aéma GROUPE

Sustainability Bond Framework

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Classification: Interne

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I. Introduction

1. Background

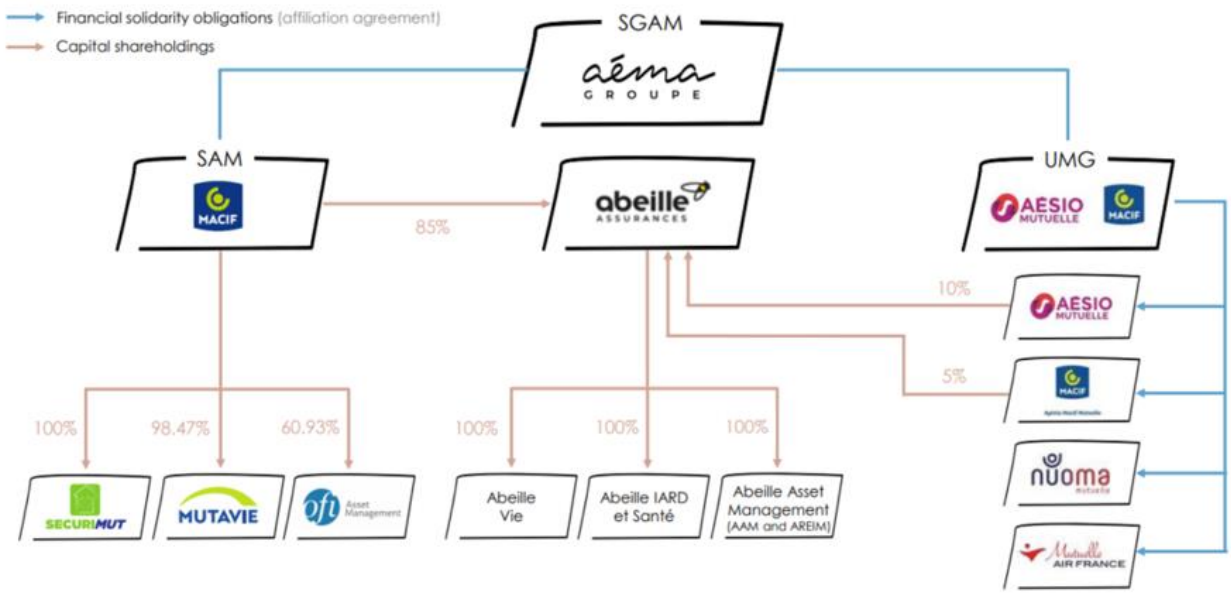
Created in January 2021, Aéma Groupe is a joint prudential group (hereafter "the Group"), which has been established following the merger of three French insurance companies: Macif, a mutual insurance company created in 1960, Aésio Mutuelle, a Health & Protection (H&P) insurance company created in 1990 and Abeille Assurances (formerly known as Aviva France created in the 1850s), an insurance company which joined the Group in September 2021.

The Group is solely present in France and its activities span across four main markets: Property & Casualty insurance (P&C), Health & Protection insurance (H&P), Life insurance and Asset management.

The Group is the 5th largest insurance group in France relying on the synergies, experience and expertise of its three key entities and its multi-brand and multi distribution model.

Aéma Groupe is the result of an, open, independent and modern mutual insurance model that reconciles both investment and underwriting objectives and social purpose in order to better meet the ever-evolving needs of both retail and corporate customers.

Aéma Groupe's insurance model relies on four key values which are trust, affordability, social purpose and a democratic governance. Aéma Groupe's ambition is to provide the best possible customer service and to ensure the satisfaction of customers' needs through the design of tailored insurance and savings products.
The Group is providing support to 11 million policyholders (which include individual policyholders, professionals, self-employed individuals and corporates of all sizes), and counts 18,000 employees.
The combined revenue disclosed by Aéma Groupe amounted to €11.03bn at the end of 2021. For full year 2021, pro forma revenues (i.e. including Abeille Assurances for the full financial year 2021) would have been €16.06bn.[1]



[1] Press Release, 2021 Achievements and Results, available here:
https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/AEMA_CP_R%c3%a9sultats_2021_VA.pdf

In terms of organizational structure, Aéma Groupe is a mutual insurance group (*Société de Groupe d'Assurance Mutuelle* - SGAM in French), and is responsible for:

- ensuring the long-term development of affiliated companies and their subsidiaries;
- exercising substantial influence by coordinating its affiliates' decisions, including financial ones;
- exercising supervisory powers.

The purpose of Aéma Groupe, is primarily to :

- define and achieve the Group's strategic objectives and purpose (its "raison d'être"), and ensure that the strategic objectives of the Group's affiliated companies, sub-affiliated companies and other companies are consistent with the Group's strategy;
- monitor and oversee the implementation of the Group's strategic plan and the achievement of defined strategic and performance objectives.

At operational entity level, the Group's main activities are organized across three entities:

- Macif, which is affiliated with Aéma Groupe, is responsible for:
    - the steering, production, management and performance of the P&C activities (i.e., Fire, Accidents and Sundry risks activities) produced by Macif and the Savings/Retirement activities produced by Mutavie, and;
    - the management of all distribution activities (notably P&C, Savings/Retirement and H&P) under the Macif brand. Macifilia and Thémis, public limited companies that are subsidiaries of Macif, are also in charge of P&C activities within their respective areas.
- Abeille Assurances is responsible for the management and performance of the H&P, P&C and Savings/Retirement activities of its own subsidiaries (Abeille Vie, Abeille Epargne Retraite, Abeille Retraite Professionnelle and Abeille IARD & Santé), under the control of its shareholders, Macif, Aésio Mutuelle and Apivia Macif Mutuelle, and the head of the prudential group, Aéma Groupe;
- UMG Aésio MACIF, which is affiliated with Aéma Groupe, is in charge of the steering, production, management and performance of the H&P activities of its affiliated mutual insurance companies: Apivia Macif Mutuelle (AMM), Mutuelle Nationale des Personnels Air France (MNPAF), NUOMA (ex-IBAMEO) and Aésio Mutuelle.

For transparency and clarity, bonds issued under this Sustainability Bond Framework will be earmarked to financing of the Eligible Portfolio of Eligible Green and/or Social Projects either under the scope of Macif, Abeille Assurances or UMG Aésio Macif.

2. The Group's Sustainability Strategy

Aéma Groupe is fully aware that, as a leading French mutual insurance company, it is its duty to be at the forefront of both sustainability practices and the development of such practices within the insurance industry.

Since its creation in 2021, the Group has set up a climate related governance through the creation of a Climate Risk Committee which is jointly led by the Corporate Social Responsibility (CSR) and Risk departments and sponsored by the Group's Chief Executive Officer. The role of the Climate Risk Committee is to ensure that climate risk is holistically integrated within all of the Group's activities especially within its decision-making processes.

In order to flesh out both its common Socially Responsible Investment (SRI) strategy and its CSR ambition, Aéma Groupe is actively working on the definition of a joint CSR and SRI strategy that will be declined in a global group roadmap and implemented across all Group affiliates under the supervision of a dedicated SRI working group.

We present hereunder each of Macif, Abeille Assurances and UMG Aésio MACIF's CSR and SRI strategies with a focus on their strategic plan, the integration of ESG criteria into investment strategies, the development of responsible investment products and insurance services as well as the main ESG initiatives that each entity has joined.

2.1. Macif Sustainability Strategy

2.1.1. Sustainability Strategic Plan

"Protecting the present and enabling the future" – Macif corporate purpose statement ("raison d'être")[2]

This mission purpose is aligned to Macif's four commitments towards its stakeholders, its clients ("sociétaires"), board members, employees and the society as a whole.

The four commitments include:

- "To be recognized by our clients as the n°1 in customer relationship and services;
- To be recognized by its employees as a responsible and trustworthy employer;
- To be a committed actor in favor of major social issues;
- To become the leading group in the mutualist world within the framework of Aéma Groupe".

In the face of current sustainable challenges and with a view to better deliver on its purpose, Macif defined a new 2021-2023 strategic plan which is articulated around four key themes: social, finance and investment, ethics and environment.
In that context, Macif is demonstrating the coherence between its actions and its direct or indirect contribution to the 10 United Nations Sustainable Development Goals (SDGs) listed below:

[2] Macif Annual Report 2021, available here:
https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/RA%202021_Macif%20SAM_VA_compressed.pdf

As part of this new strategy, Macif is committed, to act in favor of health, quality of life and access to essential social services, as well as to contribute to carbon neutrality by 2050 through different levers including: the withdrawal from thermal coal financing by 2030, investments in the energy transition in order to achieve a low carbon future and the exclusion of issuers with the highest exposure to fossil fuels (both conventional and non-conventional).

To achieve this commitment, Macif can rely on the expertise and the work of the ESG-Climate working group led by the Corporate Social and Environmental Responsibility (CSER) unit (within the *Direction de l'Engagement*) and the Risk Department. This working group brings together the Investment Department, the Strategy, Alliances and Innovation Department, the Transformation Department as well as other Business departments.

2.1.2. Sustainable Investment[3]

Macif has two portfolio management mandates, each being ensured by an asset management subsidiary companies: Groupe OFI (OFI Asset Management likely to merge with Abeille Asset Management within the coming months), dedicated to securities management and Aéma REIM, dedicated to real estate investments.

Both asset management companies are controlled by Macif and have integrated ESG criteria into their investment management activities in order to mitigate the environmental, social and governance impact of their investments, with a specific focus on climate change and climate-related risks, according to the following processes and investment policies;

- Regular ratings of the portfolio using ESG criteria;
- Annual assessment of the energy transition potential and the carbon intensity of the investment portfolio [TCO_2eq/mEUR invested] (see p15. Macif SRI Report) to drive investments towards issuers that play a major role in the energy transition;
- Monitoring of ESG-related controversies regarding issuers part of the corporate bond portfolio;
- Engagement with issuers through regular dialogue and;
- Exclusion of issuers involved in the following activities:
    - Thermal coal production or use:
      Issuers which do not respect the thresholds set by the NGO Urgewald are excluded (see p.14 of Macif SRI Report for detailed information on these thresholds). In addition, Macif has set the objective to phase out coal from its investment in 2030.
    - Conventional and non-conventional fossil-fuels[4]:
      In addition to the exclusion of issuers deriving more than 10% of turnover from tar sand, shale oil or shale gas production, in June 2022, Macif has released new guidelines framing its investment in the oil and gas sectors[5]. The company now excludes all issuers deriving more than 5% of their turnover or more than 25% of their production from non-conventional fossil fuels, as well as all companies developing new projects in the Arctic zone.

[3] Macif SRI Report 2021 [French version only], available here:
https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/Rapport_ISR_2021.pdf
[4] Non-conventional fossil fuels include tar sand, fracking, coalbed methane, ultra-deep water and arctic drilling and extra-heavy oil
[5] Macif investment guidelines linked to the oil and gas sector [French version only], available here:
https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/Politique_Petrole_Gaz_MACIF_%202022%2006%2030.pdf

In addition, Macif commits to not invest anymore in companies, which development capital expenditure present the highest level of overshoot with respect to the IEA Net Zero scenario (companies, presenting the 2/3 highest level of overshoot based on the Climate Action 100+ initiative benchmark, are excluded).

- Agricultural land and agricultural raw materials, as an investment with speculative purpose;
- Tobacco;
- Non-conventional weapons (landmines, cluster munitions, biological and chemical weapons) and;
- Exclusion of issuers considered as "highly at risk" following OFI AM energy transition analysis.

The integration of ESG factors is a key element of Macif's SRI approach. At the end of 2021, 98.9% of issuers in the direct investment portfolio were covered by an ESG analysis and 99.3% of the asset managers in the investment portfolio of diversification funds were UN PRI signatories.

- ***Groupe OFI***

As part of the management mandate, Groupe OFI is committed to integrating Macif SRI commitments in all its investment processes. It carries out extra-financial analysis on the behalf of Macif, including ESG analysis and monitoring of ESG risks using its own methodologies such as an analysis of companies' energy transition strategy (Energy Transition Score) applied across all portfolio companies, a ranking of funds according to their levels of ESG integration, but also a fund selection from asset management companies that are UN PRI signatories (see Macif SRI Report 2021).

- ***Aéma REIM***

Aéma REIM, signatory of "*Plan bâtiment durable*[6]" and member of "*l'Observatoire de l'Immobilier Durable"*[7], has committed to continually improve the environmental performance of real estate assets in its portfolio by:

- Monitoring energy consumption using the company's "energy consumption centralization tool";
- Setting the objective of reducing by 30% by 2025, the energy consumption of its managed assets as compared to 2016, with the final objective of reducing by 40% by 2030;
- Improving building operating practices: multi-technical contracts with, for instance, energy clauses, environmental certifications in operation, occupant awareness of eco-gestures;
- Prioritizing investments in assets benefiting from environmental certification and/or an energy label (for new buildings) and energy performance control (for existing buildings).

To achieve these objectives, Aéma REIM has developed an Energy and Environment Policy ("*La Politique Energétique et Environnementale (PEE)*"- see Macif SRI Report 2021) to ensure responsible, sustainable, and compliant management of the real estate portfolio.

Before any real estate investment, an analysis of the ESG performance of the asset is carried out following an internal methodology which includes the possible inclusion of improvement and retrofitting work. All possible levers for improving the ESG performance of buildings are considered, such as:

- Equipments to reduce buildings' intrinsic energy consumption: roof insulation work, relamping of LED lights, etc.
- Tools to reduce buildings' energy consumption during the use phase: time regulation of heating, presence-sensing lights, etc.
- Means to ensure responsible use of buildings: raising awareness of occupants, eco-gesture guide, etc.

[6] Available here: http://www.planbatimentdurable.fr/
[7] Available here : https://o-immobilierdurable.fr/

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As for the real estate portfolio, the share of certified buildings in construction/renovation is 66% at the end of 2021. The share of certified buildings in operation stands at 41%, up by 15 points as compared to 2020.

The average energy intensity of the real estate assets managed by Aéma REIM is 150 kWh_{FE}/m^2.year for a total energy consumption of nearly 40 GWh in 2021 (i.e.: a decrease of nearly 15% as compared to 2016).

- ***Examples of Macif's funds***

As a long-term investor, Macif aims to strengthen its investments to support the ecological transition as well as social and economic development.
For example, Macif is financing the Rebond Tricolore fund, NOV Tourisme and NOV Santé funds to support French small and medium-sized enterprises (SMEs).

Following a request from Macif, the Blue Ocean[8] fund was launched at the World Conservation Congress in September 2021. It is the first innovative European impact fund to support start-ups whose purpose is the protection and regeneration of the oceans[9].

2.1.3. Sustainable Insurance Products and Services, Sustainable Operations and ESG Initiatives

Macif has implemented tools for modelling natural disasters (mainly drought and floods), but also climatic disasters (storms and hailstorms). The company now aims to identify in advance at risk geographical areas (so called red zones) and to improve the efficiency of climate and natural disaster models. Macif is also working to develop the use of such model within the company's decision-making processes, in terms of pricing, risk selection, prevention and economic projections.

Macif is committed to gradually integrating climate change mitigation into its range of products and services. As an example, the company designed an automobile insurance rate structure encouraging the development of cleaner vehicles.

Macif is also committed to compensate at no extra cost the replacement value of housing equipment allowing energy or water consumption reduction, such as solar panels, domestic wind turbines, and rainwater recovery systems.

In addition, Macif is participating as a stakeholder to the "*Mission des risques naturels*" (MRN), an association of French insurance companies which analyzes the potential impacts of natural risks, with a focus on mitigation policies and adapting to the consequences of climate change.

In terms of social commitments, Macif offers services to cover the most vulnerable populations, such as populations that are elderly, not digitally literate, geographically isolated, in financial difficulties and in handicap situation.

Macif is also committed to ensure that all its internal practices contribute to mitigate global warming and to promote a sustainable development. The main levers that have been put in place include the reduction of the energy consumption of the Group's buildings, awareness-raising on digital pollution, reduction of GHG emissions from business travel and waste management.

[8] Available here : https://www.respectocean.com/wp-content/uploads/2021/12/BROCHURE-BLUE-OCEAN-PRINT-HD.pdf
[9] Macif DPEF 2021 (p.33) [French version only], available here:
https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/DPEF_2021.pdf

Macif is signatory of various charters and is involved in various initiatives such as :

2.2. Abeille Assurances Sustainability Strategy

2.2.1. Sustainability Strategic Plan

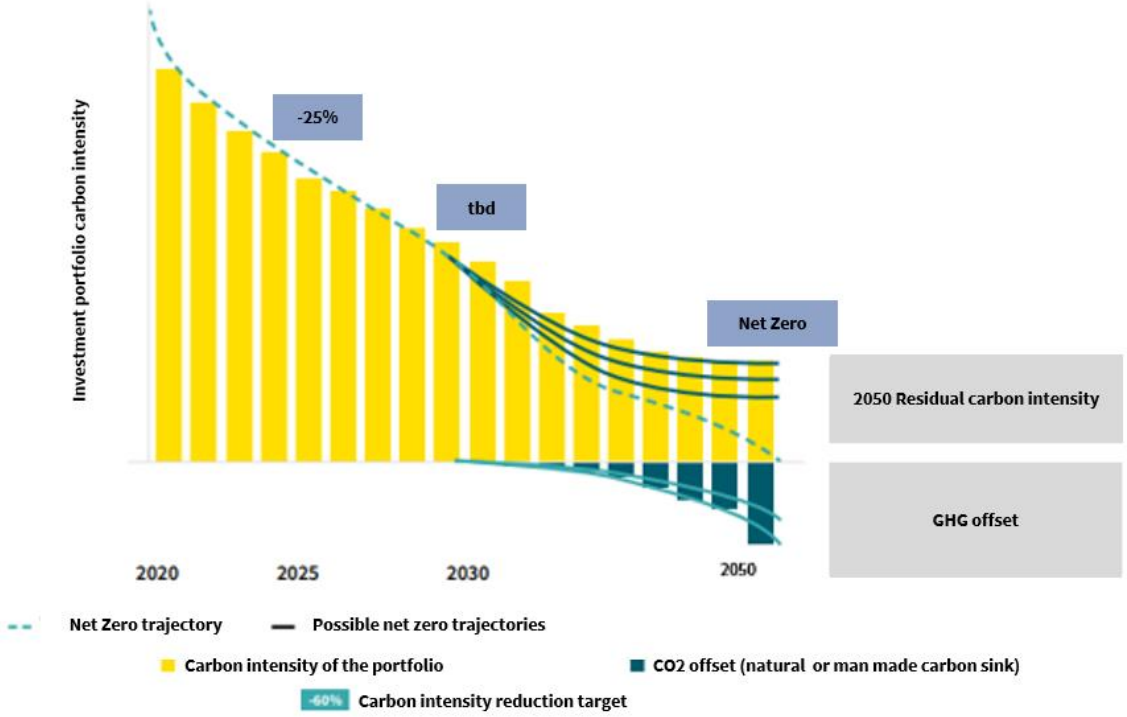
The CSR strategy of Abeille Assurance is built around three main objectives:

- Promote responsible products and services to its clients;
- Be a sustainable insurer in order to build a more environmentally responsible and inclusive society;
- Support positive impact initiatives through biodiversity preservation and financing social and solidary entrepreneurship.

The CSR and ISR strategy of Abeille Assurances are extensively explained in the Responsible and Sustainable Investment report[10]

In March 2021, Abeille Assurances committed to reduce carbon intensity of its investment portfolio (equities, corporate bonds and directly owned real estate) by 25% between 2019 and 2025 (in line with the IPCC 1.5deg celcsisus P1 and P2 scenarios which exclude any overshoot in relation to a 2deg celsius scenario) in order to align the carbon footprint of its investment portfolio to the goal of the COP 21 Paris agreement to reach net zero by 2050.

[10] https://www.abeille-assurances.fr/documents/abeille/pdf/rapport-esg-climat-2022.pdf



Abeille Assurances offers its customers one of the widest range of sustainable funds on the French insurance market (15 funds which have received the French SRI label[11]) and is very active in financing impact projects through three investment funds (Abeille Impact Investing France, Abeille Impact la Fabrique SRI and Alliance for Impact).

Abeille Assurances expertise in climate and ESG reporting is well established as it was awarded twice the International Climate Reporting Awards including in 2021.

Abeille Assurances CSR strategy is at the heart of its transformation and development projects to help build a more environmentally friendly and inclusive society. This CSR strategy is focusing on the contribution to 17 Sustainable Development Goals (SDGs) defined by the United Nations.

2.2.2. Sustainable Investment

[11] https://www.abeille-assurances.fr/particulier/epargne/gestion-epargne/isr-investissement-socialement-responsable.html

Abeille Assurances relies on its asset manager (Abeille Asset Management) to systematically integrate ESG considerations into its investment decisions for each asset class and to engage with investee companies on key climate, environmental, governance and social issues.

- ***Divestments and exclusion***:

Abeille Assurance applies an exclusion policy to sectors which are considered inherently not compatible with ESG objectives (i.e.: controversial weapons, tobacco, conventional and non-conventional oil and gas, and coal as part of its Powering Past Coal alliance engagement).

In June 2022, Abeille Assurances has released new guidelines[12] framing its investment in the oil and gas sectors. The company now excludes all issuers deriving more than 5% of their turnover or more than 25% of their production from non-conventional fossil fuels (including tar sand, fracking, coalbed methane, ultra-deep water and arctic drilling and extra-heavy oil), as well as all companies developing new projects in the Arctic zone.

In addition, Abeille Assurances commit not to invest anymore in companies, which capital expenditure present the highest level of overshoot with respect to the IEA Net Zero scenario (companies, presenting the 2/3 highest level of overshoot based on the Climate Action 100+ initiative benchmark, are excluded).

The integration of ESG criteria by asset class is described as follows:

- Equities and corporate bonds: assign an ESG rating to each company through quantitative (MSCI ESG Research) and qualitative (internally produced) data;
- Real estate: investments in new assets take into consideration multiple data points and existing building ESG features are improved during the lifetime of the investment;
- Private corporate debt: an ESG analysis is now integrated into the due-diligence process.

- ***Net zero investment portfolio alignment strategy***

As an investor, Abeille Assurance intends to be aligned to the Paris Agreement which aims to contain global warming by 2100 "well below 2°C" compared to pre-industrial levels.
In 2021, Abeille Assurances' investment portfolio average temperature was estimated circa 2.8°C (covering 90% of the investment portfolio) versus 3°C in 2020.

The weighted average carbon intensity of the investment portfolio (including sovereign and corporate bonds and equities decreased 45% from 225 $tCO_2eq/\$m$ revenues in 2016 to 124 $tCO_2eq/\$m$ revenues in 2021. Abeille Assurances developed an internal tool to project and analyze the alignment of the investment portfolio to a net zero trajectory.

Abeille Assurances committed to invest €500m per year to support the energy transition. In 2021 alone, Abeille Assurances invested €1.4bn in sustainable assets (i.e green and social assets) bringing the total share of investments made in sustainable assets to €6.4bn, representing close to 10% of the company's total assets.

In order to reduce carbon intensity of the investment portfolio by 25% by 2025, Abeille Assurances will use different levers such as:

- Investing in companies with a carbon neutrality management strategy and whose objectives are aligned to a Net Zero trajectory;
- Adapting its investment decision process to reduce the carbon footprint of its portfolio using the internally developed tool to project and analyzing the alignment to a net zero trajectory;
- Strengthening voting and engagement policies particularly regarding companies operating in sectors with a high impact on the climate;

[12] https://www.abeille-assurances.fr/documents/abeille/pdf/strategie-hydrocarbures-abeille-assurances-2022.pdf

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- Maintaining a high share of green investments well above the current target of 500 million euros per year and;
- Using best possible climate alignment metrics and methodologies.

2.2.3. Sustainable Insurance Products and Services

Abeille Assurances offers several insurance products and insurance options to promote ecomobility as part of its motor insurance offering specifically targeting customers who have an annual travel pass, drivers which use biofuels and hybrid/electric cars and customers who do car sharing.

A 15% discount on motor insurance premium is offered to customers driving a “cleaner” vehicle (i.e.: hybrid, electric or using biofuels). Companies which have committed to positive CSR practices can benefit from a 10% discount on all their professional insurance products (e.g.: health, D&O, legal protection).

Abeille Assurances is signatory of various charter and is involve in various partnerships such as :

2.3. UMG Aésio MACIF Sustainability Strategy

2.3.1. Sustainability strategic plan

UMG Aésio Macif is born January 1st 2021 as the merger of Adréa, Apréva and EOVI-MCD, three historical insurance companies. It benefits from a strong presence in France with 276 agencies. This new entity has two main objectives:

- Proximity to the territories: UMG Aésio MACIF is committed to a local “mutualism” which enables it to identify the needs of its members as close as possible to their everyday life and to provide answers adapted to the specificities of the territories.
- Fully democratic governance: As a non-profit organization, UMG Aésio MACIF works in the sole interest of its members, in a democratic and egalitarian manner. Each of its members has a vote and can play a role according to their choices, availability and skills.

More than ever, UMG Aésio MACIF is defending the ambition of "Deciding together to live better". Its strengths come from the commitment of its elected representatives, its employees and its partners.

Through its CSR Policy[13], UMG Aésio MACIF supports social and ecological transitions in the territories which is based on the followings four pillars. For each pillar, concretes actions are defined:

- **Environmental:** Reducing its carbon footprint through
  - Low carbon trajectory: -15% GHG emission (Scope 1,2 et 3 excluding investments) by 2025 (from 2019 baseline)
  - Digital Responsibility: A roadmap that includes training programs on sustainable IT and the extension of the life span of IT equipment.
- **Societal:** Promoting access to health for everyone in the climate and digital transition through

[13] The CSR policy is embedded in Aesio’s extra-financial performance report, which can be found here: https://ensemble.aesio.fr/reglements-et-statuts

- Health & Environment: Improve protection from environmental health impacts thanks to the creation of a research Chair with École des Hautes Études en Santé Publique (EHESP) in Rennes in 2022.
- Promotion of inclusive digital health: providing everyone with access to quality healthcare and services.

- **Social:** Enabling everyone to feel good at work and encouraging employee commitment through
  - Sponsorship of skills: launching a test phase in 2022, to allow 5 voluntary employees at the end of their career to make a smooth transition to retirement
  - Becoming an inclusive employer: launched in January 2021 its handicap project aimed at implementing the right conditions for recruiting, welcoming and retaining people with disabilities in employment.
- **Ethics:** Ensuring the integrity of individuals and fair practices in all its businesses through
  - Sustainable investments policy: to be detailed below
  - Responsible purchasing: In 2021, UMG Aésio MACIF began structuring a responsible purchasing policy that includes CSR components. A first step has been taken with the creation of a CSR evaluation grid for suppliers and the creation of CSR clauses in standard contracts.

2.3.2. Sustainable Investments

UMG Aésio MACIF drafted its investment charter in 2021 in line with its strategy "Ensemble Aésio 2023", which guides the development of a SRI policy in terms of respect for human rights, the fight against climate change and the financing of initiatives to promote health. The UMG Aésio MACIF SRI Charter[14] sets out the following requirements:

- Search for a reduction in carbon emissions in line with the Paris agreements
- Implementation of sectoral limits and exclusions;
- Definition of a proportion of the portfolio for impact investments;
- Choice of companies with a "best in class" approach, and;
- Shareholder commitment to influence the company policy.

UMG Aésio MACIF's investment strategy is based on optimizing the risk/return trade-off but also on minimizing the impact of its investments on the environment. In line with the ambitions set out in its SRI charter, UMG Aésio MACIF invests a portion of its portfolio in impact funds in line with its CSR commitment.
As of December 31st, 2021, UMG Aésio MACIF asset portfolio represented more than €2bn of assets.

UMG Aésio MACIF uses three labels to monitor the virtuous nature of its investments, which are:

- SRI Label
- Greenfin Label
- LuxFLAG Label

2.3.3. Sustainable Insurance Products and Services

UMG Aésio MACIF is committed to offer sustainable insurance products and services. As a first important step in its CSR commitment, it has developed an analysis grid that is now applied to most of new offers using the four pillars of its CSR policy.

UMG Aésio MACIF is signatory of a partnership with the ONF *"Office National des Forêts"* (French agency for the forest) aiming at a carbon compensation of a part of its activities:

[14] The SRI charter can be found here: https://ensemble.aesio.fr/reglements-et-statuts

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3. Rationale for issuance of Sustainability Bonds

Aéma Groupe is convinced that the insurance industry plays an important role in sustainable development both as a provider of risk solutions but also as a responsible investor. Insurance companies also help steering client's behavior towards more sustainable behaviors.

In line with its commitment to sustainability and willingness to contribute to a more sustainable and resilient economy, the group is setting up this Framework. Sustainable financing will help Aéma Groupe direct financial flows in line with its sustainability commitments and contribute to deliver future positive environmental and social impacts.

Furthermore, Aéma Groupe has been supporting the development of the Sustainability Bond Market by investing in Green, Social and Sustainability Bonds for several years. The implementation of a Framework for the financing needs of the company is a natural new step in Aéma Groupe's continuous commitment to sustainability and sustainable finance.

II. Sustainability Bond Framework

This Framework has been designed with the intention to reflect current best market practice in accordance with the Green Bond Principles, 2021 version (GBP), the Social Bond Principles, 2021 version (SBP), and the Sustainability Bond Guidelines, 2021 version (SGB), as published by the International Capital Market Association (ICMA)[15].

In accordance with GBP, SBP and SBG, the Aéma Groupe asserts that the Framework will follow the four core pillars as stated below:

- Use of Proceeds
- Project Evaluation and Selection Process
- Management of Proceeds
- Reporting

This Framework will allow Aéma Groupe and all its subsidiary companies, to issue Green, Social or Sustainability bond instruments including public bonds and/or private placement where:

- Green Bonds are any type of bond instrument where an equivalent amount to the proceeds of the bond is exclusively applied to (re)finance, in part or in full, new and/or existing Green Projects aligned with at least one Technical Eligibility Criteria set out in the Use of Proceeds section of this Framework;

- Social Bonds are any type of bond instrument where an equivalent amount to the proceeds of the bond is exclusively applied to (re)finance, in part or in full, new and/or existing Social Projects aligned with at least one Technical Eligibility Criteria set out in the Use of Proceeds section of this Framework;

- Sustainability Bonds are any type of bond instrument where an equivalent amount to the proceeds of the bond is exclusively applied to (re)finance, in part or in full, a combination of new and/or existing Green and Social Projects aligned with at least one Technical Eligibility Criteria set out in the Use of Proceeds section of this Framework.

The Framework may be further updated or expanded from time to time to ensure compliance with applicable law and to reflect future updates of the voluntary market practices (including GBP, SBP and SBG) and the evolving regulatory landscape (including the EU Green Bond Standard and the European Taxonomy).

1. Use of proceeds

An amount equivalent to the proceeds of any Green, Social or Sustainability Bond issuances will be earmarked by Aéma Groupe or any of its affiliated companies and their subsidiaries to the financing and/or refinancing of existing and/or future eligible Green and/or Social Projects (together the “Eligible Portfolio”).

In order to be included in the Eligible Portfolio, Eligible Green and/or Social Projects must meet at least one of the Technical Eligibility Criteria and must not fall into the list of excluded activities set out below. Furthermore, each Eligible Green and/or Social Project will be aligned with at least one of the eligible Green and/or Social Project Categories set out in the ICMA Green and/or Social Bond Principles.

Additionally, each Eligible Green Project will be linked to at least one of the EU Environmental Objectives[16] and each Eligible Social Project will seek to achieve or mitigate social issues and to deliver positive social outcome(s), specifically for identified target population(s). In accordance with the SBP, the definition of the target

[15] The ICMA Principles are available on ICMA’s website (section ‘The principles, Guidelines and Handbooks’ : https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/

[16] EU Taxonomy establishes six environmental objectives, available here : https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

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population(s) may vary depending on local contexts and, in some cases, such target population(s) may also be served by addressing the general public.

Eligible Green and/or Social Projects consist in investment, by Aéma Groupe and its affiliated companies, taking the predominant form of equity as well as loans (excluding Green, Social and Sustainability loans), capital expenditure and debt instruments (excluding investments in Green, Social and Sustainability bonds). In any case, for both direct and indirect participations (e.g.: debt funds, equity funds), Eligible Green and/or Social Projects always fulfil each core component of the Framework, as outlined above.
Equity investments include participation in public and private non-listed companies for which at least 90% of the revenues of the company derived from Green and/or Social Projects aligned with at least one Technical Eligibility Criteria[17] and pro-rated to the share of participation of Aéma Groupe and its affiliated companies, in the relevant company.

Eligible Green Projects

Eligible Project Category	Technical Eligibility Criteria	EU Environmental Objectives and UN Sustainable Development Goals (SDGs) contribution[18]
Green Buildings	Financing related to the acquisition, construction and refurbishment of commercial buildings, either existing or currently under construction, which meet at least one of the following eligibility criteria: i. Buildings, which meet regionally, nationally, or internationally recognized standards of certifications: LEED Gold or above, DGNB Gold or above, BREEAM very good or above, HQE Excellent or above; ii. Building renovation complies with the applicable requirements for major renovations of the EPBD[19] (Energy Performance of Buildings Directive) ; iii. Reduction of Primary Energy Demand (PED) of at least 30 percent when comparing the latest EPC before renovation with the one issued after renovation.	**Climate Change Mitigation and Adaptation**
Renewable Energy	Financing related to the acquisition, conception, construction, development, and installation of infrastructures in renewable energy production units; as well as the connection of renewable energy production units to the electricity grid and the transportation through the network. Renewable energy sources include: i. Onshore and offshore wind energy;	**Climate Change Mitigation**

[17] based on last audited annual results of the relevant company and observed at bond issuance date using the version of the Framework valid at that date, and subject of a full grandfathering over the maturity of the bond
[18] "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals", available here: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds-2020-June-2020-090620.pdf
[19] The Energy Performance of Buildings Directive (EPBD), available here: https://epb.center/epb-standards/energy-performance-buildings-directive-epbd/

	ii. Solar and thermal energy.	
Sustainable Forestry	Financing related to the acquisition, maintenance and sustainable management of forests and lands: i. Certified forests (FSC, PEFC or equivalent). Only assets financed by Dasos Sustainable Forest and Wood III fund will be eligible under this category.	**Climate Change Mitigation** **Protection and restoration of biodiversity and ecosystems**
Aquatic biodiversity conservation and use of renewable energy from the ocean	Financing aiming to: i. Preservation of marine and coastal ecosystems through mitigation of plastic and agricultural pollution; ii. Prevention of ocean overexploitation through: a. Either solutions allowing mitigation of overfishing and/or reduced fishmeal use in aquaculture; b. Or information systems, technology, and instruments for measuring, tracking, and reporting physical and chemical indicators of ocean pollution and marine ecosystems; iii. Climate change mitigation through shipping decarbonization or development of floating offshore wind, floating solar and tidal and/or wave energy infrastructure. To be considered eligible, projects should meet the two following conditions i. The project's positive impact on one of the three above-mentioned objectives should be confirmed by independent experts (for instance, an Impact Committee is part of Swen CP's Blue Ocean Fund governance system), AND; ii. The project is subject to an ESG analysis which includes an assessment of the alignment to the European Taxonomy including Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria (for instance, such compliance check is already part of SWEN CP's due diligence process). Only projects financed by Swen CP's Blue Ocean fund will be eligible under this category.	**Sustainable use and Protection of water and marine resources**

Eligible Social Projects

Eligible Project Category	Technical Eligibility Criteria	Social Objective(s) and Sustainable Development Goals (SDGs) contribution
Affordable Housing and Emergency Shelter	• Financing related to the acquisition of social/intermediate housing (individual or collective) located in France, either existing or currently under construction, which meet the following eligibility criteria: i. Acquisition of either existing or under construction intermediate housing buildings in line with the requirements for the production of intermediate housing with reduced VAT (Art. 279-0 bis A of the CGI) for the housing of households on condition of resources. **Target Population:** Tenants of the social/ intermediate housing stock, whose resources are therefore below the ceilings set by decree. • Financing related to the acquisition of emergency housing in France, either existing or currently under construction, which meet the following eligibility criteria: i. Acquisition of either existing or under construction housing buildings for targeted population (as described below) ii. Social support services to targeted population (as described below) **Target Population:** People belonging to below the poverty line (excluded to social minimum benefits), homeless families/people and asylum seekers.	**Fight against inadequate housing** **Access to housing** **Social diversity**

Any amendment to the Technical Eligibility Criteria set forth above will only apply to Green Bonds, Social Bonds or Sustainability Bonds issued after the publication date of the amended Framework.

Exclusion Criteria

Aéma Groupe will not use the proceeds of any Green, Social or Sustainability Bonds issuance to finance projects linked to the following activities:

- Controversial weapons (antipersonnel landmines, cluster munitions/bombs, chemical and biological weapons);
- Tobacco;
- Conventional & non-conventional fossil fuels (Arctic development projects, oil sands, shale oil and gas);

- Thermal Coal;
- GMOs
- Hazardous chemicals
- Pornography
- Palm oil

2. Process for Evaluation and Selection of Projects

Aéma Groupe ensures that Eligible Green and/or Social Projects comply with official national and international environmental and social standards as well as local laws and regulation. Asset selection also complies with each entity's SRI guidelines and ESG policies which integrates and monitors ESG performance considerations & risk assessment in all its investments including monitoring of controversies and risk mitigation.

From the issuance of its first Green, Social or Sustainability Bond, Aéma Groupe will establish a dedicated Sustainability Bond Steering Committee (the "Committee") which will meet at least on a semi-annual basis to oversee the governance and implementation of this Framework.

This Committee will be in charge of the following missions:

- Validating the Eligible Portfolio of potential Eligible Green and/or Social Projects notably in terms of compliance with the Group's internal and each entity's ESG policies and guidelines ensuring that the eligible assets are managed in line with all SRI policies and ESG risk management systems[20].
- Selecting the pool of Eligible Green or/and Social Projects in line with the eligibility criteria stated in the Use of Proceeds section of this Framework;
- Ensuring that the Eligible Portfolio of potential Eligible Green and/or Social Projects is not subject to any material controversies;
- Monitoring the Eligible Portfolio during the lifetime of the Green, Social or Sustainability Bonds issued, including by replacing Eligible Projects that no longer satisfy the relevant Eligibility Criteria (i.e., through divestment, cancellation, ineligibility), and manage any shortfall in Eligible Projects against the total outstanding amount of proceeds;
- Drafting, reviewing, and validating the annual reporting;
- Monitoring of potential updates to the Framework.

The Committee is chaired by Aéma Groupe's Investment Director and composed of relevant parties including:

- Abeille Assurances Investment Director
- Macif Investment Director
- UMG Aésio Macif Investment Director
- Aéma Groupe Head of Funding and Investor Relations
- Socially Responsible Investments (SRI) Managers of Macif, Abeilles Assurances and UMG Aésio Macif

The Committee will keep track of its decisions to ensure transparent tracking of decisions.

Across the different Aéma Groupe entities, operational (SRI, asset management, etc.) teams will collect information on eligible projects on an ongoing basis. They will report the information to the Committee, which will then be responsible for selecting and validating that the Eligible Portfolio is compliant with the evaluation and selection process outlined above.

[20] ESG risk management systems are describes in Macif 2021 SRI Report (https://www.macif.fr/files/live/sites/maciffr/files/maciffr/LeGroupe/Panoramadugroupe/Publications/2022/Rapport_ISR_2021.pdf), Aesio's ESG Climate Report (https://ensemble.aesio.fr/reglements-et-statuts) and Abeille's ESG climate Report

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3. Management of Proceeds

An amount equivalent to the net proceeds of the bond instruments issued under the Framework will be allocated to an earmarked Eligible Portfolio and management in an asset pool approach.

Each entity will track the use of proceeds in its own internal investment system and will monitor their eligibility to ensure that they have been earmarked for the issue. Each entity will then report these earmarked proceeds to the Aéma Groupe which will consolidate the information in a specific database. This information will be reported to the Committee. Aéma Groupe will earmark the proceeds of bond instruments to the Eligible Portfolio after the issuance of the bond instruments, ideally, and on a best effort basis, within one year of issuance.

In case of refinancing, Eligible Green and/or Social Projects are eligible if they have been funded by Aéma Groupe with a maximum of two calendar year look-back period prior to the issuance year of the relevant Green, Social or Sustainability Bonds.

When the Eligible Projects are subject to joint investment, Aéma Groupe will only include the proceeds linked to the pro-rata share of its own investment in the Eligible Green and/or Social Projects.

Aéma Groupe intends to maintain an aggregated amount of Eligible Green Projects and/or Social Projects in the Eligible Portfolio that are at least equal to the outstanding net proceeds of respective bond instruments. If for any reasons, any Eligible Green and/or Social Project(s) is no longer eligible and/or in case of any material controversies related to any Eligible Green and/or Social Project(s), the Committee will substitute such Eligible Green Project(s) and/or Social Project(s) with other Eligible Green and/or Social Project(s) for an amount at least equivalent, as soon as practical once an appropriate substitution option has been identified.

Pending the earmarking of proceeds to the Eligible Portfolio, unallocated proceeds will temporarily be invested in accordance with Aéma Groupe's investment guidelines in cash, deposits and money market instruments or any other liquid short-term marketable instruments following a responsible investment approach on a best effort basis.

An external auditor appointed by Aéma Groupe will verify, on an annual basis, the proceeds allocation and the remaining balance of unallocated proceeds as specified below.

4. Reporting

Within one year from the issuance of any bond instrument under the Framework and annually thereof, Aéma Groupe will report on the earmarking of the proceeds of the bond instrument(s) to the Eligible Portfolio and associated environmental and social impact metrics until maturity of any outstanding bond instrument.

This reporting will be published on Aéma Groupe's website in the following section: https://aemagroupe.fr/#nos-publications.

The information reported will be split by Eligible Project Category. When feasible, Aéma Groupe's annual report will include in-depth case studies of specific Eligible Green Projects and/or Social Projects.

- ***Reporting on the allocation of the proceeds (Allocation report)***

Aéma Groupe commits to report on the allocation of the proceeds of the bond instruments issued under the Framework. The report will include indicators such as:

- An overview of the bond instrument(s) outstanding under the Framework;

- The size of the Eligible Portfolio, including a split between Eligible Green and/or Social Project categories;
- The balance of unallocated proceeds if any and the type of temporary investments pending allocation;
- The share of financing vs refinancing and the amount and/or percentage of new and existing Eligible Green Projects and/or Social Projects.
- The share of participation of Aéma Groupe and its affiliated companies in the total project cost.

- ***Reporting on the environmental and social benefits (Impact report)***

Aéma Groupe will provide reporting on relevant impact metrics for the Eligible Portfolio where available.

The impact report will include qualitative and, where feasible, quantitative information on the environmental and social outcomes of the Eligible Portfolio including output and impact indicators as detailed in the indicative indicators table provided below.

Aéma Groupe will aim to align its reporting with the model proposed by the Handbook - Harmonized Framework for Impact Reporting[21] as published by the International Capital Markets Association (ICMA) on a best effort basis.

Indicative list of environmental and social impact indicators:

Eligible Categories	Examples of output and impact indicators
Green Buildings	• Number of buildings and surface (in m^2) and split by building type and nature of project (acquisition, construction, refurbishment…) • Environmental Certifications and/or energy-efficiency labels achieved / targeted • Annual kWh/m^2 of Gross Building Area (GBA) • Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent (vs local baselines/building codes)
Renewable Energy	• Capacity of renewable energy plant(s) constructed or rehabilitated in MW • Annual energy savings in MWh or GWh [electricity] and GJ or TJ [other energy) • Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent
Sustainable Forestry	• Certified wood volume sold (in % of total) • Fossil energy substituted by renewable wood-based energy (MWh) • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Area of protected land (ha)
Aquatic biodiversity conservation	• Volume of biomass preserved or restored • Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Net volume of waste diverted from landfill or nature

Eligible Categories	Examples of output and impact indicators
Affordable Housing and Emergency Shelter	• Number of social/intermediate housing units built, acquired or refurbished • Distribution of social/intermediate housing by geographical area (zone A / A bis / B1) • Number of beneficiaries of affordable and emergency housing • Access to minimum social & welfare benefits (%) • Beneficiaries with long term housing solutions (%) • Access to school (%)

[21] ICMA Impact Reporting Metrics for Green and Social Projects, available here: https://www.icmagroup.org/sustainable-finance/impact-reporting/

III. External Review

1. Second Party Opinion

Aéma Groupe has appointed Moody's ESG Solutions to provide a Second Party Opinion on its Framework, including:

- Its alignment with the ICMA 2021 Green Bond Principles, 2021 Social Bond Principles and 2021 Sustainability Bond Guidelines;
- Its contribution to sustainability;
- The issuer's sustainability credentials.

The Second Party Opinion is available on Aéma Groupe website (https://aemagroupe.fr/#nos-publications).

The issuer commits to have the Second Party Opinion reviewed in case of any material changes to the Framework.

2. External Verification

The Allocation report will also be subject to external verification by an external auditor until full allocation and in case of any changes to the allocation. The auditor will verify:

- Compliance of Eligible Green and/or Social Projects (re)financed under the Framework with the eligibility criteria defined in the use of proceeds section of this Framework;
- Allocated amount related to the Eligible Green and/or Projects financed by the Green, Social or Sustainable Bonds;
- Management of proceeds and unallocated proceeds amount.

The external auditor's verification assurance reports will be published on Aéma Groupe website (: https://aemagroupe.fr/#nos-publications).