Contents

Introduction .................................................................................................................. 3
ESG Strategy .................................................................................................................. 4
  ESG Integration ........................................................................................................... 4
  Climate Change ......................................................................................................... 5
  Coal and Oil Sands Exclusions ................................................................................... 6
  Focus on Real Estate .................................................................................................. 7
  ESG Governance and Risk Management .................................................................... 7
  ESG Ratings ............................................................................................................... 8
Rationale for Issuance .................................................................................................... 9
Alignment with Voluntary Market Principles ............................................................... 9
Use of Proceeds ............................................................................................................ 10
  Exclusions .................................................................................................................. 11
Process for Project Evaluation and Selection ............................................................... 11
Management of Proceeds ............................................................................................ 12
Reporting ....................................................................................................................... 12
External Review ........................................................................................................... 13
Disclaimer ..................................................................................................................... 14
Introduction

The Groupama Group (Groupama) is a French mutual insurance group headquartered in Paris with operations in France and in 9 other countries. Groupama provides a full range of insurance products and asset management services. Founded in 1900, the Group currently employs approximately 31,000 people and has around 11.5 million customers, making it the 9th largest multi-line insurer in France.

Sustainable development is central to Groupama’s identity as an agricultural, mutual insurance company. The Group was founded by farmers to protect their business against a variety of risks, and the core values of the founders have been passed on, generation after generation, for more than a century.

For further details, please visit: https://www.groupama.com/en/
**ESG Investment Strategy**

Environmental, Social and Governance (ESG) considerations are at the heart of Groupama’s investment strategy.

As a responsible insurer, Groupama takes a long-term view of investment strategy, with a heightened focus on risk management, durability and sustainability. Our risk management policy is comprehensive and covers both financial and non-financial aspects. Non-financial aspects mainly include Environmental, Social and Governance (ESG) considerations, with a particular focus on climate risks and opportunities. We select productive, profitable investments, that provide positive and sustainable outcomes in the economy and wider society. Investment opportunities offered to our customers are increasingly oriented towards sustainable investment vehicles (including in our unit-linked businesses).

Our responsible investment strategy guides the activities of all entities within the Group, including Groupama Asset Management (asset management mandates and dedicated funds), Groupama Assurances Mutuelles (infrastructure, private equity and private debt investments), Groupama Immobilier (real estate and forestry) and Groupama Gan Vie (unit-linked investments).

As of 2020, almost 75% of the Groupama Group’s financial assets have integrated ESG and Climate criteria into the investment process.

**ESG Integration**

On the premise that the analysis of ESG components should form an intrinsic part of financial analysis and the credit risk profile of issuers, Groupama Asset Management committed in 2003 to fully integrate ESG analysis into its financial analysis, leading to a single investment recommendation, taking into account both aspects. In 2016, Groupama Asset Management decided to integrate ESG even further by merging both ESG analysis and financial analysis into a single investment analysis process. All analysts have benefited from both financial and non-financial training, enabling them to equally apply credit, equity and ESG analysis. The combination of financial and non-financial aspects is particularly suited to the Groupama Asset Management’s approach to asset management, which is based on investment conviction, with a medium to long-term investment horizon.
The integrated financial analysis at Groupama Asset Management materializes three main beliefs:

- ESG criteria integration helps to address a ‘triple transition’ challenge: demographic (ageing population, rising inequalities), digital economy, and low-carbon energy transition;
- Focus on ESG also helps identify growth opportunities in our portfolios, and is a likely indicator of potential out-performance in the medium to long-term;
- ESG analysis helps to identify non-financial risks in the portfolio, facilitating risk management and protecting asset value.

Regarding equities and corporate bonds, our analyst teams derive a quantitative score based on key ESG issues: for each sector, criteria considered to be relevant and material are selected and weighted accordingly. This approach leads to quantitative scores over a large universe.

For sovereign bonds, the assessment of country risk also includes ESG components that constitute one of the four pillars of the rating. The approach aims to capture the potential impacts of environmental, social and political factors in a country’s business climate.

This integrated analysis leads to an internal ESG rating which is included in investment recommendations for Groupama’s portfolio managers.

Full details of Groupama’s ESG investment policies are available on the company’s website.¹

Climate Change

Groupama Asset Management has developed an analysis of climate risks and opportunities for tradable securities held within the Group’s portfolios.


These carbon-intensive sectors are identified as those which are best placed to develop new business strategies and harness new technologies to reduce greenhouse gas emissions associated with their activities. All investments in these sectors are subject to analysis by the Groupama Asset Management research team.

For each of the investments held within the management mandates, the analysis methodology consists of:

- Identifying those issuers whose business models are most exposed to climate change risk (both physical risk and transition risk);
- Identifying those issuers who are best positioned to capitalise on anticipated energy and ecological transition trends.

¹ https://www.groupama.com/en/analysts/responsible-investor/
Groupama Asset Management applies a quantitative analysis, based on four indicators:

1. **Carbon intensity**: measured in tCO2e/M€. Carbon intensity measures the volume of GHGs emitted per one million euros of revenue. This carbon intensity is measured as the sum of Scope 1 (direct emissions from company operations), Scope 2 (indirect emissions linked to the consumption of electricity, heat or steam), and Scope 3 (other indirect emissions linked to the company’s value chain);

2. The company’s revenues derived from “green” activities, in the context of the energy and ecological transition;

3. The NEC (Net Environmental Contribution): this indicator, calculated by I-Care & Consult, assesses the positive or negative contribution of the issuer to the energy and ecological transition in 5 key areas: climate, biodiversity, waste & resources, air quality and water management;

4. The company’s Environmental Rating as provided by the ESG rating agency Vigéo Eiris (V.E).

In combination with this quantitative approach, Groupama Asset Management also applies a qualitative environmental analysis run by its Research team which focuses on global environmental issuer performance – both in terms of adaptation to, as well as anticipation of, climate risks.

### Coal and Oil Sands Exclusions

Coal plays an important role in global warming because its extraction and use is a significant source of GHG emissions. The objective of excluding the thermal coal sector from the Groupama portfolio is to reduce the investment exposure to climate risk (transition risk). Groupama uses the Global Coal Exit list\(^2\), as published by the German NGO Urgewald, in developing its approach.

On that basis, we have excluded all issuers:

- whose revenue or electricity production mix relies at least 20% or more on thermal coal;
- whose annual coal production is more than 20 MT;
- whose installed capacity of coal-fired power plants is more than 10 GW; or,
- who are developing new coal activities/businesses.

These criteria will be regularly reviewed so that by 2030, Groupama will have no exposure to thermal coal in its entire investment portfolio of issuers based in the EU or in OECD countries. By 2040, this will apply to all issuers.

Extraction and processing of oil sands has a very significant negative impact on the environment (including potential for deforestation, toxic products release, significant GHG emissions) and, for this reason, Groupama has also excluded all issuers from the Oil & Gas sector whose reserves comprise more than 15% oil sands.

Full details of Groupama’s Climate Change Policy and approach are available on the company website.\(^3\)

---

\(^2\) [https://coalexit.org/](https://coalexit.org/)

Focus on Real Estate

Real estate assets play a crucial role in the achievement of sustainability goals, both from a basic societal need perspective and in their potential to make an important contribution to the fight against climate change (buildings are responsible for roughly 30% of carbon emissions in France).

Environment and Climate are key pillars of Groupama Immobilier’s strategic growth plans. Improving energy efficiency via refurbishment and taking into account ecological and environmental criteria when building or operating properties is a key priority for Groupama, as well as for the French Government.

Groupama Immobilier is focused on real estate resiliency and has set out three, key action areas to mitigate risks, including climate risk:

- Responsible investments to lower environmental risks and improve overall real estate resiliency;
- Constantly improving the environmental quality of its real estate portfolio to reinforce the asset resiliency; and
- Reinforcing resiliency via direct actions between Groupama Immobilier and its tenants, such as annual green committees to discuss how buildings are being used.

Groupama Immobilier aims to ensure that the greatest part of its commercial real estate investment portfolio ultimately benefits from environmental certifications such as HQE, BREEAM and LEED. Groupama Immobilier was also granted ISO 14001 certification in 2018 (renewed for 2019).

Forestry assets contribute to climate risk mitigation by acting as a store of carbon, serving as the world's second-largest carbon sink, after the oceans. Forests also act as a biodiversity reserve. To assure all our forests’ benefits, Groupama, being the third-largest forest owner in France with nearly 22,000 hectares of forest, continues to work on maintaining and further enhancing its quality.

For its forestry assets, the Group has identified three main risks: storms, forest fires and pests. Climate change has likely exacerbated these risks. Groupama Immobilier has put in place risk mitigation measures to address these risks, including shortened forestry production cycles, adapted tree species, enhanced access roads and water management infrastructure maintenance, and fire monitoring systems.

ESG Governance and Risk Management

Risk management is at the heart of Groupama’s strategy and governance. In order to better manage and mitigate the risks to which it is exposed, the Group has in place a global risk management system. Since 2016, the risk management system is also based on the ORSA (Own Risk and Solvency Assessment) framework, and the operation of the system is complemented by an annual report.
Effective governance of the risk monitoring system is ensured at the Group level via:

- The Group Risk Committee, made up of members of the Group Executive Committee and the Head of Risk Management;
- Risk committees by risk family (insurance, financial, operational and conformity).

The Group Risk Department oversees all activities in financial management, in insurance and all matters related to the Group’s solvency.

Illustrative chart: Governance of the Sustainable Investment Strategy

ESG Ratings

Groupama currently holds the following ESG Ratings:

- MSCI: A
- Sustainalytics ESG Risk Rating: 24.0 (Medium Risk)
- ISS-ESG: C, Prime

*ESG Ratings are subject to change, these details are correct as of the Framework date.
Rationale for Issuance

Groupama recognises that the insurance industry and the broader financial services industry have an important role to play in the transition towards more sustainable, lower carbon economies; both through the products and services which they provide and the financial assets which they manage and in which they choose to invest. Groupama is committed to helping improve the comparability and standardisation of sustainability reporting in the insurance industry.

Sustainable investments and financing need significant scaling up in order to reach the United Nations’ Sustainable Development Goals, and the objectives of the Paris Agreement. Our aim is to contribute to a growing market of sustainable bonds and stimulate the market for sustainable investments and financing and to emphasize our intention to contribute to the transition to a lower-carbon economy.

By establishing this Framework under which green bonds may be issued, we want to provide fixed-income investors with an opportunity to support Groupama’s objectives in this area, as well as to help investors’ meet their own responsible investment objectives.

Alignment with Voluntary Market Principles

The Green Bond Principles (‘GBP’) 5 2021 are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green Bonds. This Framework aligns with the four core components of the 2021 GBPs: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting. We have also taken into account the ‘EU Taxonomy’ 6 on environmentally-sustainable economic activities in determining eligible Uses of Proceeds.

Use of Proceeds

An amount equal to the net proceeds raised by the issuance of the relevant debt instrument will be used to finance or re-finance, in whole or in part, the Eligible Green Assets as defined below. Such financing of Eligible Green Assets may occur at the level of any relevant entity within the Group.

Groupama intends to allocate an amount equal to the net proceeds raised by the issuance to the Eligible Green Assets where financing has taken place within a 3-year period preceding the date of the issuance, and/or where financing takes place within a 3-year period following the date of issuance.

<table>
<thead>
<tr>
<th>Green Bond Principles Category</th>
<th>Eligibility Criteria</th>
<th>Example Impact Metrics</th>
<th>Relevant Sustainable Development Goals</th>
</tr>
</thead>
</table>
| Green Buildings                | (i) Investments in real estate developments that have received, or are expected to receive:  
- BREEAM® Certification (Outstanding or Excellent certification levels); or,  
- LEED® Certification (Platinum or Gold certification levels); or,  
- HQE® Certification (Exceptional or Excellent certification levels)  
(ii) Investments in real estate developments meeting the following criteria:  
- The Primary Energy Demand (PED) resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements; | CO2 emissions avoided, tCO2e Number and level of certificates by scheme | SDG 11 – Sustainable Cities and Communities |
| Renewable Energy               | Investments relating to the construction, development, acquisition, maintenance, and operation of renewable energy projects, including:  
- solar and wind power,  
- hydropower where the electricity generation facility is a run-of-river plant and does not have an artificial reservoir | CO2 emissions avoided, tCO2e | SDG 7 – Affordable and Clean Energy |

7 Note that Groupama is acting in the role of investor as opposed to developer of eligible projects and is consequently reliant on the relevant project developer making the necessary data available on a timely basis for the purposes of impact reporting.
8 [https://www.breeam.com/](https://www.breeam.com/)
9 [https://www.usgbc.org/](https://www.usgbc.org/)
12 Includes investments in funds managed by external managers, listed and unlisted infrastructure equity investments.
Green Bond Principles Category | Eligibility Criteria | Example Impact Metrics\textsuperscript{13} | Relevant Sustainable Development Goals
--- | --- | --- | ---
Environmentally sustainable management of living natural resources and land use | Reforestation and afforestation projects in France\textsuperscript{14} holding PEFC\textsuperscript{15} sustainable forestry certifications | Hectares (ha) of forest area established | SDG 15 – Life on Land
Clean Transportation | Investments relating to the development, construction, acquisition, maintenance, and operation of electric rail infrastructure and electric rolling stock for both passenger and freight transportation. Investments relating to the development, construction, acquisition, maintenance, and operation of Electric Vehicle charging infrastructure | CO2 emissions avoided, tCO2e | SDG 11 – Sustainable Cities and Communities
Energy Efficiency | Investments/financing dedicated to the manufacturing, installation, maintenance and repair of the following energy efficiency devices and technologies: | CO2 emissions avoided, tCO2e | SDG 11 – Sustainable Cities and Communities
- Smart grids and smart metering systems which facilitate grid decarbonisation and/or energy efficiency
- Building automation and control systems
- Energy storage (battery)

Exclusions

Allocations will be made strictly in accordance with the Use of Proceeds eligibility criteria as specified above. For the avoidance of doubt, there will be no allocations to activities in the fossil fuel, nuclear, weapons/defence, alcohol, tobacco or gambling industries.

Process for Project Evaluation and Selection

To ensure that allocations are made to Eligible Green Assets as specified above, Groupama will establish a Green Bond Committee. The Green Bond Committee will be responsible for:

- Ensuring the proposed allocations are aligned with the relevant Groupama policies;
- Ensuring the proposed pool of Eligible Green Assets is aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the register of Eligible Green Assets if the existing assets no longer meet the eligibility

\textsuperscript{13} Note that Groupama is acting in the role of investor as opposed to developer of eligible projects and is consequently reliant on the relevant project developer making the necessary data available on a timely basis for the purposes of impact reporting.

\textsuperscript{14} Reforestation and afforestation projects in France are subject to the environmental protection measures developed by the National Forestry Office of France: [https://www.onf.fr/onf/+63f::cahier-national-des-prescriptions-exploitation-forestiere-cnpef.html](https://www.onf.fr/onf/+63f::cahier-national-des-prescriptions-exploitation-forestiere-cnpef.html)

\textsuperscript{15} [https://www.pefc.org/](https://www.pefc.org/)
criteria (e.g., following divestment, liquidation, technology switch, concerns regarding ongoing alignment with eligibility criteria etc.);
• Reviewing and approving allocation and impact reports, where relevant, and;
• Periodically reviewing and updating this Framework as and when deemed necessary.

The Green Bond Committee will be comprised of the following representatives/functions or their delegates:

• Group CFO
• Investment Department
• Corporate Social Responsibility Department (RSE 16)
• Investor Relations Department

The Committee will meet on an annual basis to review proposed allocations and ensure these are made in line with the Eligible Green Assets, as defined above.

Management of Proceeds

The Company will establish an internal process within the Finance department to define a pool of eligible assets and the Finance department will track allocations to a combination of specific assets or a portfolio of eligible assets, matched to the Green Bond proceeds.

Pending allocation, proceeds will be utilised, managed or held on a temporary basis where required in accordance with the relevant internal treasury policies.

Reporting

Within one year of issuance, and annually thereafter until the proceeds are fully allocated, Groupama will make available an External Report on its website. This will include (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data.

It is anticipated that the Allocation Report will include:

• Total amount of proceeds allocated to Eligible Assets, split by category;
• Proportion of allocation to refinancing (i.e. to eligible investments which have been made prior to the date of the Green Bond issuance) versus financing (i.e. to eligible investments which have been made subsequent to the date of Green Bond issuance); and,
• Details of any unallocated proceeds, where relevant.

Groupama will also report on selected environmental impacts of its Eligible Assets, subject to the availability of suitable information and data.

16 RSE – Responsabilité Sociale Entreprise (Corporate Social Responsibility)
External Review

Sustainalytics has provided a Second Party Opinion on the Groupama Green Bond Framework. The Second Party Opinion is available on the Sustainalytics website.\(^{17}\)

Groupama also intends to commission an independent review after full allocation of the Green Bond proceeds, with the intention of confirming that the Green Bond proceeds have been allocated in accordance with the Use of Proceeds specified in this framework document.

Disclaimer

This document is intended to provide non-exhaustive, general information. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Groupama and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Groupama as to the fairness, accuracy, reasonableness or completeness of such information.

This document may contain statements about future events and expectations that are forward looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. The information contained in this document is provided as at the date of this document and are subject to change without notice. Groupama has and undertakes no obligation to update, modify or amend this document or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This document is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority.

The distribution of this document and of the information it contains may be subject to legal restrictions in some countries. Persons who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The information in this document has not been independently verified.

The addressee is solely liable for any use of the information contained herein and Groupama shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this document by the addressee.
This Framework is provided as of the date hereof and represents current Groupama policy and intent, is subject to change without notice and is not intended nor can be relied on, to create legal relations, rights or obligations. None of Groupama, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise any statements in this Framework, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Framework is provided for information purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of Groupama. Any decision to purchase any Groupama Green Bonds should be made solely based on the information to be contained in any offering document or prospectus produced in connection with the offering or the listing of such bonds and not these materials. Investors should pay special attention to any sections of such offering related documents describing any risk factors. Prospective investors are required to make their own independent investment decisions and seek their own professional advice, including an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of a purchase of any Groupama Green Bonds.

Neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution.

No representation is made as to the suitability of any Groupama Green Bonds to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Groupama Green Bonds should determine for itself the relevance of the information contained or referred to in this Framework or the relevant bond documentation for such Groupama Green Bonds regarding the use of proceeds and its purchase of Groupama Green Bonds should be based upon such investigation as it deems necessary.

Groupama has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with Groupama Green Bonds. However, it will not be an event of default or breach of contractual obligation under the terms and conditions of any Groupama Green Bonds if Groupama fails to adhere to this Framework, whether by failing to fund or complete eligible Green projects or to ensure that proceeds do not contribute directly or indirectly to the financing of any excluded activities, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy, changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the anticipated benefits of these initiatives, including the funding and completion of eligible Green projects. In addition, each environmentally focused potential purchaser of Groupama Green Bonds should be aware that eligible Green projects may not deliver the environmental benefits anticipated and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of Groupama Green Bonds or any other person might otherwise have in respect of this Framework or any Groupama Green Bonds as a result of any failure to adhere to or comply with this Framework is hereby disclaimed to the fullest extent permitted by law.