer likely to give rise to a capital increase.

(3) Within the scope of the issues that would be decided pursuant to the delegations granted under the 14th, 15th and 16th resolution of the Shareholders' Meeting of May 4, 2023.

(4) The amount of this authorization is deducted from the general ceiling for delegations of authority of €2,220,000.

9.5. Glossary

Business line

Competitive bidding	A process that enables a principal (the Project Owner) to choose the Company (the tendering enterprise, which will be the supplier) that is the best able to provide works, supplies or services. The goal is to have multiple companies competing to provide a product or service.
BBC effinergie®	Low Energy Consumption Building ("Bâtiment Basse Consommation"). BBC-Effinergie® is a thermal performance label for buildings intended for residential use. For new residential buildings, the maximum primary energy target is set at 50 kWh/sq.m/year, which is readjusted to account for region and altitude. So-called conventional primary energy consumption for heating, cooling, ventilation, auxiliaries, hot water production and lighting of premises is taken into account.
Bilan carbone®	The Bilan Carbone® is a carbon assessment tool for calculating greenhouse gas emissions whose objective is to gauge direct and indirect emissions from business activity, economic or otherwise, based on readily available data.
***Backlog* or order book**	in the case of sales before completion (VEFA), the backlog covers orders for housing units that have not been delivered and for which a notarized deed of sale has not yet been signed, and orders for housing units that have not been delivered and for which a notarized deed of sale has been signed for the portion not yet recorded in revenue (in the case of a program that is 30% complete, 30% of the revenue from a housing unit for which a notarized deed has been signed is recognized as revenue, while 70% is included in the backlog). Backlog is a summary at any given point in time that makes it possible to estimate the revenue remaining to be recognized over the coming months and as such to confirm the group's projections. It should be noted that there is an element of uncertainty regarding the conversion of backlog into income- particularly for orders that have not yet been officially notarized.
BEFA	(Lease-before-completion): a lease-before-completion involves a customer leasing a building before it is built or redeveloped.
Financial capacity	This corresponds to cash assets plus lines of credit not yet drawn.
Take-up period	The inventory take-up period is the number of months required for the available housing units to be sold if sales momentum continues at the same pace as in previous months, i.e., housing units outstanding (offer available) per quarter divided by the number of orders per quarter just ended, the latter being divided by three.
EBIT	Earnings Before Interest and Taxes corresponds to current operating income, i.e. gross margin less current operating expenses.
Eco design	This term describes the commitment to design products that meet the principles of sustainable and environmental development. It is an approach that takes environmental impact into account in the design and development of the product and integrates environmentally friendly thinking throughout its life cycle (raw materials, end of product life, manufacturing, logistics, distribution and use).
H & E	The H&E (Habitat & Environment) certification process, which was implemented from 2003 and developed in coordination with the work of the association HQE, aims to improve the environmental quality of housing construction. This certification is only for new building projects in the residential sector (apartment buildings and individual residences in communities). The seven H&E environmental themes are grouped into three categories and define the environmental quality objectives of buildings being considered in the certification process: organizational (Environmental management of the operation, Clean site), technical (Energy - Greenhouse gas reduction, Construction segment/choice of materials, Water and Comfort, Health) and information (Green actions).
HQE®	The HQE® ("Haute Qualité Environnementale" or High Environmental Quality) process implemented by the association HQE® makes possible the application of an environmental policy to the construction of a building. This label allows Project Owners to specify environmental objectives on the basis of 14 targets that define the profile of their future building. This approach is also based on a managerial strategy that includes a project management system to find concrete solutions to the environmental challenges facing our planet. Its ultimate goal is the construction of comfortable buildings that are healthier and more environmentally friendly than buildings of the same generation. HQE® targets are grouped into four categories and define environmental quality objectives based on 14 items: Green building (Relationship between buildings and their immediate environment, Integration of construction process and materials, Low-pollution construction); Eco-management (Energy management, Water management, Construction waste management, Upkeep and maintenance management); Comfort (Hygrothermal comfort, Acoustic comfort, Visual comfort, Olfactory comfort); Health (Health quality of spaces, Air health quality, Water health quality).
Equivalent Housing Units (EHUs)	EHUs (Equivalent Housing Units delivered) directly reflect sales. The number of EHUs is a function of multiplying (i) the number of housing units of a given program for which notarized sales deeds have been signed by (ii) the ratio between the group's property expenses and construction expenses incurred on said program and its total expense budget.
Project Owner	Individual or legal entity on whose behalf construction and real estate work or more generally the services of a contractor are carried out and which, in order to do so, has entered into one or more contracts with the various trades involved in construction. The Project Owner is so called despite not being the contractor's employer since the contractor is independent. The Project Owner must not be confused with the project manager. The Project Owner selects the project manager and puts them in charge of coordinating and monitoring of the work of the various trades.
Gross margin	The gross margin corresponds to revenues less cost of sales. The cost of sales consists of the price of land parcels, the related property costs (taxes, etc.), commissions paid to developers and to Kaufman & Broad Sales staff, as well as fees and commissions provided for in the agency agreements executed by Kaufman & Broad in order to sell its real estate programs, construction costs and borrowing costs that may be directly attributed to program development.

Commercial offer	This refers to the total inventory of properties available for sale as of the date in question, i.e. all unordered housing units as of this date (minus the programs that have not yet entered the marketing phase).
Property portfolio	All real estate for which a commitment (such as a contract for sale) has been signed.
PTZ +	The "Zero-Interest Plus Loan": this new interest-free loan, issued by government-registered credit institutions, was spawned by the overhaul of "PTZ 2010" and the discontinuation of the "Pass-Foncier" and the tax credit on loan interest, which were eliminated on January 1, 2011. It is available to individuals wishing to finance the purchase, refurbishment or construction of their primary residence as a first-time homeowner (buyers are considered first-time homeowners if they did not own their primary residence during the two years preceding the loan offer..
Revivalis®	Created by Kaufman & Broad, this process is intended to determine all recovery potential of an office building for its rehabilitation while respecting its architectural heritage. It is based on a multi-criteria analysis that takes technical, regulatory, operational and urban planning aspects into account.
Orders (value)	this figure represents the value of the real property as expressed in order contracts signed, including VAT, for a given period. It is net of cancellations recorded during that period.
Housing orders Units or Units (volume)	These are a reflection of the group's commercial activity. Orders are recognized in revenue based on the time necessary to "convert" an order into a signed and notarized deed, which is the point at which income is generated. Moreover, in apartment programs that include mixed-use buildings (apartments/business premises/retail space/offices), all floor space is converted into housing equivalents. They are measured in volume (Units) and valuee.
Land reserve	This includes land for development (otherwise called the land portfolio), i.e., the land for which an act or promise of sale was signed, as well as land under consideration, i.e., the land for which an act or promise of sale has not yet been signed.
Pinel (incentive scheme)	The incentive under the Pinel Act, which replaces the Duflot Act, is applicable to the calendar year 2016. Its purpose is to revive the attractiveness of investment in new property. The incentive is meant to allow every buyer of a new property or a home sold before completion (VEFA) in an eligible area to benefit from a tax reduction. 12% to 21% for periods from 6 to 12 years.
Sub-contracting	Sub-contracting is a contract by which a company, the "principal", asks one or more other companies, called "sub-contractors" to perform part of its production process or make some of the components necessary to its production. The sub-contractors are companies that are authorized to do certain tasks. The sub-contractor is different from a supplier because it manufactures a product designed by the sponsor or, often, it does so together with the sponsor. The product is manufactured by the sub-contractor exclusively on behalf of the sponsor and does not bear the sub-contractor's name. The sub-contractor is committed exclusively in respect of compliance in execution as per the sponsor's guidelines.
take-up rate	The take-up rate (Te) represents the percentage of the initial inventory for a property program that is sold on a monthly basis (sales per month divided by the initial inventory), i.e., net monthly orders divided by the ratio between the opening inventory and the closing inventory, divided by two. NB: The inverse of the take-up rate (1/Te) gives the expected timeframe (in months) for the marketing of a program, i.e., the marketing period. For example, a 4.0% take-up rate corresponds to a projected duration of 25 months of marketing.
EBIT rate or operating margin	Expressed as a percentage, it corresponds to current operating income, i.e. gross margin less current operating expenses divided by revenue.
Cash and cash equivalents	This corresponds to cash and cash equivalents on the assets side of the balance sheet, i.e., all cash on hand (bank balances and cash in hand), investment securities (short-term investments and term deposits) and order balances.
Net cash	This corresponds to the "negative" net debt or net financial debt, i.e. for the company the balance of available cash and financial investments forming its "active cash position" is greater than the amount of its gross financial debt (or gross financial debt).
Units	Units are used to define the number of housing units or Equivalent Housing Units (for mixed programs) of any given program. The number of equivalent housing units is calculated from the ratio of the surface area by type (business premises, retail space, or offices) to the previously obtained average surface area of housing units.
Sale before completion (VEFA)	Sale before completion is a contract whereby the seller immediately transfers to the buyer its land rights and ownership of existing buildings. The future structures will become the purchaser's property as they are completed: the purchaser is required to pay the price of these structures as the works progress. The seller retains the powers of the Project Owner until acceptance of the work. With the sale-before-completion contract, lawmakers have given real-estate developers the option of calling for payment from customers in accordance with the percentage completion of programs, based on a payment schedule determined by law, while giving customers a performance bond. Total payments from customers may not exceed 35% of the price upon completion of the foundations, 70% upon boxing up and 95% upon completion of the building. This contract makes the buyer the owner of the land and building progressively during the course of the construction process.
ANRU area	Area covered by the signing of a multi-year agreement with the French National Agency for Urban Renewal (ANRU). In this geographical area with tax benefits, households, in particular tax households with limited resources, can purchase a new principal residence with a reduced VAT rate (5.5%) subject to certain conditions.

Institutional, legal and financial

Share	Equity instrument representative of a portion of the capital issued by the corporation that issued it. It gives the holder ownership of part of the capital, and the rights associated with it, such as the ability to be involved in the management of the Company and to derive an income therefrom known as a dividend. A share gives one vote to its owner (shareholder) at Shareholders' meetings, and shares may be publicly traded as appropriate and in a specific manner.
Shares in "registered" form	Mode of holding shares in which the name of the shareholder appears in the books of the company. The registration of certain shares in nominative form maximizes the performance of a portfolio by reducing management costs, provided that the shareholder is ready to make lasting connections with the company in which he or she wants to invest. If registered shares are "administered", that means that management of the company's securities account is entrusted to a financial intermediary. For "pure registered" shares, all service for the securities is handled by the company.
AMF (Autorité des Marchés Financiers)	The Autorité des Marchés Financiers is an independent public body, legal entity and financially independent whose mission is to oversee the protection of savings invested in financial instruments, investor information and the proper functioning of financial instrument markets.
Net earnings per share	Attributable net income divided by the average number of shares during the fiscal year.
Working Capital Requirement (WCR)	WCR results from deferrals of cash flow: inflows and outflows relating to expenditures and operating revenues necessary for the design, production and marketing of real estate projects. The simplified expression of WCR that results is as follows: current assets (inventory + receivables + other operating receivables + advances received + deferred income) minus current liabilities (accounts payable + tax and Social Security payables + other operating debt + prepaid expenses). The amount of WCR will depend in particular on the length of the operating cycle, the extent and duration of the work-in-process inventory carried, the number of projects initiated, and the payment terms granted by suppliers and delivery schedules granted to customers.
CAC 40	The continuous quotation system ("Cotation Assistée en Continu") is the main stock index on the Paris exchange, and is published by Euronext. Created with 1,000 basis points on December 31, 1987 by the Compagnie des Agents de Change, the CAC 40 index is determined from the price of 40 stocks listed on the continuous market among the 100 companies whose transaction volume is the highest on Euronext Paris, which is part of Euronext, the largest European exchange. These companies, representing different business sectors, in principle reflect the overall economic trends of major French companies and membership is reviewed regularly to maintain its representative nature.
Free cash flow	Free cash flow is equal to cash flow from operations less net operating investments made during the period.
Cash flow from operations after cost of financial debt and taxes	Cash flow from operations after cost of financial debt and taxes is equal to consolidated net income adjusted for the group's share of the income of equity affiliates and joint ventures, the income from discontinued operations, and estimated income and expenses.
Financing capacity	Corresponds to cash assets plus lines of credit not yet drawn.
CDP	Formerly "Carbon Disclosure Project", measures the environmental impact of companies
AFEP-MEDEF Code	The AFEP-MEDEF Code is the set of recommendations developed by the working groups of the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) to define the specific principles of operation and transparency for improving their management and image among investors and the public, particularly in terms of Corporate Governance and compensation of executive directors of listed companies.
Statutory Auditors	Representatives of shareholders that enable shareholders to vote at Shareholders' meetings on the financial statements, the Statutory Auditors' primary duties (for a term of six years) are auditing the annual financial statements, which include, as integral parts, the balance sheet, income statement and accompanying notes. Their role is to certify that the financial statements present fairly, in all material respects, the results of operations, the financial position and the assets of the Company. Statutory Auditors practice a regulated profession whose organization and bylaws are set by Decree No. 69-810 of August 12, 1969 (as last amended by Decree No. 2005-599 of May 27, 2005). Only individuals or legal entities included in a special list, which is compiled at every court of appeal, may exercise this profession. These regulations are summarized as follows: the technical qualification of Auditors is guaranteed by professional examinations that serve as gateways to the profession, standards and professional ethics and oversight of their activity. Their independence is based on the incompatibility of their task with any other activity (an expert accountant, legal counsel or Board member of a company cannot serve as its Statutory Auditor) and statutory and regulatory definition of the term.
Liquidity agreement	An agreement between a listed company and a provider of investment services (a bank or stockbroker). The Company makes the cash and shares of the company available to the Investment Services Provider (ISP), on condition that the investment services provider buys or sells the shares of the Company when the market for its shares is unstable.
Internal control	Company-specific system, defined and implemented under its responsibility, that aims to ensure: a) compliance with laws and regulations; b) the application of instructions and guidelines issued by Executive Management (…); c) the proper functioning of the internal processes of the Company, including those designed to safeguard assets. The proper functioning of the process requires that the standards or operating principles have been established and that performance and profitability indicators have been put in place; d) the reliability of financial information (…) (source: AMF reference framework - June 2010).

Senior loans (lines of credit)	Banks use senior debt to fund LBO (leveraged buyout) transactions. LBO financing by banks is risky in the bank credit market. It is characterized by a loan repayable by installments and/or, most frequently, a "bullet repayment" type loan, but also by lines of credit to finance the working capital requirement and growth policies of companies affected by this kind of acquisition. Senior debt is debt that enjoys specific guarantees, the repayment of which has priority over other so-called subordinated debt. It is therefore "priority debt".
Sustainable Development	According to the Brundtland report, 1987, the meaning most commonly used is: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. " To be sustainable, development must reconcile three major factors: social equity, environmental protection and economic efficiency.
Dividend	The dividend is the share of a company's annual net profit distributed to shareholders. Its amount is proposed by the Board of Directors and is subject to approval at the Shareholders' meeting. It is payable within a maximum period of nine months after the end of the fiscal year.
Voting rights	Voting rights are exercised at Shareholders' meetings of a Company and are attached to a share that entitles its holder to participate in the key business decisions of the Company. Even though single or double voting rights or no voting rights may be attached to a share, only the shareholders may hold voting rights. Unlike creditors, they have no guarantee of repayment and share in the risk of the Company.
Preemptive rights	The preemptive right is a right that allows the shareholder to subscribe to the capital increase of a company. For each existing share, one subscription right is attached. The exercise of this right then gives priority to current shareholders to participate in the issuance of new shares of the Company in question. It is called a preemptive or preferential subscription right. The number of rights required to subscribe to one new share is also called rights exchange ratio. Generally speaking, the issue price of new shares is less than the market price of existing shares to be attractive to current shareholders. This price difference serves as the basis for assessing the price of the subscription right. The preemptive rights themselves are traded at the start of the capital increase. They are listed during the subscription period to enable current shareholders to sell their rights if they do not wish to subscribe to new shares and to allow current shareholders (if they lack rights) and new shareholders to acquire a sufficient number of rights to subscribe to new shares.
EBIT	Earnings Before Interest and Taxes corresponds to current operating income, i.e. gross margin less current operating expenses.
EBITDA	This indicator is equal to the net income, corrected for net amortization, depreciation and provisions, corporate income tax, the Net cost of financial debt, of other financial expenses, of impairment losses, if any, of capital gains or losses on disposal of fixed assets, of non-recurring income and expenses, of the income of companies accounted for by the Equity method and of other estimated expenses.
Net debt or net financial debt	A company's net debt or net financial debt is the balance of its gross financial debt (gross borrowings) and the available financial assets forming its "cash and cash equivalents". It represents the company's creditor or debtor position with respect to third parties outside the operating cycle.
Gross debt or gross financial debt	Gross financial debt consists of long-term and short-term financial liabilities, financial hedging instruments relating to those liabilities, and accrued interest on those liabilities and hedging instruments.
Company mutual funds (FCPE)	Company mutual funds (FCPE) are investment funds dedicated to the employees of a company. They are managed by an undertaking for the collective investment in transferable securities of employee savings. Company mutual funds (FCPEs) are usually implemented through an incentive agreement or an employee savings plan (PEE, PEI, PERCO). They can be either "diversified" mutual funds (composed of a basket of securities, with no security being overrepresented) or "employee shareholder" mutual funds (at least a third of which is comprised of Company shares). FCPE regulations must be approved by the AMF.
Greenhouse gases (GHG)	Greenhouse gases (GHGs) are gases that absorb some of the sun's rays and redistribute them in the form of radiation that encounters other gas molecules, thus repeating the process and creating the greenhouse effect, with an increase of temperature. The increase in the concentration of greenhouse gases in our atmosphere is one of the main factors behind global warming. The most important greenhouse gases are water vapor (H2O) and carbon dioxide (CO2). The other main greenhouse gases are methane (CH4), ozone (O3), nitrous oxide (N2O) and other gases such as PFCs and CFCs.
Grenelle Environment Forum	The Grenelle Environment Forum was a series of political meetings held in France in September and October 2007 to make long-term decisions regarding the environment and sustainable development, in particular to restore biodiversity through the establishment of a green and blue framework and regional patterns of ecological coherence, while reducing greenhouse gas emissions and improving energy efficiency. The Grenelle 1 Act, or Act No. 2009-967 of August 3, 2009 relating to the implementation of the Grenelle Environment Forum is a French planning law that formalizes the 268 commitments resulting from the Grenelle Environment Forum. It was supplemented in 2010 by Act No. 2010-788 of July 12, 2010 on the national commitment to the environment, (the "Grenelle II" Act), setting out more specific provisions for these goals.
Investment grade	Investment grade means that a financial instrument or a company has a relatively low risk of default.
Directors' fees	Directors' fees consist of fees paid to the Chairs and Chief Executive Officers, General Managers, and Directors who are members of the Supervisory Boards of joint-stock companies ("sociétés anonymes"). The total amount of Directors' fees, which is typically divided among the Directors based on their attendance at Board Committee meetings, is set by the shareholders at an Ordinary Shareholders' meeting. The Board of Directors freely decides the amount allocated to each Director.

Corporate officers	A corporate officer is an individual appointed by an employer when the latter is a legal entity (association, company or corporation). For example: a managing partner in the case of a French limited liability company or sole-shareholder limited liability company or a Chair and Chief Executive Officer (or a Chief Executive Officer) for a commercial company. Corporate officers represent the employer in all actions relating to the management of the company, for which they are responsible to the shareholders, the partners and the law, and, more particularly, in the field of personnel management and employment law. In a "société anonyme" (joint stock company) with a Board of Directors, the positions with a corporate mandate are the Chair of the Board of Directors, the Chief Executive Officer (if the role is separate from that of Chair), Deputy Chief Executive Officers and Directors
Nominal (or par) value of a share	The nominal value of an equity instrument (securities such as shares, bonds, etc.), also known as the face or par value, is the value set when the security is issued. The nominal value of a share is the percentage of share capital that it represents. For shares, the nominal value has an accounting meaning only. It is the capital classified as liabilities on the Company's balance sheet divided by the number of shares it has issued. This value is set at the discretion of the shareholders.
Employee Savings Plan (PEE)	The Employee Savings Plan is a savings system implemented within companies on a collective and voluntary basis to allow employees to accumulate capital. The Employee Savings Plan may receive the proceeds from profit incentives or voluntary payments by employees. The company may supplement its employees' payment by means of employer contributions to share purchase schemes. Such payments are generally locked-in for a period of five years, but they may be released early as needed and in a specified manner. Former employees who have left the Company due to retirement or early retirement may continue to make payments into the Employee Savings Plan.
Gearing ratio (or *gearing)*	Ratio of net debt (or net financial debt) to the consolidated shareholders' equity of the Company. It measures the risk to the company's financial structure.
Managed Housing	Managed housing, or serviced housing, refers to a property complex consisting of housing units (homes or apartments) for residential use and offering a minimum number of services such as a reception, the supply of linen, house cleaning and maintenance, and breakfast. There are several different types of housing in this category: student housing including apartment complexes, mostly furnished studios with a kitchenette located in the vicinity of schools and universities and close to public transportation; tourist accommodation located in high-potential tourist areas offering, in addition to the usual services, amenities such as swimming pools, sports fields, sometimes saunas, steam rooms, jacuzzis and children's clubs; corporate housing as an alternative to traditional hotels, including studios (about 80%) and two-room apartments located in city centers or close to major business hubs with convenient access to everything; and lastly, senior residences (including both assisted and non-assisted living facilities for the elderly) designed to prepare for an aging population and housing people aged 55 and over; their customers include both leaseholders and property owners
CSR (corporate social responsibility)	Corporate Social Responsibility (CSR) is the contribution made by businesses to sustainable development issues. For businesses, this strategy consists of taking into account the social and environmental impacts of their business and adopting best practices, thus contributing to the betterment of society and the protection of the environment. CSR makes it possible to combine economic thinking, social responsibility and environmental responsibility (as defined by the French Ministry of Ecology, Sustainable Development and Energy).

Agencies

Annecy: Immeuble Onyx, 15 Rue Pré Paillard -74940 Annecy le Vieux - Tel.: +33 4 50 05 61 95
Bayonne: Résidence du Parc -2 boulevard du BAB - Tel. +33 5 59 59 60 60
Bordeaux: 14 allée de Tourny -33064 Bordeaux Cedex - Tel.: +33 5 56 12 72 72
Caen: 93-97 rue de Bernières -14000 Caen - Tel. +33 2 31 15 56 56
Courbevoie: (Head office - Agences Île de France - Commercial property - Showroom)
17, quai du Président Paul Doumer -92400 Courbevoie - Tel.: +33 1 41 43 43 43
Lille: 238 boulevard Clémenceau -59700 Marcq en Baroeul - Tel.: +33 3 28 33 83 23
Lyon: 19 rue Domer, CS 10231, 3e étage -69362 Lyon Cedex 07 - Tel. +33 4 72 84 03 74
Marseille: Le Silo d'Arenc -35, quai du Lazaret - CS 30010 - 13002 Marseille Cedex 02 - Tel.: +33 4 96 17 32 00
Montpellier: 266 place Ernest- Granier -3e étage -34000 Montpellier - Tel. +33 4 67 13 82 70
Nantes: 25 bis rue Paul Bellamy - BP 10216 - 44002 Nantes Cedex 1 - Tel.: +33 2 40 74 44 44
Nice: 400, Promenade des Anglais -06200 Nice - Tel.: +33 1 41 43 43 43
Rennes: Immeuble Atlas 121 rue du Temple de Blosne -35136 Saint Jacques de la Lande - Tel.: +33 2 99 52 70 37
Strasbourg: 15 rue des francs bourgeois -67000 Strasbourg - Tel.: +33 3 88 11 30 40
Toulouse: 27 bis allée Jean Jaurès -31010 Toulouse Cedex 6 - Tel.: +33 5 34 41 08 08
Serge Mas Promotion: 30 allée Jean Jaurès -31010 Toulouse - Tel.: +33 5 62 73 17 31

Local offices

Aix en Provence: 26 route de Galicia -13090 Aix en Provence
Dijon: 1 rue Nicolas Berthot - Acquisition B -21000 Dijon
La Rochelle: 56 rue Saint Yon -17000 La Rochelle
Perpignan: 30 avenue du Général Leclerc -66000 Perpignan
Rouen: 3 rue Rollon -76000 Rouen

Showroom Méditerranée

Fréjus: ZI du Capitou Pôle Mixte Lot 19 - avenue Jean Lachenaud -83600 Fréjus

Design and Production
POMELO PARADIGM
pomelo-paradigm.com/pomdocpro/

KAUFMAN & BROAD SA
17, Quai du Président Paul Doumer
CS 90001 - 92672 Courbevoie Cedex
kaufmanbroad.fr