

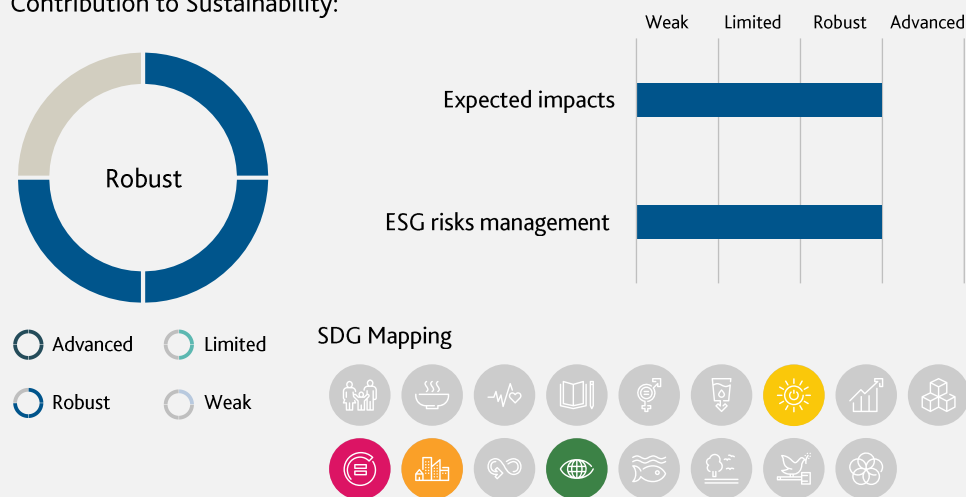
SECOND PARTY OPINION

on the sustainability of SCI Lamartine's Sustainability Bond Framework

Moody's ESG Solutions considers that SCI Lamartine's Sustainability Bond Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP"), Social Bond Principles 2021 ("SBP") and Sustainability Bond Guidelines 2021 ("SBG").

Framework

Contribution to Sustainability:



Characteristics of the Framework

Green/Social Project Categories	⇒ Green Buildings ⇒ Energy Efficiency ⇒ Affordable Housing
Project Locations	France
Existence of Framework	Yes
Share of Refinancing	100% maximum
Look-back Period	24 months

Issuer

The screening on controversial activities and controversies has been limited to SCI Lamartine (and its subsidiaries), which is owned by two shareholders, namely: CDC Habitat (subsidiary of Caisse des Dépôts et Consignations) and CNP Assurances.

As of today, the review conducted by Moody's ESG Solutions did not reveal any ESG controversy against the Issuer. The Issuer appears to be not involved in any of the 17 controversial activities screened under Moody's ESG Solution's methodology.

Controversial Activities

- ☐ Alcohol
- ☐ Animal welfare
- ☐ Cannabis
- ☐ Chemicals of concern
- ☐ Civilian firearms
- ☐ Fossil fuels industry
- ☐ Coal
- ☐ Gambling
- ☐ Genetic engineering
- ☐ High interest rate lending
- ☐ Human embryonic stem cells
- ☐ Military
- ☐ Nuclear power
- ☐ Pornography
- ☐ Reproductive medicine
- ☐ Tobacco
- ☐ Unconventional oil and gas

ESG Controversies

Number of Controversies	None
Frequency	N/A
Severity	N/A
Responsiveness	N/A

Coherence

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the contemplated Framework is coherent with SCI Lamartine's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Key Findings

Contextualization:

SCI Lamartine is a privately owned French residential real estate fund. The fund is owned by two shareholders, namely: CDC Habitat (subsidiary of Caisse des Dépôts et Consignations) and CNP Assurances, which is the majority shareholder.

Moody's ESG Solutions considers that SCI Lamartine's Framework is aligned with the four core components of the GBP & SBP.

We consider that the Eligible Categories "Green Buildings", and "Energy Efficiency" are clearly defined and follow the technical screening criteria of the EU Taxonomy Regulation (REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020) and Climate Delegated Act (COMMISSION DELEGATED REGULATION (EU) 2021/2139 of 4 June 2021).

Use of Proceeds - aligned with the GBP & SBP & SBG and best practices identified by Moody's ESG Solutions

- The Eligible Categories are clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of Eligible Projects for all categories, as well as the target population for the Social Category.
- The Environmental and Social Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all Eligible Categories.
- The Expected Environmental and Social Benefits are clear, precise, relevant and measurable. They will be quantified for all Eligible Categories in the reporting.
- The Issuer has committed to transparently communicate to investors the estimated share of refinancing prior to each bond issuance. The look-back period for refinanced Eligible Categories will be equal to or less than 24 months from the issuance date, in line with good market practices.

Evaluation and Selection - aligned with the GBP & SBP & SBG and best practices identified by Moody's ESG Solutions

- The Process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. The process is well-structured in all the evaluation and selection steps (including the proposal, selection, validation and monitoring) of Eligible Categories. The roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework and in this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer for all Eligible Categories.
- The process applied to identify and manage potentially material ESG risks associated with Eligible Projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures, for all Eligible Categories (see detailed analysis on pages 17 - 21).

Management of Proceeds - aligned with the GBP & SBP & SBG

- The Process for the Management and Allocation of Proceeds is clearly defined and is publicly available in the Framework. The allocation period will be 24 months or less.
- The net proceeds of the Bond(s) will be placed in SCI Lamartine's treasury liquidity portfolio and tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bond(s) is/are outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to Eligible Categories.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework.

Reporting - aligned with the GBP & SBP & SBG

- The Issuer has committed to report on the Use of Proceeds on an annual basis, until Bond maturity for the allocation and impact reporting. The report will be publicly available on Ampere Gestion's website.
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Categories. The Issuer has also committed to report on material developments and controversies related to the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental and social benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories until full allocation and in case of material changes. The reporting on the environmental and social benefits of Eligible Categories will be verified internally by the Issuer.

Contact

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SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the sustainability credentials and management of the Green or Social or Sustainability Bonds¹ (the "Bonds") to be issued by SCI Lamartine and its subsidiaries, including SAS Nerval (together referred as the "Issuer" or the "Group") in compliance with the Sustainability Bond Framework (the "Framework") created to govern their issuance(s).

Our opinion is established according to Moody's ESG Solutions' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest version of the voluntary guidelines of ICMA's Green Bond Principles ("GBP") - edited in June 2021 – and Social Bond Principles ("SBP") – edited in June 2021 and Sustainability Bond Guidelines 2021 ("SBG") – edited in June 2021 (referred together as the "GBP & SBP & SBG").

Our opinion is built on the review of the following components:

- Framework: we assessed the Framework, including the coherence between the Framework and the Issuer's environmental and social commitments, the Bonds' potential contribution to sustainability and its alignment with the four core components of the GBP & SBP 2021.
- Issuer²: we assessed the Issuer's management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from our exclusive ESG rating database, and (iii) information provided from the Issuer through documents.

We carried out our due diligence assessment from February 18th to March 24th, 2022. We consider that we were provided access to all documents and interviewees we solicited. For this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bond Initiative Certification

¹ The "Green or Social or Sustainability Bonds" are to be considered as the bonds to be potentially issued, subject to the discretion of the Issuer. The name "Green or Social or Sustainability Bonds" has been decided by the Issuer: it does not imply any opinion from Moody's ESG Solutions.

² The Issuer is not part of our ESG performance rating universe.

³ The 17 controversial activities screened by us are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

We consider that the contemplated Framework is coherent with the Group's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

The residential real estate sector plays an instrumental role in promoting sustainable development, as it can provide solutions for affordable housing while also promoting sustainable uses of environmental resources. Residential buildings are a major contributor of GHG emissions, accounting for 17% of total global energy-related (direct and indirect) CO₂ emissions and 21% of total energy consumption. Therefore, advancing sustainable residential building solutions will be essential to slowing global warming. France has recently introduced the National Low-Carbon Strategy (SNBC for Stratégie Nationale Bas-Carbone), its climate change mitigation policy with guidelines for all sectors on transitioning towards a low-carbon economy to achieve its Nationally Determined Contribution ("NDC") targets in line with the Paris Agreement to limit the rise in global temperature within 1.5C. For the building sector, efforts to decarbonize the sector include energy efficiency, reducing energy consumption, relying on carbon-free energy sources and a greater reliance on less carbonized construction materials. By financing solutions to advance sustainable, energy-efficient and affordable housing, real estate funds can make a significant contribution towards achieving the sustainable objectives of the 2030 Agenda.

SCI Lamartine is a residential real estate fund which has an asset portfolio composed of almost 8,000 housing units concentrated in areas with low supply, of which 70% are non-restricted rent and 30% are intermediate housing.⁴

SCI Lamartine follows a socially responsible investment (SRI) policy and pursues environmental, social and governance (ESG) objectives that contribute towards a more sustainable economy by promoting affordable and energy-efficient housing. Furthermore, it is classified under the EU Sustainable Finance Disclosure Regulation's⁵ (SFDR) article 9, which defines the fund's strategies as having sustainable investment objectives, including its:

- Social objective to construct and manage affordable housing in areas with high demand in France.
- Environmental objective to reduce energy consumption and greenhouse gas emissions from its real estate portfolio to achieve the long-term global warming limitation objectives set by the Paris Agreement and in line with the objectives of France's 2017 National Low Carbon Strategy.

The fund invests in activities that contribute to environmental objectives as defined by the European Taxonomy 2020/852 Regulation⁶, including climate change mitigation for new buildings and adaptation measures for existing building. The fund has implemented an energy efficiency improvement plan to continue the downward trajectory of its annual energy consumption from 103 kWhEP/m² to 97.2 kWhEP/m² by 2036. The fund also aims to reduce its annual GHG emissions from 16.6 kg CO₂e /m² to 15 kg CO₂e /m² by 2030. In addition, SCI Lamartine intends to obtain NF Habitat, NF Habitat HQE or an equivalent French residential real estate environmental certification for 55% of the operations in its portfolio.⁷

⁴ Intermediate rental housing is a specific segment of the rental housing supply with a regulatory status, intended for middle-class and young working households in areas under pressure.

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019R2088>

⁶ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

⁷ The NF Habitat - NF Habitat HQE certification, issued by CERQUAL Qualitel Certification, a subsidiary of the QUALITEL Association, is a housing certification in France that attests to the quality of housing in terms of comfort, well-being, energy performance and respect of the environment.

FRAMEWORK

The Issuer has described the main characteristics of the Bond within a formalized Sustainability Bond Framework that covers the four core components of the GBP 2021 (the last updated version was provided to Moody's ESG Solutions on March 24th, 2022). The Issuer has committed to make this document publicly accessible on Ampere Gestion's website⁸, in line with good market practices.

Alignment with the Green and Social Bond Principles and Sustainability Bond Guidelines

Use of Proceeds



The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under two Green and one Social Project Categories ("Eligible Categories"), as indicated in Table 1.

- The Eligible Categories are clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of Eligible Projects for all categories, as well as the target population for the Social Category.
- The Environmental and Social Objectives are clearly defined, relevant and set in coherence with sustainability objectives defined in international standards for all Eligible Categories.
- The Expected Environmental and Social Benefits are clear, precise, relevant and measurable. They will be quantified for all Eligible Categories in the reporting.
- The Issuer has committed to transparently communicate to investors the estimated share of refinancing prior to each bond issuance. The look-back period for refinanced Eligible Categories will be equal to or less than 24 months from the issuance date, in line with good market practices.

In addition, the Issuer has transparently communicated the estimated share of refinancing for the first issuance, which will be of 100%.

We consider that the Eligible Categories "Green Buildings", and "Energy Efficiency" are clearly defined and follow the technical screening criteria of the EU Taxonomy Regulation and Climate Delegated.

BEST PRACTICES
⇒ The definition and eligibility criteria (selection) are clear and in line with international standards for all categories.
⇒ Relevant environmental and social benefits are identified and measurable for all project categories.
⇒ The Issuer has committed to transparently communicate to investors the estimated share of refinancing prior to each bond issuance.
⇒ The look-back period for refinanced assets is equal or less than 24 months, in line with good market practices.

⁸ <https://amperegestion.groupe-cdc-habitat.com/information-financiere/>

Table 1. Our analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework

- Nature of expenditures: Acquisitions
- Location of Eligible Projects: France

ELIGIBLE CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	MOODY'S ESG SOLUTIONS' ANALYSIS
Green Buildings	<p>Acquisition of residential buildings located in France, either existing or currently under construction, which meet the following eligibility criteria:</p> <ul style="list-style-type: none"> - Buildings built before 31 December 2020 either with an Energy Performance Certificate (EPC) level at least equal to "A" or belonging to the top 15% most energy-efficient buildings of the national building stock. - Buildings built after 31 December 2020 with Primary Energy Demand (PED)⁹ at least 10% lower than the relevant national threshold set for nearly zero-energy building (NZE) requirements. - Buildings must have obtained, or target to obtain upon completion or after refurbishment, either environmental certification NF Habitat, H&E ("Habitat & Environnement") or NF Habitat HQE. 	<p><u>Climate Change Mitigation</u></p> <p>GHG emissions avoidance</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>The eligibility criteria are in line with the technical screening criteria defined by the EU Taxonomy Climate Delegated Act for the "Acquisition and ownership of buildings" category.</p> <p>The intended Environmental Objective is clearly defined and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefits is clear. It is considered relevant, measurable, and will be quantified in the reporting.</p>

⁹ The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).





ELIGIBLE CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	MOODY'S ESG SOLUTIONS' ANALYSIS
Energy Efficiency	Investments in individual energy performance improvement measures aiming at improving energy efficiency. ¹⁰	<u>Climate Change Mitigation</u> GHG emissions avoidance	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>The eligibility criteria are in line with the technical screening criteria defined by the EU Taxonomy Climate Delegated Act for the under "Installation, maintenance and repair of energy efficiency equipment", "Installation, maintenance and repair of charging stations for electric vehicles in buildings", "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings" and "Installation, maintenance and repair of renewable energy technologies" categories.</p> <p>The intended Environmental Objective is clearly defined and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefit is clear. It is considered relevant, measurable, and will be quantified in the reporting.</p>

¹⁰ Eligible investments include investments in economic activities aligned with Technical Screening Criteria outlined under 7,3 Installation, maintenance and repair of energy efficiency equipment; 7,4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings); 7,5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings; and 7,6 Installation, maintenance and repair of renewable energy technologies of EU Taxonomy Climate Delegated Act Annex 1 (Climate Change Mitigation) as available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=PI_COM:C\(2021\)2800&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=PI_COM:C(2021)2800&from=EN)

ELIGIBLE CATEGORIES	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	MOODY'S ESG SOLUTIONS' ANALYSIS
Affordable Housing	<p>Acquisition of intermediate housing (individual or collective) located in France, either existing or currently under construction, which meet the following eligibility criteria:</p> <ul style="list-style-type: none"> - Acquisition of either existing or under construction intermediate housing buildings in line with the requirements for the production of intermediate housing with reduced VAT (Art. 279-0 bis A of the CGI) for the housing of households on condition of resources. <p>Target population: tenants of the intermediate housing stock, whose resources are therefore below the ceilings set by decree.</p>	<p><u>Access to housing</u></p> <p>Increase the affordable housing stock</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of the expenditures, the eligibility criteria, and the location of Eligible Projects. The target populations are clearly identified.</p> <p>The intended Social Objective is clearly defined and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Social Benefit is clear. It is considered relevant, measurable, and will be quantified in the reporting.</p>

SDG Contribution

The Eligible Categories are likely to contribute to four of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Green Buildings Energy Efficiency	 7 Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Affordable Housing	 10 Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
Affordable Housing	 11 Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services.
Green Buildings Energy Efficiency	 13 Climate Action	UN SDG 13 consists of taking urgent action to combat climate change and its impacts.

Evaluation and Selection of Eligible Categories



- The Process for Project Evaluation and Selection has been clearly defined and detailed by the Issuer. The process is well-structured in all the evaluation and selection steps (including the proposal, selection, validation and monitoring of Eligible Categories). The roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework and in this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer for all Eligible Categories.
- The process applied to identify and manage potentially material ESG risks associated with Eligible Projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures, for all Eligible Categories (see detailed analysis on pages 17 - 21).

Process for Project Evaluation and Selection

- For the purpose of the Bonds, a Sustainable Bond Committee ("the Committee") has been created. This Committee is chaired by the CEO of Ampere Gestion and composed of representatives of:
 - Fund Management Department;
 - Financial Department;
 - ESG Department;
 - Technical Department and;
 - Customer Department.
- The Committee is responsible for:
 - Earmarking of net proceeds of bond instruments to the Eligible Portfolio;
 - Reviewing and approving the selection of eligible Green and/or Social Projects included in the Eligible Portfolio based on the process for the evaluation and selection of the Eligible Portfolio, as described above, along the lifetime of the bond instruments;
 - Monitoring external reviews (Second Party Opinion and Independent Verifier);
 - Reviewing and approving the annual report;
 - As the case may be, addressing changes in the Eligible Portfolio and put forward potential alternative eligible Green and/or Social Projects;
 - Monitoring the evolutions of the sustainable finance regulation, such as the EU Taxonomy Regulation and the EU Green Bond Standard (EUGBS), on a best effort basis, with a view of potentially updating the Framework to the extent necessary.
- The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:
 - The eligibility criteria for real estate projects will be monitored annually by the Committee until Bond maturity, in accordance with the SRI policy of AMPERE Gestion and the SCI Lamartine fund.
 - The Issuer has stated that controversies are screened before the acquisition of a project and then annually until Bond maturity.
 - The Sustainability Bond Committee will keep records of meetings to ensure transparent tracking of decisions.

Eligibility Criteria

The process relies on explicit eligibility criteria (selection), relevant to the environmental and social objectives defined for the Eligible Categories.

- The selection criteria are based on the definitions in the Eligible Categories defined Table 1 in the Use of Proceeds section. Additionally, all eligible Projects shall meet each of the above-mentioned criteria:
 - Residential buildings must be located within 1,000 meters from public transport.

- Existing residential buildings and off-plan projects must be located in areas with a lack of housing supply as defined by the State (A, Abis, B1, B2) and rated as Very Dynamic or Dynamic / Dynamic micro-market according to the internal rating tool of CDC Habitat "Fiche Approche Marché".
- All off-plan projects must include eco-design considerations from the early stages of the design process of the building with the objective to limit the project's environmental impact by optimizing energy efficiency, low-carbon footprint, waste management, water management, biodiversity preservation and land artificialization prevention.
- Eligible Green and Social projects should meet the relevant Eligibility Criteria associated with each Eligible Project Category as described in this table. Eligible Green projects should meet the criteria outlined under the relevant Green eligible project category and Eligible Social projects should meet the criteria outlined under the relevant Social eligible project category. It is possible for a single project to meet the criteria for both Green and Social eligible project category.

BEST PRACTICES

- ⇒ Eligibility and exclusion criteria for Project selection are clearly defined and detailed for all of the Eligible Categories.
- ⇒ The Issuer reports that it will monitor compliance of selected and financed Projects with eligibility criteria specified in the Framework throughout the life of the instrument and has provided details on the procedure adopted in case of non-compliance.
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the financed Projects throughout the life of the instrument and has provided details on the procedure in case a controversy is found.

Management of Proceeds



- The Process for the Management and Allocation of Proceeds is clearly defined and is publicly available in the Framework. The allocation period will be 24 months or less.
- The net proceeds of the Bond(s) will be placed in SCI Lamartine's treasury liquidity portfolio and tracked by the Issuer in an appropriate manner and attested to in a formal internal process.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bond(s) is/are outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to Eligible Categories.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework.

Management Process

- An amount equivalent to the net proceeds of the bond instruments issued under the Framework will be allocated to SCI Lamartine's treasury liquidity portfolio.
- The Issuer will track the proceeds in the internal accounting system and will monitor the earmarking. The Issuer intends to maintain an aggregate amount of Eligible Green and/or Social Projects in the Eligible Portfolio that is at least equal to the outstanding net proceeds for the respective bond instruments.
- The proceeds of bond Instruments to the Eligible Portfolio will be allocated, ideally, and on a best effort basis, within two years of issuance.
- In accordance with SCI Lamartine's investment guidelines, the unallocated funds would be temporarily invested in cash, deposits and money market instruments or any other liquid short-term marketable instruments.
- In the event that an Eligible Green and/or Social Project is no longer eligible, the Sustainability Bond Committee will substitute it with another Eligible Green and/or Social Project(s) for an amount that is at least equivalent, as soon as an appropriate substitution has been identified.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less.
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the Framework.

Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices
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- The Issuer has committed to report on the Use of Proceeds on an annual basis, until Bond maturity for the allocation and impact reporting. The report will be publicly available on Ampere Gestion's website.¹¹
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Categories. The Issuer has also committed to report on material developments and controversies related to the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental and social benefits of the Eligible Categories will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Categories until full allocation and in case of material changes. The reporting on the environmental and social benefits of Eligible Categories will be verified internally by the Issuer.

Indicators

The Issuer has committed to transparently communicate at Eligible Category level, on:

- Allocation of proceeds: The indicators selected by the Issuer to report on the allocation of proceeds are clear and relevant.

REPORTING INDICATORS
<ul style="list-style-type: none"> ⇒ An overview of the bond instrument(s) outstanding under the Framework; ⇒ The size of the Eligible Portfolio, including a split between Eligible Project categories; ⇒ The balance of unallocated proceeds, if any and the type of temporary investments pending allocation; ⇒ The share of financing vs refinancing and the amount and/or percentage of new and existing Eligible Green and/or Social Projects.

- Environmental and social benefits: The indicators selected by the Issuer to report on the environmental and social benefits are clear and relevant.

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Green Buildings	<p>Energy consumption (in kWh/m²/year) based on energy performance certificate (EPC) obtained and the difference in the average French residential portfolio (ADEME's benchmark)</p> <p>Energy-efficiency improvement achieved from the refurbishment of existing buildings</p> <p>Environmental certification</p> <p>Average distance to public transportation</p> <p>Allocation of the buildings by areas</p>	<p>Avoided GHG emissions (tCO₂e/year) based on the climate performance certificate (CPC) obtained and the difference in the average French residential portfolio (ADEME's benchmark)</p>

¹¹ <https://amperegestion.groupe-cdc-habitat.com/information-financiere/>

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Energy Efficiency	Examples of energy-efficiency improvement investments Number of energy-efficiency improvement projects	Avoided GHG emissions (tCO ₂ e/year)
Affordable Housing	Number of intermediate housing units built, acquired or refurbished Number of beneficiaries Distribution of intermediate housing by geographical area (zone A / Abis / B1) Average annual savings for the tenants Average rent discount (%) Average effort rate (%) Percentage of projects located in dynamic or very dynamic cities (internal rating tool of CDC Habitat)	

An area for improvement is to commit to an external verification of the indicators used to report on environmental and social benefits of the eligible categories.

BEST PRACTICES

- ⇒ The Issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the Categories. The Issuer has also committed to report on material development related to the projects, including ESG controversies.

CONTRIBUTION TO SUSTAINABILITY

Expected Impacts

The potential positive Impact of the eligible projects on environmental and social objectives is considered to be robust.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Green Buildings	ADVANCED	According to the Ministry of Ecological Transition ¹² the real estate sector accounts for 44% of the energy consumed in France, particularly due to heating purposes in the residential sector, and around 25-30% of the country's total GHG emissions. Construction of energy-efficient buildings is an important priority in France. The 2018 French Multiannual Energy Plan ¹³ has set the objective to reduce the final energy consumption of buildings (TWh) by 15% between 2016 and 2028. The Green Buildings category only includes acquisitions of buildings whose contribution in terms of environmental benefits remains to be proven. This category includes the acquisition of buildings not yet constructed, which can be considered as more beneficial than existing buildings, however it ultimately has an absolute impact on energy consumption even if it is somewhat mitigated by the eligibility criteria set by the Issuer. By financing buildings reaching an EPC A or belonging to the top 15% most energy-efficient buildings of the national building stock, the category correctly aligns internationally recognized standards. By financing buildings with a NF habitat ¹⁴ certifications (aligned with the "Réglementation environnementale RE2020") and buildings reaching a primary energy demand inferior to 10% compared with Nearly Zero Energy Building (NZEB), the category aligns with best sector standards to contribute to the stated objective in the project's location.
Energy Efficiency	ROBUST	According to the Ministry of Ecological Transition, the real estate sector accounts for 44% of the energy consumed in France, particularly due to heating purposes in the residential sector, and around 25-30% of the country's total GHG emissions. ¹⁵ Renovation of buildings to make them more efficient is a key priority in France. According to the French National Low-Carbon Strategy ¹⁶ , 370,000 buildings have to be fully renovated annually between 2015 and 2030 and 700,000 annually between 2030 and 2050, compared to less than 300,000 currently. This category aims at financing energy efficient technologies for buildings, hence contributing to the objective set above. The Issuer has specified that the equipment will respect the eligibility criteria set in the categories 7.3, 7.4, 7.5 and 7.6 of the EU Taxonomy Climate Delegated Act Annex 1. The category is aligned with the best sector standards to contribute to the stated objective in the project's location. However, these project categories are very broad (from parking spaces to energy consumption meters). Without providing more details on the different types of equipment to be financed, which could entail negative externalities, and the equipment's expected deployment, the exact magnitude of benefits generated by this category remains unclear.
Affordable Housing	ROBUST	According to a study by the National Institute of Statistics and Economic Studies ¹⁷ , "Les conditions de logement en France, édition 2017," rental indices (at constant quality) have risen faster than the average household gross disposable income since 2000, leading to the share of income devoted to housing expenses rising sharply in recent years. Affordable housing has helped buffer lower-income households from this trend. Housing challenges remain acute in France. The Issuer targets "tenants of the intermediate housing stock," which is defined at the state level as a population in need relative to the beneficiaries' income thresholds. According to the Ministry of Ecological Transition ¹⁸ , intermediate housing buildings have capped rents that are below market prices "allowing access to affordable housing in areas with high levels of housing stress to the middle class who do not have access to social housing." Acquisitions of intermediate housing are less beneficial, in terms of positive impact, than the construction of new units.

¹² <https://www.ecologie.gouv.fr/energie-dans-batiments>

¹³ <https://www.ecologie.gouv.fr/sites/default/files/20200422%20Programmation%20pluriannuelle%20de%20l%27e%CC%81nergie.pdf>

¹⁴ <https://www.nf-habitat.fr/logement-ecoresponsable/#>

¹⁵ <https://www.ecologie.gouv.fr/energie-dans-batiments>

¹⁶ https://www.ecologie.gouv.fr/sites/default/files/2020-03-25_MTES_SNBC2.pdf

¹⁷ Institut national de la statistique et des études économiques (« INSEE »)

¹⁸ <https://www.ecologie.gouv.fr/logement-locatif-intermediaire-institutionnel>

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
		However, the Issuer has stated that the acquisition of intermediate housing makes it possible to develop mixed real estate operations in accordance with regulatory obligations, which require developers to build a proportion of social housing in municipalities where the share of social rental housing is less than 35%. Overall, the category should entail long term social benefits for the target population.
OVERALL ASSESSMENT	ROBUST	

ESG Risks Identification and Management Systems in Place at Project Level

The identification and management of the environmental, social, and governance risks associated with the Eligible Projects are considered robust.¹⁹

	ELIGIBLE CATEGORIES		
	GREEN BUILDINGS	ENERGY EFFICIENCY	AFFORDABLE HOUSING
Environmental Management System	X	X	X
Environmental Impact Assessment	X	N/A	X
Climate Change Prevention and Adaptation	X	N/A	X
Natural Resource Management	X	X	X
Prevention and Mitigation of Environmental Pollution	X	N/A	X
Biodiversity	X	N/A	X
Energy Demand Management	X	X	X
Human and Labor Rights	X	X	X
Health & Safety	X	X	X
Stakeholder and Community Engagement	X	N/A	X
Responsible Management of Claims and Prevention of Financial Distress and Over-indebtedness	N/A	N/A	X
Integration of Social and Environmental Factors in Project Procurement	X	X	X
Business Ethics and Corruption Prevention	X	X	X
OVERALL ASSESSMENT	Robust	Robust	Robust

¹⁹ The "X" indicates the E&S risks that have been activated for each Eligible Category.

Environmental Management System

The funded projects will be integrated into the Environmental Management System (EMS) deployed by the CDC Habitat Group, which includes the SCI Lamartine. However, the EMS does not have ISO 14001 certification.

SCI Lamartine's employees receive training, deployed by the CDC Habitat Group, which includes environmental management, the Group's CSR strategy and material environmental issues. Moreover, an EMS is embedded in the CDC Habitat's Quality Approach of the Project Management (DQMO), an operational tool that helps manage project quality and control risks.

The Issuer's funded projects will be integrated into an ESG indicator monitoring and reporting tool that includes standardized environmental indicators.

Environmental Impact Assessment

Financed projects are subject to an ESG analysis and evaluation, in accordance with the SRI system deployed by AMPERE Gestion. The analysis measures the extra-financial performance of the projects and the achievement of ESG objectives integrated within the Issuer's investment strategy. The analysis also identifies several environmental issues incorporated into investment decisions, including energy consumption, greenhouse gas emissions and proximity to public transportation.

The potential negative impact of an environmental risk on an asset's performance is assessed prior to the investment and throughout its operation. The Issuer has a formal action plan for addressing environmental impacts identified by the assessment, which includes actions to be taken, the deployment timetable and the potential budgetary impact on the Issuer's business plan.²⁰

Climate Change Prevention and Adaptation

The Issuer adheres to the CDC Habitat Group's methodology for assessing physical climate risks, evaluating climate-related vulnerability and defining adaptation solutions adapted to the characteristics of residential buildings, which is integrated into the Group's climate change adaptation strategy.²¹

The Issuer's climate change prevention and adaption measures are deployed in two phases. The first phase is the Vulnerability Mapping, which quantifies the project's exposure to weather hazards and natural risks, in terms of the intensity and occurrence, for future climate hazards under two scenarios: the RCP (Representative Concentration Pathways) 4.5 (median scenario) and 8.5 (worst case scenario) scenarios, based on the 5th Intergovernmental Panel on Climate Change (IPCC) report. The exposure score is projected for 2050, compared to the current reference period, for metropolitan France and its overseas territories at the municipal level. The main source of climate projection data used was The Jouzel Report 2014, with a data resolution of about 10 km. Thus, the Issuer aligns with the Adaptation DNSH criteria as recommended in the EU Taxonomy Climate Delegated Act.

The second phase is the Building Resilience Tool and Recommendations, which assess adaptation options to reduce the physical climate risks. The Resilience Performance Diagnosis (RPD) tool, deployed by the Issuer at the building level, provides an inventory of risks, describes the current level of resilience, proposes recommendations and describes the level of future resilience if actions are taken.

At the end of the RPD, a summary of resilience performance costs and benefits are established. The recommended solutions will comply with local planning and building regulations and will aim to avoid causing additional harm to climate change.

Natural Resource Management

The Issuer develops and manages a real estate portfolio composed of existing real estate projects and those under construction and does not directly build real estate projects. Therefore, the real estate developers are responsible for ensuring the responsible management of natural resources during the development phase. However, the Issuer applies the CDC Habitat Group's policy requirements to the developers whose buildings it acquires.

For the acquisition of projects to be completed in the future (VEFA), the Issuer implements two measures. It provides developers the Technical and Environmental Performance Guide, which outlines the main services and requirements expected from the promoters, including integrating materials and construction systems that limit the environmental impact of the project. In addition, the Issuer uses the EVE Habitat module VEFA, an internal decision support tool that compares the environmental impact of several materials or construction products for the building's lifecycle.²²

²⁰ The approach is outlined in the [Integration of Sustainability Risks in the Investment Decision Making Process for AMPERE Gestion](#) document

²¹ [CDC_Resilience_report_phase_1.pdf](#) and Management Committee - Adaptation to Climate Change

²² Developed in partnership with the Scientific and Technical Center for Building (CSTB)

Prevention and Mitigation of Environmental Pollution

The Issuer applies the CDC Habitat Group's policy requirements to the developers whose buildings it acquires. These include measures to prevent and manage pollution risks in accordance with applicable regulations, such as applying the Clean Site Charter, certified by the NF Habitat HQE, on the building site of VEFA projects to be acquired by the Issuer.²³

For VEFA projects to be acquired, the Issuer provides the Technical and Environmental Performance Guide to the developer. The guide specifically outlines the Issuer's expectations of the developers regarding their management of inconveniences associated with the construction site, in particular the environmental and sanitary quality of the buildings to minimize the negative impact of the projects in terms of waste and inconveniences, such as noise, pollution and dust.

In addition, the CDC Habitat Group deploys several internal measures to monitor and control the various issues. To ensure the health and safety of tenants, the project's significant inconveniences are identified as a key asset issue during the management and operation phase.

Biodiversity

The Issuer integrates biodiversity issues in its extra-financial strategy. The Issuer applies the CDC Habitat Group's policy requirements to the developers whose buildings it acquires.

For VEFA projects to be acquired, the Issuer provides the Technical and Environmental Performance Guide to the developer, which outlines the main services expected by developers to help preserve biodiversity. The guidelines include design and landscaping specifications for the project to support biodiversity.

Biodiversity is also integrated into the fund's management strategy during the operational management phase, by monitoring biodiversity indicators and implementing a maintenance contract for the sustainable management of green spaces.

Energy Demand Management

The Issuer adheres to the environmental policies implemented by the CDC Habitat Group, outlined in two framework documents: 1) The "Acting Together Against Energy Insecurity" guide; and 2) the "Housing and Environmental Resilience the Challenge" report.

The Issuer closely monitors the energy demand of its tenants and has implemented the following measures to limit its tenants' energy consumption:

- Carrying out energy-related renovations on the most energy-intensive buildings.²⁴
- Monitoring real-time consumption of the buildings using Deepki, an energy data service provider.
- Comparing the actual energy consumption of the buildings against the estimated energy demand and deploying awareness and training initiatives for tenants in the event of consumption discrepancies.

Human and Labor Rights

The Issuer has stated that it only operates in France, which is subject to European and French regulations, therefore, the projects comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Issuer integrates domestic and international labor standards into its contract clauses related to the fight against undeclared labor and compliance with the social and fiscal obligations of its co-contractors. An area for improvement would be to implement monitoring tools to ensure the respect of these rights by developers.

Health & Safety

The Issuer follows the CDC Habitat Group's measures to ensure the health and safety of its employees and other stakeholders, including tenants and suppliers.

For the Issuer's employees, health and safety issues are outlined in the Quality of Life at Work framework, which includes measures to improve the working conditions of all employees. The approach to occupational risk prevention is implemented by the Inter-Regional Directorates (DIR) and is monitored at the CDC Habitat Group level through relevant indicators, such as work and commuting accidents, number of permanent disabilities and occupational illnesses.

For tenants, health and safety issues are communicated in the Welcome Booklet when new tenants arrive to the building and includes advice on how to maintain and guarantee the safety of the units.

²³ Technical and Environmental Performance Guide

²⁴ See "Lamartine Energy Performance Approach," a document sent to investors

For suppliers and service providers, health and safety issues are addressed and formalized through the CDC Habitat Group's CSR Charter for Suppliers and Subcontractors, which guarantees health and safety in the workplace.

Stakeholder and Community Engagement

The Issuer ensures dialog with its various stakeholders, including investors, tenants and local communities. Investors are in direct contact with the Issuer's general management team and are also integrated into the governance bodies of the SCI Lamartine, which guarantees regular communication and exchange of information. Tenants communicate directly with the CDC Habitat Group, as the Issuer's rental management is entrusted to the Group. The Group's Responsible Landlord policy commitments have been detailed in the CDC Habitat's CSR approach, the CDC Habitat Quality Charter and the SCI Lamartine's SRI strategy. The Group facilitates dialogue with tenants through several channels, including The Tenants' Welcome Booklet, a customer call centre and an online platform. For local authorities in territories where the projects are developed, this Issuer engages in dialog through the CDC Habitat Group's Political and Institutional Relations Department, which maintains a network of partnerships with local development offices and communities. Stakeholder engagement begins during the preparation and submission phase of building permits and is also implemented in meetings with local authorities to discuss the project and obtain their approval, validate the housing programming approach and propose partnerships to promote access to housing for local public and private personnel.

Responsible Management of Claims and Prevention of Financial Distress and Over-indebtedness

The CDC Habitat Group's commitments to tenants are detailed in the Quality Charter. In addition, the Group has established a process and tools for handling requests.²⁵ If a tenant is not satisfied with the handling of a claim, he or she may refer the matter to an internal mediator as well as to the Caisse des Dépôts mediator.

The CDC Habitat Group cannot assess whether a potential tenant is at risk of over indebtedness, as they are not a bank and cannot request financial documents. The group has several measures to assist tenants that may be encountering difficulties with paying rent, including contacting the tenant to set up a payment plan, engaging social workers and advisors to help the tenant apply for financial aid,²⁶ and offering aid through the Aides Sur Quittance (ASQ) program.²⁷ To limit non-recourse, the Group has set up a partnership with the "Toutes Mes Aides" platform, which allows users to identify the services they are entitled to.²⁸ The Group also works in partnership with agencies involved in over indebtedness or eviction prevention.

Integration of Social and Environmental Factors in Project Procurement

The Issuer ensures responsible purchasing from its suppliers. The CDC Habitat Group's Purchasing Department is engaged with the company's CSR approach and takes it into account in its missions. The Group applies its Charter of CSR Commitments for Suppliers and Subcontractors to all service providers that have a contractual link with the Lamartine Group. In addition, The Responsible Purchasing guide for the CDC Habitat Group's Purchasing Department facilitates the integration of specific clauses and criteria in the purchasing process.

Business Ethics and Corruption Prevention

To ensure business ethics and corruption prevention, the Issuer, through AMPERE Gestion, had established the following measures:

- A comprehensive system to combat money laundering and the financing of terrorism. AMPERE Gestion has a policy framework, operational procedures and tools dedicated to the fight against money laundering and terrorist financing.
- A corruption prevention system, in compliance with the Sapin law, to manage gifts and benefits at the management and company level. AMPERE Gestion applies the CDC Habitat Group's policy and has a risk map adapted to its activities and the organization.
- A conflict-of-interest prevention and management system at the management and employee levels. Annual conflict of interest reports are provided to investors.

²⁵ (see the document CDC Habitat & moi - The 5 stages of the request).

²⁶ (see note Financial aids).

²⁷ The program is managed in partnership with Soli'AL²⁷, and the funds paid by CDC Habitat are matched by Action Logement. The funds can be used at any time in the tenant's arrears period

²⁸ (see the presentation document Toutes Mes Aides).

EU Taxonomy Climate Delegated Act – DNSH Screening

The identification and management of the environmental and social risks associated with the categories "Green buildings" and "Energy Efficiency" cover the "Do-no-significant-harm" principle and minimum social safeguards of the EU Taxonomy and Climate Delegated Act.

	DNSH SCREENING	
	GREEN BUILDINGS	ENERGY EFFICIENCY
Mitigation	N/A	N/A
Adaptation	X	X
Water	N/A	N/A
Circular Economy	N/A	N/A
Pollution	N/A	N/A
Ecosystem	N/A	N/A
Overall DNSH	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ISSUER

Management of ESG Controversies

As of March 2022, the review conducted by Moody's ESG Solutions did not reveal any ESG controversy against the Issuer over the last four years.

Involvement in Controversial Activities

The Issuer appears to not be involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Moody's ESG Solutions.

METHODOLOGY

In our view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, we provide an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

ISSUANCE

Alignment with the Green and/or Social Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by Moody's ESG Solutions according to the ICMA's Green Bond Principles - June 2021 ("GBP") and the Social Bond Principles - June 2021 ("SBP"), and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. Moody's ESG Solutions evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by Moody's ESG Solutions on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by Moody's ESG Solutions on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by Moody's ESG Solutions on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

Our assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental/social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental/social objectives

The expected positive impact of activities on environmental/social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental/social objective for the sector of the activity;²⁹
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the Issuer, its value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental/social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) for environmental objectives only: the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of Moody's ESG Solutions' ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Management of Stakeholder Related ESG Controversies

Moody's ESG Solutions defines a controversy as public information or contradictory opinions from reliable sources that incriminate or make allegations against an Issuer regarding how it handles ESG issues as defined in Moody's ESG Solutions' ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

We reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

We provide an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, our controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in Controversial Activities

17 controversial activities have been analysed following 30 parameters to screen the company's involvement in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

OUR ASSESSMENT SCALES

Scale of assessment of Issuer's ESG performance or strategy and financial instrument's Contribution to sustainability

Scale of assessment of financial instrument's alignment with Green and/or Social Bond and Loan Principles

²⁹ The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective. An advanced expected impact combined with an advanced to robust level of ESG risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles by adopting recommended and best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. A robust expected impact combined with an advance to robust level of assurance of ESG risk management or an advanced expected impact combined with a limited level of assurance of ESG risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. A limited expected impact combined with an advanced to limited level of assurance of ESG risk management; or a robust expected impact combined with a limited to weak level of assurance of ESG risk management; or an advance expected impact combined with a weak level of assurance of ESG risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles, but not all of them.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. A weak expected impact combined with an advanced to weak level of assurance of ESG risk management or a limited expected impact with a weak level of assurance of ESG risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green and/or Social Bond Principles and/or of the LMA/APLMA/LSTA's Green and/or Social Loan Principles.

STATEMENT ON MOODY'S ESG SOLUTIONS' INDEPENDENCE AND CONFLICT-OF-INTEREST POLICY

Transparency on the relation between MOODY'S ESG and the Issuer: MOODY'S ESG has not carried out any audit mission or consultancy activity for SCI Lamartine. No established relation (financial or commercial) exists between MOODY'S ESG and SCI Lamartine. Independence, transparency, quality and integrity requirements are all formalized within our Moody's Code of Conduct.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bonds, based on the information which has been made available to MOODY'S ESG. MOODY'S ESG has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by MOODY'S ESG neither focuses on the financial performance of the Bond/Loan, nor on the effective allocation of its proceeds. MOODY'S ESG is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of MOODY'S ESG. The draft version of the Second Party Opinion by MOODY'S ESG is for information purpose only and shall not be disclosed by the client. MOODY'S ESG grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond (s) issuance. The Issuer acknowledges and agrees that MOODY'S ESG reserves the right to publish the final version of the Second Party Opinion on MOODY'S ESG's website and on MOODY'S ESG's internal and external communication supporting documents.

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