



SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Bond Framework
CNP Assurances
23 December 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green, Social and/or Sustainability Bonds
Relevant standards	<ul style="list-style-type: none">Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG), updated as of June 2021, administered by the International Capital Market Association (ICMA)
Scope of verification	<ul style="list-style-type: none">CNP Assurances' Sustainable Bond Framework (as of December 23, 2022)CNP Assurances' Eligibility Criteria (as of December 23, 2022)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">As long as there is no material change to the Framework

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SCOPE OF WORK

CNP Assurances (“the issuer” or “CNP”) commissioned ISS Corporate Solutions (ICS) to assist with its Sustainable Bond Framework by assessing three core elements to determine the sustainability quality of the instruments:

1. CNP’s Sustainable Bond Framework (as of December 23, 2022) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG).
2. The Eligibility Criteria – whether the project categories contribute positively to the UN SDGs and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. The Sustainable Bond Framework’s link to CNP’s sustainability strategy – drawing on CNP’s overall sustainability profile and issuance-specific Use of Proceeds categories.

CNP ASSURANCES BUSINESS OVERVIEW

CNP Assurances is an insurance provider in France. It’s core business covers death/disability insurance, long-term care insurance, health insurance, and term creditor insurance. The company also provides life insurance products that help people fund for their personal projects as well as save for their retirement. The company is located in France, across Europe, and Brazil. CNP Assurances total revenue is 31,668 million as of December 2021.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Alignment with GBP, SBP & SBG	The issuer has defined a formal concept for its Green Bonds, Social Bonds & Sustainability Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBP, SBP & SBG.	Aligned
Part 2: Sustainability quality of the Eligible Categories & ESG Risk Management	<p>The Green, Social and Sustainability Bonds will (re-)finance eligible asset categories: Green Buildings, Sustainable Forestry, Renewable Energy, Circular Economy, Clean Transportation, Soil Decontamination, Sustainable Water and Wastewater Management, Protection of Environment and Biodiversity, Access to Essential Services (Healthcare), Access to Essential Services (Education), Affordable Housing, Employment through SME Financing, Digital Inclusion.</p> <p>Green Buildings, Renewable Energy, Clean Transportation, Circular Economy, Sustainable Water and Wastewater Management, Protection of Environment and Biodiversity, Access to Essential Services (Healthcare), Access to Essential Services (Education), Employment through SME Financing, Digital Inclusion use of proceeds categories have significant contribution to SDG 2 'Zero Hunger', SDG 3 'Good health and well-being', SDG 4 'Quality education', SDG 5 'Gender Equality', SDG 6 'Clean Water and Sanitation', SDG 7 'Affordable and Clean Energy', SDG 8 'Decent Work and Economic Growth', SDG 10 'Reduced Inequalities', SDG 11 'Sustainable Cities and Communities', SDG 12 'Responsible Consumption and Production', SDG 13 'Climate Action, SDG 15 'Life on Land'.</p> <p>Renewable Energy (from uncertified first-generation bioenergy and uncertified wood-based biomass) category has a no net impact.</p> <p>The remaining use of proceed categories improve the operational impacts of CNP's borrower(s) and mitigate potential negative externalities of its sector/their sectors on SDGs 7 'Affordable and Clean Energy' and SDG 13 'Climate Action'.</p>	Positive²

¹ The evaluation is based on CNP's Sustainable Bond Framework (December 23, 2022 version) & ISS ESG's Indicative Corporate Rating and is applicable at the SPO delivery date.

² Please note that, at the issuance date of this report, no information is available on planned amount of proceeds to be allocated to eligible categories assessed here as having a no net impact.

	The environmental and social risks associated with those use of proceeds categories are well managed.	
Part 3: Link to issuer's sustainability strategy	The key sustainability objectives and the rationale for issuing Green Bonds, Social Bonds & Sustainability Bonds are clearly described by the issuer. The majority of the project categories financed are in line with the sustainability objectives of the issuer.	Consistent with issuer's sustainability strategy

SPO ASSESSMENT

PART I: ALIGNMENT WITH ICMA GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES AND SUSTAINABILITY BOND GUIDELINES

This section evaluates the alignment of the CNP's Sustainable Bond Framework (as of December 14th, 2022) with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines administrated by the ICMA.

GBP/SBP/SBG	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by CNP's Sustainable Bond Framework is aligned with the GBP and SBP and SBG.</p> <p>The issuer's green/social categories align with the project categories as proposed by the GBP and SBP. Criteria are defined in a clear and transparent manner. Disclosure of distribution of proceeds by project category is provided and environmental and social benefits are described. The issuer defines exclusion criteria for harmful projects categories.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Project Evaluation and Selection description provided by CNP's Sustainable Bond Framework is aligned with the GBP, SBP and SBG.</p> <p>The project selection process is defined. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the issuer.</p> <p>The issuer identifies alignment of their Green Bond framework and their green projects at best effort basis with the EU Taxonomy, in line with best market practice.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds proposed by CNP's Sustainable Bond Framework is aligned with the GBP, SBP and SBG.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner. The net proceeds are managed using a portfolio approach. Moreover, the issuer discloses the temporary investment instruments for unallocated proceeds.</p>

		CNP commits to allocate the proceeds of the bond during a maximum period of 36 months.
4. Reporting	✓	<p>The allocation and impact reporting proposed by CNP’s Sustainable Bond Framework is aligned with the GBP, SBP and SBG.</p> <p>The issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. CNP explains the level of expected reporting and the type of information that will be reported. Moreover, the issuer commits to report annually, until the bond matures.</p> <p>The issuer is transparent on the information provided in impact reporting, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE SUSTAINABLE BONDS TO THE UN SDGs³

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.

1. Products and services


The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the sustainable bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

Green Categories

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>Investments in new or recently built buildings which have or should soon⁴ have one of the following certifications or investments in major renovations of existing buildings in order to obtain one of the following certifications: HQE: [≥ "Excellent"]; LEED: [≥ "Gold"]; BREEAM: [≥ "Very Good"]; NF Habitat HQE; Habitat & Environnement</i></p>	Significant contribution	

³ The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the issuer's description in the framework.

⁴ Buildings which may be under construction and committed to reach a label/certification will definitely have the certification upon construction is completed.

<p>Green Buildings</p> <p><i>Investments in new or recently built buildings or in major renovation of existing buildings which have or should soon have one of the certifications or Investments in major renovation of existing buildings in order to obtain one of the certifications: BBC Effinergie+; E+/C-; BePOS Effinergie; BBCA (Bâtiments Bas Carbon)</i></p>	<p>Limited contribution</p>	
<p>Green Buildings</p> <p><i>Investments in new or recently built building which has:</i></p> <ul style="list-style-type: none"> • <i>an Energy Performance Certificate (EPC) class A or B.</i> • <i>alternatively, is within the top 15%⁵ of the national or regional building stock expressed as operational Primary Energy Demand (PED)⁶.</i> <p><i>Investments in major renovation of existing buildings in order to:</i></p> <ul style="list-style-type: none"> • <i>obtain EPC class A or B</i> • <i>alternatively, become within the top 15%⁷ of the national or regional building stock expressed as operational Primary Energy Demand (PED)⁸.</i> <p><i>Investments in new or recently built buildings or in major renovation of existing buildings which have or should soon⁹ have one of the certifications or investments in major renovation of existing buildings in order to obtain one of the certifications: HPE [RT 2012 -10%] ; THPE [RT 2012 -20%]</i></p>	<p>Limited contribution</p>	 






⁵ Top 15% is measured via a study published by the Observatory of Sustainable Real Estate – Barometer 2021 OID, available in the Framework.

⁶ 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) PED are on the relevant national calculation methodology used by promoters

⁷ Top 15% is measured via a study published by the Observatory of Sustainable Real Estate – Barometer 2021 OID, available in the Framework.

⁸ 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) PED are on the relevant national calculation methodology used by promoters

⁹ Buildings which may be under construction and committed to reach a label/certification will definitely have the certification upon construction is completed.








<p>Green Buildings</p> <p><i>Investment in major renovation of existing buildings in order to improve energy efficiency by at least 30%</i></p>	<p>Limited contribution</p>	 
<p>Green Buildings</p> <p><i>Investments in new or recently built buildings (built after 31/12/2020) which have a PED ¹⁰ at least 10 % lower than RT2012 in France.</i></p>	<p>Significant Contribution¹¹</p>	
	<p>Limited Contribution</p>	
<p>Sustainable Forestry</p> <p><i>Investments to finance acquisition, maintenance and sustainable management of forests and lands in France and in Europe with:</i></p> <ul style="list-style-type: none"> • <i>Certified forests (FSC, PEFC or equivalent) , and</i> • <i>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”)</i> 	<p>Limited contribution¹²</p>	




¹⁰ 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

¹¹ For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.






¹² Our review is limited to certifications spelled out in the Framework

<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from:</i></p> <ul style="list-style-type: none"> • Onshore and offshore wind energy • Solar energy and concentrated solar power facilities (CSP) • Geothermal energy, when the life-cycle GHG emissions are lower than 100 g CO₂e/kWh 	<p>Significant Contribution</p>	 
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: Hydrogen sourced from renewable energy</i></p>	<p>Significant Contribution</p>	 
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: Hydropower (<10MW)</i></p>	<p>Significant Contribution</p>	 
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: Hydropower (>10 MW but <1000 MW)</i></p>	<p>Limited Contribution</p>	 
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: second generation biomass (other than wood-based biomass)</i></p>	<p>Limited Contribution</p>	 







<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: First generation bioenergy (uncertified); wood-based biomass (uncertified)</i></p>	Not net impact	
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: biogas</i></p>	Limited Contribution	 
<p>Renewable Energy</p> <p><i>Investments in renewable energy production including equipment, development, manufacturing, construction, operation, distribution and maintenance from: biogenic waste</i></p>	Limited Contribution	 
<p>Clean Transportation</p> <p><i>Investment in public transportation infrastructure</i></p>	Limited Contribution	 
<p>Clean Transportation</p> <p><i>Investment in clean vehicles infrastructures and services including: Charging infrastructure for electric vehicles in buildings and parking spaces attached to buildings</i></p>	Significant Contribution	
	Limited Contribution	

<p>Clean Transportation</p> <p><i>Investment in clean vehicles infrastructures and services including:</i></p> <p><i>Railway extensions & improvement of railway infrastructures: electrified trackside infrastructure and associated subsystems</i></p>	<p>Limited Contribution</p>	 
<p>Clean Transportation</p> <p><i>Investment in clean vehicles infrastructures and services including:</i></p> <p><i>Railway extensions & improvement of railway infrastructures: new and existing trackside infrastructure and associated subsystems where there is a plan of electrification of the line tracks within 10 years</i></p>	<p>Limited Contribution</p>	 
<p>Clean Transportation</p> <p><i>Investment in clean vehicles infrastructures and services including railway extensions & improvement of railway infrastructures:</i></p> <ul style="list-style-type: none"> • <i>the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</i> 	<p>Significant Contribution¹³</p>	
<ul style="list-style-type: none"> • <i>infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.</i> 	<p>Limited Contribution</p>	

¹³ We note that the Issuer has aligned its selection criteria with the technical screening criteria for a substantial contribution to Climate Change Mitigation of the EU Taxonomy Delegated Act (June 2021).

<p>Circular Economy</p> <p><i>Investments related to products which comply with the following criteria:</i></p> <ul style="list-style-type: none"> • <i>Products' primary packaging is designed or demonstrate its usability over 10 rotations,</i> 	<p>Significant Contribution</p>	
<p>Soil decontamination</p> <ul style="list-style-type: none"> • <i>Landscapes located in Europe, mostly in France (>50%)</i> • <i>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.</i> 	<p>Limited Contribution</p>	
<p>Sustainable water and wastewater management</p> <ul style="list-style-type: none"> • <i>Financing construction, extension and operation of water collection, treatment and supply systems for third party-users ;</i> • <i>Financing construction, extension and operation of waste-water collection and treatment for third party-users</i> 	<p>Significant Contribution</p>	
<p>Protection of Environment and Biodiversity</p> <p><i>Investment focused on biological crop protection</i></p> <p><i>Investment focused on bio-stimulants (including biochar & bio-nutrition)</i></p>	<p>Significant Contribution</p>	 

Social Categories

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Access to Essential Services (healthcare)</p> <p><i>Financing activities that improve the capacity of operation of free and subsidized healthcare services: Hospital/ clinic (public) and, Health Centers in France</i></p> <p>Target population: universal healthcare coverage for all residents in France</p>	<p>Significant Contribution</p>	 
<p>Access to Essential Services (healthcare)</p> <p><i>Financing activities for construction of public hospitals, clinics and health centers in France</i></p> <p><i>Financing activities that improve the capacity of operation of free and subsidized healthcare services: Medical equipment and technologies in France</i></p> <p>Target population: universal healthcare coverage for all residents in France</p>	<p>Limited Contribution</p>	
<p>Access to Essential Services (healthcare)</p> <p><i>Financing construction/ development, refurbishment and/ or extension of existing private healthcare infrastructure in France</i></p>	<p>Limited Contribution</p>	
<p>Access to Essential Services (healthcare)</p> <p><i>Financing projects related to Research and Development in the field of health</i></p>	<p>Limited Contribution</p>	
<p>Access to Essential Services (healthcare)</p> <p><i>Financing of public and non-profit assisted living facilities/ nursing homes for elderly population in France</i></p>	<p>Limited contribution</p>	

<p>Access to Essential Services (education)</p> <p><i>Financing public infrastructure that provide access to quality education infrastructure (public secondary education)</i></p>	<p>Significant Contribution</p>	
<p>Access to Essential Services (education)</p> <p><i>Financing public infrastructure that provide access to quality education infrastructure (public higher education) in France</i></p>	<p>Significant Contribution</p>	
<p>Affordable Housing</p> <p><i>Financing related to construction and acquisition of social housing in France for medium income and young salaried populations which revenues are equal or less than thresholds defined by French law</i></p> <p><i>Investment in social intermediary housing projects located in areas A, Abis, B1, B2 as defined by French law dated 20th Feb. 2014</i></p>	<p>Limited Contribution</p>	  
<p>Employment through SME financing</p> <p><i>Financing related to SMEs in economically underperforming areas¹⁴</i></p>	<p>Significant Contribution</p>	
<p>Employment through SME financing</p> <p><i>Investments in SMEs that promote women entrepreneurship: SMEs 100% owned by women or, SMEs with women representing more than 50% of SMEs' partners/holders</i></p>	<p>Significant Contribution</p>	 

¹⁴ Economically underperforming areas are defined in France as employment areas" ("zones d'emploi") as per methodology set by INSEE. Economically underperforming areas in other countries will be defined according to national legislation

Digital Inclusion

Investments to deploy the optical fiber in underserved/remote areas¹⁵ in France

Significant Contribution





2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the issuer.

CNP finances operations/processes in third-party sectors which are not listed in the issuer’s Framework. As such, ISS ESG is not in a position to display the exposure to negative externalities linked to the sector of the operations/processes financed. This could have an impact on the overall sustainability quality of the issuance.

The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹⁶	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>Installation, maintenance and repair of energy efficiency equipments:</i></p> <ul style="list-style-type: none"> <i>Insulation to existing building envelope, such as walls, roofs and flooring (including green walls, roofs or floors);</i> <i>replacement of existing windows and doors with new energy efficient windows and doors;</i> <i>replacement of light sources by energy efficient light sources;</i> 	<p>✓¹⁷</p>	 

¹⁵ 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).

¹⁶ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

¹⁷ We note that the Issuer has aligned its selection criteria with the technical screening criteria for a substantial contribution to Climate Change Mitigation of the EU Taxonomy Delegated Act (June 2021).

- *installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems with energy efficient technologies;*
- *installation of low water and energy using kitchen and sanitary facilities*

Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings:

- *Thermostats, detection devices & lighting;*
- *Energy management and modeling system;*
- *Building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS);*
- *Smart metering systems (gas, electricity, water, etc.);*

Management of facade and roof elements including those that support the growth of vegetation according to natural light

Green Buildings

Installation, maintenance and repair of renewable energy technologies:

- *Electric and thermic photovoltaic systems and the ancillary technical equipment;*
- *solar hot water panels and auxiliary technical equipment;*
- *Heat pumps contributing to renewable energy targets in heating and cooling*
- *Heat exchanger/recovery system*

✓¹⁸



¹⁸ We note that the Issuer has aligned its selection criteria with the technical screening criteria for a substantial contribution to Climate Change Mitigation of the EU Taxonomy Delegated Act (June 2021).

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE SELECTION CRITERIA

The table below evaluates the selection criteria against issuance-specific KPIs. CNP states that most assets will be in France and Europe, however the company has also specified that some may be in developing countries.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

CNP has defined a responsible investment strategy within the framework of the investment strategy, which is approved by the general management and the board of directors. A dedicated responsible investment governance structure has also been set up. It is tasked with implementing said strategy, thus enabling the Board of Directors, senior management, relevant committees and investment teams to integrate ESG issues into decision-making and operational processes.

The aforementioned strategy notably includes the integration of sustainability risks into its investment decisions and is based on the following approaches: shareholder engagement, exclusion policy, and selection of investments on the basis of ESG criteria. When an ESG risk has been identified, CNP adopts different procedures per level of risk, with excessively high risks always warranting the application of an exclusion policy (detailed below). Meanwhile, for existing portfolio investments, CNP adopts varying degrees of shareholder engagement, with direct dialogue in the case of higher sustainability risks.

For new investments, CNP relies on ESG criteria to make its investments selection. In the case of directly held shares from public companies or directly held debt, these criteria are evaluated by a third party (Ostrum Asset Management) which measures commitment, responsibility, opportunities, and risks for four 'pillars': responsible governance, sustainable resource management, energy transition, and territorial development.¹⁹ In cases where it owns real estate, forests, or various infrastructure projects, CNP relies on managing companies which conduct ESG risk assessment before acquiring a property and commit to managing their real estate assets in accordance with the ESG principles defined by CNP Assurances. Similarly, for any assets owned via funds, CNP ensures the latter's ESG approach is compatible with its own, for example through regular questionnaires addressed to each fund's managing company.

Furthermore, CNP has set up a Climate Risk Committee since 2019. Its roadmap sets out the actions to be taken by the company's various businesses: risk mapping and measurement, and changes in strategy to reduce risks. The progress of the roadmap is monitored during the committee meetings and new actions are added to it regularly.

¹⁹ For a more detailed version of this methodology, please visit Ostrum AM's website <https://www.ostrum.com/fr/notre-documentation-rse-et-esg#politique-esg>

ESG Guidelines into financing process for most sensitive sectors²⁰ financed under the Framework – Forestry

The responsible investment policy drawn up by CNP Assurances is operationally managed and monitored by the Investment Department, with each asset class held in the portfolios handled specifically.

CNP has implemented environmental and social guidelines for its investments in the forestry sector, which are based on the regular ESG criteria approach that the company relies on and are supplemented with additional indicators/criteria. These guidelines target impacts on forest resilience, stakeholders, safety & quality of local employment, biodiversity, water quality and wetlands, soils and erosion, and carbon sinks

Community Dialogue



The concerned forest assets are managed in France, Scotland, and Ireland under the Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC) labels. According to CNP, the respect of these standards is materialized by the application of the laws and rights in force guaranteeing the forestry work, but also via the charters of good practices set up by CNP with its forest managers. The latter exist in part to ensure that dialogue with local communities takes place when relevant. For other assets with potential impacts on surrounding communities, CNP Assurances verifies that asset managers put in place mechanisms such as consultation meetings, action plans, monitoring. In addition, CNP Assurances has set up an ESG questionnaire sent for each of its infrastructure investments.

Labour



As part of the issuer's strategy to integrate ESG Criteria, potential investments are screened with regard to labor rights. In fact, for assets analyzed under Ostrum AM's aforementioned methodology, CNP states that it makes use of relevant indicators in the 'Sustainable resource management' to evaluate the extent to which companies are at risk of workflow disruptions due to labor unrest or reduced productivity due to poor job satisfaction. For forest assets, CNP relies on the systematic obtention of the PEFC label in order to guarantee worker safety. For other types of assets, CNP ensures that responsible managing companies follow a similar ESG approach. Furthermore, CNP guarantees that a majority of assets financed under this framework are and will be located in countries with high labor standards such as France

Health and Safety

²⁰ The categorization of a sector as 'most sensitive' follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.



The same goes for health & safety topics, referenced under the 'Territorial development pillar' in Ostrum AM's methodology, where CNP can evaluate the extent to which companies are at risk of H&S accidents. Likewise, for real estate assets, user safety is systematically assessed in order to determine the amount and feasibility of the renovations required to meet CNP's level of requirements. With this information in hand, CNP is then able to conduct its exclusion policy, but also to put in place its engagement policy which allows it to influence the companies it is invested in. For forest assets, CNP relies on the systematic obtention of the PEFC label in order to guarantee worker safety. For other types of assets, CNP ensures that responsible managing companies follow a similar ESG approach. Furthermore, CNP guarantees that a majority of assets financed under this framework are and will be located in countries with high health & safety standards such as France.

Biodiversity



Within the framework of the Regenerative Agriculture Fund, biodiversity issues are monitored in two ways. First, materiality of the risks of biodiversity degradation for the target company is considered, followed by an in-depth analysis in case of high materiality during the due diligence phase. Secondly, impacts on biodiversity of the products and services provided by the companies being studied is observed via KPIs such as PDF (Potentially Displaced Fraction). This is in line with the application recommendations of the SFDR²¹ and the TNFD²².

For other project categories, CNP relies on the ratings of Ostrum Asset Management in order to account for: activities disturbing large or fragile areas; programs in place to protect biodiversity and land use; controversies over the use or management of natural resources; water dependency; treatment of discharges to water. For forest assets, CNP tracks its alignment with international agreements on biodiversity, while biodiversity impacts are a component of its systematic ESG due diligence process. With this information in hand, CNP is then able to conduct its exclusion policy, but also to put in place its engagement policy which allows it to influence the companies it is invested in. For other types of assets, CNP ensures that responsible managing companies follow a similar ESG approach.

Inclusion



In its Framework, CNP has presented the process to ensure that vulnerable or disadvantaged populations can have access to basic services financed under this transaction. This has been done explicitly for

²¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R2088>

²² [Taskforce on Nature-related Financial Disclosures](#)

assets located in France, and CNP guarantees that it will follow the same type of methodology for other assets outside France.

Exclusion criteria

As part of its strategy to control the sustainability risks of its investment portfolio, CNP Assurances has defined a policy of excluding certain countries and companies. These exclusions meet the following objectives:

- Ensure compliance with the weapons conventions signed by France
- To ensure compliance with regulatory obligations relating to embargoes and the fight against money laundering and the financing of terrorism
- Ensure compliance with regulatory obligations and CNP Assurances' responsible investor approach with respect to tax havens
- Comply with CNP Assurances' public commitments in terms of CSR and responsible investment:
 - Comply with the Global Compact principles
 - Respect the Principles for Responsible Investment (PRI)
 - Gradually withdraw from the tobacco sector
 - Gradually withdraw from the thermal coal sector
 - Supervise investments in the oil and gas sector

CNP Assurances determines the list of countries and companies excluded from its investments. This list applies to all of CNP Assurances' investments, excluding open-ended funds and unit-linked products.

PART III: ISSUANCE LINK TO CNP'S SUSTAINABILITY STRATEGY

A. CNP'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the issuer's industry

The issuer is classified in the Insurance industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Customer and product responsibility
Sustainable investment criteria
Employee relations and work environment
Climate change and related risks

ESG strengths and points of attention related to the issuer's disclosures

Leveraging ISS ESG's Research, the following strengths and points of attention²³ have been identified:

STRENGTHS	POINTS OF ATTENTION
<p>The company offers microinsurance or similar products for low-income customers, provides insurance coverage for disadvantaged people, and engages in research and product development with regard to demographic changes.</p> <p>The company has disclosed its policy on responsible marketing and has implemented an information security management system that includes an information security policy and cyber risk management procedure.</p>	<p>The company has disclosed limited information on its responsible claim management process. Further, there is no evidence of its information security management system certification to an internationally recognized standard.</p> <p>The company has disclosed a single measure to ensure responsible sales practices, i.e., a system to monitor and assess customer complaints. However, there is no reporting of other best practices such as commitment to refrain from commission payments, setting sales targets, and ethical bonus payments.</p>


²³ Please note that CNP is not part of the ISS ESG Corporate Rating Universe. Thus, the information is based on a disclosure review conducted by the analyst in charge of the Insurance sector, based on publicly available information exclusively. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

<p>The company provides socially responsible investment products i.e., unit-linked life insurance. The company has disclosed information on its environmental and social guidelines for its investments. Additionally, the details on the company’s engagement activities with investee companies on different topics such as climate change, human rights, etc., are publicly available.</p>	<p>The company has not reported sufficient information on its health and safety management system certification to an internationally recognized standard, commitment to non-regular employment, and types of employment covering directly and indirectly employed workforce.</p>
<p>The company has some health and safety measures in place. Further, the company has disclosed some measures on mental health management, workplace flexibility, and dependent care and special leave.</p>	
<p>The company is committed to reducing its greenhouse gas emissions and has set a science-based target. The company discloses scope-wise greenhouse gas emissions as well as climate change risks and mitigation measures to deal with them. Additionally, the company measures and reports the carbon footprint of its product portfolio. Further, the company has a strategy to integrate ESG in investments, increasing financing in renewable energy and energy-efficiency measures.</p>	


Please note that the consistency between the issuance subject to this report and the issuer’s sustainability strategy is further detailed in Part III.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG’s Sustainability Solutions Assessment methodology, the contribution of the issuer’s current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristics and does not include practices along the issuer’s production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ²⁴	DIRECTION OF IMPACT	UN SDGS
Health-related insurance	6 %	CONTRIBUTION	

²⁴ Percentages presented in this table are not cumulative.

Pension insurance	20.14 %	CONTRIBUTION	
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Breaches of international norms and ESG controversies

At issuer level

At the date of publication and leveraging ISS ESG Research, no severe controversy in which the issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Insurance industry are as follows: Failure to mitigate climate change impacts, Failure to respect the right to just and favorable conditions of work, and Failure to respect consumers' right to privacy.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

B. CONSISTENCY OF ISSUANCE WITH CNP'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

CNP Assurances joined the United Nations Principles for Responsible Investment in 2011. Since then, it has developed an ESG-based investment selection policy which covers different asset classes, from listed equities and bonds to private equity, infrastructure, as well as property and woodland. This is aimed at helping the Group identify and to control the negative and positive impacts its activity can have on the society and on the planet, and is based on 4 pillars:

1. Be a responsible insurer
 - a. Support for social and society changes
 - b. Integration of ESG issues within the business
 - c. Commitment for the transparency of offers and the satisfaction of the clients
 - d. Ethical good business
 - e. Protection of clients with the policy to reinforce personal data and cybersecurity
2. Be an attractive employer
 - a. Promoting equal opportunities
 - b. Enriching employee skills
 - c. Wellbeing and commitment
3. Have a positive impact on society
 - a. Responsible investments
 - b. responsible purchases
 - c. Developing initiatives with societal impact
4. Have a positive impact on the environment
 - a. Fight climate change
 - b. Protect Biodiversity
 - c. Reduce its own environmental footprint

Rationale for issuance

Developing sustainable finance is one of La Banque Postale Group's main objectives. 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. As such, in June 2019, CNP Assurances issued its first Green Bond Framework. On the back of it, CNP Assurances launched its first subordinated green bond in november 2019. 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.

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 while also taking into account, to the extent possible, the requirements of the EU taxonomy Regulation (Regulation (EU) 2020/852). Through this Framework, CNP Assurances

hopes to redirect financial flows towards sectors whose contributions are essential to the transition to a low-carbon economy. These include 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 its Framework to remain consistent with increasing investor expectations, best market practices and regulatory developments.

Opinion: *The key sustainability objectives and the rationale for issuing Green, Social, or Sustainability bonds are clearly described by the issuer. The majority of the project categories financed are in line with the sustainability objectives of the issuer.*

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ANNEX 1: Methodology

Green & Social KPIs

The Green & Social Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of CNP's issuance.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

The Environmental and social risks assessment evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green & Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment "no or limited information is available" either indicates that no information was made available or that the information provided did not fulfil the requirements of the Green & Social Bond KPIs.

The evaluation was carried out using information and documents provided on a confidential basis by CNP (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, the extent to which CNP's issuance contributes to related SDGs has been identified.

ANNEX 2: Quality management processes

SCOPE

CNP commissioned ICS to compile a Green, Social and/or Sustainability Bond SPO. The Second Party Opinion process includes verifying whether the Framework aligns with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines as administered by International Capital Market Association and to assess the sustainability credentials of its issuance, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- International Capital Market Association's (ICMA) Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines
- Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

CNP's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green, Social, and Sustainability Bonds to be issued by CNP has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

The engagement with CNP took place in October 2022.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

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