



AFL

SUSTAINABILITY BOND REPORT

2024

With the Covid-19 crisis, the invasion of Ukraine, the resurgence of inflation and the re-election of Donald Trump, the start of the 2020s is an extremely complex time for Europe. The Western model, and Europe in particular, is under pressure. Political instability in France is making it difficult to reverse the debt curve, and the rating agencies are sanctioning this uncertainty. A move into the Simple A zone could have a significant impact on French debt holdings, both for the French government and for the rating agencies.

Against this backdrop, local authorities have been faced with a dual challenge: on the one hand, investing in the ecological transition in a world where adapting to climate change is becoming as vital as working to reduce it. On the other, they had to cope with the increasing scarcity of public funds, given the budgetary efforts required at national level.

As a responsible financing tool for local authorities, AFL channels the savings of investors operating on the financial markets towards the financing of the investment of French authorities. In line with the social and environmental commitments of its shareholder members, AFL chose to formalize its overall contribution to sustainable development goals and make it better known by committing to an ESG approach. This approach relies on three levels: to reaffirm AFL identity and specificities

in the local authority funding landscape by adopting a corporate purpose, values and deepening governance and transparency towards stakeholders; to strengthen AFL commitments as a company (homeworking, soft mobility, professional disconnection, gender equality, electronic signature of documents, etc.) and to provide French local authorities with sustainable resources, without sacrificing the untargeted nature of the funding.

To this end, AFL set up a sustainability bond issuance program in 2020. Sustainable bonds are offered to sustainable investors or investors with sustainable investment portfolios or simply anxious to allocate their savings to investments serving the transition to a sustainable world. The issuance of sustainable bonds therefore contributes to disseminating the principles of sustainable finance.

On July 9, 2020, AFL carried out its first sustainable bond issue, in the amount of €500 million with a maturity of seven years.

On January 18, 2022, AFL carried out a new sustainable bond issue of the same size and with a maturity of seven years. These two issues, 18 months apart, were a resounding success with the investor community, who appreciated the quality and transparency of the framework that AFL has established.

Assessed by Moody's Ratings, our framework encompasses two major advantages: it allows all types of local authorities, including small municipalities to access to sustainable financing and it prevents local authorities from many operational and administrative complexity (structuring a framework, providing reports and details on projects). Banks and local authorities alike need to reduce the reporting burden.

These last are fully devoted to making ecological transition progress. They are committed to having the bank they have created fully capable of providing them with sustainable means to meet this challenge.



By **Yves Millardet**, Chairman of the AFL Management Board.



CONTENTS

01

About
AFL
p04

03

AFL funding
strategy
p13

05

AFL Sustainability
Bond 2020 use of
proceeds reporting
p24

07

Contacts
p50

02

ESG at the very
heart of AFL
model
p07

04


AFL
Sustainability
Bond framework
p18

06

AFL Sustainability
Bond 2022 use of
proceeds reporting
p37



This document is an updated version of AFL SB common report (incl. 2nd rep. for SB#1 and 1st rep. for SB#2 – published in January 2023) - with *data as of december 31st 2023*.



01

About
AFL

01 AFL : THE FRENCH LOCAL GOVERNMENT FUNDING AGENCY



Public Development Bank dedicated to the funding of French local authorities



Local authorities : only shareholders, only borrowers, only guarantors.

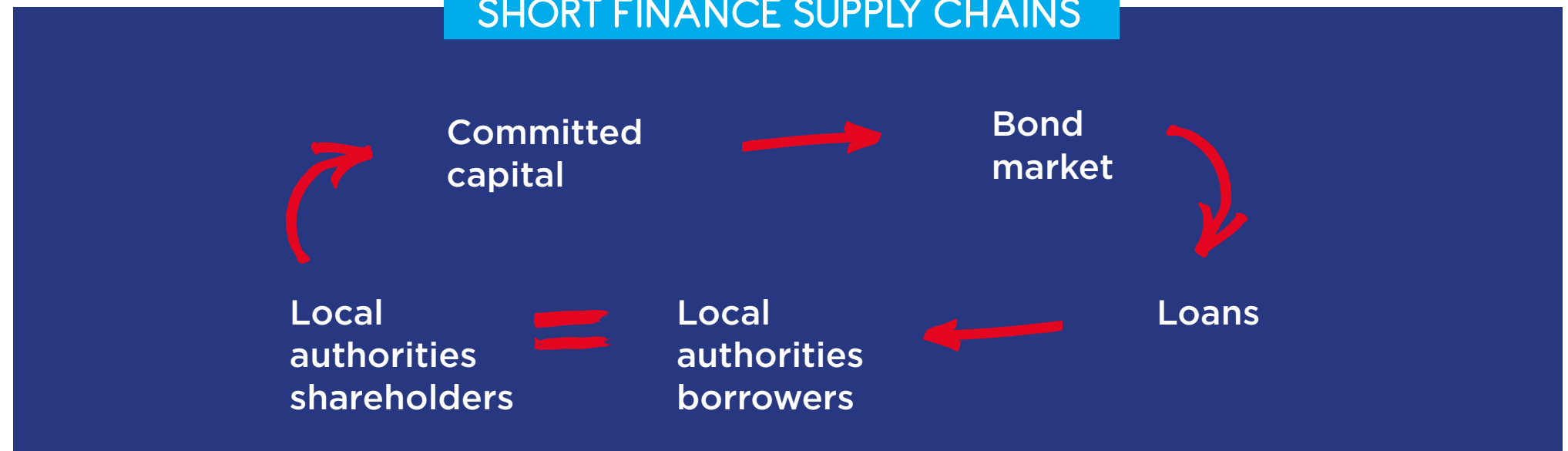


Authorized by the banking law dated **26 July 2013**



The mission of AFL is to embody a **responsible finance to strengthen the local sector's empowerment so as to better deliver the present and future needs of its inhabitants.**

SHORT FINANCE SUPPLY CHAINS



Regions

Main responsibilities: **Economic development, transports and high schools**



Departments

Main responsibilities: **Social work, public roads and middle schools**



Groupings of local authorities

Main responsibilities: **share investments in transport, sewerage, waste management, wire...**



Local public entities

Manage public services on behalf of a local authority in areas such as fire fighting, social support, ...



Municipalities

General competency at local level (mainly housing, environment, primary schools...)

KEY FIGURES

[AS AT 6 NOV 2024]

FitchRatings

AA – (Negative) / F1+

S&P Global

Ratings

AA–(Stable) / A–1+

MORE THAN

€12,5 BILLION

Raised by AFL on bond market since 2015

€2,4 BILLION

Raised by AFL on bond market in 2024

990

Member local authorities

MORE THAN

50%

Of French inhabitants live in a AFL member local authorities

25%

Share of AFL member local authorities' debt among French public local debt

MORE THAN

€9 BILLION

Loaned to local authorities since 2015

3TH LARGEST LENDER

To French local authorities
(source : Finance Active 2024)

€1,9 BILLION

Of loans granted to members in 2023

OVER

85%

Share of loans' consultations in which AFL was selected in 2023





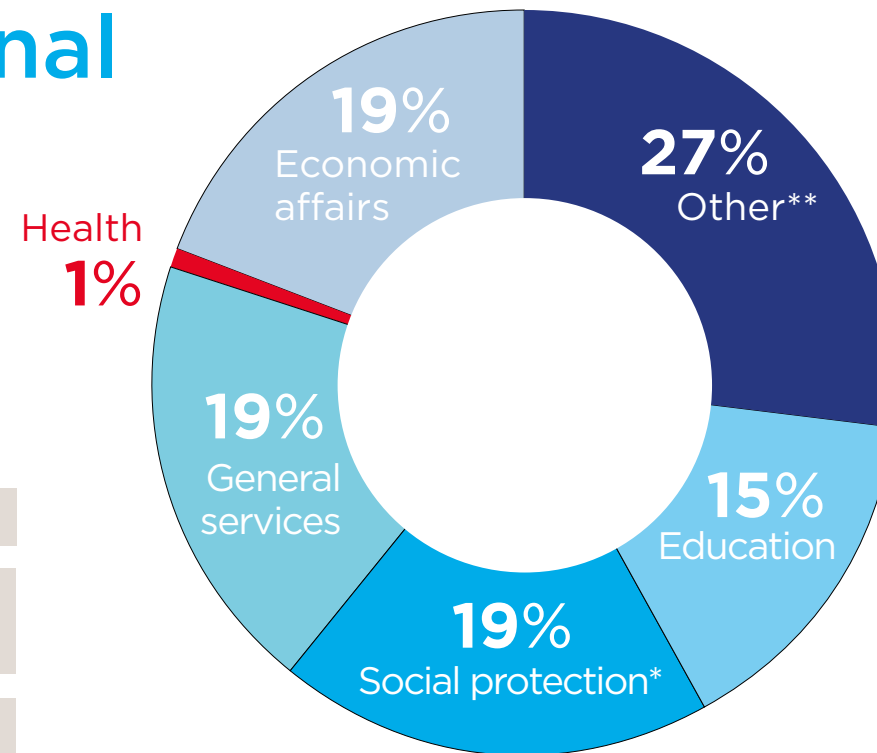
ESG at the very
heart of AFL
model

FRENCH LOCAL AUTHORITIES : KEY ACTORS IN ECOLOGICAL TRANSITION

% of subnational government expenditure

The main categories of French Public Local Authorities investment expenditures are:

- economic affairs and transport
- social protection (mainly the municipalities and the departments)
- public services and education



* Social protection expenditure includes both capital and current expenditure.

** Other: housing and community amenities; security and public order; recreation, culture and religion; environmental protection.

Source: OECD (2018), Subnational governments in OECD Countries: Key Data

75%

of leverage to success ecological transition
Belong to local authorities

(according to french low carbon wstrategy, March 2020)

50%

of french greenhouse gas emissions are directly or indirectly determined by local authorities investments

(according to ADEME)

€7 TO 9 BILLION

have to be invested every year by French government by 2030 to fulfill national commitments

FRENCH LOCAL AUTHORITIES : COMMITMENTS TO THE NATIONAL LOW CARBON STRATEGY

2010

Obligation for local authorities to produce and present a report on the sustainable development situation ahead of the debate on budget guidelines (DOB).

2015

Signing of the Paris Agreement, in which countries undertook to limit the average temperature increase to 2°C.

Adoption of the first National Low Carbon Strategy, aimed at reducing greenhouse gas emissions by a factor of four by 2050. This strategy applies to all local authorities at regional and inter-municipal level.

Introduction of Regional Climate, Air and Energy Plans (PCAET), which are strategic and operational planning tools that allow local authorities to achieve the following targets: the reduction of greenhouse gas emissions, adaptation to the effects of climate change and the improvement of air quality.

2017

The Climate Plan set more ambitious targets for France, including achieving carbon neutrality by 2050.

2019

Enshrining of the carbon neutrality target in law in the energy and climate act.





FRENCH LOCAL AUTHORITIES : SOME EXAMPLES OF ACTIONS TO CONTRIBUTE TO THE NATIONAL LOW CARBON STRATEGY

THE ENERGY RENOVATION OF BUILDINGS

The Tertiary Eco-Efficiency Mechanism (DEET) imposes the reduction of the energy consumption of buildings by 40% by 2030, by 50% by 2040, and by 60% by 2050 compared with 2010, and covers all buildings or premises used for business or tertiary purposes whose surface area is greater than or equal to 1,000m².

THE REDUCTION OF THE ARTIFICIALIZATION OF SOILS

The Climate and Resilience Act adopted in 2021 set a target, for 2023, of halving the rate of artificialization compared with the use of spaces seen since 2010, and achieving zero net artificialization (ZAN) by 2050.

THE INTRODUCTION OF LOW EMISSION ZONES (LEZ)

The Climate and Resilience Act extends the obligation to introduce an LEZ to local authorities with more than 150,000 inhabitants. The producing of a local sustainable transport policy: the Transport Code makes the producing of a Transport Plan mandatory for AOMs (Transport Organizing Authorities) whose regional scope includes more than 100,000 inhabitants.

ENERGY EFFICIENT PUBLIC LIGHTING

The Environment Code identifies systems to which a policy applies intended to prevent, reduce and limit energy consumption.

THE GREENING OF THE VEHICLE FLEETS OF LOCAL AUTHORITIES

Article 76 of the Transport Strategy Act (LOM) imposes a minimum proportion of low carbon footprint vehicles when local authorities purchase or replace vehicles from their fleets.

THE DECARBONIZATION OF MASS CATERING

The Egalim Act adopted in 2018 sets a target of a rate of provision of 50% responsible, high quality products, including 20% organic products.

AFL'S BUSINESS MODEL IS AT THE VERY HEART OF SUSTAINABLE FINANCE

AFL chose to formalize its overall contribution to sustainable development goals and make it better known by committing to an ESG approach.

ESG Commitments



A UNIQUE GOVERNANCE : TRANSPARENCY & INDEPENDENCE

A dual company governance to prevent conflicts of interests :

- **Local authorities** are the only shareholders of the financial company ;
- **A credit institution governed** by independant banking experts.



3 core
values

expertise
transparency
solidarity



A COMMITMENT TO FINANCE A SUSTAINABLE DEVELOPMENT : FROM FUNDING TO LOANING

- **A funding strategy that encourages a diversity** of debt instruments and of the investor base ;
- **A conservative liquidity policy with a commitment to build a sufficient liquidity reserve** to maintain operationnal activities for a period of twelve months ;
- **A loaning activity 100% dedicated to local authorities projects** ; AFL participates in the financing of local authorities' investments in social and environmental areas.
- AFL is committed **to offer similar loan pricing** for same internal scoring.



A RESPONSIBILITY AS A COMPANY TO DEPLOY A POSITIVE IMPACT

- **As a partner of national bodies of elected representatives for many years**, AFL signed and deployed several structuring partnerships (ADEME, Comité 21, ANCT...) ;
- **AFL strengthened its expertise at the service of local authorities** (publication of studies, barometers, development of training courses...) ;
- **AFL also takes various commitments** to reduce environmental footprints and promote social well-being.

EXAMPLES OF CORPORATE RESPONSIBILITY



CSR GOVERNANCE

- Corporate responsibility is deeply rooted in our bank's DNA and as such, CSR considerations are embedded within our decision-making process. Consequently, all governing bodies are involved in the governance of CSR issues as part of their duties and a CSR Climate & Sustainable Finance Committee drives CSR roadmap.
- **Three committees assist the Board also act on CSR issues :** the strategy and sustainability committee, the remunerations, appointments and corporate governance committee and the risks committee.
- **Compensation objectives :** In 2023, CSR criteria were introduced into the compensation objectives for members of the Management Board.



DISTRIBUTION OF ECONOMIC VALUE

- AFL Group **does not pursue an objective of shareholder value maximization.**
- **Value is directed towards all stakeholders :**
 - Borrowers with competitive loan pricing
 - Investors with regular, predictable bond issuance
 - Annual profits added to retained earnings to build up the capital base with a pay out ratio set at a maximum of 5% retained earnings.




ENVIRONMENTAL COMMITMENTS

- AFL wished to carry out its Bilan Carbone© (carbon footprint assessment) for the second time according to the official methodology.
- In 2022, a total of 460 tonnes of CO2 were emitted by AFL (internal scopes 1-2 and 3), equal to 10 tonnes per employee, a figure 40% lower than the average for public banks and financial institutions.



SOCIAL POLICIES

- Applying an anti-discrimination policy and promoting professional equality. Although it is not subject to the application of a gender equality index because of the size of its workforce, AFL has nonetheless decided to publish it proactively.
- **Spotlight on the methodology :**
 - 4 measurement indicators*
 - The gender pay gap, with a score out of 40;
 - The gender pay rise gap, with score out of 35;
 - The percentage of female employees receiving a pay rise after maternity leave, with a score out of 15;
 - Parity between women and men among the 10 highest paid employees, with a score out of 10.
- **The gender equality Index : 87/100 (within the national average).**



03

AFL
funding
strategy



THE SECOND SUSTAINABLE BOND WAS PART OF AFL'S FUNDING PROGRAMME



AFL's funding programme

A dedicated Sustainable Bond programme to refinance eligible loans granted to French Local Authorities.

Long term commitment to issue at least a sustainability bond every two years (2022)

EMTN PROGRAMME

- **A multicurrency €20Bn EMTN programme that allows to issue medium to long term** notes in various currencies in the form of public or private placement transactions.
 - Long term commitment to issue at least one Euro denominated benchmark per year.

ECP PROGRAMME

- **A short term €1Bn ECP programme :**
 - Issuance in various currencies (such as EUR, GBP, USD...) for maturities up to 1 year.
 - STEP registered (eligible as collateral for open market operations of the ECB).
- **Up to €750Mn of short-term funding in 2024** in the form of ECP transactions.

€2.5BN OF MEDIUM- AND LONG-TERM FUNDING IN 2024

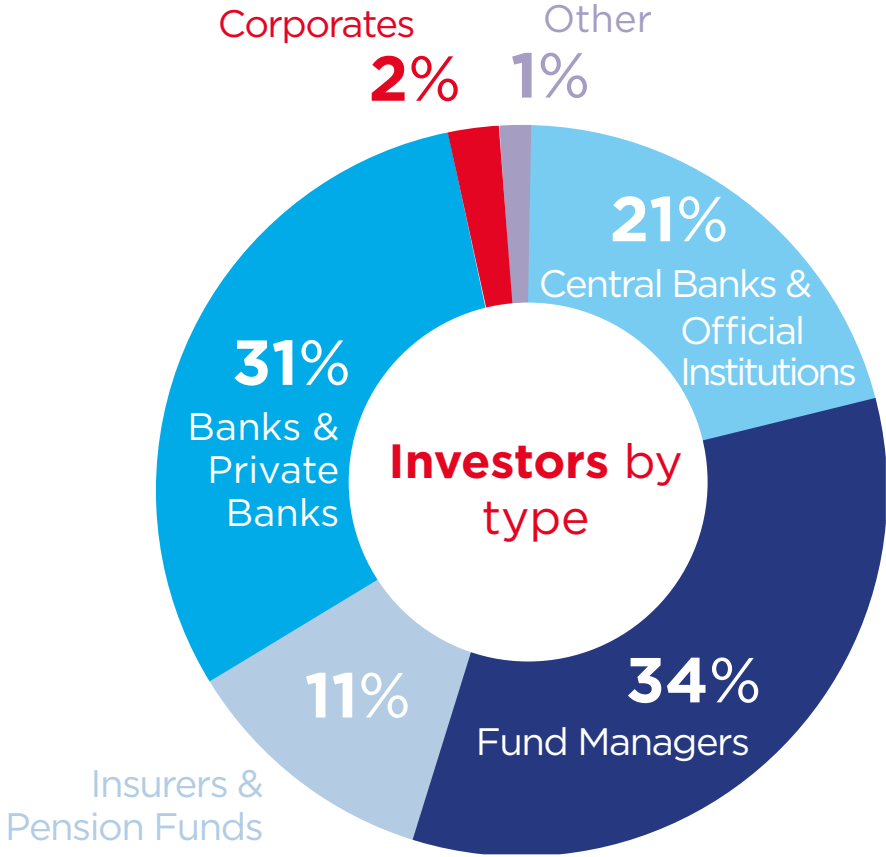
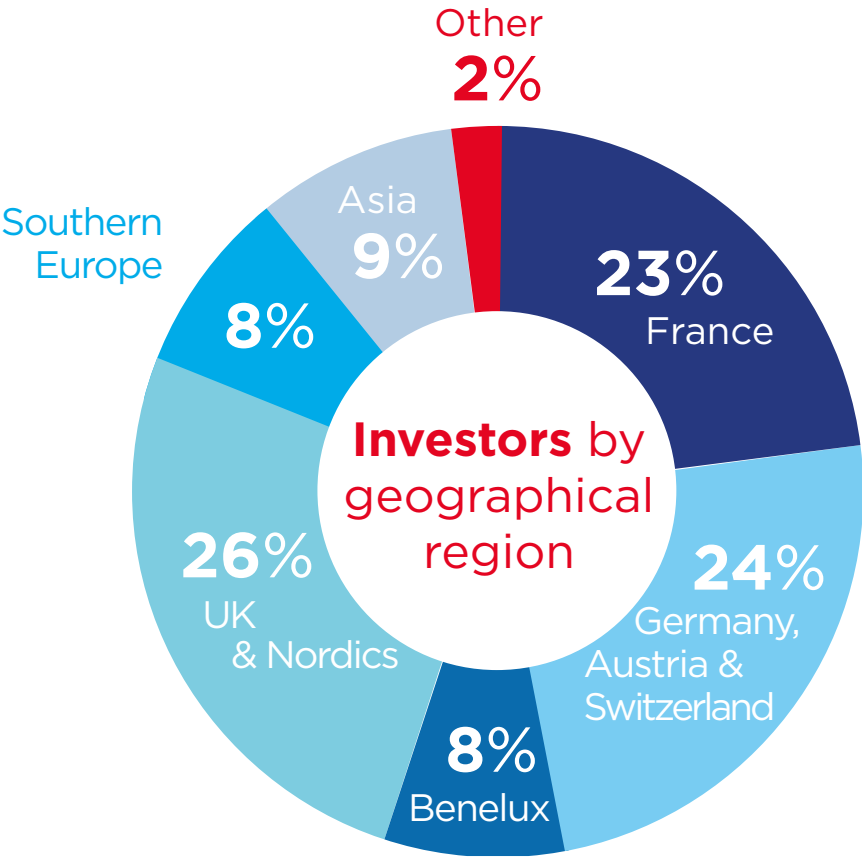
- Euro denominated listed benchmark; Opportunistic multicurrency private placements; Taps of existing Euro bonds; Other currencies public transactions (GBP, CHF for instance).



AFL'S FUNDING STRATEGY : MAIN FACTS

[AS AT 30 SEPT 2024]

	June 2025	June 2026	July 2027	Sept 2027	June 2028	March 2029	March 2030	March 2031	Dec 2031	March 2034	April 2034	June 2038
Outstanding Amount (in M)	£500	€675	£250	€500	€1000	€500	€1000	€1000	€500	€1000	CHF110	€500
Coupon	1.375%	0.125%	4.75%	0.00%	1.125%	0.20%	3.00%	0.00%	3.25%	3.125%	1.4778%	3.625%



12 LISTED
PUBLIC EURO
DENOMINATED
BENCHMARKS

under EMTN programme
have been launched by
AFL

MORE THAN
€11.8
BILLION

raised by AFL
on bond market
since 2015

MORE THAN
300
INVESTORS

have been participating
in AFL's transactions
since the beginning

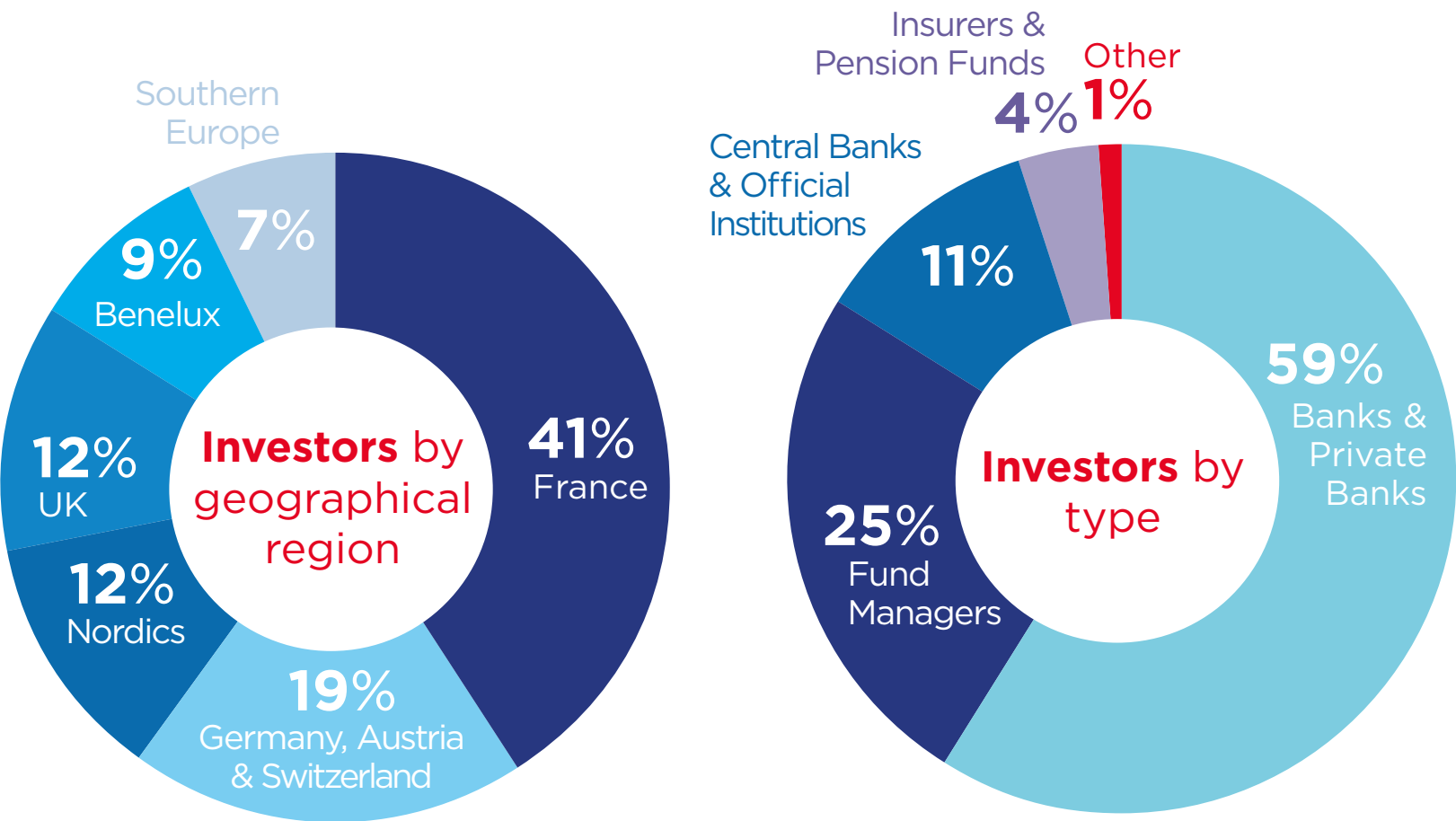
SUSTAINABILITY BOND ISSUE

(JULY 2020)

It is in this context that, on July 13, 2020, **AFL carried out its first issue of sustainable bonds in the amount of €500 million**, contributing significantly to the total resources raised on the bond market in 2020, the amount of which reached €1,130 million, bringing the outstanding debt to €5,296 million under IFRS.

In addition, this issue of sustainable bonds, which attracted a significant number of new investors, is an important step in AFL’s issuance strategy and its positioning as a public player committed to responsible market finance.

The graphs below show the distribution of the sustainable bond issue: geographically and by type of investor:



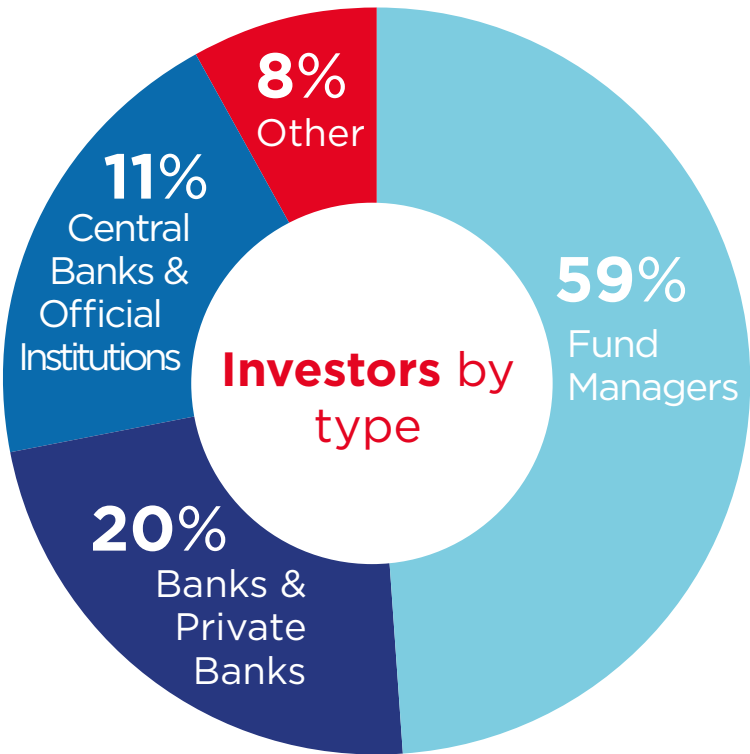
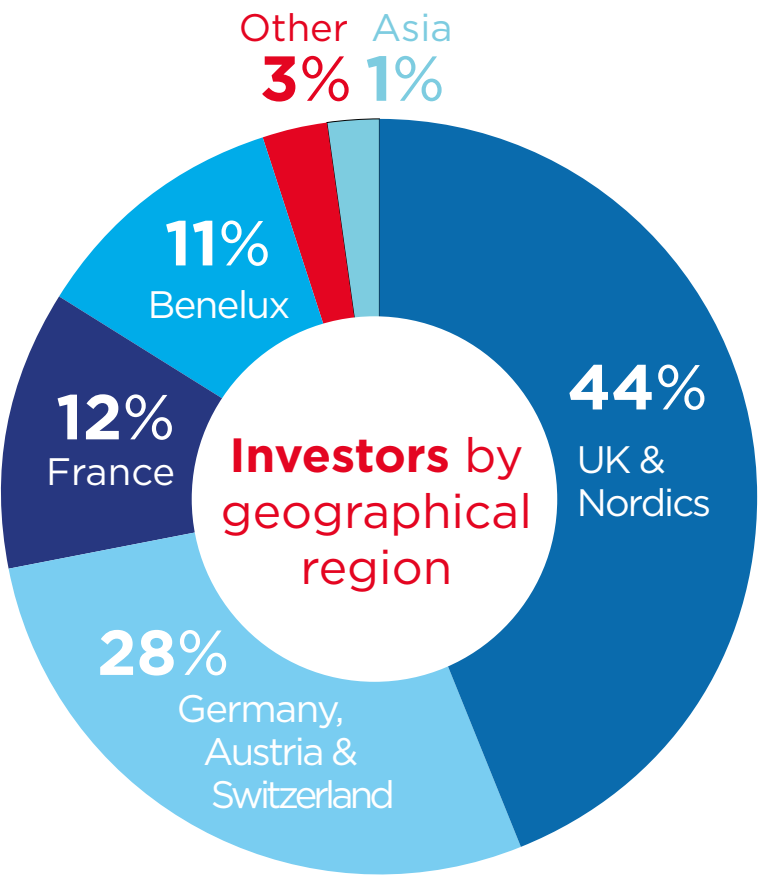
SUSTAINABILITY BOND ISSUE

(JANUARY 2022)

In January 2022, **AFL, raised €500 million by launching its second sustainable bond issue with a 7-year maturity.** This eighth public benchmark issue since the creation of AFL was very well-received with a diversified order book in excess of €2,2 billion and 75 accounts from various sources. This is a new demonstration of the quality of the sustainability bond framework that AFL established in 2020.

It has allowed to refinance a total of € 1 billion of sustainable investments for all its member local authorities.

The graphs below show the distribution of the sustainable bond issue: geographically and by type of investor:



An aerial photograph of a city, likely Lyon, France, showing a river (Rhône) flowing through the urban landscape. The city is densely packed with buildings, and there are green spaces and trees. A large blue circle is overlaid on the center of the image, containing the number '04' and the text 'AFL Sustainability Bond framework'. A red location pin is positioned at the top of the blue circle.

04

AFL Sustainability
Bond framework



HISTORY OF THE SUSTAINABILITY BOND PROGRAM

- To formalize and make public its overall contribution to sustainable development goals, **AFL launched a project to issue Sustainability Bonds in 2019.** This project makes it possible **to contribute to the financing of sustainable development to which French local authorities are very committed while meeting a strong demand from investors in terms of the transparency of the assets that are financed by AFL.**
- **This project led to the establishment, in January 2020, of a Sustainable Bond system,** in accordance with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines of 2018 developed and promoted by the International Capital Market Association (ICMA).
- This plan was reviewed by Vigéo Eiris (now Moody's Investors Services), the social and environmental rating agency, which on January 9, 2020 issued a **reasonable assurance rating** (the highest level of assurance) for AFL's commitments and the contribution of the Framework Document to sustainable development, with the exception of 2 of the 10 eligible categories ("*Prevention and reduction of pollution*" and "*Accessible and sustainable infrastructures*") for which Vigéo issued a **moderate assurance rating** (the second-highest level of assurance).





SUSTAINABILITY BONDS CATEGORIES

REFLECTING LOCAL AUTHORITIES MAIN AREAS OF INTERVENTION

MAIN AREAS OF INTERVENTION

CONTRIBUTION TO UN SDGs



Access to
essential &
basic social
services

- Encouraging **access to education and culture** by providing access to educational, sport, leisure and cultural facilities
- Supporting **development of economic activity** with the aim of promoting and retaining employment in underserved areas
- Supporting the **access to essential health services**
- Fostering social inclusion by providing equal access to essential services for vulnerable populations



Energy &
ecological
transition

- Contributing to energy transition and environmental sustainability by **promoting a low-carbon and more climate resilient economy** (low-carbon public transportation, renewable energies, etc.) **and pollution prevention & control**



Sustainable
infrastructure,
development
of cities &
territorial cohesion

- Promoting the **development of the territories, urban transformations, reduction of the territorial divide, infrastructure development and public essential services**
- Priority given **to underserved areas**



Underserved Local Authority is defined as any Local Authority which is ranked within the bottom third based on an internal scoring which is derived from the following public data and statistics: Rate of unemployment, Share of long-term unemployment, Share of population leaving in priority neighborhood, Poverty rate

ELIGIBLE ASSETS FOR USE OF PROCEEDS



ELIGIBLE CATEGORIES

TARGET POPULATION

EXAMPLES OF ELIGIBLE EXPENDITURES/INVESTMENTS



Access to essential & basic social services

Education & Culture

All population of the targeted Local Authorities

- Construction of new schools, campus, student housing
- Financing public libraries, archives and museums



Employment

Underserved Local Authorities

- Financing to SMEs, initiatives promoting the attractiveness of territories, professional transition trainings



Access to essential health services

All population of the targeted Local Authorities

- Financing the construction, development, maintenance or renovation of healthcare facilities, medical equipment



Social inclusion

Vulnerable population groups

- Construction of facilities aimed at providing specialized assistance for elderly people
- Financing nurseries and kindergartens



Energy & ecological transition

Low-carbon public transportation

All population of the targeted Local Authorities

- Financing the construction, equipping, or maintenance of low-carbon public transportation facilities, such as any new rail facilities for public use, multimodal links or cycleways



Pollution Prevention & Control

All population of the targeted Local Authorities

- Financing public waste management facilities for waste reduction/recycling
- Financing prevention and awareness initiatives for waste reduction/recycling



Renewable Energy

All population of the targeted Local Authorities

- Financing the construction, equipping, or maintenance of renewable energy infrastructure (including wind and solar energy)



Sustainable infrastructure, development of cities & territorial cohesion

Sustainable water and wastewater management

All population of the targeted Local Authorities

- Financing water network construction, maintenance and upgrade
- Financing wastewater treatment plants, such as sewage networks, wastewater treatment plants, on-site sanitation facilities



Affordable Housing

Social housing organisations, beneficiaries of rental assistance support schemes

- Financing social housing, subsidies to social housing organisations, financial-aid programs to support tenants



Affordable & sustainable infrastructure

Underserved Local Authorities

- Financing the renovation, upgrade, safety of existing public buildings and public infrastructure. Financing public lighting.
- Financing facilities supporting rural development.



Underserved Local Authority is defined as any Local Authority which is ranked within the bottom third based on an internal scoring which is derived from the following public data and statistics: Rate of unemployment, Share of long-term unemployment, Share of population living in priority neighborhood, Poverty rate



ELIGIBILITY EVALUATION & PROCEEDS ALLOCATION

The Process for eligibility evaluation and selection ensures that the proceeds of AFL Sustainability Bonds are allocated to finance or refinance eligible expenditures that meet the criteria and objectives set out in the Framework.

DATA COLLECTION

Collect the relevant data to perform the analysis

- **Official Budget frames analysis**
– if need be, update of the eligibility matrix set by AFL.
- **Annual budget data extraction** (official opendata made available by French Treasury) and **integration in AFL dedicated IT tool** - Only investment expenditures are considered; all the current/operational expenditures of the Local Authority are excluded from the scope of analysis (as AFL's loan can only be used to finance investments according to the Budgetary Golden Rule).
- **Analysis and exclusion of irrelevant data** (e.g. Local authorities not respecting the official budget frame – circa 2% excluded in AFL portfolio).

ELIGIBILITY ANALYSIS

Estimate the share of eligible expenditures within each Local Authority's budget

Core approach :

- Screen all the loans granted in a given year to Local Authorities, the corresponding year's annual Budget for the considered Local Authority and identify Eligible expenditures regarding the Eligibility Criteria set out in AFL's Sustainability Bond Framework - **calculate the share of eligible expenditures within the overall investment budget of the Local Authority.**
- **Identify Underserved Local Authorities** - defined as any Local Authority which is ranked within the bottom third based on an internal scoring which is derived from public data and statistics – **For these specific entities, additional expenditures are considered eligible.**
- **The defined eligibility percentage is applied to the loans** granted in the considered year by AFL to the corresponding Local Authority.
- Sum all the eligible loans to **compute the amount to the overall portfolio of eligible loans** likely to be allocated to AFL's Sustainability Bonds.

Exclusions from eligible portfolio :

- **Expenditures out** of the defined lookback period.
- **Eligible expenditures already refinanced** through Local Authorities' direct access to sustainable finance
– Sustainable Bonds (dedicated exhaustive analysis made by banking counterparts), sustainable loans (expert-based analysis- made by AFL commercial teams)...
- **Expenditures identified through AFL controversies analysis framework** – led by AFL Sustainability Bond Committee – NB : no exclusion to date.

ALLOCATION

Select within the eligible portfolio the expenditures allocated to the Bond.

- **Scoring methodology based on the following criteria** : loan origination year, loan duration, balance between Framework categories, balance between geographical location.
- **Allocation decided by AFL Sustainability Bond Committee** based on the scoring methodology.



REPORTING ON USE OF PROCEEDS : KEY FACTS & GOVERNANCE

KEY FACTS

Reporting commitments as per AFL SB Framework

ALLOCATION

- Total funds distributed per AFL's
 - (i) main areas of intervention and
 - (ii) Eligible categories
- Total funds used for refinancing or allocated to new loans
- Amount of unallocated proceeds (if any)

IMPACT

- Number, type, and geographical distribution of financed local authorities
- Contribution of the proceeds to the relevant UN Sustainable Development Goals (SDGs)



GOVERNANCE

3rd quarter

2022

- Availability of public data related to FY2021 - Extraction and formatting

July

2022

- 2nd anniversary of AFL SB#1

4th quarter

2022

- Eligibility analyse process
- Allocation process

December

2022

- Validation of eligibility and allocation by the relevant governance - AFL Sustainability Bond Committee
- Formatting of the report
- Validation of the report by the relevant governance - AFL Sustainability Bond Committee

January


2023

- External review by KPMG
- 1st anniversary of AFL SB#2
- Publication of AFL SB common report (incl. 2nd rep. for SB#1 and 1st rep. for SB#2)

December

2024

- Publication of the updated version of AFL SB common report, with data as of december 31st 2023



05

AFL Sustainability
Bond 2020 use of
proceeds reporting

Allocation coverage

Proceeds Total Amount

500 000 000 €

Amount used for refinancing

100%

500 000 000 €

Amount used for new loans

0%

0 €

As of December 31th, 2023

Refinancing share

Proceeds Total Amount

500 000 000 €

Amount used for refinancing

100%

500 000 000 €

Amount used for new loans

0%

0 €

As of December 31th, 2023

50

ALLOCATION REPORTING

FRAMEWORK ALIGNMENT

Funds distributed per Eligible categories

Framework categories	Allocation (in €)	Share
Access to essential and basic social services	264 864 678	53,0%
Education & Culture	236 010 694	47,2%
Employment	12 824 869	2,6%
Access to essential health services	2 339 179	0,5%
Social inclusion	13 689 936	2,7%
Energy and ecological transition	32 433 764	6,5%
Low-carbon public transportation	9 521 175	1,9%
Pollution Prevention & Control	22 885 672	4,6%
Renewable Energy	26 917	0,0%
Sustainable Infrastructure, development of cities and territorial cohesion	202 701 558	40,5%
Sustainable water and wastewater management	24 028 996	4,8%
Affordable Housing	55 783 099	11,2%
Affordable and sustainable infrastructure	122 889 463	24,6%
Total	500 000 000	100%

As of December 31th, 2023

- Funds allocated to all the AFL Sustainability Bond Framework categories and subcategories, genuinely representing the typical investment scope of French local governments.



Reference year of loan origination

2017	27%	133 598 911 €
2018	45%	225 078 542 €
2019	28%	141 322 547 €

TOTAL : 500 000 000 €

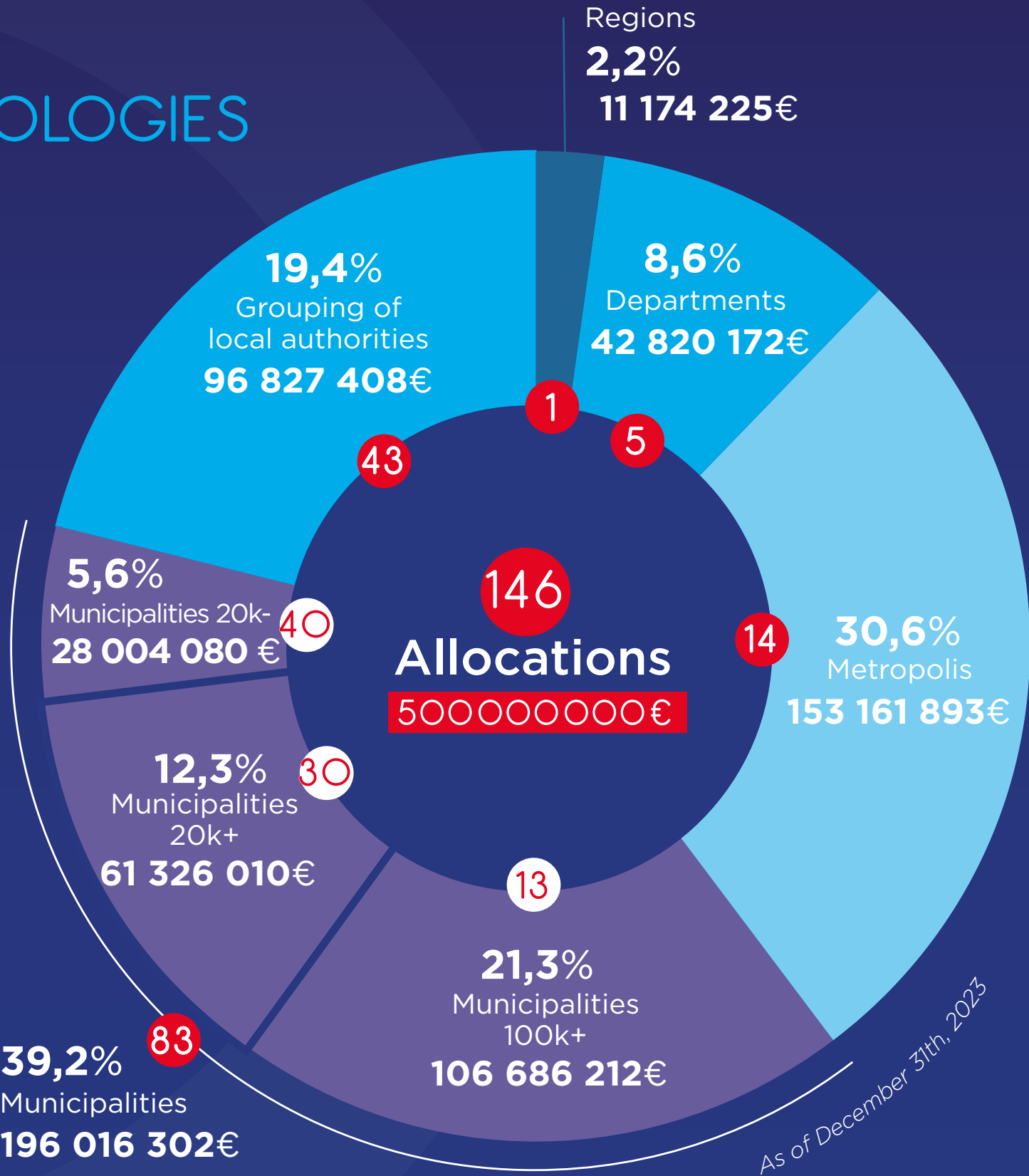
As of December 31th, 2023

- Aligned with AFL Sustainability Bond Framework, Funds allocated to refinance eligible assets in a lookback period of 3 years to the issuance year.


Allocation by local government typologies

Funds allocated to refinance loans granted to all the French local governments typologies and size, genuinely representing the spectrum of AFL borrowers.

1 number of entities



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



91

**LOCAL
AUTHORITY :**
DEPARTMENT
OF ESSONNE


LOCATION :
ILE-DE-FRANCE


TYPE :
DEPARTMENT

PROJECT :
**Energy renovation of
secondary schools and
buildings**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Education and culture

4 QUALITY
EDUCATION





31

**LOCAL
AUTHORITY :**
TOULOUSE
METROPOLIS


LOCATION :
OCCITANIE

TYPE :
METROPOLIS

PROJECT :
**Construction of
elementary school
Jean Zay**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Education and culture

4 QUALITY
EDUCATION

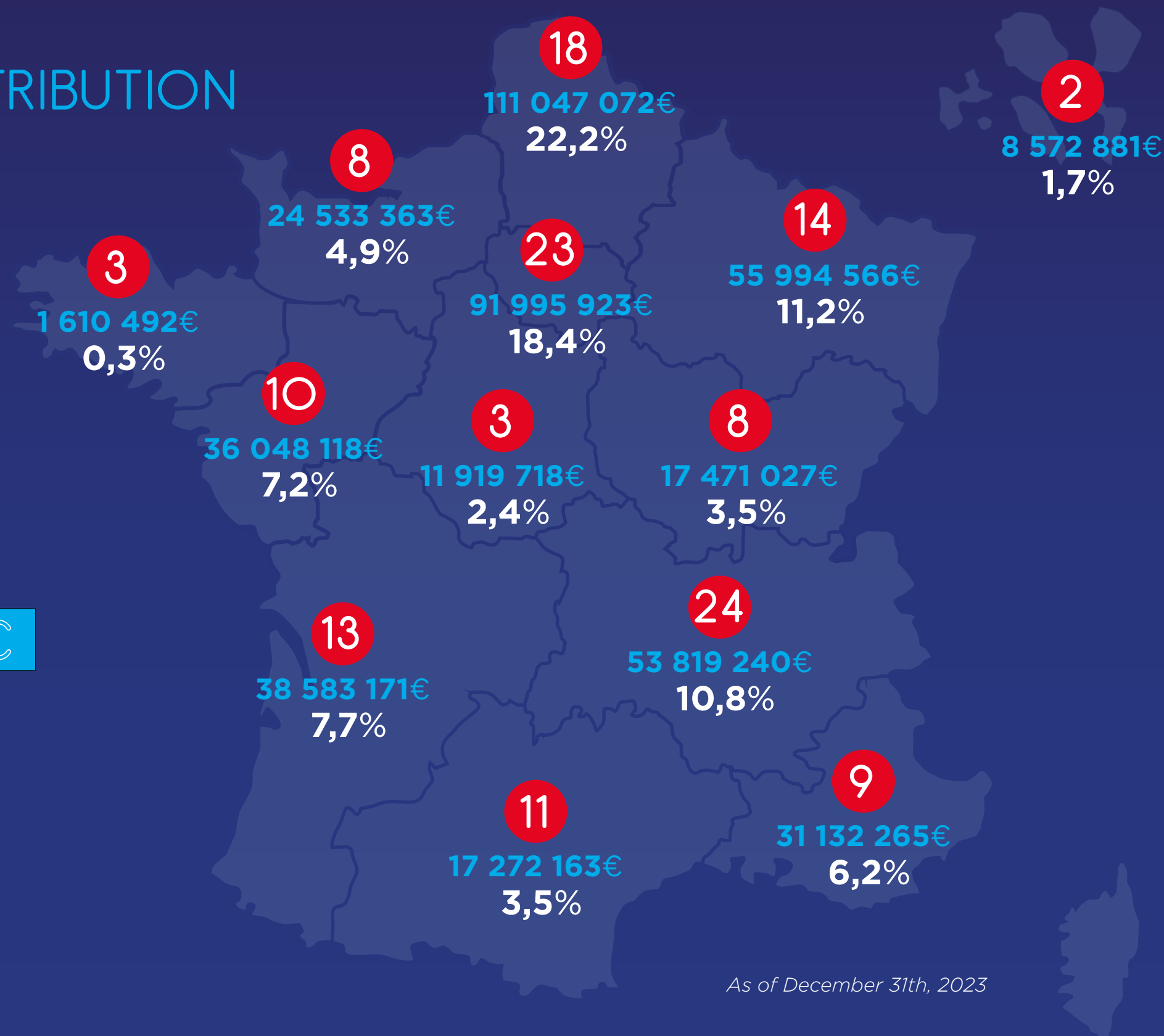


Total Amount



- ▶ Funds allocated to refinance loans granted in all of the French local territories (here represented by administrative regions), genuinely representing the geographical spectrum of AFL borrowers.

1 number of entities



As of December 31th, 2023

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



59

LOCAL AUTHORITY :
EUROPEAN METROPOLIS OF LILLE

LOCATION :
HAUTS-DE-FRANCE

TYPE :
METROPOLIS

PROJECT :
Modernization of sorting and waste treatment equipment to limit non-recovered waste

FRAMEWORK CATEGORY :
ENVIRONMENTAL AND ECOLOGICAL TRANSITION

Pollution prevention and control

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



41

LOCAL AUTHORITY :
AGGLOPOLYS, SUBURBAN COMMUNITY OF BLOIS

LOCATION :
CENTRE-VAL DE LOIRE

TYPE :
GROUPING OF LOCAL AUTHORITIES

PROJECT :
Construction of multifunctional equipment for cultural, sporting and economic purposes : the Jeu de Paume..

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Education and culture

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

IMPACT REPORTING

UNDERSERVED AREAS



Allocation in underserved areas*

- Funds allocated to refinance loans mainly granted to local governments located in Underserved areas (as per AFL assessment methodology)

* As per AFL assessment methodology

Local governments types	Non classified areas (in €)		Underserved areas (in €)		Total (in €)
Regions	11 174 225	100%		0%	11 174 225
Departments	27 563 947	64%	15 256 224	36%	42 820 172
Metropolis	57 252 325	37%	95 909 568	63%	153 161 893
Grouping of local authorities	55 216 629	57%	41 610 779	43%	96 827 408
Municipalities	23 874 253	12%	172 142 049	88%	196 016 302
Municipalities 100k+		0%	106 686 212	100%	106 686 212
Municipalities 20k+	10 986 771	18%	50 339 238	82%	61 326 010
Municipalities 20k-	12 887 481	46%	15 116 598	54%	28 004 080
Total	175 081 380	35%	324 918 620	65%	500 000 000

As of December 31th, 2023

General vs conditionnal allocation

- Conditional eligible categories (only eligible for underserved areas) represent 25% of the overall amount of funds allocated

(in €)	Full eligible categories		Conditional eligible categories		Total	
Non classified areas	175 081 380	35%			175 081 380	35%
Underserved areas	189 204 289	38%	135 714 332	27%	324 918 620	65%
Total	364 285 668	73%	135 714 332	27%	500 000 000	100%

As of December 31th, 2023

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



974

**LOCAL
AUTHORITY :**
COMMUNITY OF
TERRITOIRE DE LA CÔTE
OUEST

LOCATION :
REUNION (OVERSEAS TERRITORIES)

TYPE :
GROUPING OF LOCAL
AUTHORITIES

PROJECT :
**Ecological transition
contract with the State.
TCO is the first ultramarine,
island and tropical ecocity**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Employment

8 DECENT WORK AND
ECONOMIC GROWTH




9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES





91

**LOCAL
AUTHORITY :**
MUNICIPALITY
OF GRIGNY


LOCATION :
ILE-DE-FRANCE

TYPE :
MUNICIPALITIES

PROJECT :
**Construction of
a health center in
La Grande Borne**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND BASIC
SOCIAL SERVICES
**Access to essential
health services**

3 GOOD HEALTH
AND WELL-BEING



IMPACT REPORTING

NUMBER OF INHABITANTS IMPACTED



Number of inhabitants impacted in main entities

Geographic location	Regions	Departments	Metropolis
Auvergne - Rhône-Alpes			845 000
Bourgogne Franche-Comté		550 000	
Bretagne			210 000
Centre Val de Loire			
Grand Est		184 000	380 000
Hauts de France		530 000	570 000
Ile de France		1 470 000	
Normandie			490 000
Nouvelle Aquitaine			810 000
Occitanie			800 000
Oversee territories			
Pays de la Loire			670 000
Sud			1 900 000
Total	3 870 000	2 734 000	6 675 000

NB : no sum computing by localisation as double counting may occur (e.g. in case of allocation to both a department and its regions - being 2 separate legal entities)

Number of inhabitants impacted in municipalities and groupings of municipalities

Metropolis	Grouping of local authorities	Municipalities 100k+	Municipalities 200k+	Municipalities 200k-	Total
845 000	52 688	160 625	29 024	9 215	1 096 552
	97 498			16 202	113 700
210 000	66 677		20 852	7 539	305 068
	108 556	138 616		17 212	264 384
380 000	32 066	118 253		8 428	538 747
570 000	95 851			8 688	674 539
	516 667		45 910	10 640	573 216
490 000	38 396		51 709		580 105
810 000	162 785		25 829	9 665	1 008 279
800 000	48 699	484 809		6 268	1 339 776
	213 364		33 374		246 738
670 000	65 556		49 737	8 189	793 481
1 900 000	66 207		20 730	9 420	1 996 356
6 675 000	1 565 008	902 303	277 164	111 466	9 530 939

NB : double counting avoiding by excluding inhabitants counting of municipalities when their related Metropolis or grouping is already allocated.

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



67 **LOCAL
AUTHORITY :**
MUNICIPALITY OF
SCHILTIGHEIM
LOCATION :
GRAND EST
TYPE :
MUNICIPALITIES

PROJECT :
**Construction of
the Scolar group
Simone Veil**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Education and culture



33 **LOCAL
AUTHORITY :**
MUNICIPALITY OF
LE BOUSCAT
LOCATION :
NOUVELLE AQUITAINE
TYPE :
MUNICIPALITIES

PROJECT :
**Creation of new classes
in kindergarten,
construction of a nursery**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND BASIC
SOCIAL SERVICES
Social inclusion



5 IMPACT REPORTING

CONTRIBUTION TO UN SDGs

Contribution
of the proceeds
to the relevant
**UN Sustainable
Development
Goals (SDGs)**

1,4%		6 844 968 €
0,5%		2 339 179 €
47,2%		236 010 694 €
4,8%		24 028 996 €
0%		26 917 €
0,9%		4 274 956 €
10,0%		49 998 698 €
10,4%		52 083 079 €
22,6%		112 949 677 €
2,3%		11 442 836 €

As of December 31th, 2023



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND

74

**LOCAL
AUTHORITY :**
MUNICIPALITY
OF SAINT-JULIEN-
EN-GENEVOIS

LOCATION :
AUVERGNE-RHÔNE-ALPES

TYPE :
MUNICIPALITIES



PROJECT :
**Construction of
a school complex**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Education and culture

4

QUALITY
EDUCATION





06

AFL Sustainability
Bond 2022 use of
proceeds reporting

Allocation coverage

Proceeds Total Amount

500 000 000 €

Amount used for refinancing

100%

500 000 000 €

Amount used for new loans

0%

0 €

As of December 31th, 2023

Refinancing share

Proceeds Total Amount

500 000 000 €

Amount used for refinancing

100%

500 000 000 €

Amount used for new loans

0%

0 €

As of December 31th, 2023

6

ALLOCATION REPORTING

FRAMEWORK ALIGNMENT

Funds distributed per Eligible categories

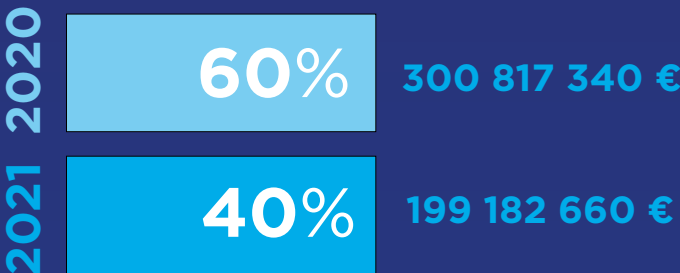
Framework categories	Allocation (in €)	Share
Access to essential and basic social services	276 539 367	55,3%
Education & Culture	242 258 901	48,5%
Employment	8 935 982	1,8%
Access to essential health services	1 795 175	0,4%
Social inclusion	23 549 310	4,7%
Energy and ecological transition	71 869 907	14,4%
Low-carbon public transportation	25 612 583	5,1%
Pollution Prevention & Control	46 234 308	9,2%
Renewable Energy	23 016	0,0%
Sustainable Infrastructure, development of cities and territorial cohesion	151 590 726	30,3%
Sustainable water and wastewater management	21 401 079	4,3%
Affordable Housing	38 930 827	7,8%
Affordable and sustainable infrastructure	91 258 820	18,3%
Total	500 000 000	100%

As of December 31th, 2023

- Funds allocated to all the AFL Sustainability Bond Framework categories and subcategories, genuinely representing the typical investment scope of French local governments.



Reference year of loan origination



TOTAL : 500 000 000 €

As of December 31th, 2023

- Aligned with AFL Sustainability Bond Framework, Funds allocated to refinance eligible assets in a lookback period of 3 years to the issuance year.



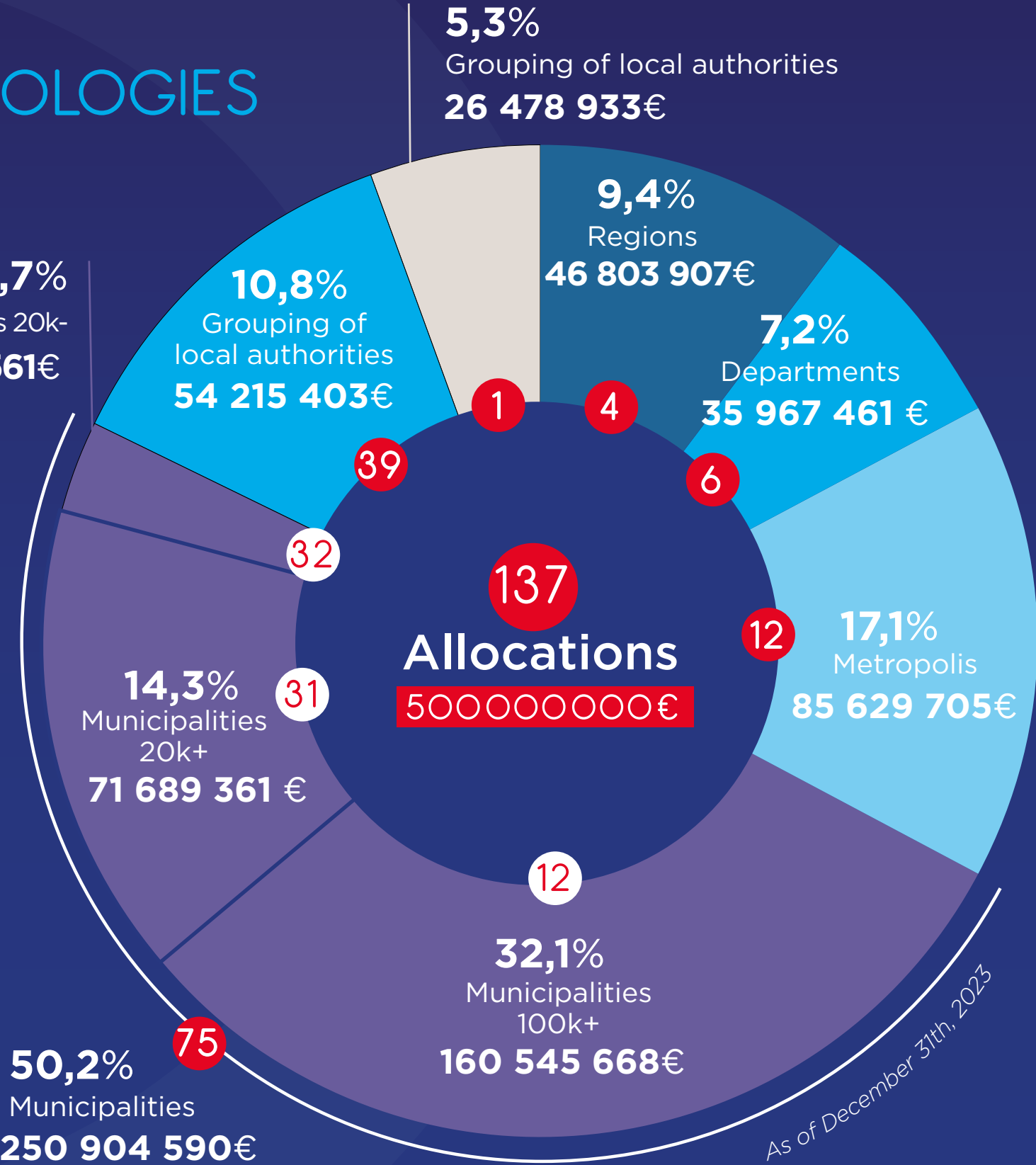
IMPACT REPORTING

LOCAL AUTHORITIES TYPOLOGIES


Allocation by local government typologies

Funds allocated to refinance loans granted to all the French local governments typologies and size, genuinely representing the spectrum of AFL borrowers.

1 number of entities



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



PROJECT :
Construction of RUN'EVA household waste recycling centre covering the Reunion island needs

FRAMEWORK CATEGORY :
ENVIRONMENTAL AND ECOLOGICAL TRANSITION
Pollution Prevention & Control

11 SUSTAINABLE CITIES AND COMMUNITIES


12 RESPONSIBLE CONSUMPTION AND PRODUCTION

974

LOCAL AUTHORITY :
LOCAL AUTHORITY GROUPING OF TREATMENT AND VALORISATION OF HOUSEHOLD WASTE OF REUNION ISLAND

LOCATION :
OVERSEE TERRITORIES

TYPE :
LOCAL AUTHORITIES GROUPING



PROJECT :
Modernization of rail lines and purchase of new rolling stock

FRAMEWORK CATEGORY :
ENVIRONMENTAL AND ECOLOGICAL TRANSITION
Low-carbon public transportation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

LOCAL AUTHORITY :
REGION OCCITANIE

LOCATION :
OCCITANIE

TYPE :
REGION

IMPACT REPORTING

GEOGRAPHICAL DISTRIBUTION

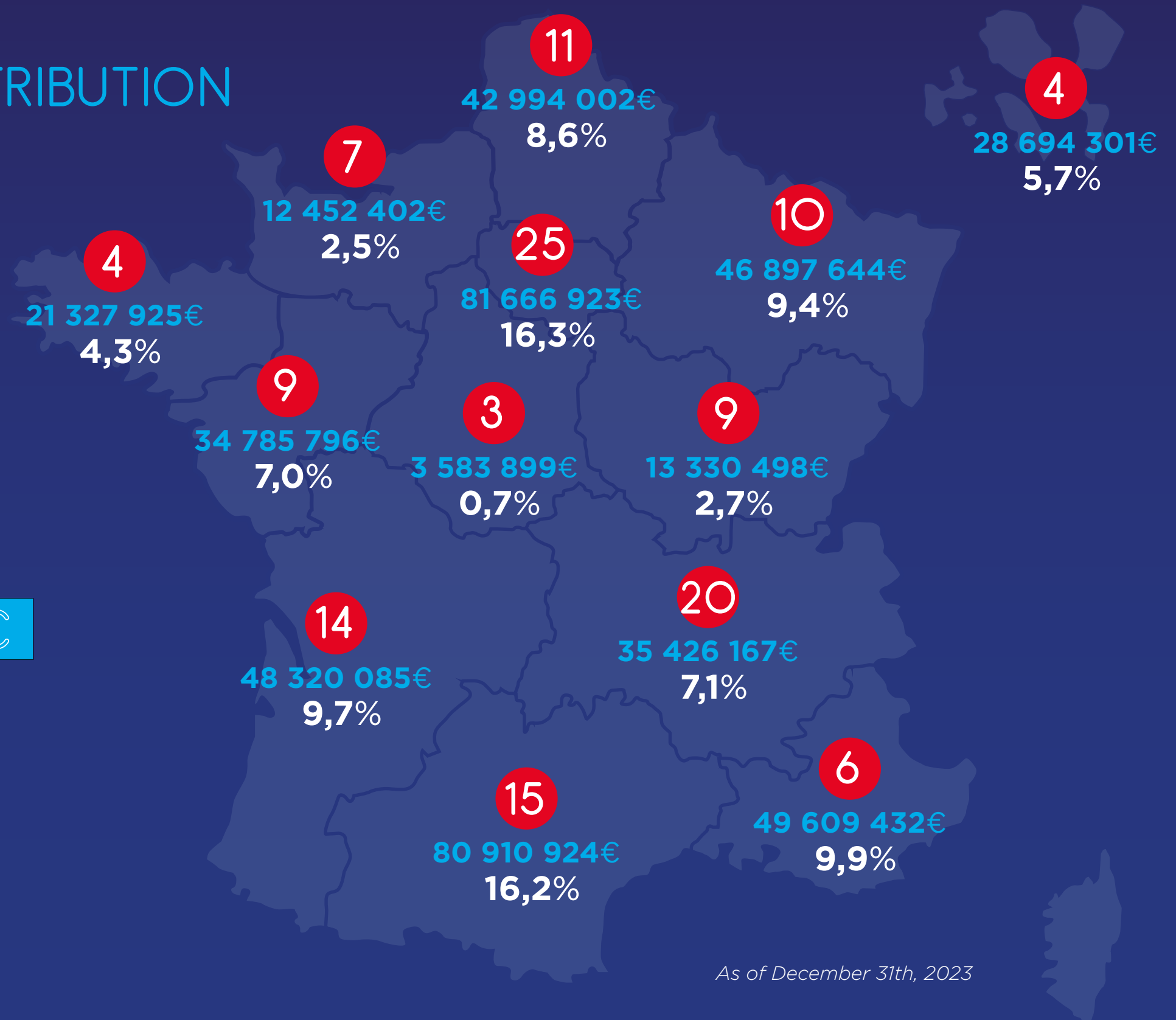
Geographical distribution of allocation

Total Amount

50000000000€

- Funds allocated to refinance loans granted in all of the French local territories (here represented by administrative regions), genuinely representing the geographical spectrum of AFL borrowers.

1 number of entities



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND

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44 **LOCAL AUTHORITY :**
DEPARTMENT OF LOIRE-ATLANTIQUE
LOCATION :
PAYS DE LA LOIRE
TYPE :
DEPARTMENT

PROJECT :
**Global rehabilitation
of Le Galinet
secondary school in Blain**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES
Education and culture



03 **LOCAL AUTHORITY :**
DEPARTMENT OF ALLIER
LOCATION :
AUVERGNE-RHÔNE-ALPES
TYPE :
DEPARTMENT

PROJECT :
**Preservation of water
resources in the context
of diversification
of agricultural activities**

FRAMEWORK CATEGORY :
SUSTAINABLE INFRASTRUCTURE,
DEVELOPMENT OF CITIES AND
TERRITORIAL COHESION
Sustainable water and
wastewater management



IMPACT REPORTING

UNDERSERVED AREAS



Allocation in underserved areas*

- Funds allocated to refinance loans mainly granted to local governments located in Underserved areas (as per AFL assessment methodology)

* As per AFL assessment methodology

General vs conditionnal allocation

- Conditional eligible categories (only eligible for underserved areas) represent 25% of the overall amount of funds allocated

Local governments types	Non classified areas (in €)		Underserved areas (in €)		Total (in €)
Regions	46 803 907	100%	0	0%	46 803 907
Departments	15 398 225	43%	20 569 237	57%	35 967 461
Metropolis	39 803 522	46%	45 826 183	54%	85 629 705
Grouping of local authorities	48 601 308	90%	5 614 095	10%	54 215 403
Local authorities groupings	27 478 279	100%	0	0%	26 478 933
Municipalities	26 478 933	9%	227 735 224	91%	250 904 590
Municipalities 100k+	0	0%	160 545 668	100%	160 545 668
Municipalities 20k+	8 156 805	11%	63 532 555	89%	71 689 361
Municipalities 20k-	15 012 560	80%	3 657 001	20%	18 669 561
Total	200 255 261	40%	299 744 739	60%	500 000 000

As of December 31th, 2023

(in €)	Full eligible categories		Conditional eligible categories		Total	
Non classified areas	200 255 261	40%			200 255 261	40%
Underserved areas	199 549 937	40%	100 194 802	20%	299 744 739	60%
Total	399 805 198	80%	100 194 802	20%	500 000 000	100%

As of December 31th, 2023

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



76

**LOCAL
AUTHORITY :**
METROPOLIS ROUEN
NORMANDIE

LOCATION :
NORMANDIE

TYPE :
METROPOLIS

PROJECT :
**Thermal rehabilitation of
social housing in urban
renewal districts**

FRAMEWORK CATEGORY :
SUSTAINABLE INFRASTRUCTURE,
DEVELOPMENT OF CITIES AND
TERRITORIAL COHESION

Affordable Housing

11 SUSTAINABLE CITIES
AND COMMUNITIES





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33

**LOCAL
AUTHORITY :**
METROPOLIS OF
BORDEAUX

LOCATION :
NOUVELLE
AQUITAINE

TYPE :
METROPOLIS

PROJECT :
**Increase of
the Bordeaux Surcouf
waste recycling center**

FRAMEWORK CATEGORY :
ENVIRONMENTAL AND
ECOLOGICAL TRANSITION

Pollution Prevention
& Control

11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION





IMPACT REPORTING

NUMBER OF INHABITANTS IMPACTED

Number of inhabitants impacted in main entities

Geographic location	Regions	Departments	Metropolis
Auvergne - Rhône-Alpes		360 000	845 000
Bourgogne Franche-Comté		550 000	
Bretagne			335 000
Centre Val de Loire			
Grand Est			380 000
Hauts de France		530 000	680 000
Ile de France		1 470 000	
Normandie			490 000
Nouvelle Aquitaine			810 000
Occitanie			800 000
Oversee territories			
Pays de la Loire		1 430 000	670 000
Sud			
Total	18 252 000	4 340 000	5 010 000

NB : no sum computing by localisation as double counting may occur (e.g. in case of allocation to both a department and its regions - being 2 separate legal entities)

Number of inhabitants impacted in municipalities and groupings of municipalities

Metropolis	Grouping of local authorities	Municipalities 100k+	Municipalities 200k+	Municipalities 200k-	Total
845 000	69 239	160 240		9 493	1 083 972
	63 513			11 560	75 073
335 000	66 677			8 368	410 045
	108 556			3 761	112 317
380 000	36 023	118 253		9 122	543 398
680 000	93 389		42 341	9 183	824 913
	465 000		40 564	10 268	515 832
490 000	52 462		51 694	5 069	599 225
810 000	162 785		25 850	7 719	1 006 353
800 000	43 965			7 715	851 680
	172 439		33 204		205 643
670 000	65 556		49 997	11 381	796 934
	66 207		44 059	8 848	119 114
5 010 000	1 465 808	278 493	287 709	102 487	7 144 497

NB : double counting avoiding by excluding inhabitants counting of municipalities when their related Metropolis or grouping is already allocated.

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND



75 **LOCAL
AUTHORITY :**
MUNICIPALITY
OF MONTREUIL

LOCATION :
ILE DE FRANCE

TYPE :
MUNICIPALITY

PROJECT :
**Planting trees to create
islands of coolness
in the city’s districts**

FRAMEWORK CATEGORY :
SUSTAINABLE INFRASTRUCTURE,
DEVELOPMENT OF CITIES AND
TERRITORIAL COHESION

Affordable and sustainable
infrastructure



71 **LOCAL
AUTHORITY :**
MUNICIPALITY OF
CHALON SUR SAÔNE

LOCATION :
BOURGOGNE-
FRANCHE-COMTÉ

TYPE :
MUNICIPALITY

PROJECT :
**Renovation of the roof
at the Charreaux school**

FRAMEWORK CATEGORY :
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES

Education and culture



IMPACT REPORTING

CONTRIBUTION TO UN SDGS

Contribution
of the proceeds
to the relevant
**UN Sustainable
Development
Goals (SDGs)**

2,4%



11 774 655 €

0,4%



1 795 175 €

48,5%



242 258 901 €

4,3%



21 401 079 €

0%



23 016 €

0,6%



2 978 661 €

9,2%



46 204 559 €

9,0%



45 172 922 €

21,1%



105 273 879 €

4,6%



23 117 154 €

As of December 31th, 2023



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL SUSTAINABILITY BOND

Copyright : Daniel Gillet



01

**LOCAL
AUTHORITY :**
AGGLOMERATION
COMMUNITY OF BASSIN
DE BOURG-EN BRESSE

LOCATION :
AUVERGNE-RHÔNE-ALPES

TYPE :
GROUPING OF LOCAL
AUTHORITIES

PROJECT :
**Construction of
a greenway
to promote cycling**

FRAMEWORK CATEGORY :
ENVIRONMENTAL AND
ECOLOGICAL TRANSITION

Affordable and sustainable
infrastructure



62

**LOCAL
AUTHORITY :**
AGGLOMERATION
COMMUNITY OF PAYS
DE SAINT-OMER

LOCATION :
HAUTS-DE-FRANCE

TYPE :
GROUPING OF LOCAL
AUTHORITIES

PROJECT :
**Revegetation and tree
planting work
to create a cool island
in the Montaigne schoolyard**

FRAMEWORK CATEGORY :
SUSTAINABLE INFRASTRUCTURE,
DEVELOPMENT OF CITIES AND
TERRITORIAL COHESION

Affordable and sustainable
infrastructure



The background of the slide features a scenic view of a river flowing through a landscape. On the right side, a high-speed train is traveling along tracks. In the distance, a town with a prominent church spire is visible under a blue sky with scattered clouds. A large, semi-transparent dark blue circle is centered over the image, containing the text '07 Contacts'. A small red location pin icon is positioned at the top of this circle.

07

Contacts

YOUR CONTACTS AT AFL



Jérôme BESSET
Executive Director
Sustainable Bond structuring
and management



Yves MILLARDET
Chairman of the Executive Board



Thiebaut JULIN
Chief Financial Officer and
Member of the Executive board



Romain NETTER
Executive Director
Medium and Long-Term Funding



Christophe COSTES
Executive Director
Head of Communication



Maelien BOREL
Funding officer - Medium and
Long-Term Funding



AFL

SUSTAINABILITY BOND REPORT

2024