

# Sustainable Bond Framework

December, 2022



Insuring  
a more  
open world

## INTRODUCTION

CNP Assurances is an insurer, co-insurer and reinsurer company delivering protection and savings expertise to its policyholders and partners through a multi-partner and multi-channel business model.

In the context of ever-changing lifestyles and habits including new forms of employment, the housing crisis, longer life expectancy as well as changes in social protection, CNP Assurances' missions are to contribute to a more inclusive and sustainable world; accompanying changes in society; protect people and everything that matters over the long term; and innovating in an open model.

Since its inception 170 years ago, CNP Assurances has been proving its services in France and is now active in Europe and Latin America, with protection and savings solutions distributed by a large number of partners, online or via its network of advisors.

With more than 36 million personal Risk/Protection<sup>1</sup> policyholders and more than 12 million Savings/Pensions policyholders worldwide<sup>2</sup>, CNP Assurances is no. 2 provider of life insurance in France, the no. 6 in Europe, the no. 3 in Brazil<sup>3</sup> for insurance, and the no. 5 in life insurer in Italy.

### CNP Assurances in numbers



**No.1**

in france for term credit  
or insurance

**No.2**

in france for life insurance

**No.3**

in brazil for insurance



**36 million**

insureds under personal risk /  
protection policies

**12 million**

savings and pensions  
policyholders worldwide



**€342 billions**

in net average reserves in 2021

**5,591**

employees worldwide

### OPERATIONS IN EUROPE AND LATIN AMERICA, WITH A STRONG PRESENCE IN BRAZIL



**A comprehensive range  
of social protection solutions**

**FOUNDED OVER  
170 years ago**

(1) personal risk, health, term creditor and property & casualty insurance – annual report 2020-2021

(2) estimates partly based on the number of contracts under management – press release, may 2022





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**CNP Assurances  
corporate social  
responsibility approach**

## I. CNP Assurances' corporate mission

In 2021, CNP Assurances has unveiled its corporate mission<sup>1</sup>, defined as the following: "As a responsible insurer and investor, driven by the community values of our Group, we work with our partners to create an inclusive and sustainable society, providing solutions to as many people as possible to protect and support them on their chosen paths."

As a long-term project, the corporate mission sets the course for the company's strategic orientations by taking account of the social and environmental issues inherent in its activity.

This corporate mission defines 6 concrete commitments and 18 targets, spanning across six stakeholder groups. These objectives irrigate CNP Assurances' overall strategy, inspire its product offers, financial practices and stimulate its transformation.

Figure 1: CNP Assurances Engagement Wheel



Source: CNP Assurances, 2022

(1) In France, the 2019 PACTE law introduces the "raison d'être" status for companies, allowing a company to integrate its corporate mission in its statutes

CNP Assurances' corporate mission is now included in its statutes, driving the following commitments:

- Employees: Support employee development within an organization that boasts a wealth of talent and diversity
- Customers: Make protection solutions available to everyone, regardless of their situation and be there for our insured when they need us
- Partners: Develop effective and innovative solutions with our partners to drive progress in protection insurance
- Shareholders: Responsibly generate sustainable financial performance
- Society: Help build a more inclusive and sustainable society with a place for everyone
- Planet: Combat climate change and protect the natural world as a committed player in environmental transition

## **II. A sustainable business model in all the dimensions**

As a responsible insurer and investor, CNP Assurances joined the United Nations Principles for Responsible Investment in 2011. Its ESG-based investment selection policy covers different asset classes, from listed equities and bonds to private equity, infrastructure, as well as property and woodland.

While promoting responsible savings, supporting projects with environmental or social impact, and achieving inclusive growth through its purchasing strategy, the Group reinforces its sustainability risk policy in order to identify and to control the negative and positive impacts on the society and on the planet.

In line with the United Nations' Sustainable Development Goals (SDGs), the current regulations, the evolution of society and the anticipation of sustainability risks and opportunities for the future, CNP Assurances' CSR approach is based on 4 pillars: be a responsible insurer, be an attractive employer, have a positive impact on society, have a positive impact on the environment.

### **Be a responsible insurer**

Since its creation in 1850, CNP Assurances has consistently developed the innovative risk management and insurance solutions needed to guarantee the resilience of the Company and people in the face of challenges such as increasing life expectancy, the greater prevalence of chronic illnesses, protection against illness and accidents, preparation for retirement and change in social protection schemes.

### **Support for social and society changes**

CNP Assurances considers all the society trends, such as increasing life expectancy and care for people with health problems (such as loss of autonomy), to anticipate the future needs and to adapt the products and offers, but also to monitor the potential emerging risks.

### **Integration of ESG issues within the business**

In September 2020, CNP Assurances signed the United Nations Principles for Sustainable Insurance (PSI), thereby committing to integrate ESG criteria into its decision-making processes, to raise awareness of their rollout among its customers and partners, and to cooperate with public authorities, regulators, and all stakeholders to promote them throughout society. CNP Assurances fights against financial exclusion by offering a range of products and services that are accessible to all, including social benefit guarantees, micro insurance policies, mutualised loss of autonomy contracts characterised by great accessibility.

### **Commitment for the transparency of offers and the satisfaction of the clients**

The Group has implemented a strong policy to handle the customer relationship in the whole value chain and through actions such as the assessment of client satisfactions and the follow-up of policyholder questions and



requests. In order to propose suitable offers and full transparency, CNP Assurances and its subsidiaries have adapted their procedures to check the suitability of the product to the customer's needs and the process of communication based on acute, clear and non-misleading information.

### **Ethical good business**

For the sake of protection of all the stakeholders and for general interest, CNP Assurances commitments are to fight against all forms of corruption, conflict of interest, tax avoidance, fraud, money laundering & terrorism financing, by implementing code of conducts, controls and procedures in accordance with the regulation, such as French Anti-corruption Agency (AFA) instruction.

On the other hand, by taking part to research and debate for society and environment, through concrete actions such as being member for Finance for tomorrow, the Net-Zero Asset Owner Alliance (NZAOA) and United Nations Environment Programme Finance (UNEP FI), CNP Assurances concretize its responsible lobbying mission.

### **Protection of clients with the policy to reinforce personal data and cybersecurity**

Beyond the application of GDPR regulation in all entities and the processes, protection of client data is in the heart of CNP Assurance policy. Implementation of appropriate governance, procedures and controls are reinforced by actions and investments in start-ups in order to strengthen the cybersecurity.

### **Be an attractive employer**

CNP Assurances has the ambition to be a responsible and committed employer in all its entities. Its HR policy is focused on promoting equal opportunities; enriching employee skills, wellbeing and commitment; and enabling a productive and healthy work environment.

In this regard, CNP Assurances has achieved a 100/100 equal pay score in 2021 gender equality index and was in the Top 15 of SBF 120 companies for the presence of women in management positions in 2020 (i.e., 36% on the Executive Committee and 57% on the Board of Directors in 2021).

The development of its employees' skills is important to CNP Assurances and helps support the Company's strategy. This is reflected in a sustained training effort (5.3% of the payroll in 2021) and the high proportion of employees trained (99% of CNP Assurances employees took at least one training course in 2021).

CNP Assurances fosters employee wellbeing by ensuring a good work-life balance and employee health protection, working with employee representative bodies, and signing agreements to improve working conditions. CNP Assurances also commits to fight against any type of discrimination (e.g., age, race, gender) in all its entities. Thanks to its disability policy, a 9.3% employment rate of people with disabilities was achieved in 2021, an increase of 2 percentage points over the previous year.

### **Have a positive impact on society**

Since 2011, CNP Assurances is a member of the United Nations Principles for Responsible Investment (PRI) and fight against the global warming in order to reach carbon neutrality, through several commitments such as the the Montreal Carbon Pledge, the Net-Zero Asset Owner Alliance or the Finance for Biodiversity Pledge.

On society level, based on the United Nations Global Compact and fundamentals principles (Universal Declaration of Human Rights, International Labour Organization), the Group systematically promotes the respect of human rights as employer, as purchaser, as an insurer, and as an investor.

Concretely, CNP Assurances seeks to align its interests with those of society by making a positive social contribution for all related population: its stakeholders, particularly its customers, employees, partners, and through responsible investment, responsible purchase policy and the development of social positive impact initiatives.

### **Responsible investments**

CNP Assurances responsible investment policy is based on a strong ESG approach: exclusion policy of companies or countries based on ESG criterias, investment selection on best-in-class or awarded ratings for current activities, or sustainable certification for woodland management.

Since 2005, CNP Assurances has followed a policy of shareholder engagement by systematically voting at the General Meetings of listed companies in its portfolio. In 2021, CNP Assurances voted at 125 General Meetings of 109 companies in 11 countries.

These companies account for 93% of the equity portfolio assets held directly by CNP Assurances. In 2021, 84% of shareholder dialogue with investee companies have addressed climate issues.

### **Be a responsible purchaser**

CNP Assurances' CSR principles are also put into practice by the Purchasing department. All buyers are made aware of CSR standards. The Group's Ethical Purchasing Charter and the code of ethics govern purchasing practices.

The main axis implemented are the inclusion of social and environmental clauses in contracts and the CSR assessment of suppliers, with a partnership with Ecovadis, which performs a CSR assessment of key suppliers.

### **Developing initiatives with societal impact**

CNP Assurances develops initiatives with a societal impact in partnership with non-profits, NGOs and local authorities on various issues (e.g., training, research, education, environmental restoration etc.).

CNP Assurances has made a significant commitment to health through its corporate foundation for several years now. Extended for three years in 2019, its new €2.4 million multi-year action programme is devoted exclusively to the projects it supports in two areas: reducing social inequalities in healthcare and saving lives.

### **A positive environment impact**

CNP Assurances is committed to supporting the ecological and environmental transition towards a low carbon and resilient economy that does not deplete natural resources, either in terms of the Company's own operations (digitization, operating buildings), underwriting or investment businesses.

Having a positive impact on the environment means for CNP Assurances to fight against climate change, to handle climate risks, to protect biodiversity and to reduce its environmental footprint.

- **Fight climate change**

Financial risks associated with the effects of climate change to which CNP Assurances is exposed can be analysed along 3 lines that are own operations, underwriting or investment businesses. It includes physical risks, transition risks, but also the liability and reputational risks.

In recent years, CNP Assurances has strengthened its commitment to the energy and environmental transition and the fight against global warming. A signatory of the Montreal Carbon Pledge, it published the carbon footprint of its directly held listed equity portfolio in 2015 and undertook to reduce it.

Since 2019, CNP Assurances has significantly increased its green investments geared to energy and the ecological transition (EUR 19.9 bn in 2021 vs. EUR 14.4 bn in 2019) and has achieved a 31% reduction in the carbon footprint of its listed equity and corporate bond portfolio.

In 2019, CNP Assurances pledged to achieve carbon neutrality in its investment portfolio by 2050 as part of its membership in the Net-Zero Asset Owner Alliance. The same year, it has set up a Climate Risk Committee in charge of monitoring the CNP Assurance's sustainability roadmap, managing climate risks and since 2021, biodiversity risks.

In 2020, CNP Assurances has committed to achieving zero exposure to thermal coal in its investment portfolio by 2030 in European Union and OECD countries, and by 2040 in the rest of the world. In 2021, CNP Assurances published its first oil& gas policy, which was reinforced in 2022 in accordance with the International Energy Agency 1.5°C scenario. In addition, as part of its shareholder engagement policy, CNP Assurances took part in a collaborative engagement campaign by supporting the CDP's "Business Ambition for 1.5°C Commitment Letter", aimed at the 1,600 companies emitting the most GHGs to ask them to set science-based targets, in 2021.

Actions are also implemented to reduce environmental impacts via business travel, operating buildings and paper consumption.

CNP Assurances monitors its greenhouse gas emissions and has reported them to the Carbon Disclosure Project since 2005. CNP Assurances also follows the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). In 2021, CNP Assurances published the first set of 1.5°C 2025 targets aligned with the Net-Zero Asset Owner Alliance's Target Setting Protocol:

- reducing the carbon footprint of the directly held listed equity and corporate bond portfolio by 25% over the 2019- 2024 period
- reducing the carbon footprint of the directly held real estate portfolio by 10% over the 2019-2024 period
- reducing the carbon intensity of directly held electricity producers by 17% over the 2019-2024 period
- having €20 billion in green investments by the end of 2023

- Protect Biodiversity

CNP Assurances has been committed to protect biodiversity since an assessment carried out in 2015. Since then, it has integrated biodiversity in its own operations (i.e., awareness-raising activities, trainings, CSR initiatives aimed at reducing the use of plastics etc.), its insurance or investment businesses.

To reduce the pressure placed on biodiversity by the companies in which it invests, CNP Assurances supports a range of initiatives aimed at measuring its investments' biodiversity footprint. CNP Assurances was one of the first institutional investors to publish in 2021 the biodiversity footprint of its investment portfolio, and in 2022 the dependency of its investment portfolio to ecosystem services.

By signing the Finance for Biodiversity pledge in 2021, CNP has set targets for biodiversity protection. These include commitments to measure the biodiversity footprint of 100% of the directly held listed equity and corporate bond portfolio by the end of 2023 and 100% of forestry assets by the end of 2025.

- Reduce its environmental footprint

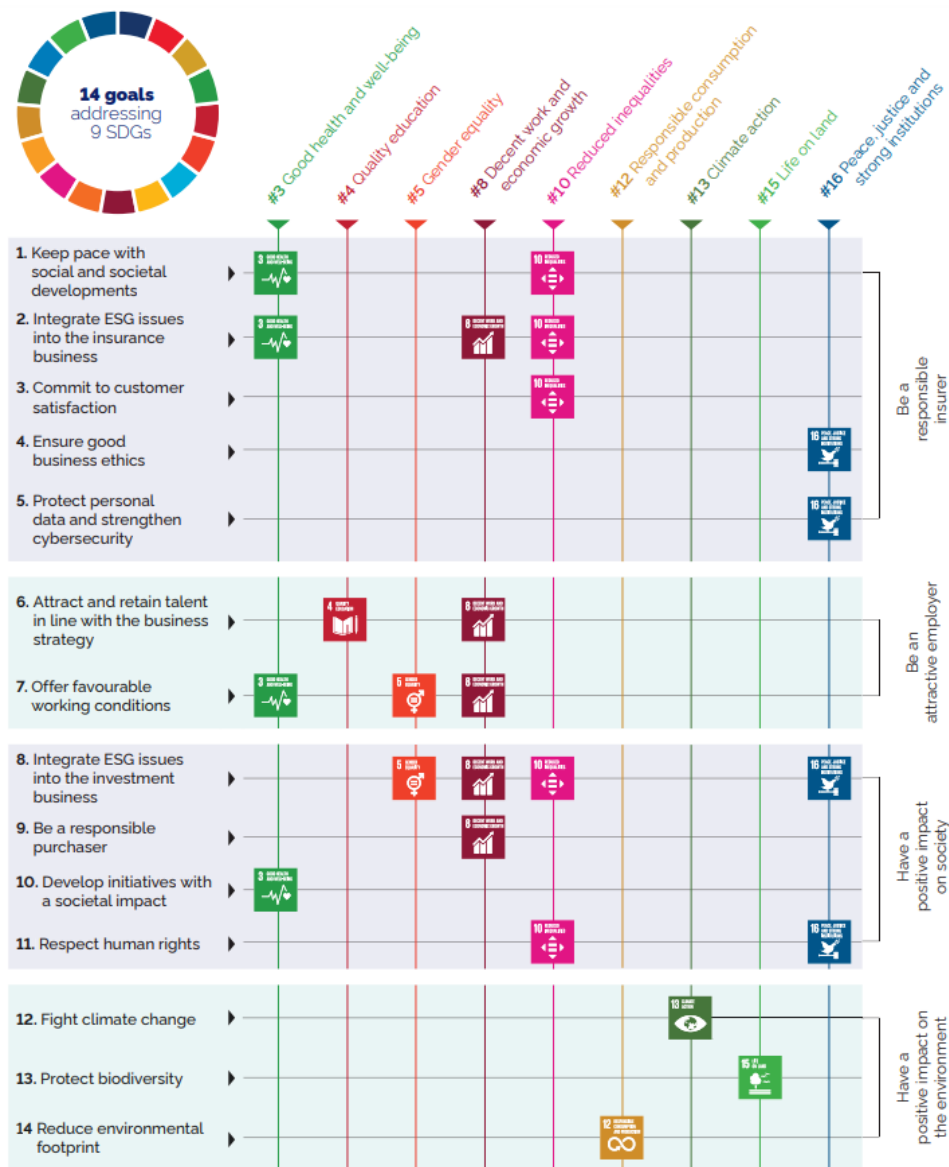
CNP Assurances ambition to act in favour of the reduction of environmental footprint is reflected in all the internal activities: facilitation of the ecologic transition thanks to the installation of recharging stations for electric vehicles or incitation for public transportation, optimisation of energy use thanks to performant buildings (HQE & BREAAAM certification) or low consumption digital technology, increase of renewable energy used, preservation of natural resources such as water consumption, sustainable paper use, waste management and circular economy.



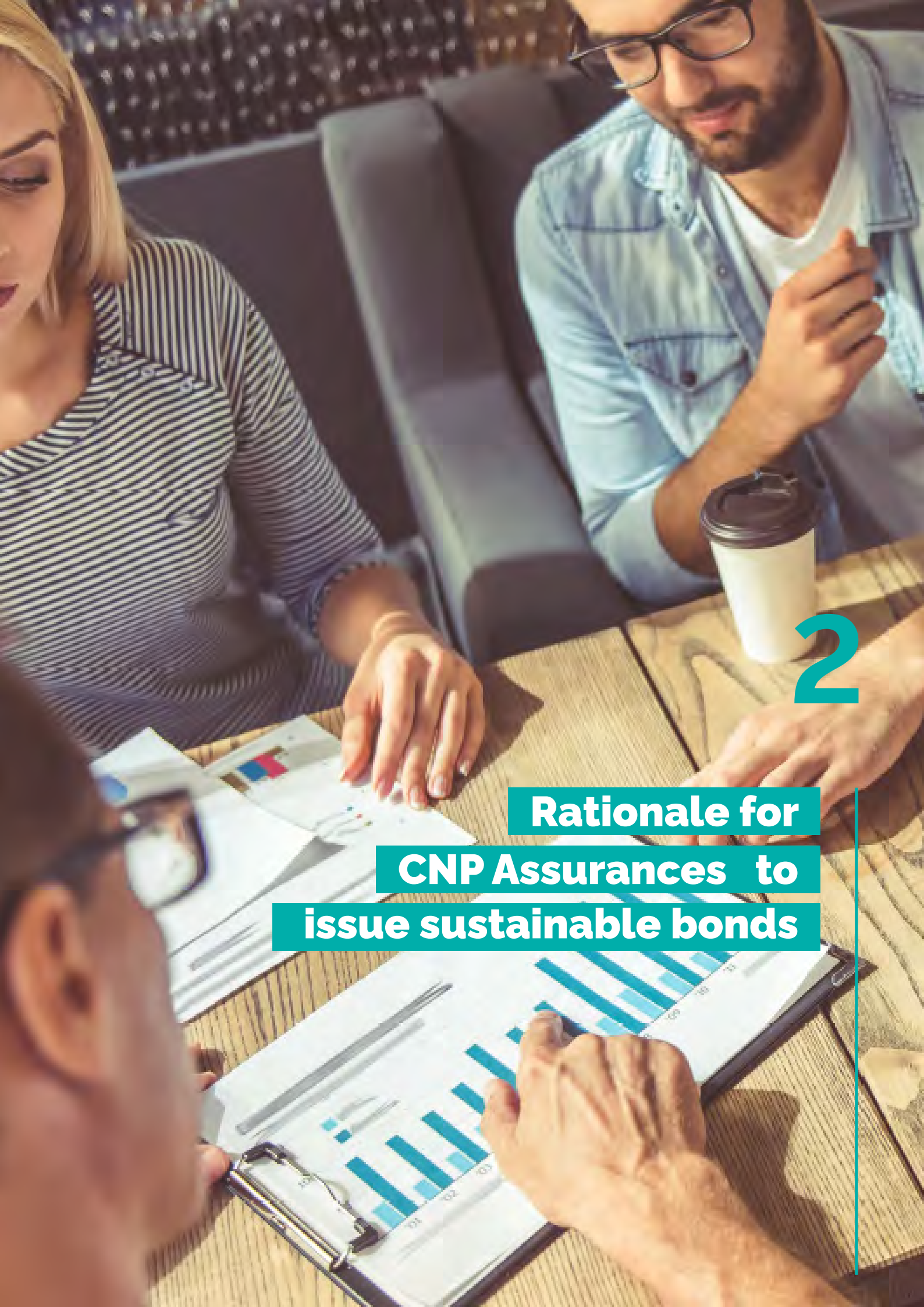
### III. Strong CSR commitments aligned with the United Nations Sustainable Development Goals.

To respond effectively to environmental and social challenges, CNP Assurances is contributing to the achievement of the United Nations' Sustainable Development Goals (SDGs) as part of the 2030 Agenda. The Group's CSR approach is built around 14 goals that address 9 SDGs.

Figure 2: CNP Assurances' contribution to the UN SDGs



Source: CNP Assurances – 2021 Universal Registration Document



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**Rationale for  
CNP Assurances to  
issue sustainable bonds**

In June 2019, CNP Assurances was the first European insurance company to publish a Green Bond Framework. On the back of it, CNP Assurances successfully launched in november 2019, its first subordinated green bond. The funds raised through this operation enabled CNP Assurances to finance green projects in the following areas: (i) high energy-performance buildings; (ii) sustainably-managed forests; (iii) green infrastructure such as renewable energy projects and means of transport with low CO2 emissions. Vigeo Eiris's confirmed the Framework's alignment to the four core components of the Green Bond Principles 2018 and expressed a "reasonable assurance" (highest level of assurance) on CNP Assurances' commitments and on the contribution of the contemplated Bonds to sustainable development.

With the development of the sustainable finance regulations led by the European Commission in Europe, CNP Assurances has decided to update (extend) its existing Green Bond Framework into a Sustainable Bond Framework in order to include social and sustainable bonds as well. This approach allows CNP Assurances to reach the double objectives to respond to the social issues at the heart of the Group's corporate mission on one hand, and on the other to continue to be a market leader in sustainable finance, by taking into account, to the extent possible, the requirement of the EU taxonomy Regulation (Regulation (EU) 2020/852).

Developing sustainable finance is in La Banque Postale Group DNA. As a subsidiary of La Banque Postale, CNP Assurances is in line with the group's drive to promote sustainable finance in the French and international markets.

Through this Framework, CNP Assurances strives to redirect financial flows towards strategic sectors whose contributions are essential to the transition to a low-carbon economy including real estate, transport and energy infrastructure and sustainable forest, the Group being the largest corporate owner of woodland in France. With this extended version of its framework, CNP Assurances also aims to contribute to the development of basic infrastructures that are accessible and available to all in order to develop a more inclusive society.

As the sustainable finance market continues to evolve, CNP Assurances might provide future updates to this Framework to remain consistent with increasing investor expectations, best market practices and regulatory developments.





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**Overview of  
CNP Assurances to  
sustainable bond framework**



CNP Assurances Sustainable Bond Framework is aligned with the International Capital Market Association (ICMA)'s Green & Social Bond Principles and the Sustainability Bond Guidelines<sup>1</sup> as updated in June 2022 and its four components hereunder presented.

Wishing to be aligned with best market practices, CNP Assurances closely follows the latest market sustainable finance trends, innovations and technical standards.

Eligible Sustainable assets under this framework are taking into account, to the extent possible, the Substantial Contribution Criteria of the Technical Screening Criteria set out in the EU Taxonomy Appendix 1 of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

The minimum safeguards in the EU Taxonomy require that eligible activities be conducted in accordance with key international standards of responsible business conduct.

This Framework will apply to the following types of bonds issued by CNP Assurances for as long as any series thereof is outstanding:

- Green Bonds
- Social Bonds
- Sustainability Bonds

For ease of reading we use the term "Sustainable" in this framework to group together assets that can be both "green" and "social".

## **I. Use of proceeds**

The net proceeds of any CNP Assurances Sustainable Bond issuance will be used to finance and/or refinance Eligible Sustainable Assets as defined below. Eligible assets can be located in any country compliant with CNP Assurances ESG criteria, eligible assets are mainly in Europe and France.

Eligible Sustainable Assets for Sustainable Bond financing are:

- Investments disbursed 24 months maximum prior to the date of issuance of the Sustainable Bond (refinancing)
- Investments to be disbursed 36 months maximum next to the date of issuance of the Sustainable Bond (new financing)

Exclusion criteria: fossil fuel related assets are excluded.

Green and Social Assets are financed by CNP Assurances via either equity participation or debt instruments (excluding green bonds issued by other issuers).




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(1) ICMA's Voluntary Process Guidelines for Issuing Green/Social/Sustainability Bonds, June 2022

For the sake of clarity, this also includes:

- Equity participations: equity investments by CNP Assurances in listed and non-listed companies for which at least 90% of turnover is attributable to projects/assets meeting the Eligibility Criteria described below. The amount allocated under this Framework to such equity investments will not exceed CNP Assurances' pro-rated share of the relevant company in which CNP Assurances has invested.
- Debt instruments: debt investments by CNP Assurances in listed and non-listed companies for which at least 90% of turnover is attributable to projects/assets meeting the Eligibility Criteria described below. The amount allocated under this Framework to such debt investments will not exceed CNP Assurances' pro-rated share of the relevant company in which CNP Assurances has invested.
- Investments in sustainable funds (i.e. funds that only invests in 90% "sustainable assets" as defined in the Use of Proceeds table below).
- Investments via funds, CNP Assurances will only account for the company's invested share or the equivalent amount of the assets financed, taking into account the proportion of the fund assets that meet the Eligibility Criteria described below, see appendix for more information.








As soon as possible the distribution of eligible assets by category or at the latest one year after the date of issue will be shared with investors.



Eligible green asset categories	Definition of eligibility criteria		Environmental benefits	Alignment with the UN Ws	
<p>Green Buildings</p>	<p><b>New Green Buildings Constructions</b></p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>7.7. Acquisition and ownership of buildings</li> </ul> <p>Renovation &amp; Restructuring of existing Buildings</p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>7.2 Renovation of existing buildings</li> </ul> <p>Investment, maintenance, repair to improve energy performance</p> <p>EU Taxonomy Activities:</p> <ul style="list-style-type: none"> <li>7.3- Installation, maintenance and repair of energy efficiency equipment</li> <li>7.5- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</li> <li>7.6- Installation, maintenance and repair of renewable energy technologies</li> </ul>	<p>Investments in new or recently built buildings (i.e., Built after 31/12/2020) which have or should soon have one of the certifications mentioned in the right hand column</p> <p>Or, the building has an Energy Performance Certificate (EPC) class A or B. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).</p> <p>Or, the Building has a PED at least 10 % lower than RT2012<sup>(2)</sup> in France.</p> <p>Investment in major renovation of existing buildings in order to:</p> <ul style="list-style-type: none"> <li>Improve energy efficiency by at least 30%</li> <li>Or, obtain one of the environmental certifications mentioned in the right hand column</li> <li>Or, obtain a class A or B Energy Performance Certificate (EPC)</li> <li>Or, become a building in the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED).</li> </ul>	<p>List of eligible environmental certifications and labels for New Green buildings and Major renovations</p> <ul style="list-style-type: none"> <li>HQE: [≥ "Excellent"]</li> <li>LEED: [≥ "Gold"]</li> <li>BREEAM: [≥ "Very Good"]</li> <li>BBC Effnergie+</li> <li>BBCA (Bâtiments Bas Carbone)</li> <li>HPE (IRT 2012 -10%)</li> <li>THPE IRT 2012 -20%]</li> <li>Bepos Effnergie</li> <li>E+/C-</li> <li>NF Habitat HQE</li> <li>Habitat &amp; Environment</li> </ul>	<p>Climate change mitigation</p>	  








Eligible green asset categories	Definition of eligibility criteria	Environmental benefits	Alignment with the un SDGs
<p>Sustainable Forestry</p> <p><b>Sustainable management of forests and lands</b></p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>• 1.3 Forest management</li> </ul>	<p>Investments to finance acquisition, maintenance and sustainable management of forests and lands in France and in Europe with</p> <ul style="list-style-type: none"> <li>• Certified forests (FSC, PEFC or equivalent) and</li> <li>• Silviculture (defined as “the art and science of controlling the establishment, growth composition, competition, health and quality of forests and woodlands to meet its diverse needs and values”) such as practices presented in detail below:</li> </ul> <p><b>Monitor regularly the evolution of phytosanitary risks, take into account protected elements and environments associated with water and take measures for biodiversity such as leaving old and dead trees in place. Avoid interventions in special biotopes such as springs biotopes such as springs, swamps, screes and ravines.</b></p> <p><b>All assets acquired after 2021 follow a charter taking into account additional sustainable forest management actions, such as:</b></p> <ul style="list-style-type: none"> <li>• Evaluate the biodiversity of the forest estate within 5 years of acquisition through the use of a recognised method (for example Potential Biodiversity Inventories in France) and ensuring at least that the original level of biodiversity is maintained over time, while seeking to improve it</li> <li>• Interrupting work during the reproduction periods of the most sensitive species identified (for example in Natura 2000 or ZNIEFF type 1 zones), by taking into account other regulatory constraints such as mandatory cleaning of brushwood in the context of a high risk of wildfires.</li> <li>• Protecting the water catchments in the forest: in France, all the immediate, close and remote protection perimeters are identified and the use of inputs is prohibited in the immediate and close perimeters. In all other territories apart from France, similar measures are taken depending on the local regulations in place.</li> </ul>	<p>Climate change mitigation</p> <p>Pollution prevention and control</p> <p>The protection and restoration of biodiversity and ecosystems</p>	
<p>Green Infrastructure</p> <p><b>Renewable energy</b></p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>• 3.1 Renewable energy manufacturing technologies</li> <li>• 3.10 Manufacture of hydrogen</li> <li>• 4.1. Electricity generation using solar photovoltaic technology</li> <li>• 4.2. Electricity generation using concentrated solar power technology</li> <li>• 4.2 Electricity generation from bioenergy</li> <li>• 4.3. Electricity generation from wind power</li> <li>• 4.5. Electricity generation from hydropower</li> <li>• 4.6. Electricity generation from geothermal energy</li> <li>• 7.6. Installation, maintenance and repair of renewable energy technologies</li> </ul>	<p><b>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from the following sources:</b></p> <ul style="list-style-type: none"> <li>• Onshore and offshore wind energy</li> <li>• Solar energy &amp; concentrated solar power (CSP) facilities</li> <li>• Geothermal energy, when the life-cycle GHG emissions are lower than 100 g CO<sub>2</sub>e/kwh</li> <li>• Manufacturing of hydrogen sourced from renewable energy, when the life-cycle GHG emissions are lower than 100 g CO<sub>2</sub>e/kwh</li> <li>• Hydropower, when the life-cycle GHG emissions are lower than 100 g CO<sub>2</sub>e/kwh (with size scale &lt;1000 MW)</li> <li>• Bioenergy with 80% GHG emission reduction compared to fossil fuels, and sourced from sustainable feedstock</li> <li>• Palm oil and wood pellets, and waste from non RSPO certified palm oil operations are not considered as sustainable sources of biomass for bioenergy production</li> <li>• Or, Biomass that does not deplete existing terrestrial carbon pools, does not compete with food production, not grown now or currently in areas of high biodiversity and in which facilities produce GHG emissions that are below 100gco<sub>2</sub>e/kwh</li> </ul>	<p>Climate change mitigation</p>	  









(2) PED will be calculated through the following ways: (i) national regulations that give PED thresholds according to the type of building as with RT2012 or RE2020, (ii) EPCs of the buildings or (iii) on the relevant national calculation methodology used by promoters



Eligible green asset categories		Definition of eligibility criteria	Environmental benefits	Alignment with the un SDGs
Green Infrastructure	<p><b>Clean transportation</b></p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>• 6.14 Infrastructure for rail Transport</li> <li>• 6.15. Infrastructure enabling low carbon road transport and public Transport</li> </ul>	<p>Investment in clean vehicles infrastructures and services including:</p> <ul style="list-style-type: none"> <li>• Public transportation</li> <li>• Charging infrastructure for electric vehicles in buildings and parking spaces attached to the buildings</li> <li>• Railway extensions &amp; improvement of railway infrastructures:</li> <li>• Electrified trackside infrastructure and associated subsystems</li> <li>• New and existing trackside infrastructure and associated subsystems where there is a plan of electrification of the line tracks within 10 years</li> <li>• The infrastructure and installations are dedicated to transhipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>• Infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.</li> </ul> <p>The infrastructure is not dedicated to the transport or storage of fossil fuels.</p>	<p>Climate change mitigation</p> <p>Pollution prevention and control</p>	
Sustainable production and supply chains	<p><b>Circular Economy</b></p>	<p>Investments related to products which comply with the following criteria:</p> <ul style="list-style-type: none"> <li>• Products' primary packaging is designed or demonstrate its usability over 10 rotations</li> </ul>	<p>Protection and restoration of biodiversity and ecosystem</p>	  
Decontamination and remediation of sites	<p><b>Soil Decontamination</b></p>	<p>Investments related to soil decontamination which comply with the following criteria:</p> <ul style="list-style-type: none"> <li>• Landscapes located in Europe, mostly in France (&gt;50%)</li> <li>• Targeted sites of small or medium size (from 1 to 20 hectares), significantly polluted (soil and building) with a strong redevelopment potential, located near major urban areas suffering a shortage of building land.</li> <li>• Cost of decontamination very important compared to the overall budget of the development operation.</li> </ul>	<p>Pollution prevention and control</p>	 
Sustainable water and Waste water management	<p><b>Sustainable water and Waste water management</b></p> <p>EU Taxonomy Activity:</p> <ul style="list-style-type: none"> <li>• 5.1 Construction, extension and operation of</li> <li>• Water collection, treatment and supply systems for third-party users</li> <li>• 5.3 Construction, extension and operation of</li> <li>• Waste water collection and treatment for third-party users</li> </ul>	<p>Construction, extension and operation of water collection, treatment and supply systems for third-party users</p> <p>The water supply system complies with one of the following criteria:</p> <ul style="list-style-type: none"> <li>• The net average energy consumption for abstraction and treatment equals to or is lower than 0.5 kwh per cubic meter produced water supply. Net energy consumption may take into account measures decreasing energy consumption, such as source control (pollutant load inputs), and, as appropriate, energy generation (such as hydraulic, solar and wind energy);</li> <li>• The leakage level is calculated using the Infrastructure Leakage Index (ILI) rating method and the threshold value equals to or is lower than 1.5</li> </ul> <p>Construction, extension and operation of waste water collection and treatment for third-party users</p> <p>The net energy consumption of the waste water treatment plant equals to or is lower than:</p> <ul style="list-style-type: none"> <li>• 35 kwh per population equivalent (p.e.) Per annum for treatment plant capacity below 10 000 p.e.;</li> <li>• 25 kwh per population equivalent (p.e.) Per annum for treatment plant capacity between 10 000 and 100 000 p.e.;</li> </ul>	<p>Sustainable use and protection of water and marine resources</p> <p>Protection and restoration of biodiversity and ecosystems</p>	 

Eligible green asset categories		Definition of eligibility criteria	Environmental benefits	Alignment with the un SDGs
Sustainable water and-Waste water management		<ul style="list-style-type: none"> <li>20 kwh per population equivalent (p.e.) Per annum for treatment plant capacity above 100 000 p.e. Net energy consumption of the operation of the waste water treatment plant may take into account measures decreasing energy consumption relating to source control (reduction of storm water or pollutant load inputs), and, as appropriate, energy generation within the system (such as hydraulic, solar, thermal and wind energy).</li> </ul> <p>For the construction and extension of a waste water treatment plant or a waste water treatment plant with a collection system, which are substituting more GHG-intensive treatment systems (such as septic tanks, anaerobic lagoons), an assessment of the direct GHG emissions is performed</p>		
Protection of the environment and biological diversity	<b>Sustainable land use and protection</b>	Investment focused on sustainable land use and protection as well as protection and restoration of terrestrial and marine biodiversity and ecosystems, see appendix for more information on the different practices	Protection and restoration of biodiversity and ecosystems.	 

Eligible social categories	Definition of eligibility criteria	Social benefits	Alignment with the un SDGs
Access to essential services (healthcare)	<ul style="list-style-type: none"> <li>Financing activities that improve the capacity to provide free and subsidized healthcare services: Hospital/ clinic (public) and, Health Centers; Medical equipment and technologies for the benefit of public health in France</li> <li>Financing the acquisitions, or, the construction/development or the refurbishment and/or extension of public hospitals, clinics and health centers in France</li> <li>Financing the acquisitions, or, the construction/development or the refurbishment and/or extension of private infrastructure when the principle of accessibility is clearly guaranteed for all in France</li> <li>Financing projects related to Research and Development in the field of health</li> <li>Financing activities that develop and maintain living facilities/ nursing homes public or non-profit association for elderly population</li> </ul> <p><b>Target Population:</b> The entire population of the territory including the most vulnerable</p>	<p>Improve the availability of medical care and the health situation of the population</p> <p>Reduce territorial and social health inequalities, especially in terms of transportation time and distance to access to care</p>	   
Access to essential services (Education)	<ul style="list-style-type: none"> <li>Financing public infrastructure that provide access to quality education infrastructure (public secondary education, public higher education) in France</li> </ul> <p><b>Target population:</b> The entire population of the territory including the most vulnerable</p>	Provide access to quality secondary, university and vocational education for all.	  

Eligible social categories	Definition of eligibility criteria	Social benefits	Alignment with the un SDGs
Affordable housing	<ul style="list-style-type: none"> <li>Financing social intermediary housing projects located in areas A, Abis, B1, B2 as defined by french law dated 20th Feb. 2014 in France</li> </ul> <p><b>Target Population:</b> Medium income and young salaries which revenues are equal or less than thresholds defined by law</p>	Fight against inadequate housing and access to housing	  
Employment through SME financing	<ul style="list-style-type: none"> <li>Financing related to SMEs in economically underperforming areas</li> <li>Investments in SMEs that promote women entrepreneurship: SMEs 100% owned by women or, SMEs with women representing more than 50% of SMEs' partners/holders</li> </ul> <p><b>Target Population:</b> SMEs in economically underperforming areas, women owners of SMEs <sup>(3)</sup></p> <p><i>In France: employment areas" ("zones d'emploi") as per methodology set by INSEE <sup>(4)</sup></i></p>	<p>Socioeconomic advancement and empowerment</p> <p>Diversity</p>	 
Digital Inclusion	<ul style="list-style-type: none"> <li>Investments to deploy the optical fiber in French underserved/ remote areas</li> </ul> <p>In France, these areas are defined by ARCEP as RIPs (Réseau d'Initiative Publique) in accordance with article L.1425-1 of the General Local Authorities Code, which is a project carried out by local authorities to set up communications network (mainly the optical fiber these last few years).</p> <p><b>Target population:</b> population in French underserved and remote areas</p>	Reduction of digital division	  

(3) SME definition : Cf. EU Recommendation 2003/361

(4) Zones d'emplois : unemployment rate higher than the national average : <https://www.insee.fr/fr/statistiques/1893230>

## II. Process for Project Evaluation and Selection

In order to evaluate and select the Eligible Sustainable (Green or Social) Asset which will be financed through the Sustainable (Green, Social or Sustainability) Bond issuance, CNP Assurances will establish a Sustainable Bond Committee in charge of:

- verifying the compliance with potential Eligible Green or Social Assets with the internal CSR policy of CNP Assurances including the ESG criteria;
- selecting the pool of Eligible Green or Social Assets in line with the eligibility criteria stated in the Use of Proceeds section of the Framework;
- monitoring the aforementioned pool by replacing assets that no longer satisfy the eligibility criteria (i.e. divestment, cancellation, ineligibility) with new Eligible Green or Social Assets if need be;
- validating the annual reporting publication.

The Sustainable Bond Committee will meet at least on an annual basis and is composed of relevant parties including:

- Investment department
- CSR department

The Sustainable Bond Committee also regularly reviews all assets already allocated to verify that they are not facing major ESG controversy. The potential occurrence of such an ESG controversy can lead to the withdrawal of the project, temporary or definitive, from the list of eligible assets. A new asset would then be proposed for allocation as a substitute.

The committee will be chaired by the Chief Investment Officer, member of the EXCOM. Each meeting will be documented with a report and record of decision.

## III. Management of proceeds

CNP Assurances intends to manage the proceeds of the Sustainable Bonds issued on nominal correspondence basis.

An amount equivalent to the net proceeds of the Sustainable Bonds issued will be earmarked and allocated to Eligible Sustainable Assets. **CNP Assurances commit to allocate the proceeds of the bond during a maximum period of 36 months.** In case a project becomes ineligible, or in case of asset divestment, the issuer commits to replace, as far as possible, the net proceeds allocated to this project to another eligible project on a best effort basis.

CNP Assurances will set up an internal tracking system within its treasury management to facilitate the allocation process during the lifetime of the Sustainable Bonds issued.

Pending allocation or in case of insufficient pool of Eligible Sustainable Assets, the funds will be invested according to CNP Assurances' Treasury policy and in SRI funds that promote environmental or social and governance criteria.



## IV. Reporting

### a. Allocation reporting

CNP Assurances will annually report to investors within approximately one year from the date of the bond issuance, and annually thereafter until maturity.

The allocation report will provide information such as follows:

- Short description of all eligible assets affected to the bond (status, location, technologies, year of construction, etc...)
- Total amount of proceeds allocated to Eligible Sustainable Assets per category
- The share of financing and refinancing
- The share of CNP Assurances in the total project cost
- Total amount of unallocated proceeds
- % of alignment with the EU taxonomy

### b. Impact reporting

CNP Assurances will also report on the environmental and social benefits of its Eligible Green/Social Assets funded through the Green/Social/Sustainability Bond issuance.

The impact report will rely on both output and impact metrics as illustrated below subject to data availability.

The reporting will be based on the requirements of the ICMA Handbook - Harmonised Framework for Impact Reporting (June 2021) and can be adjusted in the case of new requirements and developments regarding the content and type of reporting.

The reporting will also present the methodology and assumptions used to evaluate the impacts of the assets. CNP Assurances also commits to report on any material developments/issues/ESG controversies related to the financed projects/assets.

## Eligible Green categories

Eligible green asset categories	Sub-categories	Examples of output indicators	Examples of impact indicators
GREEN BUILDINGS	New Green Buildings Constructions	<ul style="list-style-type: none"> <li>Number/m<sup>2</sup> of dwellings</li> <li>Number/m<sup>2</sup> of buildings by type of certification</li> <li>Number of dwellings</li> </ul>	<ul style="list-style-type: none"> <li>Avoided CO<sub>2</sub> emissions (in t.CO<sub>2</sub>/year)</li> </ul>
	Renovation & Restructuring of existing Buildings	<ul style="list-style-type: none"> <li>Number/m<sup>2</sup> of dwellings renovated</li> <li>Number/m<sup>2</sup> of buildings by type of certification</li> </ul>	<ul style="list-style-type: none"> <li>Estimated energy savings (inMWh/year)</li> </ul>
	Energy efficiency of existing buildings	<ul style="list-style-type: none"> <li>Number of dwellings renovated</li> </ul>	
SUSTAINABLE FORESTRY	Sustainable management of forests and lands	<ul style="list-style-type: none"> <li>Surface of FSC and/or PEFC certified forests (in ha and %)</li> <li>Area of land &amp; forest managed (ha)</li> <li>Biodiversity: areas evaluated (ha)</li> </ul>	<ul style="list-style-type: none"> <li>Estimated CO<sub>2</sub> sequestered (in t.CO<sub>2</sub>/year) (1)</li> </ul>
GREEN INFRASTRUCTURES	Renewable energy	<ul style="list-style-type: none"> <li>Capacity installed (GW or MW)</li> <li>Power Energy production (MWh)</li> </ul>	<ul style="list-style-type: none"> <li>Avoided CO<sub>2</sub> emissions (in t.CO<sub>2</sub>/year)</li> </ul>
	Clean transport	<ul style="list-style-type: none"> <li>Number of clean transportation systems financed by type</li> <li>Number of kilometers of rail constructed or maintained</li> </ul>	
DECONTAMINATION AND REMEDIATION OF SITES	Soil decontamination	<ul style="list-style-type: none"> <li>Surface (km<sup>2</sup>/hectares) decontaminated</li> <li>Number of sites remediated</li> </ul>	
SUSTAINABLE PRODUCTION AND SUPPLY CHAINS	Circular Economy	<ul style="list-style-type: none"> <li>Tons of primary packaging reused</li> </ul>	
SUSTAINABLE WATER AND WASTE WATER MANAGEMENT	Construction, extension and operation of water collection, treatment and supply systems	<ul style="list-style-type: none"> <li>Volume of wastewater treated for reuse or avoided (m<sup>3</sup>/year);</li> <li>Number of kilometers of wastewater network (added or renewed);</li> <li>Increase of waste water treatment capacity (%);</li> <li>Drinking water volume distributed (m<sup>3</sup>/year).</li> </ul>	
PROTECTION OF THE ENVIRONMENT AND BIOLOGICAL	Sustainable land use and protection	<ul style="list-style-type: none"> <li>Volume of biomass preserved</li> <li>Annual GHG avoided/reduced (ton CO<sub>2</sub>)</li> <li>Net volume of waste diverted from landfill or nature</li> </ul>	<ul style="list-style-type: none"> <li>Surface/number of natural habitats rehabilitated</li> <li>Number of species protected</li> </ul>

## Eligible social categories

ELIGIBLE SOCIAL CATEGORIES	EXAMPLES OF OUTPUT INDICATORS	EXAMPLES OF IMPACT INDICATORS
ACCESS TO ESSENTIAL SERVICES – HEALTHCARE	<ul style="list-style-type: none"> <li>• Number of hospitals served</li> <li>• Number of new beds provided</li> <li>• Number of beneficiaries</li> <li>• Number of healthcare facilities built and/or upgraded</li> <li>• Number of patients benefitting from healthcare or medical treatments</li> <li>• Split by type of care facilities</li> <li>• Amount directly invested to finance clinical trials that studies new treatments and evaluates their effects on human health</li> </ul>	<ul style="list-style-type: none"> <li>• % of people healed</li> </ul>
ACCESS TO ESSENTIAL SERVICES – EDUCATION	<ul style="list-style-type: none"> <li>• Number of education facilities built and/or upgraded</li> <li>• Number of children benefitting from public school services</li> <li>• Number of dwellings per university</li> <li>• Number of beneficiaries students</li> </ul>	<ul style="list-style-type: none"> <li>• % of students succeeding in the university (per level)</li> </ul>
AFFORDABLE HOUSING	<ul style="list-style-type: none"> <li>• Number of new / refurbished dwellings</li> <li>• Number of beneficiaries</li> <li>• Number of intermediate housing units built, acquired or refurbished</li> <li>• Distribution of intermediate housing by geographical area (zone A / Abis / B1)</li> </ul>	<ul style="list-style-type: none"> <li>• Average annual savings for the tenants</li> <li>• Average rent discount (%)</li> </ul>
EMPLOYMENT THROUGH SME FINANCING	<ul style="list-style-type: none"> <li>• Number of jobs created</li> <li>• Number of jobs retained</li> <li>• Number of SME financed (per region)</li> <li>• Number of SME's 100% owned by women or represented by more than 50% women in partnership</li> </ul>	<ul style="list-style-type: none"> <li>• % of unemployment avoided</li> </ul>
DIGITAL INCLUSION	<ul style="list-style-type: none"> <li>• Number of dwellings connected</li> <li>• Number of households connected to the fiber network</li> </ul>	<ul style="list-style-type: none"> <li>• % of Fiber-Connectable Households / RBAL Households<sup>(5)</sup></li> <li>• % of Households connected / Households connectable</li> </ul>

(5) RBAL stands for "Relevé de Boite à Lettres" which is the polling of Internet mailbox



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**External  
review**



## **I. Second-Party Opinion**

ISS ESG has been asked by CNP Assurances to provide a Second-Party Opinion on its Sustainable Bond Framework. ISS ESG will ensure the Framework follows the highest standards from the Green Bond Standards principles and Guidelines. CNP Assurances will make the Second-Party Opinion publicly available on its website ( <https://www.cnp.fr/en/the-cnp-assurances-group/investors/debts-and-credit-rating/debts>).

## **II. External audit**

CNP Assurances commits to have the annual allocation report of the funds from the Sustainable Bond externally audited by an independent auditor until maturity. The audit report will be published in the reporting. CNP Assurances will make the External Audit publicly available on its website ( <https://www.cnp.fr/en/the-cnp-assurances-group/investors/debts-and-credit-rating/debts>).



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**Appendix**

## I. Protection of the environment and biological diversity

Investment focused on sustainable land use and protection as well as protection and restoration of terrestrial and marine biodiversity and ecosystems including the following activities:

<b>Bio-control</b>	Biological agents replacing traditional pesticides to control pests, diseases and weeds of crop plants
<b>Bio-stimulants (incl. biochar &amp; bio-nutrition)</b>	Organic compounds stimulating natural processes for better nutrient uptake, nutrient efficiency, tolerance to abiotic stress and crop quality

## II. Financial assets screened on ESG criteria

For many years, CNP Assurances has applied a responsible investor strategy for the majority of its assets and those of its French subsidiaries. However, this approach cannot be applied equally to equities, bonds, property assets, corporate or sovereign securities, direct holdings or units of funds.

The following chart shows the various ways in which the approach is implemented.

	COUNTRY EXCLUSION <sup>1</sup>	SECURITIES EXCLUSION <sup>2</sup>	FOOD SPECULATION ON FUNDS EXCLUSION <sup>3</sup>	ESG RATING ANALYSIS <sup>4</sup>	SYSTEMATIC INTEGRATION OF ESG IN INVESTMENT POLICY <sup>5</sup>
PROPERTY	✓			✓	✓
WOODLAND	✓			✓	✓
EQUITIES	✓	✓		✓	✓
CORPORATE BONDS	✓	✓		✓	
PRIVATE EQUITY / INFRASTRUCTURE	✓	✓		✓	
GOVERNMENT BONDS	✓	✓			
CNP ASSURANCES DEDICATED FUNDS	✓	✓	✓		
OTHER FUNDS	<u>watchlist</u>	<u>watchlist</u>	✓		

(1) Undemocratic countries deemed at risk, with a low level of freedom or corrupt judges, and tax havens

(2) In accordance with the UN Global Compact: arms manufacturers whose products include anti-personnel mines or cluster munitions and coal mining and coal-bases energy producing companies

(3) Speculation on agricultural commodities

(4) ESG data collection for investment analysis

(5) ESG analysis and/or ratings systematically impact the decision to invest

### III. Investments via funds

In order to avoid double-counting, CNP Assurances only counts as eligible an equivalent amount of the total value of the financing of assets aligned with its Framework and not already earmarked via another co-investor through a sustainable debt product, up to the maximum amount of its investment in the fund.

CNP Assurances holds regular dialogues with fund managers to avoid any issue of double counting with co-investors. CNP Assurances ensures that all eligible assets have not been and will not in the future be earmarked by another co-investor. It is through close collaboration between fund managers and CNP Assurances that the issuer prevents any potential double counting.

CNP Assurances is in direct contact with the asset fund managers to identify and monitor the following on a frequent basis:

- The assets within the portfolio of these funds
- The assets aligned with the Framework within the fund, on a line-by-line basis, with a consolidation of eligible amounts
- The financial structure of the fund (identification of co-investors and share of investments etc.)

As double counting is covered, CNP Assurances recognises the entire amount of the financing in the asset, integrated to the fund, as aligned with the definition of eligible asset as presented in its Framework. CNP Assurances counts as eligible the value of its own financing as a share of the whole value of the asset.

CNP Assurances will exclude funds which finance companies where only a portion of the companies' projects would be eligible.



## Disclaimer

The information and opinions contained in this Sustainable Bond Framework are provided as at the date of this document and are subject to change without notice. CNP Assurances does not assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

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### Forward-Looking statements

Some of the statements contained in this Sustainable Bond Framework may be forward-looking statements referring to projections, future events, trends or objectives that, by their very nature, involve inherent risks and uncertainties that may cause actual results to differ materially from those currently anticipated in such statements.

Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of CNP Assurances to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price, impact of climate and other risks mentioned in CNP Assurances's last Document de Référence filed with the Autorité des Marchés

Financiers, as amended, supplemented or replaced from time to time. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this document. CNP Assurances does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

The information contained in this Sustainable Bond Framework does not purport to be comprehensive and has not been independently verified by any independent third party.



**Insuring  
a more  
open world**