

ACTION LOGEMENT SERVICES

INVESTOR PRESENTATION
AUGUST 2022



ActionLogement 
SERVICES

IMPORTANT: You must read the following before you proceed and, by accessing this information, you agree to be bound by the following restrictions. This document has been prepared by Action Logement Services (the “Company”) for information purposes only and based on your acceptance of the restrictions below and does not aim to be an extensive description of all material terms or terms (which might be different from those mentioned in this document) of an offer that could eventually materialise. This document is confidential and must be treated confidentially by presentation participants.

The information contained in this document was not independently verified.

No representation or warranty, express or implicit, has been made and no reliance should be placed on the accuracy, completeness or correctness of information or opinions contained in this document and the Company and its subsidiaries, affiliated companies, administrators, managers, executives, advisors, employees or representatives accept no liability in this regard. The information contained in this presentation is subject to change without notice. It may be incomplete or condensed and it may not contain all the essential elements with regard to the Company and its subsidiaries, affiliated companies and/or related parties.

Certain information contained in this presentation and other representations or documents published by the Company are not historical facts, but forward-looking statements. These forward-looking statements are based on current beliefs, expectations and assumptions, including but not limited to, assumptions concerning the current and future commercial strategies and the environment in which the Company operates. They involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements, the industry results or other events to differ materially from those expressed or implied by such statements.

The forward-looking statements are only valid at the date of this presentation and, subject to any legal requirement, the Company declines any obligation or commitment to publish any update or revision of the forward-looking statements included in this presentation to reflect any change in expectations or any change of events, conditions or circumstances on which these forward-looking statements are based. These forward-looking statements are provided for illustration purposes only. The information and forward-looking statements are not guarantees of future performance and are subject to a variety of risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. The actual results may differ materially from those expressed, implied or expected by the information and forward-looking statements. These risks and uncertainties include those described or identified in the “Risk factors” section of the Information Memorandum (as defined below).

Market data and certain industry forecasts included in this presentation originate from internal surveys and estimates, but also from external reports and surveys, publicly accessible information and industry publications. The Company, its subsidiaries, affiliated companies, administrators, managers, executives, advisors, employees and representatives have not independently verified the accuracy of such market data and industry forecasts and make no representation or warranty in this respect. These data and forecasts are included in this document for information purposes only.

This document does not constitute or form part of an offer or invitation to sell or purchase any securities of the Company, or any solicitation to buy or to subscribe for any securities of the Company in any jurisdiction. This document shall not be considered as the basis of a contract or any commitment and shall not be relied upon in the context of a contract or any commitment.

The persons wishing to buy or subscribe to the Company securities in the context of a planned issue must take any buying or subscription decision based only on the information contained in the information memorandum prepared in the context of the Company's programme for the issuance of securities (Euro Medium Term Note Programme) (the “Information Memorandum”). In particular, the Company draws your attention to the risk factors relating to the Company and its activities and to the company securities, as detailed in the “Risk factors” section of the Information Memorandum.

This document is provided as confidential information and may not be reproduced, redistributed or sent, in whole or in part, to any other person, including by email or any other means of electronic communication without the Company's previous agreement. In particular, this document and any copy thereof may not be taken, sent or distributed, directly or indirectly, in the United States, Canada, Japan, Australia or South Africa. The securities are not available to the public in any jurisdiction.

The Company's securities have not and shall not be registered under the US Securities Act of 1933 as amended (the “US Securities Act of 1933”) or under the securities law of a state or other US jurisdiction(s) and these may not be offered, sold or otherwise transferred to the United States, unless an exception from registration is available under the US Securities Act or in a transaction not subject to such requirements. The Company does not intend to register, in whole or in part, securities in the United States. This document and any copy thereof may not be transmitted or distributed in the United States. Failure to comply with these restrictions may cause a breach of U.S. laws. By accessing the information contained in this presentation, you warrant that you are outside the United States.

This presentation does not constitute a prospectus or a base prospectus within the meaning of Regulation (EU) 2017/1129 of 14 June 2017.

PRIIPS Regulation / Prohibition to sell to EEA retail investors: The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For the purposes of this disclaimer, a retail investor refers to a person who is one (or more) of the following criteria: (i) a retail client as defined in paragraph 1 of Article 4 of Directive 2014/65/EU as amended (“MiFID II”); or a customer within the meaning of Directive 2016/97/EU as amended (the “Insurance Distribution Directive”) where that customer would not qualify as a professional client as defined in paragraph 1 point (10) of Article 4 of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”) for the offer or sale of Notes referred to in this presentation or otherwise making them available to retail investors in the EEA, has been prepared and therefore offering or selling the securities or otherwise making them available to a retail investor in the EEA could be considered unlawful under the PRIIPs Regulation.

MIFID II Product Governance / Target Market: professional clients and eligible counterparties only: The target market assessment in respect of the securities referred to in this presentation has led to the conclusion that the target market for these securities includes eligible counterparties and professional clients only (as defined in MiFID II).

Action Logement Services (ALS), a French public issuer supporting social housing

1

A unique player, with a **public mandate**, financing **public policies** to support **social housing** in France

2

- Status: private **Finance Company**
- **Joint governance** : Board of Directors composed of representatives of Employers' and Employees' unions (the *Social Partners*)
- **French State** has representatives on the Board of Directors (the *commissioners*)
- **Oversight by the State's supervisory bodies** (ANCOLS, Cour des Comptes) and by **ACPR** (French banking authority)


3

- **Credit Ratings in line with the French State**
 - **Aa2** (Stable) by Moody's
 - **AA** (Negative) by Fitch
- **CET1 Ratio**: 42%¹
- **Equity**: €8.1bn¹

4

- **Stable resource**: the Employer's Contribution to the Construction Effort (PEEC)
- Tax-like **mandatory contribution** from private sector companies
- Since 1953

5

- **100% Sustainable issuance programme**
- Aligned with ICMA standards
- Second Party opinion from 
- Annual independent audit until full allocation of proceeds

¹ At Dec. 31, 2021

Contents

1. Action Logement Services within Action Logement Group	4
2. Activities of Action Logement Services	12
3. Financing strategy	19
4. Sustainable Bond Framework	26
5. Appendices	33



1

**ACTION LOGEMENT SERVICES
WITHIN ACTION LOGEMENT GROUP**



A player with a public policy mandate to finance and promote social housing in France

- ◆ Main purpose: **facilitate access to housing** in order to **promote employment**
- ◆ Group **at the service of public housing policies**
- ◆ Collecting the Employer's Contribution to the Construction Effort (**PEEC**), paid by private sector companies



Mission 1

- ◆ Helping employees to address their residential needs and professional careers by offering **services (the allocation of social and intermediate housing, rental deposits, etc.)** and financial support (in the form of **loans and subsidies**) **facilitating access to housing and therefore to employment**



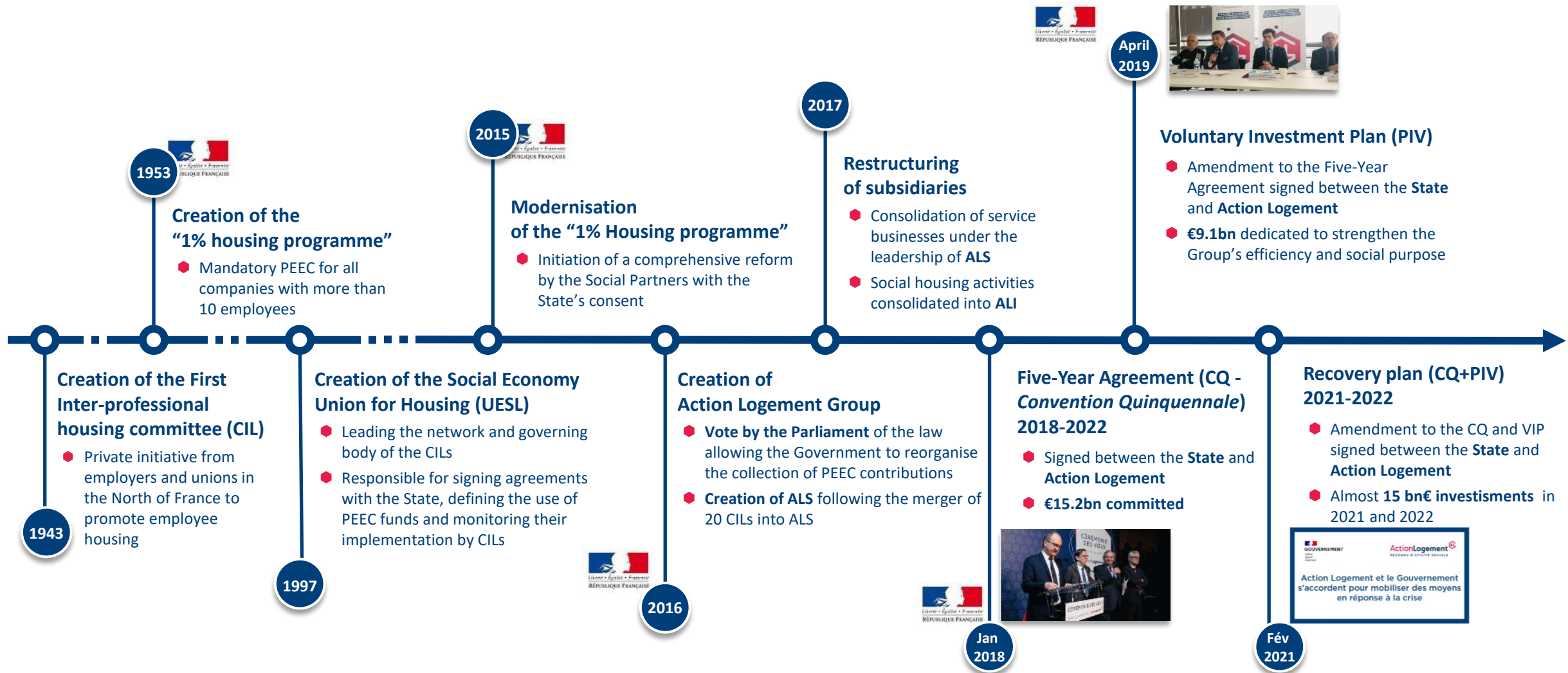
Mission 2

- ◆ **Financing social and intermediate housing**, primarily in areas with insufficient real estate supply, addressing the issues of eco-housing, social change, social mix



Mission 3

- ◆ **Financing housing policies in France** for their implementation in **coordination with local authorities**

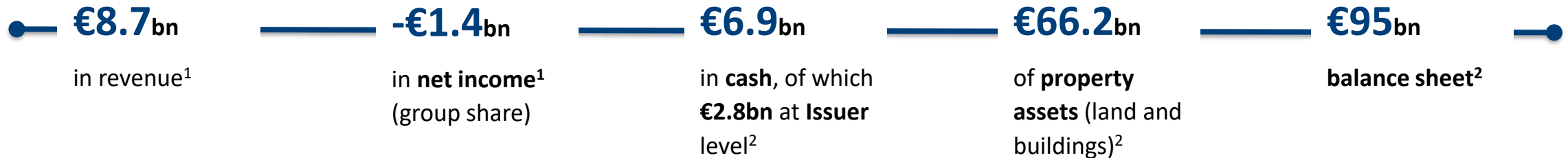


The scale of the group is commensurate with its missions

#1 owner of social & intermediate housing in France with circa 1 million dwellings

#2 financial sponsor of social and intermediate housing providers

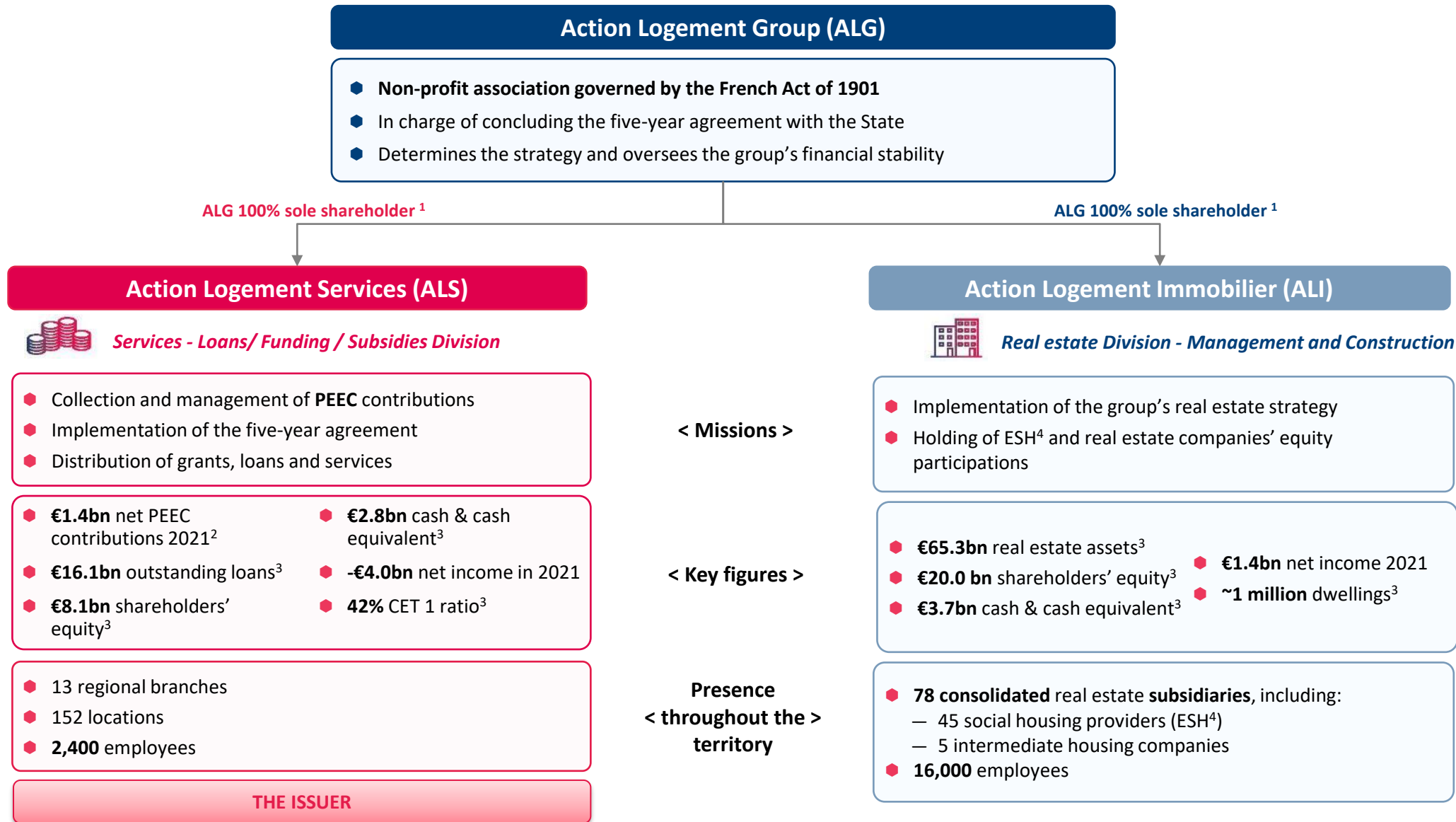
19,000 employees



Source: key figures at Group Level

¹ in 2021; ² At Dec. 31, 2021

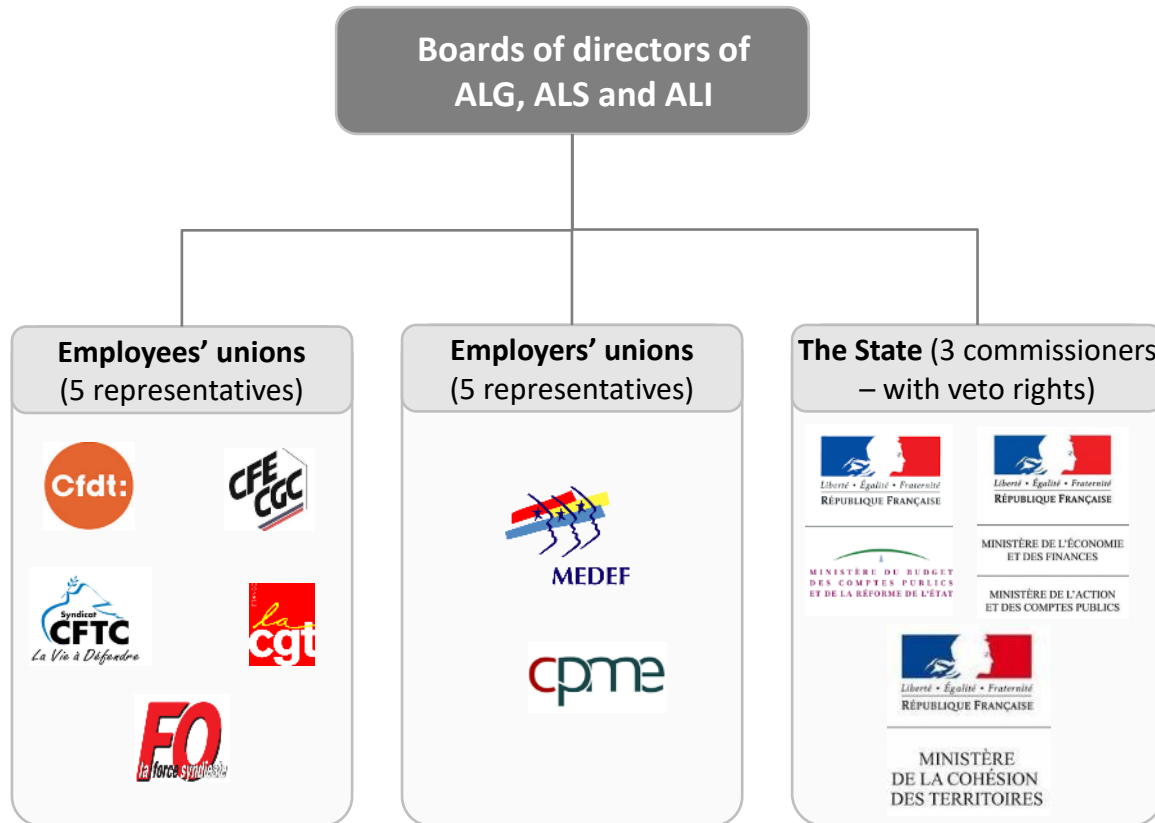
Two divisions with the common mission of promoting affordable housing for employees



¹ ALG is not allowed to sell its shares in ALS or ALI; ² Total contribution (net of loan repayments); ³ at Dec. 31, 2021; ⁴ ESH (*Entreprises Sociales pour l'Habitat*): Social Housing Provider

Joint governance and a supervision by the State

Joint governance of the Group's entities



Supervision of the Group by the State's bodies



Supervises and ensures regulatory compliance of the finance company, ALS



Supervises the Group's activities in relation to PEEC, in compliance with the implementation of the Five-Year Agreement



Oversees public funds' spending

The Recovery Plan signed in February 2021 has set new priorities

The Recovery Plan redistributes the investments of the Five-Year Agreement and the PIV over the period 2021-2022, with an increase in total commitments of €2.1 billion to €25.4 billion over the period 2018-2022. Some CQ and PIV budgets are reallocated and five new priorities are set for 2021-2022:

- ◆ **Developing the supply of quality housing**
 - Additional support for the production of 250,000 social and affordable housing units in two years for €1.2bn
- ◆ **Facilitating access to housing for employees**
 - Housing allocation
 - Support for 20,000 employees who buy a new home through a €10,000 grant
- ◆ **Supporting residential and professional development**
 - Extension of the benefit of the €1,000 mobility grant to all young people under 25 years old with a rental lease, entering employment
 - Extension of the VISALE guarantee to all employees in the private and agricultural sectors over the age of 30, earning less than €1,500 net per month, to facilitate their access to rental housing in the private sector
- ◆ **Supporting employees in difficulty**
 - Increase in the budget for the support of employees in difficulty,
 - Support scheme for the prevention of unpaid rent introduced during the health crisis (subsidy of €150 per month to contribute to housing costs for up to six months).
- ◆ **Supporting national and local policies for housing, social diversity and territorial equality**
 - Mobilisation of an additional €1.4 billion over 2022 to intensify the urban renewal and social diversity operations carried out by the ANRU (National Agency for Urban Renewal) in the Priority City Districts

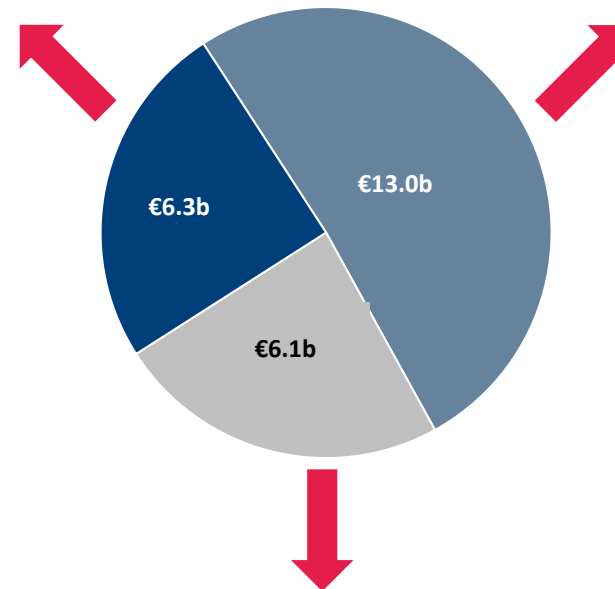
An adjusted business plan following the Recovery Plan

Loans, grants and services to individuals (€6.3bn)

Of which:

- Energy renovation and adaptation to ageing: €1.8bn
- Accession and works loans: €2.5bn
- Support for 20,000 first time buyer employees: €0.2bn
- Mobility aids: €0.8bn
- Secure tenancy grant: €0.7bn
- Aid for employees in difficulty: €0.3bn including the payment of the grant for the prevention of unpaid rent

Total commitments 2018-2022 €25.4bn¹



Funding from social and intermediate landlords (€13.0bn)

Of which:

- Production of social and intermediate housing: €6.5bn, including additional support for the production of 250,000 social and affordable homes over two years for €1.2bn
- National programme *Action Cœur de Ville* (revitalisation of medium-sized town centres): €1.5bn
- Improving housing in the Overseas Territories: €1.3bn
- Acting against the deterioration of old housing: €1.0bn
- Transformation of vacant dwellings: €0.8bn
- Renovation of social medical facilities: €0.4bn
- Association Foncière Logement: €0.4bn
- ONV (company for the sale of social housing): €1.0bn

Public policies (€6.1bn)

Of which:

- Contribution of €1.5bn to finance the FNAL (*Fonds National des Aides aux Logement*) (2020 and 2021 Finance Acts)
- ANRU (*Agence Nationale pour la Rénovation Urbaine*) [National Agency for Urban Renovation]: €3.4bn
- FNAP (*Fonds National des Aides à la Pierre*): €1.2bn

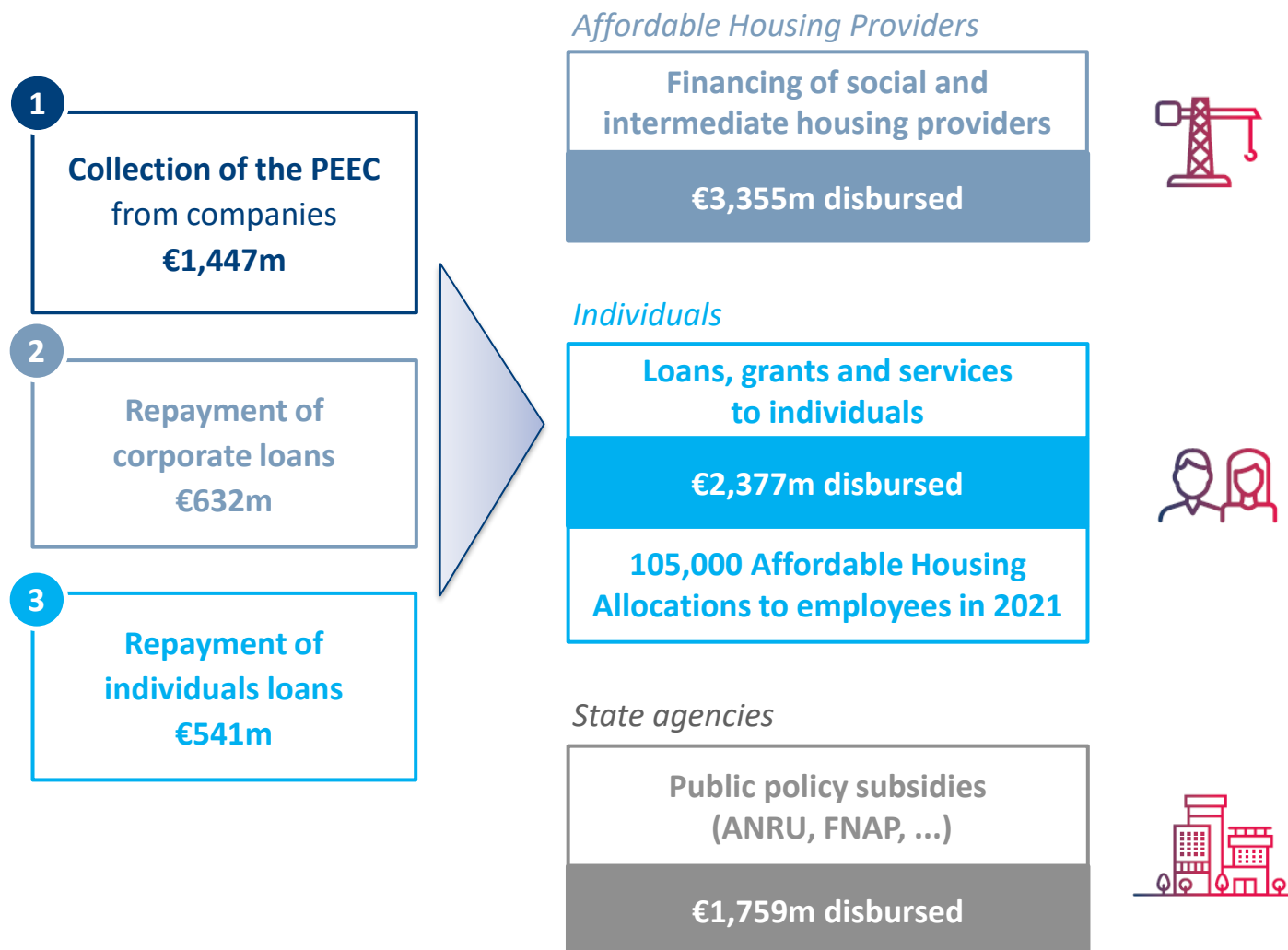
¹ High budget investments

2

ACTIVITIES OF ACTION LOGEMENT SERVICES



Highlights of ALS activities in 2021



Significant mobilisation by ALS

- The year 2021 was marked by a **sharp increase** in commercial activity, amounting to almost EUR 7.5 billion, compared to EUR 5.8 billion in 2020 (i.e. +29%)
- **Almost 795,000 households were assisted in 2021**, up 23% compared to 2020.
- Growth in activity is mainly a reflection of the **successful implementation of the Voluntary Investment Plan** signed on 25 April 2019 by the State and Action Logement Groupe and its Schedule, known as the "Recovery Schedule", dated 15 February 2021.
- Commercial activity is in line with the strategic guidelines defined in 2019 in consultation with the State.

The PEEC - ALS's main resources

The PEEC: a mandatory contribution

What is the PEEC?

The Employers' Contribution to the Construction Effort

- **Legal obligation** for employers to contribute to the financing of their employees' housing
- Since 1992, rate fixed at 0.45 % of the previous year' total payroll

Which companies have to pay?

- **Non-agricultural private sector companies** with more than 50 employees (PEEC): 97.4% of the total contribution in 2020
- **Agricultural sector** companies with more than 50 employees (PEAEC): 1.8% of the total 2021 contribution
- Corporates can provide additional contributions on a voluntary basis (PSEEC): 0.8% of the total 2021 contribution

Ways of payment

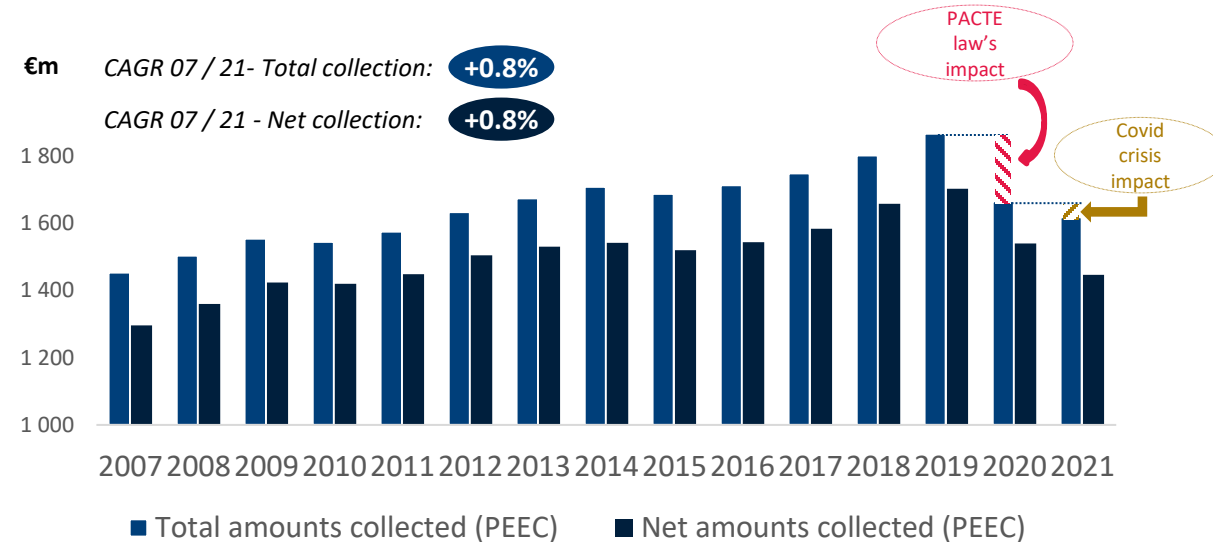
- As a tax-deductible **subsidy** to the collector (ALS)
- As a **20-year bullet loan** granted by the company to the collector (ALS), interest-free and non tax-deductible

Total contribution in 2021 (net of loan repayments): €1,447m

- Non-renewal of the State compensation linked to the threshold's increase from 20 to 50 employees for the companies liable to the PEEC, relating to the growth and transformation of companies (known as the "PACTE Act")

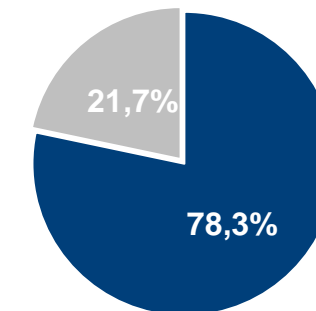
PEEC payments controlled by the State services

Collected PEEC



Distribution of gross PEEC collected in 2021 by type

■ Subsidy ■ Loans

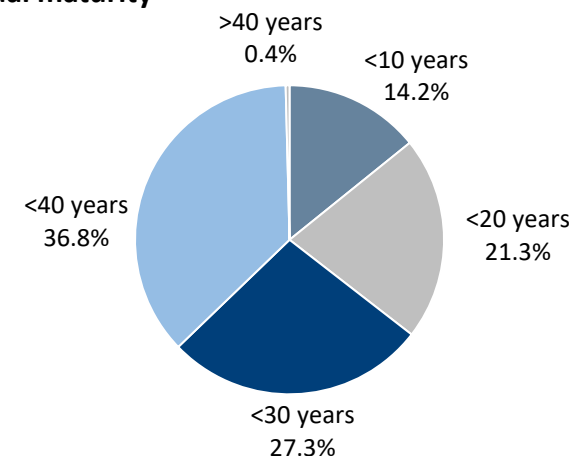


Overview

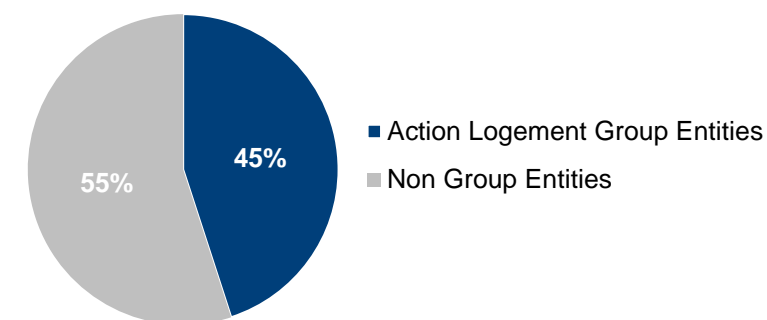
- ◆ **5.2 million social dwellings in France** at the end of 2020, commonly named “HLM” for *Habitation à Loyer Modéré* (Low-Rent Housing)
 - Construction and management subject to State’s approval
 - Rents below market price (-40% for social housing, -15% for intermediate housing)
 - **2.2 million eligible households** on the waiting list for social housing
 - More than **€16bn in new investments** per year in average since 2010
- ◆ ALS is the **2nd financial sponsor** of social and intermediate housing providers in France (after CDC)¹
- ◆ ALS provides **long term and attractive funding** to social and intermediate housing providers
 - In return, ALS obtains reservation allocation rights
- ◆ **€3,355m** new financing allocated by ALS to corporates in 2021, of which:
 - **€1,544m in capital increases and subsidies**
 - **€1,623m in new loans** granted to social and intermediate providers
- ◆ Loans granted at **very attractive conditions**:
 - Livret A Passbook rate² - 225 bps floored at 0.25% for PLUS³ and PLAI⁴ transactions
 - No guarantees required⁵
 - No mortgage required⁵

Breakdown of corporate loans outstanding - End of 2021

By residual maturity



By counterparty



Total outstanding loans at the end of 2021: €12.4bn

¹ Action Logement’s estimate; ² Livret A passbook rate currently at 1%; ³ PLUS: *Prêt Locatif à Usage Social*; ⁴ PLAI: *Prêt Locatif Aidé d’Intégration*; ⁵ unless with specific conditions

Housing allocations in return for attractive financing



Employee's access to social and intermediate housing is at **the centre of Action Logement's business**

- ALS grants loans to social and intermediate operators with **attractive financing conditions** in terms of rate and guarantees
- In return, ALS obtains **housing allocation rights**
- These rights enable ALS to propose eligible employees to social and intermediate housing providers



Loans to social operators

€12.4bn¹
outstanding loans

“Average” distribution of social housing reservations rights

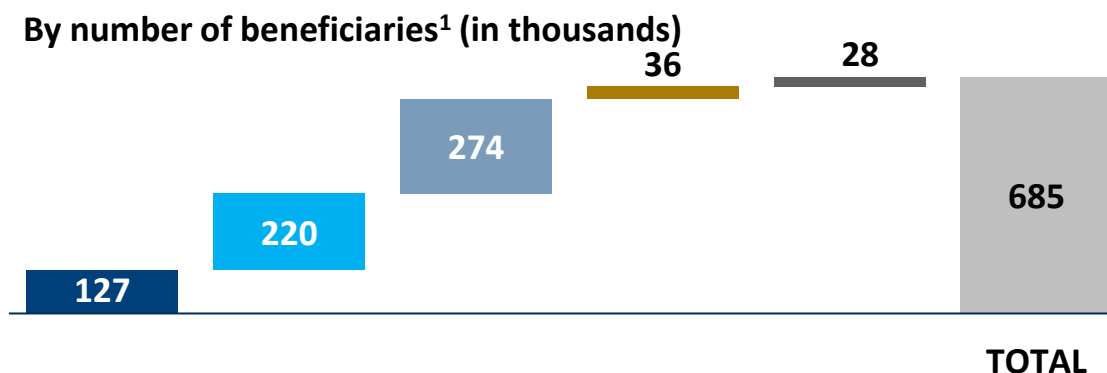
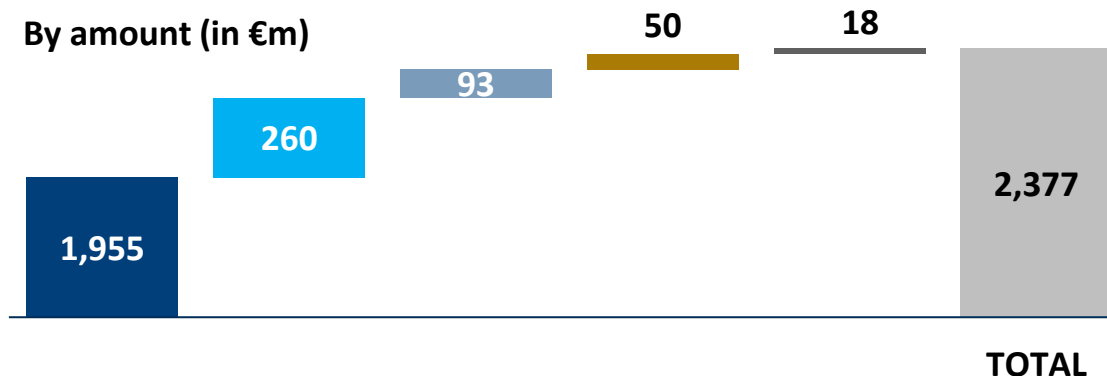
In 2021, **105,000 households** accessed housing through ALS, especially in areas with insufficient housing supply

¹ At Dec. 31, 2021

Key data

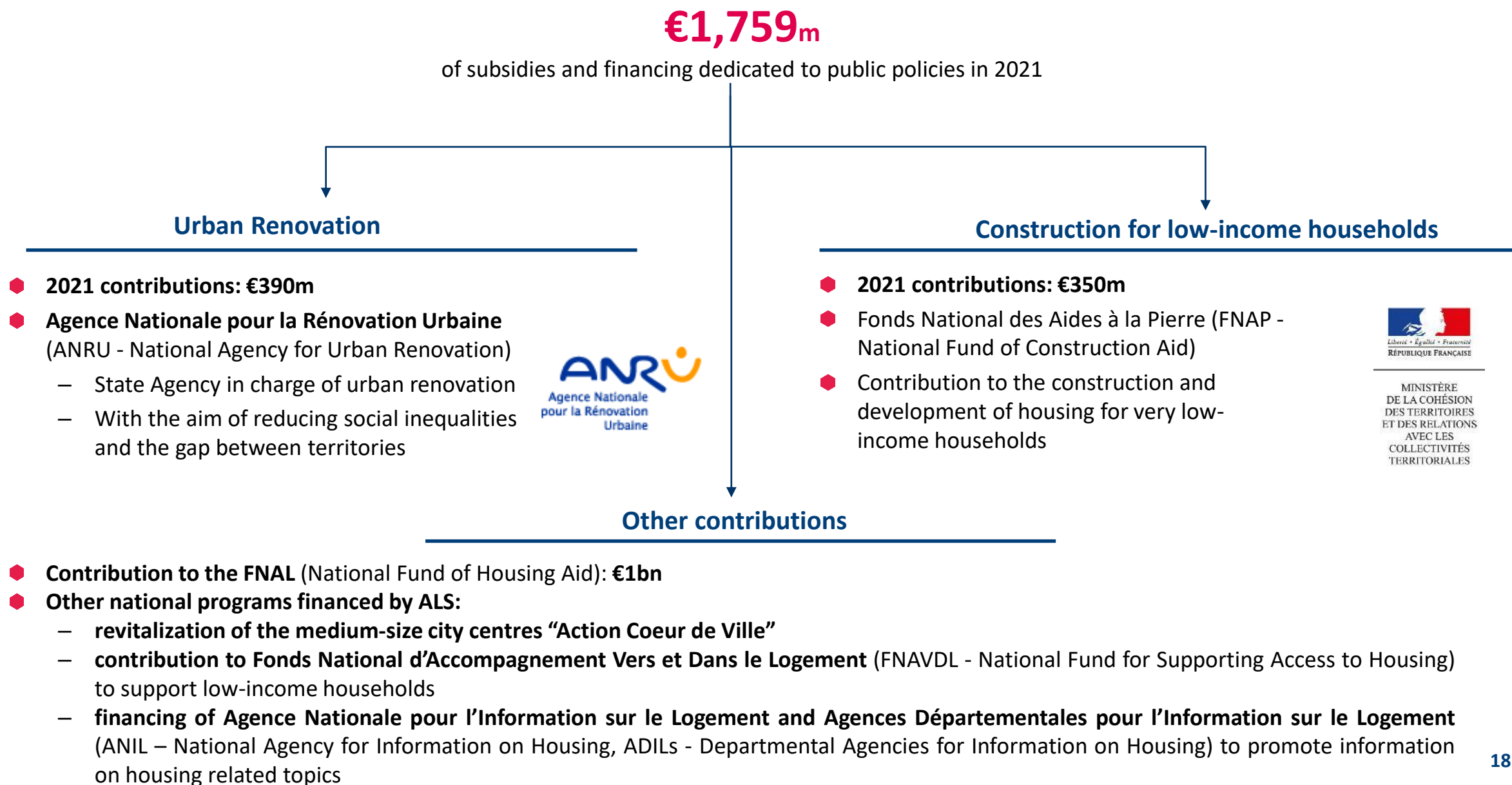
- ◆ **Almost 789,000 families supported** in 2021 (685,000 families excluding housing allocations)
- ◆ **Services and grants provided to individuals:**
 - Facilitate access to either open market or social / intermediate rental housing
 - Provide assistance for home ownership
 - Financing works to improve housing
 - Facilitate professional mobility
- ◆ Forms of assistance: grants, advances, loans, guarantees, security deposits or social support services
- ◆ **€1,955m loans granted**, in 2021, at attractive rates:
 - Average amount of granted loans in 2020: €30k
- ◆ Loans to individuals outstanding at the end of 2021: **€3.7bn**

Breakdown of grants and services in 2021¹



- Ownership and Works loans
- Mobility and recruitment
- Loca-Pass (advances and calls on guarantee)
- Assistance to employees in difficulty
- Social engineering (Subsidies)

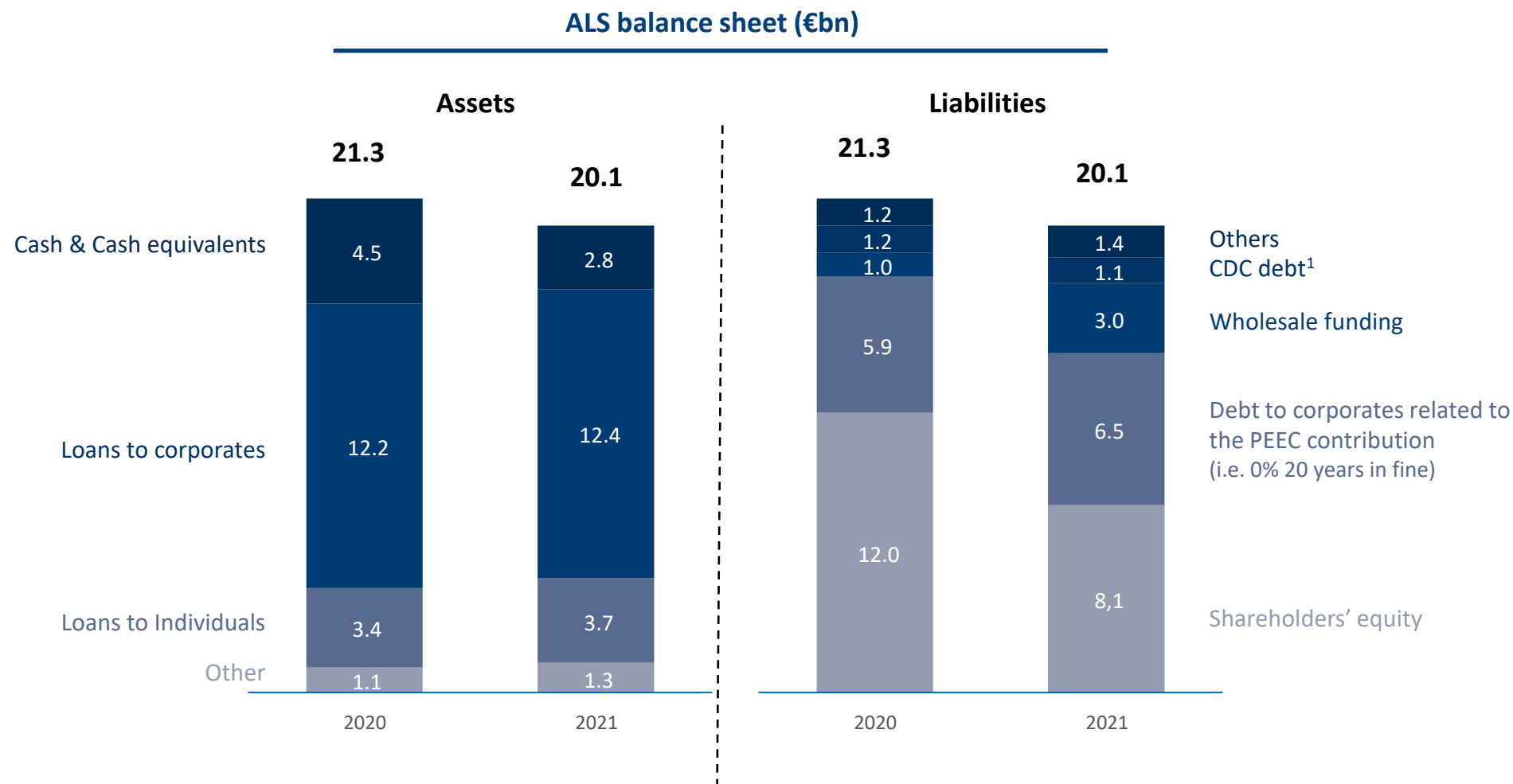
¹ Excluding housing allocations



3

FINANCING STRATEGY





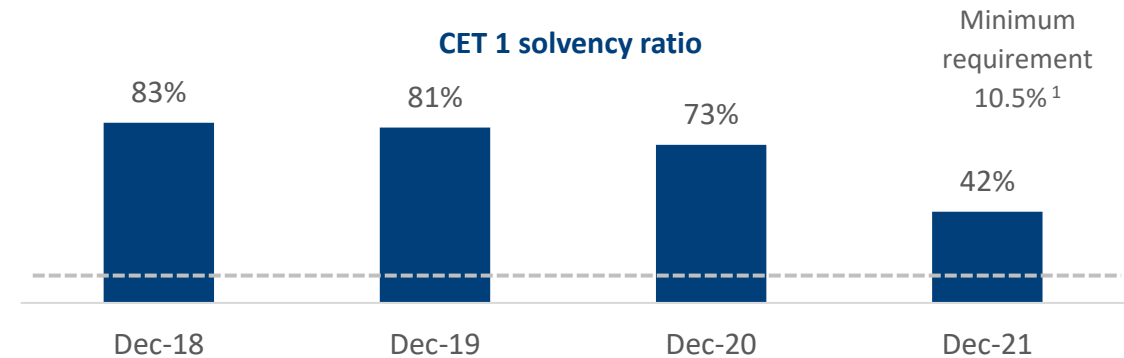
An extremely sound financial structure

Exceptional CET1 and liquidity ratios

ALS enjoys exceptional prudential ratios compared to peers regulated by ACPR (the French Prudential Supervisory Authority)

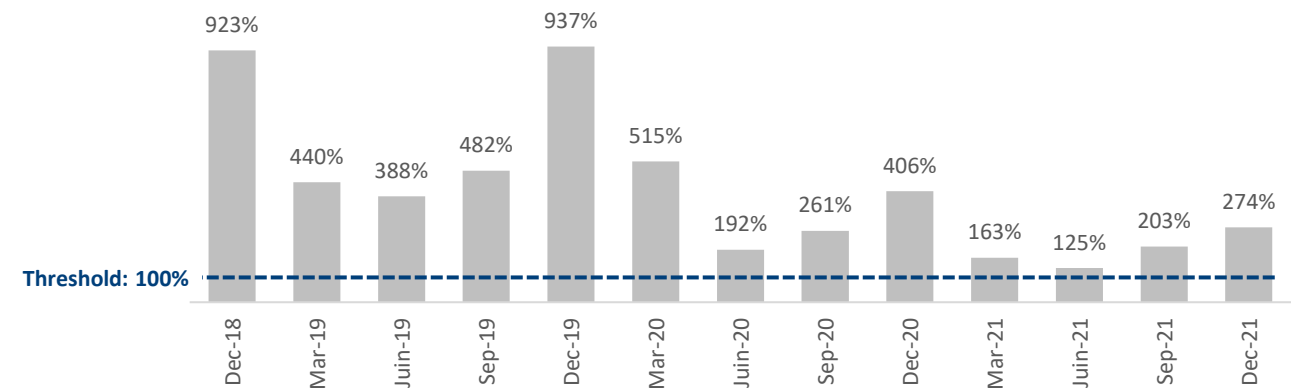
- ◆ **Solid solvency ratio**
 - CET1 at **42%** at end of 2021 vs 10.5% minimum requirement¹
 - ALS intends to maintain its CET1 ratio at around 30% at end of 2022
- ◆ **Negative net income (€-4.0bn) in 2021 as a deduction from own funds**
- ◆ **No dividends paid to ALG**
- ◆ **Strong liquidity**
 - Liquidity ratio significantly above the required threshold
 - Peak at the end of the year due to PEEC collection

Prudential ratios



Very strong liquidity ratio for ALS

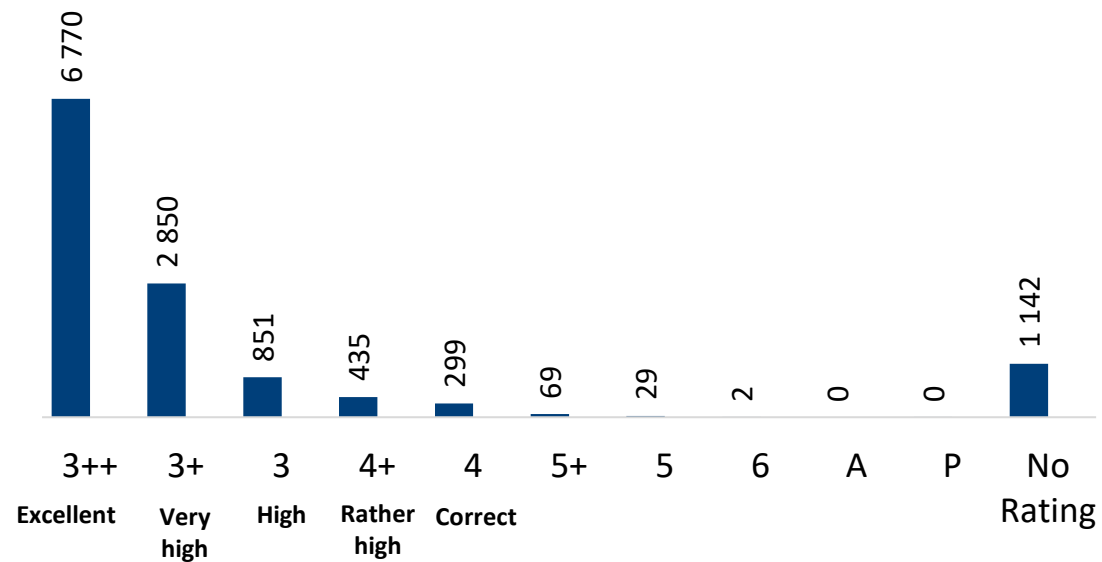
Peak in December, month on which PEEC is paid



¹ The CET1 ratio minimum requirement was at 10.75% between 1st July and 31 December 2019. Since 1st of April 2020, following the countercyclical buffer cut to zero, the CET1 ratio minimum requirement is 10.5%

Low-risk profile loan portfolio

Corporate loans portfolio end of 2021 (€m)



Very high quality loans portfolio, with more than **84% of the outstanding loans** with ratings above 3 from the Banque de France

Total outstanding loans at the end of 2021

	Corporates	Individuals ¹
Net outstanding (€m)	12,397	3,420
NPL (€m)	530	90
NPL rate	4.3%	2.6%
Provision rate	9.0%	69.2%
Cost of risk (bp)	2	n.a. ²

¹ Excluding claims from the guarantee fund; ² Net reversal provision in 2021

MOODY'S > Aa2 Stable Outlook¹

- + *Because of its public policy mandate, Action Logement's key role in the French social housing sector and government oversight, there is no meaningful distinction between ALS and French central government from a credit perspective*
- + *Since it has a public mandate and was created by decree, ALS benefits from a very strong oversight by the Government of France (Aa2 positive)*

In assessing ALS's credit profile

- Moody's uses its *Government-Related Issuers* Rating Methodology
- Fitch uses its *Government-Related Entities* Rating Criteria

FitchRatings > AA Negative Outlook²

- + *Fitch considers there are no legal or regulatory restrictions to extraordinary support from the state in case of need*
- + *ALS therefore has very strong regulatory capital and liquidity ratios, with a common equity Tier1 ratio above 81% at end-2019 (against a threshold of 10.5%) and a liquidity ratio of 937% (threshold of 100%)*

Agencies' acknowledgement of the State support

- + *The credit profile of ALS, expressed in its Aa2 positive rating, reflects our assessment of a very high likelihood of extraordinary support from the central government were it to face acute liquidity stress (Moody's)*
- + *Fitch considers ALS to be a proxy-funding vehicle for the state. ALS carries out activities that could be done directly by the state, but that would then have to be consolidated into the state budget and its debt recorded as general government debt (Fitch)*

The same financial ratings were granted to the other entities of Action Logement Group, **ALG** and **ALI**, by Moody's and Fitch

Achievements and 2022 outlook

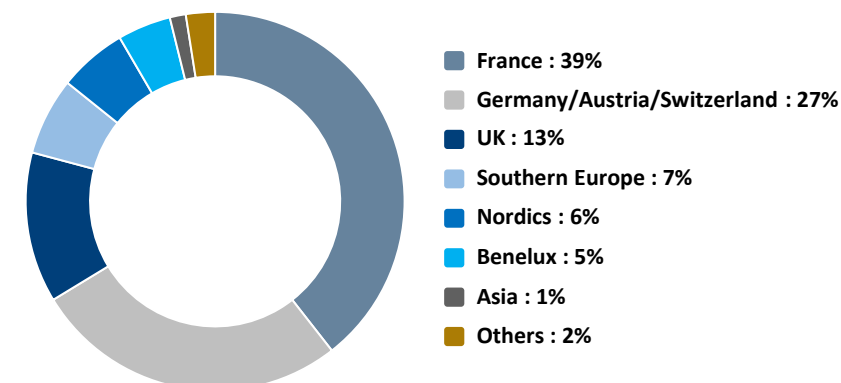
- Since its inaugural bond printed in October 2019, ALS has issued €4.25bn via 4 benchmarks under its Sustainable €6.2bn EMTN programme

Bond	Size	Tenor	Coupon	Spread vs OAT
October 2031	1,000 m€	10y	0,3750%	29 bps
April 2032	1,250 m€	10y	1,3750%	42 bps
October 2034	1,000 m€	15y	0,5000%	38 bps
July 2041	1,000 m€	20y	0,7500%	30 bps

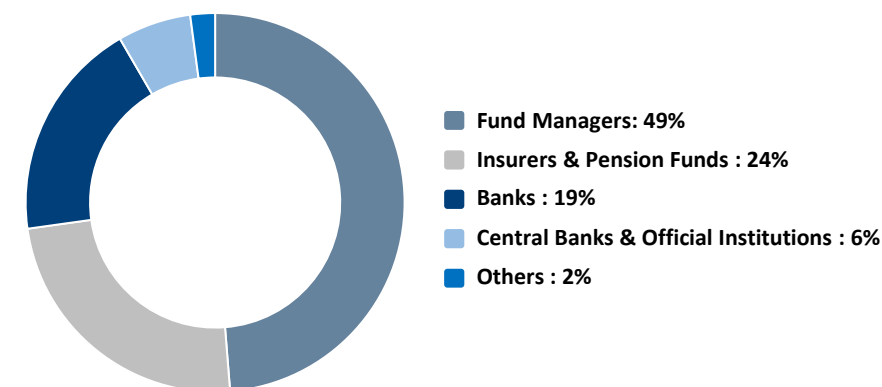
- All ALS' bond issues will be sustainable bonds
- ALS' bond issues are denominated in euro, bear interest at a fixed rate and can be either public syndicated transactions with benchmark size or private placements
- Target maturities : 5 years and longer
- ALS' investor basis is growing with almost 170 investors involved in at least one transaction since 2019
- ALS intends to issue at least one more public syndicated transaction with benchmark size in the second half of 2022

Aggregate Distribution of €4.25bn Public Bond Issues

Geographical breakdown



Breakdown by type of investors



ALS, an issuer in the French public sector with characteristics comparable to peers



Ratings (M/S&P/F)	Aa2/-/AA	-/AA/AA	Aa3/AA-/-	Aa2/-/AA	Aa2/AA/-	Aa2/AA/AA	Aa3/AA/-	Aa2/-/AA	Aa3/AA-/A+	Aa2/-/AA
Legal form / Status	SAS / Finance company	EPIC ¹ / Finance company	SA / Specialised Credit institution	EPIC ¹ / Public Bank	EPA ²	Établissement Spécial	SA / Public Bank	EPIC ¹	SA	1901 Law Association / NPO
Ownership	100% AL Group (NPO)	100% French State	100% French Local Authorities	50% French State / 50% CDC	100% French State	100% French State	99.99% CDC / 0.01% French State	100% French State	100% French State	-
Guarantee from French State	Implicit	Implicit	Implicit	Implicit	Implicit	Implicit	Implicit	Implicit	Implicit	Explicit (EMTN) Implicit (NeuMTN)
Weighting / RW	20%	20%	20%	20%	0%	0%	20%	20%	20%	0%
Solvency Ratio	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Non-Standard	Standard
HQLA Status (EU Designation)		Non HQLA	Level 2A	Level 1	Level 1	Level 1	Level 1	Level 2A	Level 2A	Level 1
Regulators	ACPR	ACPR	ACPR	ECB	-	ACPR	ECB	-	-	-
ECB – Eligible Repo / PSPP	Yes / Yes	Yes / Yes	Yes / Yes	Yes / Yes	Yes / Yes	Yes / Yes	Yes / Yes	Yes / Yes	Yes / No	Yes / Yes
CET1	42% ^{4,5}	14.51% ⁵	15.73% ^{4,5}	30.52% ^{3,5}	n/a	n/a	34.6% ⁵	n/a	n/a	n/a
SRI Issuances	Sustainable (Program)	Green (Climate) / Sustainable	Sustainable	Green	Social (Program)	Green / Sustainable	Social / Green	Green (Program)	Green	Social (Program)
EMTN Programme / Law	€6.2bn (FR)	€60bn (FR)	€10bn (FR)	€45bn (FR)	€65bn (EN) €130bn (FR)	€18.5bn (FR)	€15bn (FR)	€30bn (FR)	€15bn (FR)	€60bn (FR)

Source : <https://www.ecb.europa.eu/mopo/assets/standards/marketable/html/index.en.html> ; https://acpr.banque-france.fr/sites/default/files/media/2021/07/08/20210707_notice_crdiv_college_clean.pdf ; <https://www.afd.fr/sites/afd/files/2021-10-03-15-20/presentation-investisseurs-afd-octobre-2021.pdf> ; http://www.agence-france-locale.fr/sites/afli/files/base_documentaire/2022-05/Investor%20Presentation%20-%20May%202022.pdf ; https://www2.bpi-france.fr/content/download/140652/1071308/version/2/file/Investor%20Presentation_update_april2022%20-%20vdef.pdf ; https://www.cades.fr/pdf/investisseurs/uk/presentation_investisseurs_avril22_va.pdf ; https://www.caissedesdepots.fr/sites/default/files/2022-05/CDC_Presentation%20-%20Investisseur%20-%20Francais%20-%20Mai%202022_0.pdf ; <https://sfil.fr/en/wp-content/uploads/2021/03/20210305-Sfil-Group-Investor-Presentation.pdf> ; https://media-mediathèque.sociétédugrandparis.fr/pm_1_162_162296-5tt0joo6a0.pdf?_gl=1*1yz7rux*_ga*MTYyMTA4ODcxNS4xNjUxNzY3OTE3*_ga_6541VBRHTX*MTY1MzkyMDY4OS4yLjEuMTY1MzkyMDc1My4w ; https://medias.sncf.com/sncfcom/finances/Investisseurs2021_SNCF_GROUPE_Investor_Presentation.pdf ; <https://www.unedic.org/sites/default/files/2022-05/Un%C3%A9dic%20Investor%20Presentation%20-%202022%2005.pdf>

¹ EPIC: Établissement Public à Caractère Industriel et Commercial; ² EPA: Établissement Public à Caractère Administratif; ³ Basel III CET1 'fully loaded'; ⁴ Basel III solvency ratio; ⁵ At Dec. 31, 2021

4

SUSTAINABLE BOND FRAMEWORK



Social Utility

- ◆ Action Logement Services' purpose is to **facilitate the provision of housing to promote employment**, for the benefit of society and in support of the low-carbon economic transition
- ◆ All ALS services and grants provide solutions to **societal challenges** and contribute strongly to the delivery of the **United Nations Sustainable Development Goals (SDGs)**



Sustainable Finance

- ◆ ALS EMTN program is intrinsically **100% sustainable**
- ◆ **Framework** designed in alignment with the **Green Bond Principles (GBP)**, **Social Bond Principles (SBP)** and **Sustainability Bond Guidelines (2018 edition)**
- ◆ **Vigeo Eiris 2nd Party Opinion** gave a **reasonable assurance** (the highest level of assurance) on the Issuer's commitments and on the contribution of the contemplated Bonds to sustainability



Overview of the Sustainability Framework Document

Use of proceeds

◆ Social Projects

- Access to basic services
- Access to affordable housing

◆ Environmental Projects

- Energy efficiency
- Green Building design (social and intermediate housing)
- Pollution Prevention & Control

Management of proceeds

◆ Allocation process

- Financing and refinancing (refinancing share limited to 30% for each issue)
- Allocation of proceeds within two years after issue

◆ Annual review of fund allocation by the Evaluation Committee

◆ Management of unallocated proceeds

- Temporary placements in deposit accounts or low-risk investment instruments

Project selection process

◆ Specific funding guidelines

- Quality and eligibility of the borrower and the operation, for each grant and service specifying award criteria and defining eligible target populations

◆ Semi-annual evaluation committee

- Validation of eligible project selection
- Propose replacement of projects in the event originally-selected projects become ineligible
- Manage updates of the Sustainable Bond Framework
- Evaluation of the social utility of allocations

Reporting

◆ Publication of an annual report until complete allocation of proceeds

- Allocation reporting (audited annually by an independent auditor)
- Social & Environmental Impact Reporting

◆ Review and validation of the annual report by the Evaluation Committee



◆ Access to basic services

- Adaptation of housing to address the needs of senior citizens to maintain their independence
- Renovation of social healthcare residence
- Help for employees facing challenging circumstances

◆ Access to affordable housing

- Acquisition and / or construction of social and intermediate housing
- Access to housing
- Financing of public policies related to housing
- Mobility Assistance
- Fight against substandard housing



ActionLogement 


pôle emploi



ActionLogement 

ENGAGÉ POUR




ActionLogement 

 l'Assurance
Retraite

Use of Proceeds: **environmental projects**

◆ Energy efficiency

- Renovation of private dwellings for low-income employees

◆ Green buildings

- Construction and acquisition-refurbishment of social and intermediate housing

◆ Pollution Prevention and Control

- Demolition of vacant social housing

Residence Simone Veil: 189 housing units for students and researchers

Located in the XIV^e arrondissement of Paris, on the campus of the International University - City of Paris, the new residence 'Simone Veil' was inaugurated on 18 October 2018. Comprised of **189 housing units including 125 dedicated to students and 64 to international researchers**, it complies with the City of Paris's housing requirements for this population.

Certified Habitat & Environment: the building meets the requirements of the City of Paris Climate Plan (solar panels on the roof, 'rain garden' for management of rainwater, insulation using wood 'blades', green roof terraces etc.).

Espacil Habitat (ESH), a subsidiary of Action Logement, owns and manages this program.



Reporting and verification until full allocation of proceeds

Allocation Reporting¹

- ◆ **General:**
 - Total amount of proceeds allocated to date
 - Financing vs. Refinancing Share
 - Total amount of unallocated proceeds and type of temporary placements
- ◆ **By category of Eligible Green and Social Projects:**
 - Number and type of projects funded
 - Geographical distribution of projects funded
 - Total amount invested
 - Examples of projects funded

Impact Reporting

- ◆ **Monitoring of the social and / or environmental impact of the project**
 - This process will be part of the monitoring of the implementation of the Five-Year Convention
- ◆ **List of indicators provided in each annual report**
 - Indicators selected to reflect the impact of each category of projects financed by the EMTN program



- ◆ Evaluation of the Sustainable Bond Framework: transparency, governance and alignment with the Green and Social Bond Principles.



Independent reviewer

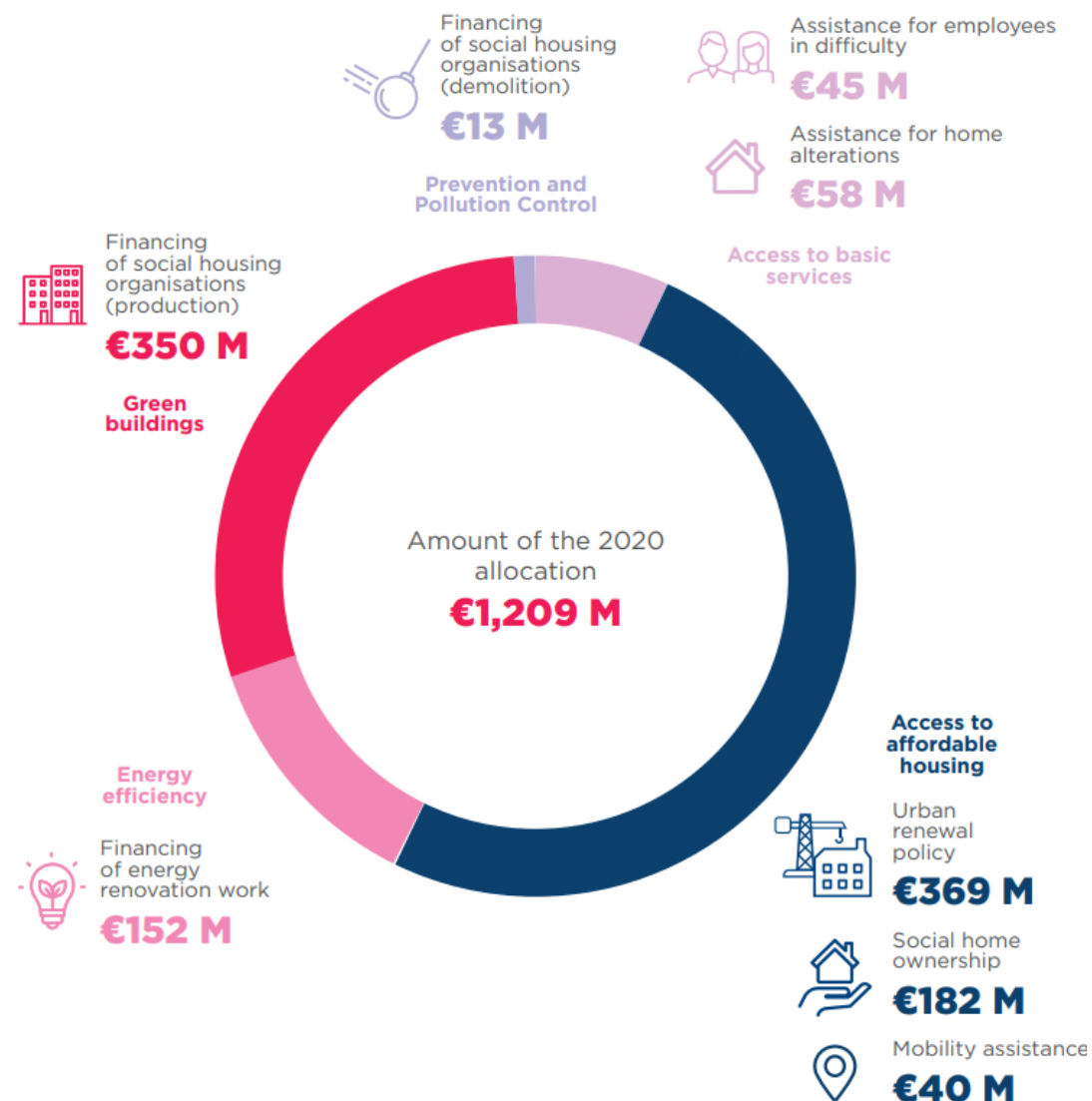
- ◆ Annual audit until full allocation of proceeds:
 - Allocation of net proceeds to portfolio of eligible projects
 - Compliance of projects financed by the proceeds of the Sustainable Bond with the eligibility criteria specified

¹ [Funding allocation Report - 31 December 2019](#) ; [Funding Allocation Report - 31 December 2020](#)

◆ **As of 31 December 2020, €1,209 M had been allocated to projects identified as eligible under the social and environmental eligibility criteria**

- **Financing of new projects : €609 M** allocated to new projects released between 1 January 2020 and 31 December 2020
- **Refinancing of existing projects : €600 M**
 - €300 M allocated to eligible projects released between 1 August 2020 and 31 December 2020 under Issuance 2 (i.e. maximum 12 months before the bond is issued)
 - €300 M allocated to eligible projects released between 1 November 2020 and 31 December 2020 under Issuance 3 (i.e. maximum 12 months before the bond is issued)

◆ **An amount of €1,400.0 million was left to be allocated to new projects by 31 December 2020 under Issuances 2 and 3**



5

APPENDICES



ALS' consolidated income statement¹

In €m	2018	2019	2020	2021	Change (%)
Employer contribution	1,507	1,536	1,600	1,304	(19%)
Subsidies	(906)	(955)	(3,276)	(5,017)	53%
<i>To the State or other government bodies</i>	(535)	(534)	(1,304)	(1,759)	35%
<i>To individuals</i>	(93)	(106)	(721)	(1,445)	100%
<i>To corporates</i>	(278)	(315)	(1,251)	(1,814)	45%
Net non-banking income	601	580	(1,676)	(3,714) ¹	122%
Net interest margin and related profits	145	135	122	105	(14%)
Income from variable-income securities				(0)	n.a.
Commissions					n.a.
Other banking income and expenses	7	(1)	3	9	157%
Net banking income	152	134	126	113 ²	(10%)
Net operating income	753	715	(1,550)	(3,600)	132%
Management fees	(303)	(357)	(295)	(296)	1%
Gross operating income	450	358	(1,845)	(3,897)	111%
Cost of risk	(13)	11	(62)	(57)	(8%)
Operating income	437	368	(1,906)	(3,953)	107%
Gains or losses on fixed assets	-	43	1	1	(35%)
Pretax current income	437	411	(1,905)	(3,952)	107%
Exceptional income	0	(2)	-0	0	n.a.
Corporate Income tax	(1)	(11)	(1)	(1)	36% ³
Net income	436	398	(1,906)	(3,954)	107%

- ¹ The **Net Non-Banking Income** consists of the collection of resources (PEEC, PSEEC, PEAC) in the form of subsidies, net of paid subsidies,
- ² The **Net Banking Income** consists mainly of the net interest margin on loans granted to clients in respect of the outstanding stock related to individuals and corporates for €16.1bn,
- ³ Pursuant to the Tax Ruling for corporation tax, the corporation **tax** is virtually nil.

Consolidated balance sheet – ALS¹

In €m	2018	2019	2020	2021	Change (%)
Credit institution receivables and similar	4,040	5,961	4,529	2,759	(39%)
Customer transactions	16,004	15,951	15,640	16,088	3%
<i>Loans to individuals</i>	4,057	3,757	3,436	3,690	7%
<i>Loans to corporates</i>	11,947	12,193	12,204	12,397	2%
Investments and other long-term securities held	1	1	1	0	(42%)
Intangible assets	7	11	14	16	14%
Tangible assets	438	644	610	555	(9%)
Other assets	432	132	458	680	48%
TOTAL ASSETS	20,923	22,700	21,252	20,098	(5%)

Credit institution payables and similar	1,296	1,372	1,314	1,271 ¹	(3%)
Customer transactions	5,648	5,935	6,479	7,300	13%
<i>Debts to the State, local authorities, or state agencies</i>	196	221	216	216	0%
<i>Debts to individuals</i>	93	91	386	569	47%
<i>Debts to corporates</i>	5,360	5,623	5,877	6,515 ²	11%
Wholesale funding	-	1,001	1,001	3,005	200%
Other liabilities	248	257	245	213	(13%)
Provisions	189	194	180	228	27%
Shareholders' equity	13,542	13,940	12,034	8,080 ³	(33%)
<i>Subscribed share capital</i>	20	20	20	20	0%
<i>Share premium</i>	-	-	-	-	n.a.
<i>Reserves</i>	13,086	13,522	13,920	12,014	(14%)
<i>Profit or loss for the financial year (±)</i>	436	398	(1,906)	(3,954)	107%
TOTAL LIABILITIES	20,923	22,700	21,252	20,098	(5%)

- ¹ The financial debt (to credit institutions) in an amount of **€1.3bn** corresponds mainly to borrowings from CDC
- ² The debt to corporates for **€6.5bn** includes the PEEC collected amounts paid in the form of loans by companies
- ³ Shareholders' equity amounts to **€8.1bn** or **40%** of total liabilities

The net external debt² is €8.8bn as of 31 December 2021

Source: Action Logement

¹ Consolidated accounts under French GAAP standards ² Borrowings and financial debt with credit institutions and customer transactions, net of cash

Process for project selection and evaluation

Directives

- Each proposed Service and Action is subject to a **directive issued by Action Logement Group**
 - The beneficiaries (individuals / legal persons), the operations eligible for financing, the conditions of eligibility and the characteristics of the financing mechanism from the PEEC are prescribed in the directive
- Ensure alignment between the policies implemented by Action Logement for the benefit of employment and housing

Beneficiaries

- 2 major groups targeted:
 - **Social and intermediate housing organizations**, providing affordable housing to households under means-tested conditions (support for specific "Criteria for the Granting of Financing" directive validated by Action Logement Group's Board of Directors)
 - **Individuals**, mainly employees, meeting the eligibility conditions of funding programs (e.g. elderly people, employees experiencing housing difficulties, people under 30 years of age, etc.)

Assessment of objective achievements

- Measurement of the extent of achievement of the social utility objectives provided for in the five-year agreement
- Future support for development from a 'mapping and materiality matrix' of social and environmental challenges

Governance

- **Evaluation committee** responsible for:
 - Review of project selection, of compliance with the eligibility criteria for the use of proceeds and of the annual impact report for investors
 - Management of any future updates to the Sustainable Bond Framework and of the external review processes (Second Party Opinion and Auditor)

Use of Proceeds

Allocation process

- Financing of new projects and / or refinancing of existing projects identified as eligible (up to 12 months before issuance)
- Share of proceeds allocated to refinancing limited to 30% for each issue
- Allocation of the proceeds to eligible projects within a maximum period of 2 years after issue

Review of fund allocation



- Annual monitoring of the allocation of proceeds by the Evaluation Committee
- Identification and accurate tracking of proceeds allocated to each project

Management of unallocated proceeds

- Management by Action Logement Services Treasury teams
- Temporary placement of proceeds in deposit accounts or low-risk investment instruments





Use of proceeds - Social Project Categories (1/3)



Categories of projects	Definition	Target Populations	Goals	Sustainable Development Objective
Access to basic services	Adaptation of housing for the needs of ageing residents, maintaining independence	<ul style="list-style-type: none"> Senior citizens (70 years old and +) or people in situation of dependency (GIR 1 to 4), whose net income is lower than the ceiling "modest resources" of the National Agency for the Improvement of the Habitat (ANAH) 	<ul style="list-style-type: none"> Fight against substandard housing Facilitating the maintenance of dependents in housing Improve access to care and the quality of care for elderly and disabled people with limited resources Improve autonomy (home support) and the health status of the population Reduce social inequalities in health 	 <p>3.8 Ensure universal health coverage for all, including financial risk protection and access to quality essential health services and safe, effective, quality and affordable essential medicines and vaccines for all</p>  <p>10.2 By 2030, empower all people and promote their social, economic and political integration, regardless of age, gender, disability, race, ethnicity, background, religion or their economic status or other status.</p>
	Renovation of social healthcare establishments (EMS) and provision of support to EMS managers <ul style="list-style-type: none"> Improvement of reception and care Regeneration Restructuring 	<ul style="list-style-type: none"> Non-profit Public or Private Collective Residences for dependent seniors and people with disabilities 		
	Help for employees in difficulty <ul style="list-style-type: none"> Diagnosis and referral to adapted social services Financial aid (such as refinancing assistance for real estate loans) Emergency housing solutions 	<ul style="list-style-type: none"> Employees experiencing housing difficulties 	<ul style="list-style-type: none"> Fight against substandard housing Exclusion prevention Prevention and fight against precariousness 	



Use of proceeds - Social Project Categories (2/3)




Categories of projects	Definition	Target Populations	Goals	Sustainable Development Objective
Affordable Housing Access (1/2)	Development of the supply of social and intermediate housing (individual or collective) in France <ul style="list-style-type: none"> Capital contributions and loans to social and intermediary landlords Financing of new construction, acquisition, improvement and rehabilitation operations 	<ul style="list-style-type: none"> Social housing bodies and organizations approved for the production of intermediate housing with reduced VAT (Art. 279-0 bis A of the CGI) for the housing of means-tested households 	<ul style="list-style-type: none"> Fight against substandard housing Improving access to housing Employment support in the targeted territory 	 <p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance</p>  <p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>
	Renovation of degraded condominiums <ul style="list-style-type: none"> Transformation into social housing Targeted for demolition-reconstruction 			
	Social Access to Property <ul style="list-style-type: none"> National Sales Operator HLM - creation of a universal tool to accelerate the Social Housing sale to their tenants "Accession Plus" loans for employees buying their Social housing or accessing the property by the lifting of a PSLA option 	<ul style="list-style-type: none"> Sale of HLM: tenants of social housing PSLA: natural persons subject to means-testing 		
	Funding of public policies related to housing <ul style="list-style-type: none"> National Agency for Urban Renovation (ANRU) Housing Property Association National Aid Fund (FNAP) National Agency for Housing Information (ANIL) Heart of the City - National Action Plan 	<ul style="list-style-type: none"> Population of priority neighbourhoods Heart of City: 222 cities identified 		



Categories of projects	Definition	Target Populations	Goals	Sustainable Development Objective
Access to Affordable Housing (2/2)	Solidarity Land Organizations (« OFS »)	<ul style="list-style-type: none">Households under means of resources (PLSA). This criterion is controlled at each and every change to the building guaranteeing the sustainability of the social destination of the dwellings	<ul style="list-style-type: none">Fight against substandard housingImprove access to housingEmployment support in the targeted territoryDiversity	 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
	Mobility Aid Employment-Housing Link <ul style="list-style-type: none">Aid to facilitate the connection between home and work or access to employmentAid for the cover of the depositYouth housing aid	<ul style="list-style-type: none">Employees of non-farm private sector companiesYoung people under 30 years old		 11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums
	Improving habitation standards <ul style="list-style-type: none">Acquisition and rehabilitation of substandard or old degraded housing in city centres	<ul style="list-style-type: none">Precarious population victim of poor housing due to the indignity or un-healthiness of their homeGeography: 6 acceleration territories against unworthy habitat defined by the French government		





Use of proceeds - Environmental Projects Categories (1/2)

Categories of projects	Definition	Target Populations	Goals	Sustainable Development Objective
Energy efficiency	Private park energy renovation works <ul style="list-style-type: none"> Delivered by an approved company (RGE); In accordance with the energy performance standards specified in the EU Energy Performance of Buildings Directive (EPBD) * 	<ul style="list-style-type: none"> Homeowners on reduced incomes Landlords on low-incomes 	<ul style="list-style-type: none"> Fuel poverty reduction 	 <p>7.1 By 2030, ensure universal access to affordable, reliable, and modern energy services</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>
Green buildings *	Transformation of business premises and offices into social and intermediate housing <ul style="list-style-type: none"> Aligned with European "NZEB" building energy standards Compliant with French RT 2012 construction standard 	<ul style="list-style-type: none"> Social housing organizations and organizations accredited for the provision of intermediate housing with reduced VAT application 	<ul style="list-style-type: none"> Avoidance of GHG emissions Soil preservation 	 <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums</p>
	Financing of construction and / or acquisition of social and intermediate housing <ul style="list-style-type: none"> Aligned with European "NZEB" building energy standards Compliant with French RT 2012 construction standard 	<ul style="list-style-type: none"> Social and intermediate housing organizations, means-tested households 		 <p>13. Measures to combat climate change</p>

* Buildings compliant with RT 2012 construction standards in France, aligned with European "NZEB" low energy building standards



Categories of projects	Definition	Target Populations	Goals	Sustainable Development Objective
Prevention and control of pollution	Pollution Prevention and Control (demolition of vacant social housing) <ul style="list-style-type: none">Physical, chemical, biological treatment	<ul style="list-style-type: none">Any HLM organizationGeography: Zones 'B2' and 'C' outside ANRU, eligible for the 'Heart of the City' Action program	<ul style="list-style-type: none">Soil preservation (fight against artificialization)Preservation of biodiversity	 <p>11.1 By 2030, ensure universal access to adequate and safe affordable housing and basic services.</p>  <p>15.3 By 2030, restore land and degraded soils, including lands affected by desertification, drought and floods.</p>

Examples of social impact reporting indicators & environmental

Social Indicators

Project Categories	Examples of impact indicators
Access to basic services	<ul style="list-style-type: none"> • Number of households receiving aid for sanitation facilities • Number of social healthcare institutions supported • Number of employees in difficulty receiving financial assistance and breakdown by type of financial support provided
Access to affordable housing	<ul style="list-style-type: none"> • Number of social housing units built and / or acquired, funded • Environmental Performance Indicators (see "Ecological Buildings") • Number of beneficiaries of financial aid (i.e. households) supporting home ownership • Number of FSOs supported ("Organismes Fonciers Solidaires") • Number of housing units restored for purposes of improving habitation standards

Environmental Indicators

Project Categories	Examples of impact indicators
Ecological Buildings	<ul style="list-style-type: none"> • Number of new and rehabilitated housing units financed • Energy performance of dwellings
Energy Efficiency	<ul style="list-style-type: none"> • Number of renovated dwellings • Energy performance of dwellings • Energy savings (MWh) • Emissions of greenhouse gases avoided (tCO₂equivalent)
Pollution prevention and control	<ul style="list-style-type: none"> • Number of disused dwellings demolished • Number of reconstructed dwellings

Laws / Decrees

- Establishment of Action Logement Group
Decree no. 2016-1408 of 20 October 2016, Article 1 paragraph 3
<https://www.legifrance.gouv.fr/eli/ordonnance/2016/10/20/LHAL1617659R/jo/texte>
- Participation des Employeurs à l'Effort de Construction (PEEC)
Loi du 22 décembre 2018
<https://www.legifrance.gouv.fr/affichCode.do?idArticle=LEGIARTI000037949687&idSectionTA=LEGISCTA000006176366&cidTexte=LEGITEXT00006074096&dateTexte=20181223>
- Reorganisation of the PEEC
Decree no. 2016-1408 of 21 October 2016
<https://www.legifrance.gouv.fr/eli/ordonnance/2016/10/20/2016-1408/jo/texte>
- Approval of ALG's Articles of Association
Decree no. 2016-1681 of 5 December 2016
<https://www.legifrance.gouv.fr/eli/decret/2016/12/5/LHAL1632544D/jo/texte>
- Approval of Action Logement Services (ALS) Articles of Association
Decree no. 2016-1769 of 19 December 2016
<https://www.legifrance.gouv.fr/eli/decret/2016/12/19/LHAL1634067D/jo/texte>
- The five-year agreement 2018-2022
Agreement of 16 January 2018
<https://www.legifrance.gouv.fr/eli/convention/2018/2/8/TERL1736275X/jo/texte>
- The Voluntary Investment Plan
Agreement of 25 April 2019
<https://www.legifrance.gouv.fr/eli/convention/2019/4/25/LOGL1913704X/jo/texte>



Olivier Rico

CEO

Action Logement Services

olivier.rico@actionlogement.fr

+33 (0)1 87 02 12 50



David Delage

Deputy CEO

Action Logement Services

david.delage@actionlogement.fr

+33 (0)1 87 02 12 39



Pierre Auplat

Head of Funding & Investor Relations

Action Logement Groupe

pierre.auplat@actionlogement.fr

+33 (0)1 87 02 59 67

<https://groupe.actionlogement.fr/investor-relations>