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Information Memorandum dated 29 June 2021



Action Logement Services

(A French simplified joint stock company)

Sustainable Euro Medium Term Note Programme

of €6,200,000,000

Under the Sustainable Euro Medium Term Note Programme (the "**Programme**") of €6,200,000,000 described in this information memorandum (the "**Information Memorandum**"), and in compliance with the applicable laws, regulations, and directives, Action Logement Services SAS (the "**Issuer**" or "**Action Logement Services SAS**") may at any time issue securities (the "**Notes**"). The aggregate nominal amount of the Notes outstanding at their issue date will not at any time exceed €6,200,000,000 (or its equivalent in other currencies).

Application has been made to the Luxembourg Stock Exchange, in its capacity as operator of the Euro MTF market (the "**Euro MTF market**") for the Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market. Application has also been made to Euronext Paris in its capacity as operator of the Euronext Growth market in Paris (the "**Euronext Growth market**") for the Notes to be admitted for trading on the Euronext Growth market. The Euro MTF market and the Euronext Growth market are not regulated markets within the meaning of Directive 2014/65/EU as amended.

This Information Memorandum constitutes a base prospectus for the purpose of the Luxembourg act dated 16 July 2019 on prospectuses for securities (Part IV).

The Notes will be issued in dematerialised bearer form. This shall be more fully described hereinafter. The Notes will be in bearer form, registered from their date of issuance in the books of Euroclear France acting as central depository. Euroclear France will credit the holders' accounts as defined in the "*Terms and Conditions of the Notes - Form, denomination, title, and redenomination*", including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**").

The Issuer's long-term debt is currently rated Aa2, stable outlook, and AA, negative outlook, by Moody's France S.A.S ("**Moody's**") and Fitch France S.A.S ("**Fitch**") respectively. As of the date of this Information Memorandum, the Programme is rated Aa2, stable outlook, and AA, negative outlook, by, respectively, Moody's and Fitch. The Notes issued under the Programme may or may not be the subject of one or several ratings. The rating(s) of the Notes shall, as the case may be, be specified in the relevant Final Terms. The rating(s) of the Notes will not necessarily be identical to the Issuer's rating. A rating is not a recommendation to buy, sell, or hold the Notes. It may, at any time, be suspended, modified, or withdrawn by the rating agency concerned.

As of the date of this Information Memorandum, each of Moody's and Fitch is established in the European Union. They are registered in accordance with Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the "**CRA Regulation**"). They are included in the list of registered rating agencies as published on the website of the European Securities and Markets Authority ("**ESMA**") (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

DISCLAIMER

This Information Memorandum does not constitute a prospectus or a base prospectus within the meaning of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**Prospectus Regulation**").

The listing of the Notes on the Euro MTF market and/or the Euronext Growth market does not give rise to a prospectus submitted for approval to the *Commission de Surveillance du Secteur Financier* in Luxembourg (the "**CSSF**") or the *Autorité des Marchés Financiers* (the "**AMF**"). Consequently, neither the CSSF nor the AMF assume any consequences

relating to the issuance of the Notes listed on the Euro MTF and/or Euronext Growth markets.

The Euronext Growth market is operated by Euronext. Companies listed on the Euronext Growth market are not subject to the same rules as companies on the regulated market. Instead, they are subject to a set of rules that are less extensive. As a result, the risk of investing on the Euronext Growth market may be higher than the risk of investing in a company listed on a regulated market.

As the Notes have a denomination of €100,000 each, they are only offered to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in France and the United Kingdom and in accordance with Articles L.411-1 and L.411-2 of the French Monetary and Financial Code for France and Section 19 of the UK Financial Services and Markets Act 2000 for the United Kingdom.

Before making an investment decision concerning the Notes issued under this Programme, potential investors are invited to consider the risks described in the section "*Risk Factors*".

ARRANGERS

J.P. MORGAN

NATIXIS

DEALERS

BNP PARIBAS

CACIB

HSBC

J.P. MORGAN

NATIXIS

**SOCIÉTÉ GÉNÉRALE CORPORATE &
INVESTMENT BANKING**

This Information Memorandum must be read in conjunction with any document and/or information that is or may be incorporated by reference.

The Issuer declares that, to the best of its knowledge, the information provided in this Information Memorandum is accurate and that there are no omissions liable to alter its scope.

In connection with the issuance or sale of the Notes, no one is, or has been, authorised to give any information or to make any statements other than those contained in this Information Memorandum. Accordingly, if given or made, such information or statements cannot be considered as having been authorised by the Issuer, by any of the Arrangers, or by any of the Dealers as defined in the section "General Description of the Programme". Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, imply that there that there has been no change in the affairs of the Issuer and its consolidated subsidiaries since the date of this Information Memorandum or since the date of the most recent amendment or supplement to this document. . It does not imply that there has not been changes in the financial position of the Issuer or of the Issuer and its consolidated subsidiaries since the date of this document or since the date of the most recent addendum or supplement to this document. It does not imply that any other information provided under this Programme is accurate as of any date after the date on which it is provided or on the date indicated on the document in which it is contained, if that date is different.

The distribution of this Information Memorandum and the offer or sale of the Notes may be subject to legal restrictions in certain countries. In particular, neither the Issuer, the Arrangers nor the Dealers have taken any action to allow an offering of the Notes other than to qualified investors as defined by Article 2(e) of the Prospectus Regulation, nor to allow the distribution of this Information Memorandum in any jurisdiction that requires action to that effect. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any other offering document may be distributed or published in a jurisdiction unless it complies with all applicable laws and regulations. Any person in possession of this Information Memorandum or the Notes must inquire about and comply with such restrictions.

The Notes have not been, nor will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act of 1933"). They will not be registered with any of the security regulatory authorities of any State or other US jurisdictions. Subject to certain exceptions, the Notes may not be offered or sold, directly or indirectly, in the United States. The Notes will be offered and sold outside the United States as part of offshore transactions in accordance with Regulation S under the U.S. Securities Act ("Regulation S").

For a description of certain restrictions applicable to the offer, sale, and transfer of the Notes, and the distribution of this Information Memorandum, please refer to the section on "*Subscription and Sale*". In particular, there are restrictions on the distribution of this Information Memorandum and the offer and sale of the Notes in the United States, in the European Economic Area and in the United Kingdom.

Neither the Issuer, the Arrangers, or the Dealers makes any statement to any potential investor in the Notes as to the legality of the investment under applicable laws. All potential investors should be able to bear the economic risk of investing in the Notes for an indefinite period of time.

This Information Memorandum does not constitute an invitation or offer by or on behalf of the Issuer, the Dealers, or the Arrangers to subscribe for or purchase any Notes.

Neither the Arrangers nor the Dealers have verified the information or statements contained or incorporated by reference in this Information Memorandum. Neither the Arrangers nor the Dealers make any express or implied representation or accept liability for the fairness, accuracy, or

completeness of any information or statement contained or incorporated by reference in this Information Memorandum. The Information Memorandum and any other information provided under the Programme are not intended to be the basis for any financial estimates or valuations and should not be considered as a recommendation to purchase Notes from the Issuer, the Arrangers, or the Dealers directed at the recipients of this Information Memorandum or any other financial statements. Each potential investor of Notes must judge for itself the relevance of the information contained in this Information Memorandum and base its decision to purchase the Notes on the research as it deems necessary. Neither the Arrangers nor the Dealers have reviewed, nor undertake to review, the financial or general condition of the Issuer during the period of validity of this Information Memorandum. They do not commit to disclosing to any investor or potential investor any information that they may become aware of.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("ESMA") on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID II Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the Financial Conduct Authority (« FCA ») policy statement entitled "Brexite our approach to EU non-legislative materials"), and which channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one and/or both of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Notes 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 United Kingdom ("UK"). For these purposes, a retail investor means a person who is one and/or both of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

GENERAL OBSERVATIONS

This Information Memorandum contains a glossary of defined terms and acronyms on pages 137 to 139.

In this Information Memorandum:

- the term "**Action Logement Group**" or "**ALG**" refers to the Action Logement association which is the leading holding company of the group Action Logement. It includes a service division, run by the Issuer, and a social and intermediate real estate division, mainly managed by another subsidiary called Action Logement Immobilier ("**ALI**").
- the term "**group Action Logement**" refers to the group comprising the Action Logement Group and its consolidated subsidiaries, including the Issuer and ALI.

The Information Memorandum contains information on the objectives, prospects, and areas of development of the Issuer and its consolidated subsidiaries, as well as forward-looking statements. Such forward looking statements are identified by the use of the future or conditional tenses or by forward-looking terminology, such as "consider", "envisage", "think", "have the objective of", "in expectation of", "understand", "should", "aim", "estimate", "believe", "hope", "may", or the negative form of these terms, or other variations or similar expressions. Such information is not historical data and should not be interpreted as a guarantee that the facts or data will occur. Such information is based on data, assumptions, and estimates considered reasonable by the Issuer. It is liable to change or to be altered due to uncertainties surrounding the economic, financial, competitive, and regulatory environment. Unless otherwise required by law or the regulations, the Issuer does not commit to publish any updates to the forward-looking information contained in the Information Memorandum to reflect any change affecting its objectives or events, conditions, or circumstances on which the forward-looking information contained in the Information Memorandum is based.

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RISK FACTORS

The Issuer considers that the following risk factors are important for making investment decisions in the Notes and/or may impair its ability to fulfil its obligations under the Notes to investors. These risks are unpredictable and the Issuer is unable to comment on the possible occurrence of these risks.

The Issuer considers that the factors described below represent the main risks specific to the Issuer and the main risks inherent in the Notes issued under the Programme, although they are not exhaustive. The risks described below are not the only risks to which an investor in the Notes is exposed. Other risks and uncertainties not known to the Issuer to date or which it considers as non-determinant as of the date of this Information Memorandum, may have a material impact on an investment in the Notes. Prospective investors should also read the detailed information contained elsewhere in this Information Memorandum. They must establish their own opinion before making any investment decision. In particular, investors must make their own risk assessment of the Notes before investing. They should consult their own financial or legal advisors as to the risks associated with investing in a particular Series of Notes and the suitability of such an investment in light of their own circumstances.

Any reference below to a Condition refers to the corresponding numbered section in the chapter "Terms and Conditions of the Notes".

Capitalised terms not defined in this section shall have the meanings given to them in the section "Terms and Conditions of the Notes" or "Description of the Issuer".

1 RISKS RELATING TO THE ISSUER

1.1 Organisational Complexity of the group Action Logement

The Issuer is a finance company whose purpose is to provide financing in the housing sector. In particular, it finances the housing of employees, in order to promote employment and contribute to economic dynamics throughout France. As such, it ensures the collection of employers' participation in the construction effort (the "PEEC" for Participation des employeurs à l'effort de construction). It provides loans, financial support, and services to employees and businesses, as well as to social and intermediate lessors.

Created by law in 1953, the PEEC is a mandatory annual payment by companies (Article L.313-1 of the French Construction and Housing Code, the "Code"). It generalises a voluntary approach of certain employers, initiated since 1943, in favour of the housing of their employees. The collection of the PEEC was reorganised recently under Decree no. 2016-1408 of 20 October 2016 (the "Decree"). This reorganisation led to the creation of the group Action Logement in 2016, led by Social Partners. The group Action Logement is composed of an umbrella structure. Action Logement Group assumes an exclusively political role based on (i) a "services" division managed by the Issuer in charge of the single collection of PEEC funds and the promotion of financial support and services of Action Logement, and (ii) a "real estate" division, mainly Action Logement Immobilier, whose main duties involve the construction and management of social and intermediate rental housing.

The Issuer was created in 2016 and is the result of the merger of the 20 existing institutions called inter-professional housing committees ("CIL" for *Comités Interprofessionnels du Logement*) which locally managed the collection of PEEC and its distribution, into a single collector, the Issuer. The PEEC resources received by the Issuer and their rules of use (the "Uses") are determined by an agreement between the State and ALG for a period of five years. The last five-year agreement was signed on 16 January 2018, for the period 2018-2022 (the "Five-Year Agreement"). The Five-Year Agreement was modified by an addendum signed on 25 April 2019 (the "Voluntary Investment Plan"

or "**PIV**"), a second addendum signed on 2 December 2019 with a PIV for Overseas France ("**PIVOM**") and a third addendum signed on 15 February 2021 aimed at consolidating the recovery following the health crisis (the "**Recovery Addendum**").

The Decree that created the group Action Logement entrusted Action Logement Group, the Issuer's sole shareholder, with the role of determining its strategy and concluding with the State the Five-Year Agreement. The implementation of the Issuer's product strategy, decided at the level of the Action Logement Group, could, in certain cases, put a strain on the Issuer's operational capacities.

In addition, a number of the Issuer's decisions and actions require the prior authorisation of the Action Logement Group and its committees, in addition to the specific committees and governance bodies of the Issuer.

This organisational complexity could sometimes lead to long and contradictory decision-making circuits.

As at the date this Information Memorandum was drawn up, the State and the Social Partners have begun talks to continue the modernisation of the Action Logement model as well as furthering relations between the State and the Action Logement Group.

1.2 Risks related to the State

The governance system of all the group Action Logement entities is joint. This joint system is characterised by equal representation within its management bodies between the representatives of the national inter-professional representative organisations of employers and the representatives of the national inter-professional representative organisations of employees (the "**Social Partners**"). The Issuer is however structurally dependent on the government which is represented by three government commissioners on its Board of Directors, who have a veto right over certain decisions provided for by its Articles of Association. The Five-Year Agreement defines between the State and the Issuer, the general guidelines negotiated with the Social Partners, and the mechanisms financed by the PEEC and implemented by the Issuer.

Negotiations between the Social Partners and the State could, in certain cases, create situations of tension in the management of the group Action Logement. Moreover, the Issuer is not able to anticipate the State's decisions, whose positions may change. The Five-Year Agreement may possibly not be renewed. It could be modified by amendment or renewed on less favourable terms. The State could also force the Issuer and its consolidated subsidiaries to increase public policy subsidies to the detriment of other activities more in line with the objectives of the Social Partners.

Such measures, including resource uptake by the Government, could have a material impact on the financial position, prospects, business, and results of the Issuer and its consolidated subsidiaries.

2 RISKS RELATED TO THE ISSUER'S BUSINESS

2.1 Risks related to the PEEC collection activity

To carry out its activities, the Issuer notably relies on the resources from the annual PEEC collection, the Additional Employers' Participation in the Construction Effort ("**PSEEC**"), and the Agricultural Employers' Participation in the Construction Effort ("**PEAEC**"). It also obtains repayment on loans (the "**Loan Repayments**") that it previously made to individuals or legal entities. The collection of the PEEC, including the State compensation mentioned below, accounted for 60% of the Issuer's resources in 2020.

By taking legislative or regulatory measures, the State could reduce or even eliminate the PEEC, which is to date the Issuer's main resource or decide to entrust its collection to another organisation and incorporate it into the State's operating budget, which could have a significant impact on the Issuer's results, strategy, and outlook.

The scope of the PEEC is defined by law. Thus, non-agricultural private sector employers with at least 50 employees are liable for the PEEC, all businesses combined. This threshold was modified by Law No. 2019-486 of 22 May 2019 relating to the growth and transformation of companies (known as the "**PACTE Law**") and increased from 20 to 50 employees as of 1 January 2020. In order to offset the impact of the increase in the threshold for PEEC collection, the State paid an additional €238 million in financial year 2020, as set out in the agreement relating to the PIV amending the Five Year Agreement and modified by the fourth draft amending finance bill for 2020. However, since Law No. 2020-1721 of 29 December 2020 on the finances for 2021 abolished this compensation, the Issuer will not benefit from the €620 million previously scheduled for 2021–2022. As at the date of this Information Memorandum, the Issuer did not have any information on a possible continuation of this compensation for the period after 2022.

The scope of the PEEC or its rate, set at 0.45% of the payroll since 1992, could be subject to further changes, resulting in a modification of the Five-Year Agreement. This could have a significant impact on the results, financial stability, and prospects of the Issuer and its consolidated subsidiaries.

2.2 Credit risk related to the Issuer's financing activities

The Issuer provides financial support, notably in the form of loans, subsidies, or equity allocations to social housing and intermediate housing landlords. The Issuer also assists individuals, mainly employees, with their residential projects. It offers them services and financial aid, especially in the form of loans, grants, and security deposits that facilitate access to housing, and therefore to employment.

The credit risk covers the risk of loss due to the inability of the Issuer's debtors to meet their financial obligations. The Issuer is thus exposed to the credit risk of persons to whom it granted credit or guarantees.

(a) Risks related to loan repayments

Outstanding loans to individuals amounted to €3,436 million net as at 31 December 2020 (€3,420 million excluding receivables from the guarantee fund), representing 16.2% of the Issuer's net assets. For financial year 2020, excluding receivables from the guarantee fund, cost of risk relating to individuals is €22.6 million in net allocation and write-offs of non-collectable debts amounted represent €11.4 million. The Non-Performing Loan (NPL) rate of the Issuer's portfolio of loans to individuals was 2.62 % as at 31 December 2020 (excluding receivables from the guarantee fund).

For financial year 2020, excluding receivables from the guarantee fund, cost of risk relating to legal entities is €13.3 million in net allocation and write-offs of non-collectable debts amounted represent €0.1 million, for outstanding amounts of €12,204 million net. The Non-Performing Loan (NPL) rate of the Issuer's corporate loan portfolio was 1.50% as at 31 December 2020.

(b) Risks related to guarantees granted

In addition to direct financing, the Issuer also provides financial support to individuals in the form of guarantees and deposits. In practice, the guarantees granted to individuals correspond mainly to Loca-Pass and VISALE (Visa for Housing and Employment). The overall level of

these commitments amounted to €4,910 million at the end of financial year 2020 (of which €4,333 million for VISALE).

Following the call on guarantees granted, in the absence of recovery of the resulting receivables, a loss is borne by the Issuer. This risk is provisioned in the Issuer's consolidated financial statements is subject to provisioning in the Issuer's consolidated accounts through (i) provisions in liabilities for estimated losses on future calls on the guarantees granted (€77 million at the end of financial year 2020 and (ii) impairment losses recognised when a payment has been made by the Issuer following the activation of a guarantee, such impairment losses amounted to 163 million for all guarantee schemes (of which €39 million for VISALE).

In the event that the default rate of persons to whom the Issuer granted a loan or a guarantee increases compared to the current rate, the Issuer may have to record significant charges and provisions for doubtful or non-collectable debts. This would then affect its profitability.

2.3 Risks related to the requirements imposed on the Issuer's financing business

The Issuer's Uses are subject to floor and ceiling levels and ratios set in the Five-Year Agreement. These are audited by the French National Agency for the Control of Social Housing ("**ANCOLS**" for *Agence Nationale de Contrôle du Logement Social*):

- Loans granted to legal entities are subsidised. They are granted at lower interest rates than a borrower would get for the same social or intermediate housing transaction from a credit institution. The equivalent subsidy (the "**EQS**") is defined in the Five-Year Agreement as the theoretical amount of subsidy that would be required to offset the interest rate differential between the loan granted by the Issuer and a loan granted at a reference rate, equal to the Livret A savings rate increased by 0.6%. The Five-Year Agreement sets EQS minimums according to the type of Use. Certain changes in the Reference Rate, calculation rules, or EQS minimums could have an adverse effect on the Issuer's operating results and future prospects.

- The non-discrimination principle governing the financing of legal entities granted by the Issuer, controlled by ANCOLS, may force the Issuer to direct its financing towards operations or beneficiaries that do not provide the same level of attractiveness or security than the financing granted to ALI's subsidiaries. In some cases, adherence to this principle could have an adverse effect on its operating results and future prospects.

3 RISKS RELATED TO THE SECTORS IN WHICH THE ISSUER OPERATES

3.1 Risks related to the development of unfavourable macroeconomic conditions in France

The development of the Issuer's business and the amount of its resources could be significantly affected by a changing political environment. They may be negatively altered by the unfavourable development of the main macroeconomic factors in France, notably the following:

- Changes in political orientations;
- Various adverse political, geopolitical, environmental or health-related events such as natural disasters, geopolitical tensions including protectionist measures, terrorist acts, social unrest, cyberattacks, pandemics, armed conflicts, threats of conflict, and related risks;
- Demographic changes;
- Employment rate and growth rate of corporations;

- Inflation, purchasing power, and consumer spending;
- The implementation by the State and local authorities of housing policies less favourable to the development of social and intermediate housing;
- Rising interest rates, including the Livret A passbook and access to financing for social and intermediate landlords, and for households seeking access to real estate; and
- Tax rates and tax changes, in particular those applicable to the PEEC.

These factors could adversely affect the Issuer's business, financial condition, and development prospects.

3.2 Developments in the residential real estate market could have a negative impact on the Issuer's business

Over longer periods, the French real estate market has seen several highs and lows in real estate prices and rents. Although these episodes are recurrent, they are difficult to predict and are not systematically anticipated by operators and analysts.

Social and intermediate housing construction is not fully correlated to the conventional real estate market. However, since changes in the real estate market impact the production and sale of real estate assets, they could have a negative impact on the Issuer and its consolidated subsidiaries.

- A fall in the real estate market could lead to losses for ONV, a subsidiary of the Issuer. ONV aims to boost the sale of social housing. It acquires block housing from social landlords and then resells it primarily to occupying tenants. The occurrence of a decline in the real estate market between the acquisition of blocks and their resale could cause ONV to make losses. This is limited, however, by the discount that ONV applies to its selling prices.
- A deterioration in the economic climate could also make it difficult to achieve the sales objectives for social, intermediate, and free housing of HLM organisations. This drop in sales activity could result in financial difficulties for certain organisations with which the Issuer has concluded loans and could downgrade the credit quality of these counterparties.
- Conversely, rising property prices and construction costs may have an influence on the production of new housing by social and intermediate landlords and on the purchases of first-time buyers to whom the Issuer grants loans, thus reducing its business and income.

The occurrence of these events could have a material impact on the Issuer's financial position, results, and prospects.

3.3 Inadequate services offered by the Issuer in relation to future market developments

The offer of services proposed by the Issuer is based on the Uses provided for by the Five-Year Agreement, as modified by the PIV and by the third addendum signed on 15 February 2021 aimed at consolidating the recovery following the health crisis. This offer could be subject to further modifications (see "*Risks related to the PEEC collection activity*"). The Issuer may encounter difficulties in implementing them. In particular, the Issuer may encounter an excess or, conversely, a lack of applications for some of the Uses no longer relevant to the needs of the market. Moreover, if the proposed measures were ultimately not used or inefficient, the relevance and social utility of certain mechanisms identified in the half-yearly performance reports and the evaluation of the Five-Year Agreement could be called into question.

Thus, the offer of services proposed by the Issuer could no longer be adapted to the changing needs of employee housing or to the assistance that companies require to support employment. This could have a significant negative impact on both the results and the image of the Issuer.

3.4 Dissatisfaction of companies subject to the PEEC could result in its being called into question

The current and future orientations of the Five-Year Agreement negotiated between the Social Partners and the State and its implementation may not be entirely satisfactory to companies and their employees.

In particular, unfavourable changes in the allocation conditions of rental housing to employees could occur in return for its financing of social and intermediate housing. The Issuer benefits from reservation rights enabling it to allocate housing in the social and intermediate pool to employees of companies contributing to the PEEC. This is a key element in the Issuer's relationship with these companies and in the Social Partners' adherence since 1953 to the PEEC principle of supporting employment and housing. The conditions for granting and exercising reservation rights could thus change. This could affect the Issuer's ability to meet the needs of employees and businesses.

Moreover, as a result of the PEEC collection reform, the link between the companies and the group Action Logement has changed, due to the end of competition between CILs. The proximity relationship between the CILs and the companies sometimes becomes distended. On the one hand, this makes communicating about the services rendered more difficult and understanding the evolution of the offer of the Issuer and its consolidated subsidiaries, on the other. The Issuer, however, retains a local organisation throughout the country, relying on 13 regional delegations and more than 160 locations.

These changes in positioning and organisation could be misunderstood by companies which during the transition period, may be led to believe that the quality of services rendered has fallen.

In these circumstances, companies could then seek to use their PEEC directly by putting measures in place themselves for their employees' housing. They could no longer support the tax system of the PEEC as it exists today and act within employer representative interprofessional organisations among the management bodies of the Issuer to request modifications or even the removal, in order to lower their charges. The occurrence of such events could have a material impact on the Issuer's financial position, results, and prospects.

3.5 The Issuer's business is sensitive to changes in the competitive environment

The Issuer operates primarily in a non-competitive environment. Nevertheless, for some of its activities, various players may provide competing offers to those of the Issuer.

As regards the granting of loans to social and intermediate landlords, the Issuer's offer is complementary to that of the CDC and banking institutions. Some landlords may prefer the offers of these institutions. They propose historically low interest rates on long maturities that do not require rental reservation rights in exchange for the loans granted.

Changes in interest rates could also make social home ownership loans and works offered by the Issuer to individuals less attractive, which could cause the profitability of this activity to decrease as a result of lower volumes or the decision to lower the interest rate.

As regards the provision of guarantees to individuals, even though the service offered by the Issuer is free of charge, the latter could be competing with certain insurance companies in various customer segments.

All of these factors could diminish the Issuer's social utility. They may have a material adverse effect on the Issuer's business volumes, profitability, development prospects, operating results and, as a result, its financial soundness and future prospects.

4 OPERATIONAL RISKS

4.1 The Issuer is subject to the risks of the online platforms used for its business activities

The Issuer proposes PEEC payment, the VISALE service and the distribution of subsidies and loans for energy renovation, and for geographical mobility through various online platforms. These online platforms may at some point not work properly especially due to software issues that the Issuer is not able to solve on its own.

If these online platforms were to be destroyed or damaged, the Uses but also the resources of the Issuer could be disrupted. This may result in a potential loss of revenue for the Issuer and a negative impact on its business and reputation.

4.2 The Issuer is subject to information system risks

The Issuer or its subcontractors use a number of information tools as well as communication and information systems that play a vital role to run its business. These include the management of financial support and services to company employees and loans to social and intermediate landlords.

As part of the group Action Logement reform, a "common system" project was initiated to replace the information systems of the 20 merged CILs to meet the Issuer's new needs and obligations. The Issuer may experience significant issues in deploying this information system and transferring the data to a single system and in controlling the budgets and the human resources, the schedules, and the contents of the information systems, as well as managing the very large number of simultaneous projects.

The Issuer's production data stems from successive mergers. Databases held on clients and services rendered may become incomplete and/or potentially erroneous.

The information systems of the Issuer and its subcontractors may also be subject to cyberattacks resulting in the theft or misappropriation of confidential data, extortion, or temporary interruption of the Issuer's business. The consequences could be financial with the termination of contracts, penalties, etc. They could be reputational with the disclosure of operational data or non-public financial data. They may be legal with liability towards individuals or legal entities for whom the Issuer or its subcontractors hold confidential or sensitive information.

Any failure, disruption, hacking of these information systems, or any loss of data could lead to failures or disruptions in the Issuer's business. These could result in significant costs associated with the retrieval and verification of information, as well as a potential loss of business and reputation.

4.3 The Issuer may not be able to retain members of its management team or attract and hire qualified employees

The Issuer's business depends on the involvement and expertise of its management. The Issuer is made up of experienced managers and employees. They are chosen for their proven skills and expertise in the Issuer's industry.

The recurring loss or change of one or more of the Issuer's executives could adversely affect its reputation, and its ability to prepare and implement an effective business plan. It could be detrimental towards developing its strategy and implementing its activities. The Issuer may have difficulty finding satisfactory new employees to replace those who leave the company. The loss of the Issuer's key

employees could also result in a loss of technical or specific skills. This could slow down or alter some activities or projects. In the event of loss of these employees, the Issuer would have to recruit new qualified employees to develop its business. It may need to train them to familiarise them with the issues and requirements that are unique to its business.

Furthermore, most of the Issuer's employees come from former CILs. Because of their smaller size, they were not subject to as much regulation. The reform of the group Action Logement obliged the employees to adapt to new roles and responsibilities that can be complex.

Any inability of the Issuer to retain highly qualified personnel, attract new employees, and properly train them could reduce the effectiveness of its organisation and its ability to execute its business plan and strategy.

4.4 The risks related to insurance taken out

The Issuer has taken out a number of insurance policies to insure its activities. In addition to the fact that they include exclusion clauses and only cover a portion of the operational risks borne by the Issuer, the Issuer is exposed to the occurrence of one of its insurers' default.

5 REGULATORY, LEGAL AND TAX RISKS

5.1 The Issuer's business is subject to numerous regulations that could change in the future

As a finance company, the Issuer must comply with a number of regulations. Any changes in the rules applied to finance companies and their interpretation and application by the competent authorities could lead to additional costs. These could have a negative impact on its operating results or its prospects for development and growth.

The Issuer's business could be affected by any new legislation that directly influences or has indirect consequences on the Issuer. In particular, it could be prejudiced by the legal or tax regime applicable to social and intermediate housing in terms of renovation and construction. The Issuer benefits from a specific tax regime for its general interest activities, which are considered to be social housing activities. As such, it benefits from a partial exemption of the corporation tax.

Such changes could result in the Issuer losing some or all of its benefits, including equity and loan financing options. This could also lead to changes in its strategic orientation and impact its operating results, financial position, and future prospects.

5.2 The Issuer is subject to the regulations on the security and use of personal data

The Issuer collects and uses personal data concerning individuals and legal entities on online platforms and concerning its employees. This data is subject to European and French regulations on personal data, in particular the General Data Protection Regulation (2016/679/EU). The Issuer cannot guarantee that the competent authorities or a person concerned will not seek to dispute the processing conditions of personal data. In addition, the Issuer cannot guarantee that there will never be a failure of its security system. This could lead to the fraudulent use of personal data and confidential information of the persons concerned.

The Issuer cannot guarantee that it will not be held liable for acts committed by subcontractors that handle part of the processing of personal data. It cannot ensure it will not be held liable in connection with the sharing of personal data with its partners. It cannot establish that it will not be held liable for the use of data shared by its partners, in accordance with applicable regulations.

The occurrence of such events could entail the Issuer's liability. This could adversely affect its reputation, business, operating results, or financial situation.

In addition, if the Issuer was no longer able to use the personal data of its customers or prospects for regulatory reasons, such restrictions could slow down and/or limit the development of its digital strategy. This strategy is designed to meet the needs of individuals and is part of its business plan. The occurrence of such an event could have a material adverse effect on the Issuer's business, operating results, financial condition, and future prospects.

5.3 The Issuer is subject to risks related to business ethics and corporate social responsibility

The Issuer's business involves working with various players in the real estate market on the creation of residential buildings. The players in this market, who are numerous and independent of the Issuer, could be involved in corruption or money laundering investigations. If the Issuer were to be involved in these investigations due to the activity of these players, it could result in legal or judicial consequences that could affect its profitability, image, and future prospects.

In addition, if the social utility of certain mechanisms financed by the Issuer were to be challenged or offset by their negative impacts, the Issuer could be exposed to a reputational risk that could adversely affect its business and ability to carry out its activities.

5.4 The Issuer may not be able to protect the intellectual property required to carry out its business

The Issuer relies on intellectual property rights to protect its products and services, including trade names, trademarks, databases, and copyrights, as well as on laws relating to business secrets and unfair competition. However, trademark applications do not always result in registration. Registered trademarks may be ineffective in the face of competition or may be invalidated in the event of subsequent opposition. In addition, the measures taken by the Issuer to protect its intellectual property rights may prove to be inadequate. This could lead to violations and infringements of these rights with respect to its products and services. The Issuer's business secrets could be disclosed to its competitors. The Issuer may be unable to efficiently protect the rights to its confidential information. In addition, other companies may assert rights to the Issuer's intellectual property or challenge the Issuer's claim to these rights.

5.5 Non-compliance risk

Non-compliance risk covers the risk of judicial, administrative, disciplinary, significant financial loss, or damage to reputation resulting from not complying with provisions governing banking and financial activities. This is the case whether they are of a legislative, regulatory, national, or European nature, directly applicable, whether professional standards, ethical standards, or instructions issued by the Issuer or its consolidated subsidiaries. In the event the Issuer is unable to comply with these existing or future standards, it cannot be excluded that it could be sanctioned or even its accreditation withdrawn as a finance company, resulting in the impossibility to run its business. The compliance control system that the Issuer has put in place is intended to limit the occurrence of a non-compliance risk. Particular attention is paid to the most important regulations for the Issuer like the French Construction and Housing Code, the French Monetary and Financial Code, and Basel regulations. The control system cannot, however, guarantee that such a risk will not occur. This could result in loss of value for the Issuer or damage to its reputation.

5.6 Litigation risks

In the normal course of business, the Issuer may be involved in legal proceedings or subject to audits by tax or regulatory authorities. Such events may result in financial risk along with a risk to its reputation and/or image.

6 FINANCIAL RISKS

6.1 Risks related to the Issuer's financial situation and financing policy

The Issuer aims to increase its level of indebtedness, in particular through bond issuances. This will change its model of sources-uses historically based on a balance minimising its borrowing needs.

The Issuer's indebtedness could have the following consequences:

- Difficulty in meeting its repayment obligations with respect to its debt and other liabilities;
- A difference between the maturity and cost of the debt recorded as liabilities and the maturity and yield of the loans recorded as assets;
- The allocation of a significant portion of its resources to the repayment of its debt. This would reduce the cash available to provide loans and expand its business;
- Greater vulnerability to a slowdown in its business, in the economy, or in the industry;
- Limited flexibility in planning and adapting to changes in its operations; and
- Limits, among other things, to its ability and that of its subsidiaries to borrow additional funds in the future, along with an increase in the costs related to these additional borrowings.

All of these risks could have a material adverse effect on the Issuer's ability to repay its debts as well as on its business, operating results, and financial position.

The ability of the Issuer to repay its debt will depend on its future profitability. This may be negatively affected by economic conditions as well as financial, commercial, regulatory and other factors. Some of these factors are beyond the Issuer's control. If the Issuer were unable to repay its debt and meet its other obligations and liabilities, it could be forced to refinance its debt in order to obtain the necessary funds. The Issuer cannot guarantee that such refinancing will be completed in a timely manner or under satisfactory conditions. It cannot ensure that it will succeed in achieving such refinancing or that such refinancing will be authorised.

6.2 The Issuer is subject to risks linked to any deterioration of its credit ratings

The Issuer's long-term debt is rated Aa2, stable outlook, by Moody's and AA, negative outlook, by Fitch as at the date of this Information Memorandum. It could in the future be rated by other rating agencies. This rating is based on the Issuer's ability to meet its repayment obligations, its liquidity, certain financial ratios, its operating profile, its financial position, as well as its relationship with the government and other factors considered significant for its sector and, more generally, for its future economic outlook.

Any deterioration of the Issuer's debt rating could increase the cost of refinancing its existing debt. This could have a negative impact on the Issuer's ability to finance or develop future projects on acceptable terms. Any increase in financing costs could have a negative impact on the Issuer's operating results and the return it earns on its business. In the event that financing is no longer available on satisfactory terms, the Issuer's ability to grow its business would be reduced. This could have a material adverse effect on the Issuer, its business, financial condition, results, and future prospects.

6.3 The Issuer's ability to raise funds may be limited

The Issuer is seeking to rely more on debt to finance its development. This method of financing may not be available under satisfactory conditions. In particular, this would be the case in the event of a crisis in capital or debt markets, of rising interest rates, of a deterioration of the Issuer's debt rating, of a change in its activity, financial structure, or ownership structure. Decisions of the French government could also have an effect on the perception of investors or lenders of the Issuer's solvency or the attractiveness of an investment in the Issuer's debt.

Failure to raise the necessary capital could limit the Issuer's Uses. This could have a material adverse effect on its business, financial condition, operating results, and future prospects.

6.4 Risk related to respecting prudential ratios

The Issuer is approved by the French Prudential Supervisory and Resolution Authority ("**ACPR**") as a finance company. This approval makes the Issuer subject to a number of regulatory requirements, including the obligation to comply with specific textual provisions, particularly with regard to prudential ratios.

The prudential provisions applicable to financing companies are set out in the French Decree of 23 December 2013 on the prudential regime for financing companies, as amended by the French Decree of 11 September 2015 and, most recently, by the French Decree of 24 April 2019. Financing companies are subject to all requirements of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended, (the "**CRR**") and all regulations and decisions of the European Commission adopted under the CRR and Directive (EU) 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as transposed into national law, as amended (the "**CRD IV**"), as regards solvency and large exposures. They are not subject to the leverage and liquidity ratios defined in the CRR but are subject to the liquidity ratio defined in the French Decree of 5 May 2009, amended by the French Decree of 3 November 2014 and by the French Decree of 24 April 2019. Furthermore, insofar as the CRD IV provisions have been extended to financing companies within the framework of the transposition of this Directive, financing companies are specifically subject to various requirements relating to capital buffers¹ (as defined by the CRD IV).

As at the date of this Information Memorandum, the prudential ratio requirement that applies to the Issuer is a total ratio of 10.5%, comprising (i) the minimum requirement of 8% (core capital and other capital, Article 92 of the CRR) and (ii) a capital buffer requirement of 2.5%.

The 10.5% requirement has included a countercyclical capital buffer of 0% since 2 April 2020 in accordance with the decision of the French High Council for Financial Stability ("**HCSF**"). On 2 April 2021, the HSCF decided to maintain the countercyclical capital buffer rate at 0%.

As at the date of this Information Memorandum, the Issuer did not have any Additional Tier 1 capital (as defined in Article 61 of the CRR) or any Tier 2 capital (as defined in Article 71 of the CRR). The total ratio requirement thus corresponds de facto to a Tier 1 core capital requirement (as defined in Article 50 of the CRR – Common Equity Tier 1 "**CET 1**" requirement).

¹ See NOTICE 2020 – Methods for calculating and publishing prudential ratios under CRD IV – https://acpr.banque-france.fr/sites/default/files/media/2020/11/12/20201030_notice_2020_crd_iv.pdf

Changes to the regulatory framework are likely to subject the Issuer to increasing obligations and requirements, with a potentially significant impact on its results and/or prospects.

The Issuer's prudential requirements for solvency are implemented at the level of each of the five funds covered by Decree no. 2017-1730 of 21 December 2017 relating to the management of company funds mentioned in Article L.313-19 of the Code. As regards the liquidity requirements, these are assessed globally.

The Issuer therefore implemented a strict system to monitor and anticipate changes in these regulatory ratios in order to ensure the ongoing compliance with internal and regulatory requirements. Failure to comply with regulatory requirements may force the Issuer to implement one or more recovery actions. It may even result in the revocation of the Issuer's accreditation as a finance company, resulting in loss of value for the Issuer. As of 31 December 2020, the solvency ratios of the five funds were respected and the Issuer's aggregate solvency ratio was 72.9%. The Issuer is currently seeking to increase its level of indebtedness, notably through the issuance of bonds. Its CET 1 ratio could decrease, given its development and refinancing plan. The Issuer plans to maintain its aggregate CET 1 solvency ratio above 30% at the end of 2022, significantly above the regulatory limit of 10.50%, which has been applicable since 1 April 2020, while respecting the requirements that apply to each of the funds.

This CET 1 solvency ratio could decrease further under a future five-year agreement that would be negotiated with the State for the period after 2022.

In addition, the Issuer must comply with the regulatory ratio known as the liquidity ratio, which is the relationship between (i) the numerator, the liquid assets that the Issuer will have in the coming month, and (ii) the denominator, the payables that the Issuer must honour in the coming month. The liquidity requirements are assessed at the overall level of the five funds. The Issuer must have a liquidity ratio that is at least equal to 100% at all times.

The Issuer's financial policy, approved by its Board of Directors, governs the limits and alert thresholds for the liquidity ratio as well as the liquidity gap, which represents the difference between residual liabilities and residual assets on the balance sheet until they are eliminated.

The ratio may experience high volatility due to the PEEC collection period, which predominantly takes place (more than 90%) during the month of December, and the seasonality of certain investments made by the Issuer.

Failure to comply with regulatory requirements may force the Issuer to implement one or more recovery actions. It may even result in the revocation of the Issuer's accreditation as a finance company, resulting in loss of value for the Issuer. In the event that compliance with the liquidity ratio is threatened or the liquidity gap is too great, the Issuer's ability to grow its business would be reduced. This could have a material adverse effect on the Issuer, its business, financial condition, results, and future prospects.

7 MARKET RISKS

7.1 Risks related to the performance of financial markets and the banking system

To date, the Issuer has no exposure to financial markets.

The interconnection between multiple financial institutions, market firms, and clearing houses increases the risk that the operational failure of one of them may cause an operational failure of the entire sector. Between market participants and financial intermediaries, sectoral concentration is likely to increase this risk as complex and disparate systems need to be coordinated, often in a timely manner. Any such failure, interruption, or operating incident could adversely affect the Issuer's ability

to conduct its business, in particular, granting loans and guarantees and managing its risk exposure, or could give rise to financial losses, call its liability into question, as well as cause an interruption of its activities, a regulatory intervention, or an attack on its reputation.

7.2 Interest rate and inflation risk

Interest rate risk is the prospect that the Issuer will incur losses caused by an adverse change in interest rates as a result of all of its balance sheet and off-balance sheet transactions. This will be the case particularly in the event of an imbalance between the interest rates generated by its assets and those due for its liabilities. Interest rate risk includes the risk of refinancing at a higher interest rate than the one originally contracted, the risk of a fall in the Livret A rate to which the majority of the loans granted by the Issuer to legal entities are indexed (with a floor that limits the applicable rate to 0.25%), or the risk of replacing an asset at a lower rate than that initially contracted. In these circumstances, if interest rates change, there may be a negative impact on the net interest margin, thus reducing the amount of the Issuer's income that could lead to an impairment loss.

The collection of the PEEC in the form of loans is however not affected by such developments. These loans are granted by the companies to the Issuer in the form of zero-interest bullet loans for a period of 20 years. However, the Issuer is exposed to the risk of fluctuating interest rates and that of inflation as a result of its borrowings from the CDC. The outstanding principal owed as at 31 December 2020 was €1,157 million and the remaining term of these loans with the CDC is between 17 and 19 years. They have a floating interest rate indexed on the Livret A passbook rate, a popular tax-free savings account that currently earns 0.50% (the Livret A is mainly intended to finance social housing, urban policy and long-term investment by local authorities in France) plus 90 basis points.

7.3 Liquidity risk

Liquidity risk is the risk that the Issuer and its consolidated subsidiaries cannot meet their commitments within a specified timeframe and at a reasonable cost. This is the risk of not being able to unwind or offset a position due to market conditions or factors specific to them. It reflects the risk of not being able to cover net cash outflows across all short- to long-term maturities.

In addition, more than 90% of the PEEC is on average collected in December, the Issuer faces high cash flow seasonality, which could have an impact on Uses or require short-term or medium term financing in order to meet the regulatory requirements.

8 RISKS RELATING TO THE NOTES

The following paragraphs describe the main risk factors that the Issuer believes are material to the Notes in order to assess the risks associated with these Notes. Prospective investors should consult their own financial and legal advisors on the risks of investing in a particular Series of Notes in light of their own particular circumstances. In certain circumstances, Noteholders may lose all or part of the value of their investment as a result of the application of the terms and conditions of the Notes.

8.1 The Notes may not be an appropriate investment for all investors

On the basis of their own examination and with the intervention of any advisors they may deem pertinent under the circumstances, each potential investor must individually determine the opportunity of investing in the Notes in light of its own personal circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to satisfactorily evaluate the Notes, interest, and risks relating to an investment in the relevant Notes and the information contained in this Information Memorandum, and in any supplement to this Information Memorandum;

- (ii) have access to and be familiar with the appropriate analytical tools to evaluate, in light of their personal situation and risk sensitivity, an investment in the Notes concerned. The potential investor must be able to analyse the effect that the relevant Note could have on its entire investment portfolio;
- (iii) have sufficient financial resources and liquidity to support all the risks of an investment in the Notes, including if the currency for the payment of the principal or interest is different from the currency of the potential investor;
- (iv) understand perfectly the terms of the relevant Notes. Be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (alone or with the help of a financial advisor) the possible scenarios for the economy, interest rates, or any other factor that could affect their investment and their ability to bear the risks incurred.

Certain Notes may be acquired for the purpose of reducing risk or improving performance with additional risk known, assessed, and appropriate for the overall investment portfolio. Potential investors should not invest in the Notes unless their expertise, alone or with the assistance of their financial advisor, allows them to assess how the Notes will evolve under changing conditions. They must be able to evaluate the effects on the value of the Notes and the impact of this investment on their overall portfolio.

8.2 Risks relating to the structure of a particular issuance of Notes

Different types of Notes may be issued under this Programme. A number of these Notes may have features that contain particular risks to potential investors. The most common features of these Notes are set out below:

Any early redemption option in favour of the Issuer, provided for by the Final Terms of a particular issue of Notes, may result for the Noteholders in a performance being significantly lower than their expectations.

The Final Terms of a particular issue of Notes may provide for an Issuer's early redemption option. As a result, the return at the time of redemption may be lower than expected. The value of the repaid amount of the Notes may be less than the purchase price paid by the Noteholder on the market. As a result, a portion of the capital invested by the Noteholders may be lost, such that they would not receive the full amount of capital invested. In addition, in the event of an early redemption, investors who choose to reinvest their funds may only be able to reinvest in financial securities with a lower yield than the redeemed Notes.

Notes subject to an optional redemption by the Issuer

In the event of a redemption of the principal or an interest payment, if the Issuer were forced to make additional payments in accordance with Condition 8 (b) of the Terms and Conditions of the Notes, it may then repay in full the Early Redemption Amount plus any accrued interest up to the scheduled redemption date. Similarly, if it becomes unlawful for the Issuer to pay an amount owed to the Noteholders, despite the commitment to pay any additional amount provided for in Condition 8 (b) of the Terms and Conditions of the Notes, the Issuer shall repay in full the Early Redemption Amount plus any accrued interest up to the scheduled redemption date.

If the relevant Final Terms provide for it, the Issuer may also redeem the Notes under a Residual Maturity Call Option (as provided in Condition 6(b)(i)), under a Clean-up Call Option (as provided in Condition 6(b)(ii)) or under a Make-Whole Redemption Option (as provided in Condition 6(b)(iii)). In

particular, in the context of the Clean-up Call Option provided for in Condition 6(b)(ii), the Issuer is not required to inform the Noteholders of a particular Series if the Notes representing a nominal amount equal to or greater than 75% of the aggregate nominal amount of the relevant Series initially issued have been redeemed or repurchased and then cancelled.

The existence of a redemption option tends to limit the Notes' market value. During each period in which the Issuer may decide to redeem the Notes, their market value generally does not exceed that at which such Notes may be redeemed. This situation may also occur before each redemption period.

It is generally expected for the Issuer to redeem the Notes if the cost of its indebtedness is lower than the interest rate of the Notes. In these cases, investors are generally not able to reinvest the amounts received in financial securities having a yield as high as the redeemed securities. They can only reinvest the repaid funds in financial securities with significantly lower yield. Potential investors should consider the reinvestment risk in light of other possible investments.

Fixed rate Notes

An investment in fixed rate Notes involves the risk that inflation or a subsequent change in interest rates on the market will have a material adverse effect on the value of the relevant tranche of Notes.

Holders of fixed rate Notes should be aware that substantial changes in market rates could adversely affect the value of the Notes if they sell their Notes at a time when interest rates on the market exceed the fixed rate of the Notes. In addition, the yield of the fixed rate Notes, specified in the relevant Final Terms, is calculated on the Issue Date of such Notes on the basis of their issue price. This is not an indication of the future performance of the Notes.

Notes issued below par or including an issue premium

The market value of securities issued below par or with an issue premium tends to be more sensitive to interest rate fluctuations than conventional interest-bearing securities. Generally, the longer the maturity date, the greater the volatility of the price of such Notes compared to conventional interest-bearing securities with a similar maturity.

Risks relating to sustainable securities

An amount equivalent to the net proceeds from each issue of Notes will be allocated by the Issuer to the financing and/or refinancing, in whole or in part, of a portfolio of social and/or environmental projects, as presented in the Issuer's "Sustainable Bonds" framework document (the "**Sustainable Bonds Framework Document**"). This document may be subject to change and is published on the Issuer's website. The environmental and social objectives of qualified projects are also described in the Sustainable Bonds Framework Document. More details, notably on the allocation of this amount equivalent to the net proceeds of the issue, will be provided in the relevant Final Terms.

Prospective investors should take into account the information contained in the relevant Final Terms with respect to the allocation of the amount equivalent to the proceeds of each issuance of Notes. They should determine, on their own, the relevance of the information to invest in the Notes and the need to conduct any further analysis they deem necessary. The Issuer or the Dealers do not guarantee that the use of the amount equivalent to the proceeds to fund one or more eligible projects will meet, in whole or in part, the current or future expectations or requirements of the investors resulting from the investment criteria or guidelines to which such investors are required to comply, whether under any applicable law or current or future regulation, any other applicable rule, or any portfolio management mandate. Neither the Issuer nor the Dealers guarantee that the projects in question will have a direct or indirect environmental or social impact.

In addition, it should be pointed out that there is currently no definition (legal, regulatory or otherwise) of, and no market consensus for a particular project to be defined as, a "green" or "social" or equivalently labelled project. On 18 June 2020, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the "**Taxonomy Regulation**"). The Taxonomy Regulation establishes a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable.

Finally, the requirements that justify such a label may change over time and therefore, there can be no assurance that a project, and the use, or the various uses that will be made of it or related to it, will meet investor expectations regarding these "green" or "social" objectives, or any other objective bearing an equivalent label. No commitment or affirmation, for any purpose whatsoever, is given as to the relevance or reliability of either an expert opinion, a certificate of second party opinion, or an extra-financial rating of the Notes, solicited or not by the Issuer that could be delivered in connection with an issuance of Notes to meet environmental, social, sustainable, or other criteria. To date, the authors of these opinions, certificates, and ratings are not subject to any regulatory regime, other type of plan, or any particular supervision. Such opinions, certificates, or ratings do not constitute and should not be considered as a recommendation of the Issuer or any other person to buy, sell, or hold the Notes.

Although the Issuer intends to allocate an amount equivalent to the proceeds from each issuance of Notes to one or more specified projects in the manner described in the relevant Final Terms, there can be no assurance that the project in question, the uses of the amounts to be made thereof, or relating thereto, may actually be carried out in this manner and/or according to a fixed timetable and, as a result, that these amount will be totally or partially disbursed for this project. There can also be no assurance that this project will be completed or achieved within a given time frame. There can be no guarantee that it will be realised in accordance with the expected or originally anticipated results by the Issuer. Such an event or breach on the part of the Issuer will not constitute an Event of Default.

Such an event or the failure to allocate the amount equivalent to the proceeds from an issuance of Notes to a project referred to above, the withdrawal of an opinion, a certificate, or a rating, or the issuance of any opinion or certificate by which it is found that the Issuer did not comply with the purpose of this opinion or certificate could have a material adverse effect on the value and marketability of the Notes or may have negative consequences for certain portfolio managers who were instructed to invest in securities with a specific purpose. To avoid any doubt, however, it is specified that the payment of principal and interest on the Notes may not depend on the performance of the project concerned.

No Dealer guarantees the Notes suitability towards environmental, social, or sustainable criteria required by potential investors or as provided by the Taxonomy Regulation, the principles applicable to green bonds, social bonds, or the guidelines applied to sustainable bonds published by the International Capital Markets Association ("**ICMA**"). The Dealers are not responsible for assessing the eligibility criteria, verifying the compliance of the Notes with the Taxonomy Regulation, the said eligibility criteria or with the said ICMA principles or guidelines, or monitoring the use that is made of the amount equivalent to the issuance proceeds. As such, investors are invited to consult the Issuer's website and refer to their own advisors.

8.3 Risks relating to the Notes in general

Certain risks relating to the Notes in general are briefly outlined below:

Modifications of the Terms and Conditions

For all Tranches in a Series, the Noteholders will be grouped automatically for the defence of their common interests within a Masse, as defined in Condition 11 of the Terms and Conditions of the Notes "**Representation of Noteholders**". This Masse will act in part through a representative (the "**Representative**") and in part through collective decisions of Noteholders (the "**Collective Decisions**"). Noteholders may be asked to decide on proposals relating to the modifications of the Terms and Conditions of the Notes by way of Collective Decisions and subject to the limits provided by French law. The Terms and Conditions of the Notes permit in certain cases to bind all Noteholders including those who did not participate (or were not represented) or those who did not vote at the General Meeting, those who voted against the majority and those who did not participate in, or who rejected a Written Resolution.

Amendment of the laws in force

The Terms and Conditions of the Notes are based on French law in effect as of the date of this Information Memorandum. There is no guarantee that a court decision or an amendment of the laws, or a change in the administrative practice in force after the date of this Information Memorandum would not have an impact on the Notes.

Taxation

Prospective purchasers and sellers of the Notes must take into account whether they may have to pay taxes, duties, or other levies in accordance with applicable law or practices in jurisdictions where the Notes are transferred or in other jurisdictions. In some jurisdictions, no official position of the tax administration or court decisions is available in respect of financial securities such as the Notes. Prospective investors are advised not to rely on the tax information contained in this Information Memorandum. They must seek advice from their own tax advisors as to their personal situation regarding the acquisition, holding, transfer, and redemption of the Notes. Only such advice is able to properly take into consideration the specific situation of each potential investor.

European Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission adopted a draft directive on the FTT (the "**Commission Proposal**"). This directive is to be implemented in accordance with the enhanced cooperation procedure by eleven Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia, and Spain) (the "**Participating Member States**").

In March 2016, Estonia officially confirmed its intention to no longer be part of the Participating Member States.

The Commission Proposal has a very wide scope. It could, if adopted as it stands, be applied to certain transactions of the Notes, including secondary market transactions, in certain circumstances.

Under the terms of the Commission Proposal, the FTT could apply in some cases to persons who are located within or outside the Participating Member States. In principle, it should apply to certain transactions involving the Notes if at least one of the parties is a financial institution and one party is established in a Participating Member State. A financial institution may be, or may be deemed to be, "established" in a Participating Member State in a large number of circumstances, namely: (a) by

transacting with a person established in a Participating Member State, or (b) if the financial instrument that is the subject of the transaction was issued in a Participating Member State.

However, the Commission Proposal remains subject to negotiations between Participating Member States (excluding Estonia). It may be modified before its implementation, the timing of which is uncertain.

More recently, Participating Member States, excluding Estonia, agreed in particular to continue negotiations on the basis of a revised proposal, based on the French model, which should in principle only concern the shares of listed companies having their principal place of business within a European Union Member State, and a market capitalisation exceeding €1 billion in the year preceding the taxation year. According to the revised proposal, the FTT should apply at a rate of at least 0.2%. Such proposal remains subject to change until a final approval and it may therefore be altered prior any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the Participating Member States (excluding Estonia) may decide to withdraw.

Anyone planning to invest in the Notes is invited to consult their own tax advisor regarding the FTT.

French insolvency law

Noteholders will automatically be brought together for the defence of their common interests in a Masse, as defined in Condition 11 of the Terms and Conditions of the Notes "Representation of Noteholders". However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of creditors entitled "single general meeting of the noteholders" (the "**Assembly**") for the defence of their common interests in any safeguard procedure, accelerated safeguard procedure, accelerated financial safeguard procedure, or judicial reorganisation procedure is opened in France with respect to the Issuer.

The Assembly brings together holders of all debt securities issued by the Issuer (including the Notes) whether or not such debt securities were issued under a programme and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan, the proposed accelerated safeguard plan, the proposed accelerated financial safeguard plan, or the proposed judicial reorganisation applicable to the Issuer and may further accept in particular:

- an increase of the liabilities of holders of debt securities (including the Noteholders) by the agreement of payment extensions and/or a total or partial write off of debt securities;
- the establishment of unequal treatment between holders of debt securities (including Noteholders) if the conditions justify it; and/or
- the conversion of debt securities (including the Noteholders) into securities giving or that could provide access to share capital. (subject to an amendment to Article L.313-19 of the Code which designates Action Logement Groupe as the sole shareholder of the Issuer).

The decisions of the Assembly will be taken by a two-thirds majority (2/3) (calculated in proportion to the debt securities) held by the holders of Notes who casted a vote at this Assembly. No quorum is required for the Assembly to be held. Noteholders whose rights are not affected by the plan do not take part in the vote.

Under such circumstances, the provisions on the Representation of Noteholders described in the Terms and Conditions of the Notes set out in this Information Memorandum will not be applicable to the extent that they conflict with compulsory insolvency law provisions.

8.4 Risks related to the market

The main market risks are presented below. They include liquidity risk, exchange rate risk, interest rate risk, and credit risk.

Market value of the Notes

The market value of the Notes may be affected by the credit quality of the Issuer and other additional factors, including market interest and yield rates or the remaining term to maturity.

The market value of the Notes relies on interdependent factors, including economic, financial and political factors in France or elsewhere, including factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Noteholder may sell its Notes prior to the maturity date may be substantially less than the issue price or the purchase price paid by such Noteholder.

Secondary market

The Programme allows the Notes to be admitted to trading on the Euro MTF and/or Euronext Growth markets. However, the Notes may not have an established trading market upon their issuance and it is possible that a secondary market for these Notes may never develop. Even if a secondary market does develop, it might not be liquid. Although certain Series of Notes are intended to be admitted to trading on the Euro MTF market and/or on the Euronext Growth market, it is not certain whether a particular Tranche of Notes will be admitted to trading or whether an active trading market develops. As a result, investors may not be able to sell their Notes easily or to sell them at a price offering a yield comparable to similar products for which an active secondary market has developed. Lack of liquidity can have a material adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Programme allows for the Notes to be issued in a range of currencies (each a “**Specified Currency**”). The Issuer will pay the principal and interest of the Notes in the Specified Currency. This presents certain currency conversion risks if an investor's financial activities are carried out mainly in a currency (the “**Investor's Currency**”) different from the Specified Currency. These risks include the risk that the exchange rates may vary significantly. This includes variations due to the devaluation of the Specified Currency or the revaluation of the Investor's Currency and the risk that the authorities having jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation of the value of the Investor's Currency in relation to the Specified Currency would reduce (1) the equivalent in the Investor's Currency of the yield of the Notes, (2) the equivalent in the Investor's Currency of the redemption value of the Notes, and (3) the equivalent in the Investor's Currency of the market value of the Notes.

Government and monetary or financial authorities may impose exchange control measures that may adversely affect exchange rates. Some governments and monetary or financial authorities have done so in the past. As a result, investors may receive principal or interest payments lower than expected, or even receive no interest or principal.

Credit risk

An investment in the Notes exposes the Noteholders to the Issuer's credit risk. If the Issuer's financial condition deteriorates, it may not be able to pay all or part of its payment obligations under the Notes. Hence, investors could lose all or part of their investment.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign a rating to the Notes. The ratings may not reflect the potential effect of any risks related to structural, market, or other factors described in this section, nor any other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell, or hold the Notes. It may be revised or withdrawn by the rating agency at any time without prior notice. A downward revision or rating withdrawal may adversely affect the market value of the Notes.

Investment laws and regulations may restrict certain investments

The investment activity of certain investors is subject to laws and regulations on investment criteria, or to the control of certain authorities. Each prospective investor should consult its own legal advisor to determine to what extent (1) the Notes are an authorised investment for it, (2) the Notes may or may not be used as collateral for different types of borrowings, and (3) if other restrictions apply with respect to the acquisition or the pledging of the Notes. Financial institutions should consult their legal advisors or the appropriate regulator to determine the applicable treatment of the Notes in accordance with prudential rules or any similar rule. Neither the Issuer, the Dealers, nor any of their respective affiliates have or assume any liability for the legality of the acquisition of the Notes by a potential investor whether under the laws in the jurisdiction where they are registered or where they operate (if the jurisdiction is different), or the potential investor's compliance with any law, regulation, or rule issued by a regulator that would apply to such investor.

GENERAL DESCRIPTION OF THE PROGRAMME

The terms and expressions defined in the section "Terms and Conditions of the Notes" below shall have the same meaning as in this general description.

Issuer:	Action Logement Services SAS
Issuer's Legal Entity Identifier:	969500O2QYH3YW92C551
Issuer's website:	https://www.actionlogement.fr
Arrangers:	J.P. Morgan AG and Natixis
Dealers:	<p>BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, J.P. Morgan AG, Natixis and Société Générale</p> <p>The Issuer may at any time appoint additional Dealers, either for one or more Tranches or for the entire Programme. Any reference made in this Information Memorandum to "Permanent Dealers" refers to the persons named above as Dealers as well as to any other person who has been appointed as a Dealer for the entire Programme (and who has not been revoked) and any reference to "Dealers" refers to any Permanent Dealer and any other person designated as a Dealer for one or more Tranches.</p>
Description:	Sustainable Euro Medium Term Note Programme.
Maximum amount of the Programme:	The aggregate nominal amount of the Notes outstanding will not at any time exceed €6,200,000,000 (or the equivalent of this amount in other currencies, calculated on the issue date).
Fiscal Agent Principal Paying Agent, and Calculation Agent:	Société Générale
Issuance method:	<p>The Notes will be issued on a syndicated or non-syndicated basis.</p> <p>The Issuer and the Dealers concerned will determine at the time of the issue, the terms and conditions specific to each Tranche that will be set out in the Final Terms. This includes in particular the total aggregate amount, the issue price, the redemption price, and the interests, if any, payable thereunder.</p>
Maturities:	Subject to compliance with all applicable laws, regulations, and directives, the Notes will have a minimum maturity of one (1) year (inclusive) from the initial issue date, or the Notes may have no fixed maturity.
Currencies:	Subject to compliance with all applicable laws, regulations, and directives, the Notes may be issued in euro, US dollars, yen, and any other currency as may be agreed between the Issuer and the relevant Dealer(s).
Denomination:	<p>The Notes will be issued in the specified denomination provided in the relevant Final Terms.</p> <p>The Notes will be issued in one denomination only.</p>

Status of the Notes:	The Notes will constitute direct, unconditional, unsecured (subject to the provisions of Condition 4) and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.
Negative pledge	The Terms and Conditions of the Notes contain a clause for negative pledge. This is more fully described under Condition 4 "Terms and Conditions of the Notes - Negative pledge".
Event of Default (including cross default):	The Terms and Conditions of the Notes will contain Events of Default (including cross default). See Condition 9 "Terms and Conditions of the Notes - Events of Default".
Redemption Amount:	The basis for the calculation of the redemption amounts can be found in the Terms and Conditions of the Notes.
Optional Redemption:	The relevant Final Terms will indicate whether the Notes may be redeemed prior to their stated maturity at the option of the Issuer (in whole or in part) and, if so, the terms applicable to such redemption.
Residual Maturity Call Option:	If a Residual Maturity Call Option is specified as being applicable in the relevant Final Terms, the Issuer will have the option to redeem all, but not some only, of the Notes of the relevant Series from the Residual Maturity Redemption Date, at the Early Redemption Amount specified in the Final Terms plus any accrued interest.
Clean-up Call Option:	If a Clean-up Call Option is specified as being applicable in the relevant Final Terms, the Issuer will have the option to redeem all, but not some only, of the Notes of the relevant Series, at any time, at the Early Redemption Amount specified as the case may be in the relevant Final Terms plus any accrued interest due, provided that the redemptions or repurchases, and cancellations of this Series that were previously made represent an nominal amount equal to or greater than 75% of the aggregate nominal amount of the relevant Series (including any Notes that were assimilated and that form a single Series with the Notes).
Make-Whole Redemption Option:	If a Make-Whole Redemption Option is specified as being applicable in the relevant Final Terms, the Issuer will have the option to redeem all or part of the Notes of the relevant Series, at any time before their Maturity Date at their Make-Whole Redemption Amount.
Early Redemption:	Subject to the provisions of the paragraphs "Residual Maturity Call Option", "Clean-up Call Option" and "Make-Whole Redemption Option" of the Conditions, the Notes will only be redeemable at the option of the Issuer prior to their stated maturity for taxation reasons. See Condition 6 "Terms and Conditions of the Notes - Redemption, purchase, and options".
Interest Periods and Interest Rates:	For each Series, the length of the Notes' interest periods, the applicable

interest rate, as well as the method of calculation may vary or remain identical, as the case may be. The Notes may bear interest at different rates during the same interest period through the use of interest accrual periods. All this information will appear in the relevant Final Terms.

Interest payments:	Interest on the Notes will be payable in arrears on the date, or dates, for each year indicated in the relevant Final Terms.
Redenomination:	Notes denominated in a currency of any of the Member States of the European Union participating in the third stage of the Economic and Monetary Union may be redenominated in euros. This is further described in Condition 1(d) "Terms and Conditions of the Notes - Redenomination".
Consolidation:	The Notes of one Series may be consolidated with the Notes of another Series. This is further described in Condition 12 "Terms and Conditions of the Notes - Further Issues and Consolidation".
Form of the Notes:	The Notes will be issued in dematerialised bearer form. No physical document of title will be issued in representation of the Notes. See Condition 1 "Terms and Conditions of the Notes - Form, denomination, title, and redenomination".
Applicable law:	French law.
Clearing systems:	Euroclear France as central depository or any other clearing system that the Issuer, the Fiscal Agent, and the relevant Dealer agree to appoint.
Delivery of the Notes:	The <i>Lettre Comptable</i> relating to each Tranche of Notes must be deposited with Euroclear France as the central depository one (1) Paris business day before the issue date of this Tranche.
Issue price:	The Notes may be issued at their nominal amount, or at a discount or premium to their nominal amount.
Listing and admission to trading:	A request was filed with (i) the Luxembourg Stock Exchange for the Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market and (ii) Euronext Paris so that the Notes may be admitted to trading on the Euronext Growth market.
Rating:	<p>The Issuer's long-term debt has been rated Aa2, stable outlook, and AA, negative outlook, by Moody's and Fitch respectively. The Programme is rated Aa2, stable outlook, and AA, negative outlook by, respectively, Moody's and Fitch. The Notes issued under the Programme may or may not be rated.</p> <p>Moody's and Fitch are established in the European Union and are registered in accordance with Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the "CRA Regulation"). They are included in the list of registered credit rating agencies as published on the website of the European Securities and Markets Authority (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)</p>

in accordance with the CRA Regulation.

The applicable Final Terms will specify (i) the rating, if any, and (ii) whether or not the rating has been issued by a credit rating agency established in the European Union, registered in accordance with the CRA Regulation and listed as a registered rating agency as published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell, or hold the Notes. It may, at any time, be suspended, modified, or withdrawn by the rating agency concerned.

Selling Restrictions:

There are restrictions to the offer and sale of the Notes as well as the distribution of offering documents in different jurisdictions. See Section "Subscription and Sale". The Issuer is Category 1 for the purposes of Regulation S. TEFRA rules do not apply to the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and interpreted in conjunction with the following documents. These documents are incorporated by reference into this Information Memorandum and are deemed to form an integral part thereof. They are available on the website of the Issuer at: <https://groupe.actionlogement.fr/rerelations-investisseurs>.

- (a) The 2019 financial statements of the Issuer for the financial year ended 31 December 2019, including the statutory auditors' report on the annual financial statements (the "**2019 Financial Statements**");
- (b) The 2019 consolidated financial statements of the Issuer for the financial year ended 31 December 2019, including the statutory auditors' report on the consolidated financial statements (the "**2019 Consolidated Financial Statements**");
- (c) The 2020 financial statements of the Issuer for the financial year ended 31 December 2020, including the statutory auditors' report on the annual financial statements (the "**2020 Financial Statements**"); and
- (d) The 2020 consolidated financial statements of the Issuer for the financial year ended 31 December 2020, including the statutory auditors' report on the consolidated financial statements (the "**2020 Consolidated Financial Statements**"),

Together, these are the "**Documents Incorporated by Reference**".

For as long as the Notes are outstanding under the Programme, all documents incorporated by reference in this Information Memorandum may be obtained, upon request and free of charge, during the usual office hours at the registered office of the Issuer and the designated offices of the Paying Agents as indicated at the end of this Information Memorandum. These documents will be published on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>) and on the Issuer's website (<https://www.actionlogement.fr>).

SUPPLEMENT TO THE INFORMATION MEMORANDUM

Any significant new factor, material mistake or inaccuracy relating to the information contained or incorporated by reference in the Information Memorandum that would be capable of affecting the assessment of any Notes must be mentioned by the Issuer in a supplement to the Information Memorandum or in an information memorandum published by the Issuer as a substitute for this document applicable to any subsequent offering of Notes.

Upon request and free of charge, any supplement to the Information Memorandum may be obtained during normal office hours at the Issuer's registered office and at the designated offices of the Paying Agents as indicated at the end of this Information Memorandum and will be published on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>) and on the Issuer's website (<https://www.actionlogement.fr>).

TERMS AND CONDITIONS OF THE NOTES

*The following provisions constitute the terms and conditions (the "**Terms and Conditions**") that shall apply to the Notes, as supplemented in accordance with the provisions of the relevant Final Terms. All capitalised terms, that are not defined in these Terms and Conditions, shall have the meaning given to them in the relevant Final Terms. The references below to "**Conditions**" refer, unless otherwise stated in the context, to the numbered paragraphs below. References in the Terms and Conditions to "**Notes**" apply to the Notes of a single Series, not to all the Notes that may be issued under the Programme.*

The Notes are issued by Action Logement Services SAS (the "**Issuer**") by series (each a "**Series**"), on the same date or on different dates. The Notes of the same Series will be subject (in all respects except for the issue date, the issue price, the amount of the first interest payment, and the nominal amount of the Tranche) to identical Terms and Conditions, the Notes of each Series being intended to be interchangeable with all other Notes of the same Series. Each Series can be issued in tranches (each a "**Tranche**") which may have the same issue date or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, the issue price and the amount of the first interest payment, if any, payable thereunder) will be determined by the Issuer and will be set out in the final terms of such Tranche (the "**Final Terms**").

An amended and restated agency agreement, as may be amended, (the "**Amended and Restated Agency Agreement**") relating to the Notes was concluded on 29 June 2021 between the Issuer and Société Générale, as fiscal agent, principal paying agent and calculation agent, and the other agents designated therein. The fiscal agent, the paying agents, and the calculation agent, if any, will be respectively referred to herein as the "**Fiscal Agent**", the "**Paying Agents**" (such expression including the Fiscal Agent), and the "**Calculation Agent**".

1 Form, denomination, title, and redenomination

(a) Form

The Notes will be issued in dematerialised bearer form.

Title to the Notes will be established by book entries, in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French Monetary and Financial Code. No physical document of title (including *certificats représentatifs* in accordance with Article R.211-7 of the French Monetary and Financial Code) will be issued in respect of the Notes.

The Notes are issued in bearer form. They will be entered in the books of Euroclear France ("**Euroclear France**") (acting as central depository) who will credit the accounts of the Account Holders. Title to the Notes will be established by book entry in the books of the Account Holders and the transfer of the Notes may only be made by entry in these books.

In these Terms and Conditions, "**Account Holder**" shall mean any intermediary entitled to hold securities accounts, directly or indirectly, with Euroclear France, including Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**").

(b) Denomination

The Notes will be issued in the specified denomination indicated in the relevant Final Terms (the "**Specified Denomination**"). It is understood that the denomination of each Note will be greater than or equal to €100,000 (or the equivalent of this amount in another currency) or such higher amount that may be permitted or required by any law or regulation applicable to the Specified Currency.

The Notes will be issued in one Specified Denomination only.

(c) **Title**

- (i) Title to Notes shall pass upon, and the transfer of such Notes may only be effective through, registering the transfer in the accounts of the Account Holders.
- (ii) Subject to a court order issued in a competent jurisdiction or under an applicable law, any Noteholder (as defined hereafter) shall be deemed to be and may be treated as, in all circumstances, the sole and unique owner thereof. This will be the case whether or not this Note is overdue, regardless of any declaration of ownership, of any right to this Note, and without anyone being held responsible for so treating the holder.
- (iii) In these Conditions, "**holder of any Notes**" or, as the case may be, "**Noteholder**" refers to the person whose name appears on the account of the relevant Account Holder as being entitled to such Notes.

(d) **Redenomination**

- (i) The Issuer may (if indicated in the relevant Final Terms), on any date, without the consent of the holder of any Note, and by notifying such holder of Notes in accordance with Condition 13 at least thirty (30) calendar days in advance, redenominate in euros all (but not some only) of the Notes of each Series, and make the necessary adjustments to the aggregate principal amount and the Specified Denomination set out in the relevant Final Terms. The Issuer can do this from the date on which the Member State of the European Union in whose national currency the Notes are denominated has become a Member State of the Economic and Monetary Union, as defined in the Treaty establishing the European Community (the "**EC**"), as amended (the "**Treaty**") or events having substantially the same effect occurred (in either case, "**EMU**"), as more fully described hereinafter. The date on which such a redenomination becomes effective will be defined in these Conditions as the "**Redenomination Date**".
- (ii) The redenomination of the Notes in accordance with Condition 1(d)(i) will be effected by converting the principal amount of each Note denominated in the relevant national currency into Euro using the fixed exchange rate between this national currency and Euro as established by the Council of the European Union in accordance with Article 123(4) of the Treaty and rounding up the resulting figure to the nearest hundredth of a euro (with €0.005 being rounded up to the nearest hundredth of a euro). At the Issuer's option, the figure resulting from the conversion of the principal amount of each Note following the application of the fixed exchange rate between the national currency concerned and Euro may be rounded down to the nearest Euro. The Euro denominations of the Notes thus determined shall be notified to Noteholders pursuant to Condition 13. Any balance resulting from the redenomination with a denomination higher than Euro 0.01 must be paid by means of a cash adjustment rounded to the nearest hundredth of a euro (with €0.005 being rounded up to the nearest hundredth of a euro). Such cash adjustment will be payable in Euros on the Redenomination Date in accordance with the method to be notified by the Issuer to Noteholders.
- (iii) Following a Note redenomination, any reference herein to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior consent of the Fiscal Agent, as part of a redenomination in accordance with this Condition or a consolidation in accordance with Condition 12 and without the consent of the holders of any Note, make any changes or additions to these Conditions or Condition 12 (including, in particular, any change to any applicable definition of a business day,

a business day convention, the principal financial centre of the country of the Specified Currency, interest accrual basis and the benchmark), taking into account market practice with regard to debt securities issued on the Euromarket and denominated in Euro and which it considers not to be prejudicial to the interests of these holders. In the absence of manifest error, all such changes or additions will be binding on the Noteholders. They will be notified in accordance with Condition 13 as soon as practically possible.

- (v) Neither the Issuer nor any Paying Agent shall be liable to any Noteholder or any other person for any commissions, costs, losses, or expenses in respect of or resulting from a credit or transfer in Euros, the conversion of any currency, or the rounding carried out in this context.

2 Conversions of the Notes

The Notes are issued in bearer form and may not be converted into Notes in registered form, whether in fully registered form (*nominatif pur*) or in administered registered form (*nominatif administré*).

3 Status of the Notes

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsubordinated and unsecured obligations of the Issuer.

4 Negative pledge

Until the effective redemption of all the Notes, the Issuer commits not to create or permit to subsist any mortgage, charge, pledge, lien, or any other security interest (*sûreté réelle*) upon all or part of its assets or income, present or future, to secure any Indebtedness (as defined below) subscribed or guaranteed by the Issuer unless, at the latest on the same date, the Issuer's obligations under the Notes are equally and rateably secured therewith.

"**Indebtedness**" means any current or future indebtedness for borrowed money, represented by notes (*obligations*) or other debt securities (including negotiable debt securities), that are (or are capable of being) admitted to trading on a regulated market, quoted or traded on any stock exchange, multilateral trading facility, over-the-counter market, or any other market. It is specified that the term "Indebtedness" does not include any debt under loan agreements, any advances, or other credit facilities.

5 Interest and other calculations

(a) Definitions

In these Conditions, unless the context imposes a different meaning, the terms defined below shall have the following meanings:

"**Business Day**" means:

- (i) in the case of Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET 2) ("**TARGET**"), or any successor system, operates (a "**TARGET Business Day**"); and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle on the principal financial centre of this currency; and/or

- (iii) in the case of a Specified Currency and/or one or more additional business centres as indicated in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or Sunday) on which the commercial banks and foreign exchange markets settle payments in the currency of the Business Centres or, if no currency is indicated, generally in each of the Business Centres thus indicated.

"**Coupon Interest Accrual Period**" means the period beginning on the Interest Commencement Date (inclusive) and ending on the first Interest Period Date (exclusive) as well as each subsequent period beginning on an Interest Period Date (inclusive) and ending on the next Interest Period Date (exclusive).

"**Day Count Fraction**" means, for the calculation of an amount of interest for a Note for any period (beginning on the first (inclusive) day of that period and ending on the last (exclusive) day) (whether or not constituting an Interest Period, hereinafter the "**Calculation Period**"):

- (i) If the terms "**Actual/Actual - ICMA**" are indicated in the relevant Final Terms:
 - (A) If the Calculation Period is shorter than or equal to the Determination Period in which it falls, it is the number of days in the Calculation Period divided by the product of (x) the number of days in the said Determination Period and (y) the number of Determination Periods normally ending in a year; and
 - (B) If the Calculation Period is longer than one (1) Determination Period, it is the sum of:
 - (x) the number of days in the said Calculation Period within the Determination Period in which it begins, divided by the product of (1) the number of days in the said Determination Period and (2) the number of Determination Periods that normally end in a year; and
 - (y) the number of days in the said Calculation Period falling within the next Determination Period, divided by the product of (1) the number of days in the said Determination Period and (2) the number of Determination Periods that normally end in a year;

Where, in each case, "**Determination Period**" means the period beginning on a Determination Date (inclusive) of any year and ending on the next Determination Date (exclusive). "**Determination Date**" refers to the date indicated as such in the relevant Final Terms, or if no date is indicated, the Interest Payment Date;

- (ii) if the terms "**Actual/365 (Fixed)**" are indicated in the relevant Final Terms, they refer to the actual number of days elapsed in the Calculation Period divided by 365;
- (iii) if the terms "**Actual/360**" is indicated in the relevant Final Terms, they refer to the actual number of days elapsed in the Calculation Period divided by 360; and
- (iv) if the terms "**30/360**", "**360/360**" or "**Bond Basis**" are indicated in the relevant Final Terms, they refer to the number of days elapsed in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve (12) 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

"**Interest Amount**" means the amount of interest due in respect of a given period. This will be the Fixed Coupon Amount or the Broken Amount, as the case may be, as indicated in the Final Terms.

"**Interest Commencement Date**" means the Issue Date or any other date as may be mentioned in the relevant Final Terms.

"**Issue Date**" means for a given Tranche the settlement date of the Notes specified in the Final Terms.

"**Interest Payment Date**" means the date(s) mentioned in the relevant Final Terms, on which the Interest Amount is paid.

"**Interest Period**" means the period beginning on the Interest Commencement Date (inclusive) and ending on the first Interest Payment Date (exclusive) and each subsequent period starting on an Interest Payment Date (inclusive) and ending on the next Interest Payment Date (exclusive) or the relevant payment date if the Notes become redeemable on a date other than an Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date.

"**Interest Rate**" means the interest rate payable on the Notes calculated in accordance with Condition 5(b) and specified in the relevant Final Terms.

"**Relevant Date**" means for any Note, the date on which the payment in respect of it first becomes due or, in the event that any amount owed is unjustifiably not paid or is the subject of an undue payment delay, the date on which the unpaid amount is fully paid.

"**Specified Currency**" means the currency mentioned in the relevant Final Terms. If no currency is mentioned, the currency in which the Notes are denominated.

(b) **Interest of the Notes**

Each Note bears interest calculated pursuant to Condition 5(f) on its outstanding principal amount. This is calculated from the Interest Commencement Date (inclusive), at an annual rate (expressed as a percentage) equal to the Interest Rate. This interest is payable in arrears on each Interest Payment Date, as indicated in the relevant Final Terms.

If a fixed amount of interest ("**Fixed Coupon Amount**") or a broken amount of interest ("**Broken Amount**") is indicated in the relevant Final Terms, the Interest Amount payable on each Interest Payment Date will be equal to the Fixed Coupon Amount or, if applicable, the Broken Amount thus indicated. In the case of a Broken Amount, it will be payable on the Interest Payment Date(s) mentioned in the relevant Final Terms.

(c) **Accrual of interest**

Interest will cease to accrue for each Note on the redemption date unless on this redemption date, payment is improperly withheld or refused, in which case the interest will continue to accrue (both before and after any judgement) at the Interest Rate, in accordance with the terms of Condition 5 until the Relevant Date.

(d) **Rounding**

For any calculations to be made under these Conditions (unless otherwise indicated) (x) all percentages resulting from these calculations will be rounded, if need be, to the nearest fifth decimal place (with halves being rounded up) (y) all figures will be rounded up to the seventh digit after the decimal point (with halves being rounded up) and (z) all amounts in foreign currency that become due will be rounded to the nearest unit of currency (with halves being rounded up), except for the yen which will

be rounded down. For the purposes of this Condition, "unit" refers to the smallest subdivision of the currency in that country.

(e) **Calculations**

The amount of interest payable in respect of each Note, regardless of the period, will be calculated by applying the Interest Rate to the outstanding nominal amount of each Note and by multiplying the result thus obtained by the Day Count Fraction unless an Interest Amount (or a formula for calculating it) is indicated for that period, in which case the amount of the interest payable in respect of the Note for the same period shall be equal to the said Interest Amount (or shall be calculated in accordance with the formula for its calculation). If any Interest Period includes two or more Coupon Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be equal to the sum of the interest payable in respect of each of the Coupon Interest Accrual Periods.

(f) **Determination and publication of the Interest Rates, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, and Make-Whole Redemption Amounts**

As soon as possible on the date on which the Calculation Agent may calculate any rate or amount, obtain a quotation, determine an amount, or perform calculations, the Calculation Agent will determine such rate, calculate the Interest Amounts for each Specified Denomination of the Notes during the corresponding Coupon Interest Accrual Period. The Calculation Agent will also calculate the Final Redemption Amount, the Early Redemption Amount, or the Make-Whole Redemption Amount and obtain the corresponding quotation, make the determination, or any necessary calculation. The Calculation Agent will then cause the Interest Rate and Interest Amounts for each Interest Period, as well as the relevant Interest Payment Date and, if necessary, the Final Redemption Amount, the Early Redemption Amount, the Make-Whole Redemption Amount, to be notified to the Fiscal Agent, the Issuer, each Payment Agent, the Noteholders, and any other Calculation Agent designated under the Notes to perform additional calculations upon receipt of this information. The determination of each rate or amount, each quotation obtained, and any determination or calculation made by the Calculation Agent, in the absence of manifest error, shall be final and binding on the parties.

6 Redemption, purchase, and options

(a) **Final redemption**

Unless previously repaid, redeemed, or cancelled, as specified below, each Note will be redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (as indicated in the relevant Final Terms).

(b) **Early redemption at the option of the Issuer**

(i) **Residual Maturity Call Option:**

If an Issuer's Residual Maturity Call Option is mentioned as applicable in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with any applicable law, regulation, or directive, and provided that the Noteholders are irrevocably notified thereof at least fifteen (15) calendar days and not more than thirty (30) calendar days in advance pursuant to Condition 13, redeem all, but not some only, of the Notes for the time being outstanding, from the relevant Residual Maturity Redemption Date specified, as the case may be, in the relevant Final Terms (the "**Residual Maturity Redemption Date**"). Such redemption of Notes will be made at the Early Redemption Amount specified, as the case may be, in the relevant Final Terms plus any accrued interest due until the date fixed for redemption.

All Notes subject to such notice will be redeemed on the date indicated in such notice in accordance with this Condition.

(ii) Clean-up Call Option

If a Clean-up Call Option is mentioned as applicable in the relevant Final Terms, the Issuer may, at any time, subject to compliance by the Issuer with any applicable law, regulation, or directive, and provided that the Noteholders are irrevocably notified thereof at least fifteen (15) calendar days and not more than thirty (30) calendar days in advance pursuant to Condition 13, redeem all, but not some only, of the Notes for the time being outstanding if, immediately before the date on which such notice is given, the Notes representing an aggregate nominal amount equal to or greater than 75% of the aggregate nominal amount of the relevant Series (including any Notes that were assimilated and that form a single Series with the Notes), have been redeemed or repurchased (and consequently cancelled) by the Issuer, other than through redemption at the Issuer's option pursuant to Condition 6(b)(iii). Such a redemption will be made at the indicated Early Redemption Amount specified as the case may be, in the relevant Final Terms plus any accrued interest due until the date fixed for redemption.

The Notes for which such notice is given will be redeemed on the date mentioned in this notice in accordance with this Condition.

(iii) Make-Whole Redemption Option

If a Make-Whole Redemption Option is mentioned as applicable in the relevant Final Terms, the Issuer may, at its option, subject to compliance by the Issuer with any applicable law, regulation, or directive, and provided the Noteholders are irrevocably notified thereof at least fifteen (15) calendar days and not more than thirty (30) calendar days in advance pursuant to Condition 13, redeem, in whole or in part, the Notes remaining outstanding at any time before the Maturity Date or the Residual Maturity Redemption Date if a Residual Maturity Call Option is mentioned as applicable in the relevant Final Terms (the "**Make-Whole Redemption Date**"). This Note redemption shall be made at their Make-Whole Redemption Amount.

The "**Make-Whole Redemption Amount**" means the amount determined by the Calculation Agent and equal to the greater of:

- (A) 100% of the principal amount of the Notes so redeemed, and
- (B) the sum of the then present values of expected interest and principal payments in respect of the Notes remaining due until the Residual Maturity Redemption Date (excluding accrued interest up to the Make-Whole Redemption Date (exclusive)) calculated as at the Make-Whole Redemption Date on an annual basis at the Make-Whole Redemption Rate, increased by the Make-Whole Redemption Margin.

In both cases referred to in (A) and (B) above, the amounts will be increased by the accrued interest on the Notes until the Make-Whole Redemption Date (exclusive).

The "**Make-Whole Redemption Margin**" means the margin specified in the relevant Final Terms.

The "**Make-Whole Redemption Rate**" means (x) the arithmetic average of the four (4) quotations indicated by the Reference Dealers of the annual average yield of the Reference Security on the fourth (4th) Business Day preceding the Make-Whole Redemption Date at 11:00am (central European time ("CET")) ("**Reference Dealers Quotation**"), or (y) the Reference Screen Rate, specified in the relevant Final Terms.

"**Reference Dealers**" refers to each of the four (4) banks selected by the Calculation Agent which are leading European banks, and their respective successors, specialising in the trading of government and corporate securities, or any other bank or bank selection method specified in the relevant Final Terms.

"**Reference Security**" refers to the security specified in the relevant Final Terms. If the Reference Security is no longer outstanding, a Similar Security will be selected by the Calculation Agent at 11:00am (CET) on the third (3rd) Business Day preceding the Make-Whole Redemption Date. This will be notified in writing by the Calculation Agent to the Issuer and published in accordance with Condition 13.

All Notes for which notice is given under this Condition will be redeemed, or the Issuer's option will be exercised, on the date specified in such notice in accordance with this Condition.

"**Similar Security**" refers to one or more reference securities issued by the same issuer as the Reference Security having an identical or comparable maturity to the maturity of the Notes and that will be used, at the time of selection and in accordance with usual market practice, to determine the financial terms of new issues by private issuers of debt securities having a comparable maturity to the maturity of the Notes.

The Make-Whole Redemption Rate will be published by the Issuer in accordance with Condition 13.

The determination of each rate or amount, the obtaining of each quotation, and any determinations or calculations made by the Calculation Agent (in the absence of manifest error) shall be considered final and binding on the parties.

(iv) Partial redemption

Any partial redemption of the Notes pursuant to Condition 6(b)(iii) above shall be in respect of the Notes of a nominal amount at least equal to the Minimum Redemption Amount specified in the relevant Final Terms and no greater than the Maximum Redemption Amount stipulated in the relevant Final Terms.

In the event of a partial redemption by the Issuer, the reimbursement will be made by reducing the nominal amount of these Notes of the same Series in proportion to the aggregate nominal amount redeemed and the Specified Denomination, the Early Redemption Amount, and the Final Redemption Amount shall be adjusted to take into account this reduction.

Whenever a partial redemption of the Notes has been made, the Issuer must publish in accordance with Condition 13 a notice stipulating the total nominal amount of the outstanding Notes. It must also mention the new Specified Denomination, the new Early Redemption Amount, and the new Final Redemption Amount.

(c) Early Redemption Amount

Unless otherwise specified in the relevant Final Terms, the Early Redemption Amount for any Note, upon redemption pursuant to Conditions 6(b)(ii), 6(d), and 6(g) or if such Note becomes due and payable in accordance with Condition 9, shall be equal to the Final Redemption Amount plus all accrued interest up to the redemption date set out in the relevant Final Terms.

(d) **Redemption for taxation reasons**

- (i) If, upon repayment of the principal or payment of interest, the Issuer is forced to make additional payments in accordance with Condition 8(b) below, due to changes in French law or regulations or for reasons relating to changes in the official application or interpretation of such legislation that came into effect after the Issue Date, then the Issuer may upon any Interest Payment Date or, if indicated in the relevant Final Terms, at any time provided that the Noteholders are notified in accordance with the provisions of Condition 13, no earlier than sixty (60) calendar days and no later than thirty (30) calendar days before the said payment (this notice being irrevocable), redeem all, but not some only, of the Notes at the Early Redemption Amount indicated, if applicable, in the relevant Final Terms plus all accrued interest up to the scheduled redemption date, provided that the scheduled redemption date referred to in the notice is not earlier than the latest date on which the Issuer is, in practice, able to make the payment of principal and interest without having to withhold taxes or French levies.
- (ii) If, at the next repayment of the principal or at the next interest payment of the Notes, the payment by the Issuer of the total amount then owed to the Noteholders was prohibited by French law, despite the undertaking to pay any additional amounts in accordance with Condition 8(b) below, the Issuer should immediately notify the Fiscal Agent. The Issuer, subject to seven (7) calendar days' notice to the Noteholders pursuant to Condition 13, must then redeem all, but not some only, of the outstanding Notes at the Early Redemption Amount indicated where applicable in the relevant Final Terms, increased by any accrued interest up to the scheduled redemption date, as of (A) the latest practicable Interest Payment Date at which the full payment relating to such Notes could actually be made by the Issuer, provided that if the aforementioned notice expires after this Interest Payment Date, the redemption date of the Noteholders will be the later of (i) the latest date on which the Issuer is, in practice, able to make payment of all the amounts due under the Notes and (ii) fourteen (14) calendar days after notifying the Fiscal Agent or (B) if specified in the relevant Final Terms, at any time, provided that the scheduled redemption date being the subject of the notice is the latest date on which the Issuer is, in practice, able to make payment of all amounts due under the Notes, or if this date is exceeded, then as soon as possible.

(e) **Purchases**

The Issuer or one of its subsidiaries acting on its behalf may at any time proceed to purchase Notes in the open market or otherwise (including through a public offer) at any price, in accordance with applicable laws and regulations.

Notes so purchased by or on behalf of the Issuer may, at the option of the Issuer, be held and resold in accordance with applicable laws and regulations or cancelled in accordance with Condition 6(f).

(f) **Cancellation**

Notes purchased for cancellation pursuant to Condition 6(e) above will be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France as well as all rights relating to the payment of interest and other amounts relating to such Notes. Notes thus cancelled or, as the case may be, transferred for cancellation cannot be reissued or resold. The Issuer will be released from any obligations relating to these Notes.

(g) **Illegality**

If a new law or a new regulation in France, the amendment of a law or any text of a mandatory nature or the modification of the judicial or administrative interpretation, becoming effective after the Issue

Date, renders the Issuer unlawful in the performance or compliance with its obligations under the Notes, the Issuer will redeem the Notes on the condition of notifying the Noteholders in accordance with the stipulations of Condition 13, at the earliest forty-five (45) calendar days and at the latest thirty (30) calendar days before said repayment (this notice being irrevocable). The Issuer will redeem all, but not some only, of the Notes at the Early Redemption Amount specified where applicable in the relevant Final Terms plus any accrued interest up to the schedule redemption date.

7 Payments

(a) Payment methods

Any payment of principal and interest relating to the Notes will be made by transfer to an account denominated in the Specified Currency opened with the Account Holders, for the benefit of the Noteholders. All payments validly made to such Account Holders will release the Issuer from its payment obligations.

(b) Payments subject to tax legislation

All payments will be subject to all applicable laws, regulations, or directives, including tax-related ones, without prejudice to the provisions of Condition 8. No commissions or fees will be borne by the Noteholders in connection with such payments.

(c) Appointment of Agents

The Fiscal Agent, the Paying Agents, and the Calculation Agent initially appointed by the Issuer and their respective offices are listed at the end of the Information Memorandum. The Fiscal Agent and the Paying Agents act solely as authorised representatives of the Issuer and the Calculation Agent acts as an independent expert and, in any case, they are not bound by any obligation as authorised representatives in respect of Noteholders. The Issuer reserves the right to amend or terminate at any time the mandate of the Fiscal Agent, any Paying Agent or Calculation Agent and to appoint other Fiscal Agents, Paying Agents, Calculation Agent or additional Paying Agent(s) or Calculation Agent(s) provided that, at any time there is (i) a Fiscal Agent, (ii) a Calculation Agent when required by Conditions, (iii) a Paying Agent with designated offices in a major European city, and (iv) a Paying Agent providing financial services for the Notes in France for as long as the Notes are traded on Euronext Growth and for as long as required by the regulations applicable to this market.

Such modification or any modification of a designated office shall be the subject of a notice sent without delay to the Noteholders in accordance with the provisions of Condition 13.

(d) Business Days for payments

If any payment date relating to any Note is not a business day, the Noteholder may not claim any payment until the next business day, nor any interest or other amount in respect of such postponement. In this paragraph, "**business day**" means a day (other than Saturday or Sunday) (A) on which Euroclear France operates, (B) on which the banks and foreign exchange markets are open in the countries indicated as "**Financial Centre(s)**" in the relevant Final Terms and (C) (i) in the case of payment in a currency other than Euro, where the payment is to be made by transfer to an account opened with a bank in the Specified Currency, this will be a day on which foreign exchange transactions may be made in this currency in the principal financial centre of the country of such currency, or (ii) in the case of payment in Euros, a TARGET Business Day.

8 Taxation

(a) Withholding tax

All payments of principal, interest, and other revenues of the Notes made to the Noteholders by or on behalf of the Issuer will be made without withholding any tax of any kind imposed, levied, or recovered by or on behalf of France, or any of its authorities having the power to levy such tax, unless required by law.

(b) Additional amounts

If under French law, payments of principal, interest, or other income relating to any Note shall be subject to a withholding tax in respect of any tax of any kind, present or future, to the fullest extent permitted by law, the Issuer undertakes to increase its payments so that the Noteholders receive the full amount of the sums paid to them in the absence of such a deduction or withholding tax. However, it is specified that the Issuer will not be required to increase payments relating to any Note in the event that the Noteholder or a third-party acting on its behalf, is liable in France for such taxes otherwise than by reason of only holding the said Note.

References in these Conditions to (i) "**principal**" are deemed to include any premium payable on the Notes, any Final Redemption Amounts, Early Redemption Amounts, and any other principal amount, payable in accordance with Condition 6 as amended or supplemented, (ii) "**interest**" shall be deemed to include all Interest Amounts and other amounts payable in accordance with Condition 5 as amended or supplemented and (iii) "**principal**" and/or "**interest**" shall be deemed to include any increases that may be payable under this Condition.

9 Events of Default

The Representative (as defined in Condition 11), at the request of any Noteholder, may, upon written notification by registered letter with acknowledgement of receipt to the Issuer (with a copy to the Fiscal Agent) before the default has been remedied, immediately make repayable the nominal amount of all the Notes (but not some only) held by such Noteholder, increased by all accrued interest on such Notes, as of the date of receipt by the Issuer of such payment notification if any of the following events (each an "**Event of Default**") shall occur:

- (i) in the event of default by the Issuer in the payment of principal or interest on any Note (including any additional amount in accordance with Condition 8(b)), for more than fifteen (15) calendar days from the date on which such payment is due and payable; or
- (ii) in the event of a breach by the Issuer to any of its other obligations under the Notes, if such breach is not remedied within thirty (30) calendar days of receipt by the Issuer of the notification of such a breach given by the Representative (as defined in Condition 11) or by a Noteholder; or
- (iii) in the event that any other present or future indebtedness of the Issuer for borrowed money in excess of €100,000,000 (or its equivalent in any other currency), whether individually or cumulatively, shall become due and payable prior to its stated maturity, as a result of a default by the Issuer thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefore; or
- (iv) in the event that the Issuer sells, transfers or otherwise assigns, directly or indirectly, all or almost all of its assets or if the Issuer is subject to a dissolution, liquidation, or merger prior to the full redemption of the Notes, except in the event of a dissolution, liquidation, or merger at the end of which all the commitments of the Issuer under the Notes are transferred to a succeeding legal entity.

10 Prescription

Claims against the Issuer relating to the Notes will be prescribed ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the due date for payment thereof.

11 Representation of Noteholders

In respect of all Tranches of the relevant Series, the Noteholders will automatically be grouped together for the defence of their common interests within a masse (the "**Masse**"). The Masse will be governed by the provisions of Articles L.228-46 *et seq.* of the French Commercial Code with the exception of Articles L.228-71 and R.228-69 of the French Commercial Code.

(i) Legal personality

The Masse will be a separate legal entity. It will act partly through a representative (the "**Representative**") and partly through the collective decisions of the Noteholders (the "**Collective Decisions**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes. This is without prejudice to the rights that may be exercised by the Noteholders individually in accordance with, and subject to the provisions of the Conditions.

(ii) Representative

The names and addresses of the principal Representative and its alternate, if any, will be indicated in the relevant Final Terms. The Representative appointed in respect of the first Tranche in a Series of Notes will be the sole Representative of all subsequent Tranches in that Series.

The Representative shall receive remuneration corresponding to its functions and duties as indicated in the relevant Final Terms. No additional remuneration will be payable for any subsequent Tranche of a particular Series.

In the event of death, liquidation, dissolution, retirement, resignation, or dismissal of the Representative, such Representative shall be replaced by its alternate, if any, or another Representative may be appointed. Collective Decisions relating to the appointment or replacement of the Representative will be published in accordance with Condition 11(viii).

All interested parties may at any time obtain the names and addresses of the Representative and its alternate, if any, from the Issuer's registered office.

(iii) Powers of the Representative

Unless otherwise agreed by Collective Decision, the Representative shall have the power to perform all acts of management necessary for the defence of the common interests of the Noteholders, with the possibility for the Representative to delegate its powers.

All legal proceedings brought on the initiative or against the Noteholders must be introduced by or brought before the Representative.

The Representative may not interfere in the management of the Issuer's business. For as long as the Company has only one sole shareholder, the remaining provisions of Article L.228-55 of the French Commercial Code shall not apply to the Notes.

(iv) **Collective Decisions**

Collective Decisions are adopted (i) in the context of a general meeting (the "**General Meeting**") or (ii) by decision taken by way of a Written Resolution (as this term is defined below).

In accordance with Article R.228-71 of the French Commercial Code, the right of each Noteholder to take part in Collective Decisions will be evidenced by the entry of the Noteholder's name in the relevant Account Holder's books of the Issuer by midnight, Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions will be published in accordance with Condition 11(viii).

The Issuer will keep a register of all the Collective Decisions. It will be made available, upon request, to any subsequent Noteholders of the Series.

(a) **General Meetings**

A General Meeting may be convened at any time by the Issuer or the Representative. One or more Noteholders, holding together at least one thirtieth (1/30) of the principal amount of the outstanding Notes, may send the Issuer and the Representative a request to convene a General Meeting. If the General Meeting has not been convened within two (2) months following this request, the Noteholders may instruct one of them to file an application with the competent court to appoint an agent (*mandataire*) to convene the General Meeting.

General Meetings may only validly deliberate on first notice if the Noteholders present or represented hold at least one fifth (1/5) of the nominal amount of the Notes outstanding at the relevant time. Upon second convocation no quorum will be required. The decisions of the General Meeting will be taken by a two-thirds majority (2/3) of the votes cast by the Noteholders attending this meeting, present or represented.

Notice of the date, time, place, and agenda of the General Meeting shall be published in accordance with Condition 11 (viii) no less than fifteen (15) calendar days before the date of the General Meeting upon first meeting notice and no less than five (5) calendar days preceding the date of the General Meeting upon second notice.

Each Noteholder has the right to attend a General Meeting in person, by proxy, or by correspondence.

During the period of fifteen (15) calendar days upon first notice and five (5) calendar days upon the second notice preceding the date of each General Meeting, each Noteholder or its agent (*mandataire*) shall have the right to access or to obtain a copy of the text of the resolutions to be proposed and the reports, if any, to be presented at the General Meeting. They will be made available to the relevant Noteholders on the Issuer's website, at the Paying Agents' designated offices, and at any other place specified in the notice convening the General Meeting.

(b) **Written Resolution**

Pursuant to Article L.228-46-1 of the French Commercial Code, the Issuer or the Representative may consult the Noteholder by means of a Written Resolution instead of a General Meeting. Subject to the following stipulations, a Written Resolution may take the form of one or more identical documents, each being signed by or on behalf of one or more Noteholders. The approval of a Written Resolution may also be given via an electronic communication allowing the identification of Noteholders (the "**Electronic Consent**").

Notice to the Noteholders to approve a Written Resolution (including by Electronic Consent) will be sent to them in accordance with Condition 11(viii) at least ten (10) calendar days before the date scheduled for the approval of the Written Resolution (the "**Written Resolution Date**"). The notice requesting the Noteholders to approve a Written Resolution will indicate the form requirements and the deadlines that the Noteholders must respect if they wish to respond to the Written Resolution. Noteholders expressing their approval or rejection prior to the Written Resolution Date shall agree not to transfer their Notes prior to the Written Resolution Date.

For the purposes hereof, a "**Written Resolution**" means a written resolution signed by Noteholders holding at least 66^{2/3}% of the nominal amount of the Notes outstanding.

(c) **Exclusion of certain provisions of the French Commercial Code**

The following provisions of the French Commercial Code will not apply to the Notes:

- (i) Article L.228-65 I.1° providing for prior approval by Collective Decision in the event of a proposal to modify the purpose or the form of the Issuer; and
- (ii) Articles L.228-65 I. 3°, L.236-13, and L.236-18 providing for prior approval by Collective Decision in the event of a proposal for a merger or demerger, but only in the case of an intra-group merger or demerger.

(v) **Expenses**

Upon presentation of the appropriate supporting documents, the Issuer will bear all costs relating to the operations of the Masse. This includes all the costs of convening and holding Collective Decisions and, more generally, all the administrative expenses voted by the Collective Decisions. It is expressly stipulated that no fees can be charged on interest payable on the Notes.

(vi) **Single Masse**

Holders of Notes of the same Series, as well as holders of Notes of any other Series that have been assimilated, in accordance with Article 12, to the Notes of the aforementioned Series, will be grouped together for the defence of their common interests in a single Masse. The Representative appointed in respect of the first Tranche of a Series of Notes will be the sole Representative of that Series.

(vii) **Sole Noteholder**

As long as the Notes of a Series are held by a sole Noteholder, and unless a Representative has been appointed in respect of such Series, such Noteholder shall exercise all the powers, rights and obligations granted to the Masse and the Representative according to the provisions of the French Commercial Code. The Issuer will keep a register of all the decisions made by the sole Noteholder. It will be made available, upon request, to any subsequent Noteholder of this Series.

(viii) **Information to Noteholders**

Any notice communicated to the Noteholders, any Collective Decision, and any decision taken pursuant to Articles R.228-79 and R.236-11 of the French Commercial Code in accordance with this Condition 11 will be published on the Issuer's website and will be sent to Euroclear France, Euroclear, Clearstream, and any other clearing system in which the Notes are then cleared.

(ix) **Outstanding Notes**

For the avoidance of doubt, in this Condition 11, the terms "outstanding" do not include Notes purchased and held by the Issuer in accordance with the applicable laws and regulations.

12 Further issues and consolidation

(a) Further issues

The Issuer will have the option, without the consent of the Noteholders, to create and issue additional Notes that will be assimilated to the Notes already issued to form the same series provided that such Notes and the further Notes entitle their holders to identical rights in all respects (or identical in all respects except the issue date, the issue price, and the first payment of interest) and the Conditions of these Notes provide for such an assimilation and references to "Notes" in these Conditions shall be construed accordingly.

(b) Consolidation

Unless otherwise specified in the relevant Final Terms, the Issuer will have, on each Interest Payment Date arising from the date of redenomination, with the prior consent of the Fiscal Agent (which cannot be reasonably denied) and without the consent of the Noteholders, by notifying the Noteholders at least thirty (30) calendar days in advance in accordance with Condition 13, the option of consolidating the Notes of a Series denominated in Euro with those of one or several other Series it has issued, regardless of whether these Notes were originally issued in one of the European national currencies or in Euros, provided that these other Notes were redenominated in Euros (if this was not the case originally) and have, for all periods following this consolidation, the same conditions as the Notes.

13 Notices

- (a) Notices sent to holders of Notes will be valid if they are delivered to Euroclear France, Euroclear, Clearstream, and any other clearing system in which the Notes are then cleared and published on the Issuer's website. Noteholders will be considered to be aware of the contents of such notice as of the date of such publication, or if it has been sent several times on different dates, upon the date of first publication.
- (b) As long as the Notes are admitted to trading on the Euro MTF market and/or the Euronext Growth market, and if the rules of those markets so require, any notice sent to the Noteholders pursuant to this Condition shall also be published on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu>) and on the website of Euronext Paris (<https://www.euronext.com/fr>).
- (c) For the avoidance of doubt, this Condition 13 will not apply to notices to be published under Condition 11.

14 Applicable law and jurisdiction

(a) Applicable law

The Notes are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim relating to the Notes must be brought before the Paris commercial court (*tribunal de commerce de Paris*).

15 Language of the Information Memorandum

This Information Memorandum was drafted in French and translated into English, only the French version is legally binding.

USE AND ESTIMATION OF THE NET PROCEEDS

An amount equivalent to the net proceeds from the issue of the Notes, after deducting commissions, fees and expenses, as specified in the relevant Final Terms, will be used by the Issuer to finance or refinance, in whole or in part, a portfolio of social and/or environmental projects corresponding to the categories of projects and eligibility criteria described in the September 2019 Sustainable Bonds Framework Document (*Document Cadre Obligations Durables de septembre 2019*) established in accordance with the Green Bond Principles (2018), the Social Bond Principles (2018), and the Sustainability Bond Guidelines (2018) as published by the ICMA. Any further details on these projects will be provided in the relevant Final Terms as the case may be. The Sustainable Bonds Framework Document is published on the Issuer's website (<https://www.actionlogement.fr>).

DESCRIPTION OF THE ISSUER

1 GENERAL PRESENTATION OF THE ISSUER

The Issuer is a simplified joint-stock company created in 2016 by decree², whose articles of association were approved by decree³ and whose sole shareholder is ALG.

The Issuer's purpose is to provide financing in the housing sector. In particular, it finances the housing of employees, in order to promote employment and contribute to economic dynamics throughout France. As such, it ensures the collection of the PEEC. It provides loans, financial support, and services to employees and businesses, as well as to social and intermediate landlords.

The Issuer develops its activities with a commitment to social utility and sustainable development.

The Issuer is accredited in France as a finance company.

1.1 Presentation of the group Action Logement and the Issuer's place within the Group

The group Action Logement was created by decree⁴. It includes a lead holding company, ALG, and, in particular, a service division run by the Issuer, and a social and intermediate real estate division, mainly managed by another subsidiary called ALI.

Through its subsidiaries, the group Action Logement carries out three main missions. Namely:

- supporting employees in their residential needs and professional careers by offering services including the allocation of social and intermediate housing, rental deposits, etc. and financial aid in the form of loans and subsidies, facilitating access to housing and therefore to employment;
- the construction and financing of social and intermediate housing, primarily in areas of high real estate stress, contributing to the issues of eco-housing, social change and social mix; and
- financing housing policies in France by supporting their implementation in conjunction with local authorities.

ALG is an association subject to the provisions of the Act of 1 July 1901, whose articles of association were approved by decree⁵. Only the law can provide for its transformation, division, or dissolution. ALG is a joint body: the association has as member any interprofessional organisation that is representative at national level of employers and employees (the "**Social Partners**").

ALG's missions are defined in Article L.313-18-1 of the French Construction and Housing Code (the "**Code**"). They include in particular the conclusion of a five-year agreement with the State on PEEC, determining the strategic orientations, and monitoring the financial balance of the group Action Logement.

PEEC is a resource of public interest. It was created by law in 1953 (Article L.313-1 of the Code) to generalise the voluntary approach of certain employers, initiated in 1943, in favour of employee housing, by requiring private sector companies to contribute 1% of their payroll to the financing of

² Decree no. 2016-1408 of 20 October 2016, Article 1 paragraph 3

³ Decree no. 2016-1769 of 19 December 2016

⁴ Decree no. 2016-1408 of 20 October 2016, Article 1 paragraph 3

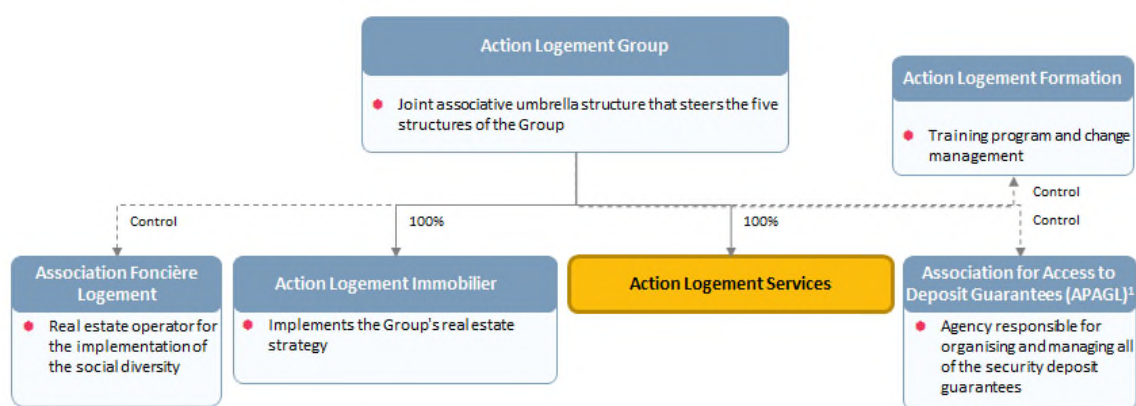
⁵ Decree no. 2016-1681 of 5 December 2016

housing construction (called the "1% housing scheme"). Since 1992, the PEEC is set at 0.45% of the payroll.

In 2016, the collection of the PEEC was reorganised by placing it under a single steering structure, Action Logement Group (ALG), and combining the 20 CILs (Comités Interprofessionnels du Logement – inter professional housing committees) that locally collected and distributed it into a single collector, the Issuer, within the Union des entreprises et des salariés (UESL– Union of Companies and Employees).

The Code provides that the PEEC resources received by the Issuer and their rules of use (the "Uses") are determined by an agreement between the State and ALG for a period of five years. The last five-year agreement was signed on 16 January 2018, for the period 2018-2022 (the "**Five-Year Agreement**") for a total of €15,195 million in Uses.

The Five-Year Agreement was the subject of an amendment signed on 25 April 2019 for an additional investment plan of €9,065 million (the "**Voluntary Investment Plan**" or "**PIV**") for the period 2019-2022.



The PIV aims to mobilise additional resources and redirect some of the resources provided for in the Five-Year Agreement to implement concrete measures to improve the energy performance of housing, access to and securing housing, entry into employment, and ensure territorial equality.

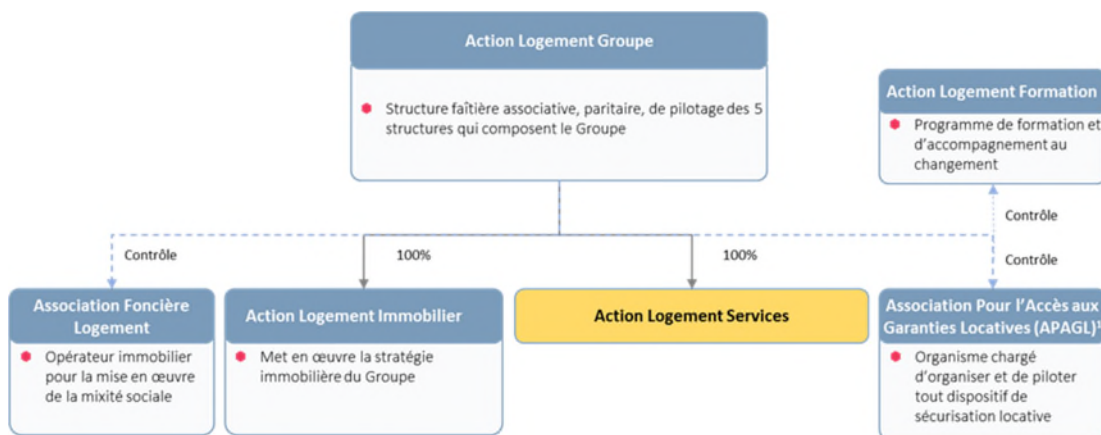
On 2 December 2019, a second addendum was signed with the Voluntary Investment Plan for Overseas France (Plan d'Investissement Volontaire pour l'Outre-Mer or "**PIVOM**"), a variation of the Voluntary Investment Plan for overseas departments and regions ("**DROM**"), which is entered into with the State in order to improve housing conditions for overseas employees, support territorial development, and promote innovation alongside local stakeholders. The overseas component of the PIV schedules an overall budget of €1,500 million.

A third addendum was signed on 15 February 2021 aimed at consolidating the recovery and setting the terms of Action Logement's contribution to the production of housing, particularly social and very social housing, and providing support for employees affected by the health and social crisis, the Recovery Addendum or "**Avenant Reprise**". This increased investment effort complements the State's recovery plan. This third addendum also aims to increase the effectiveness of the implementation of the Five-Year Agreement in mid-term and the PIV, and to this end schedules the amendment of a number of their provisions.

The Five-Year Agreement, the PIV and its implementation in the DROMs and the Recovery Addendum form an indivisible whole. Together, these contractual commitments and financial

contributions represent a projected investment of between €25,071 million and €25,418 million over the period 2018–2022. In addition, the finance acts for 2019 and for 2020 enacted an exceptional contribution by the Issuer to public housing policies with the payment of €500 million and €1 billion to the French Housing Aid Fund (Fonds National des Aides au Logement or "FNAL").

The structure of the Action Logement group at 31 December 2020 is as follows:



At 31 December 2020, ALI held the equity interests of all the real estate subsidiaries of the Action Logement group. This consolidates 82 entities including 47 ESH and 5 intermediate housing companies. In July 2020, Foncière Transformation Immobilière, a wholly-owned subsidiary of ALI dedicated to the conversion of offices and business premises into housing, and endowed with equity and loans under the PIV, was created and included within the scope of consolidation.

As at the end of 2020, ALI and its subsidiaries are the leading social and intermediate housing group in France, with a portfolio of 1,050,476 housing units (964,308 social housing units and 86,168 intermediate housing units) with approximately 15,000 employees.

At consolidated level (ALG), the Action Logement Group represents as of 31 December 2020:

- €91.0 billion of total balance sheet;
- €8.8 billion of revenues;
- €63.4 billion of tangible fixed assets, including €61.5 billion of real estate and construction of rental assets, at ALI consolidation level;
- €39.0 billion in financial loans and debts and €8.5 billion in debt related to financing activities, including €37.0 billion of loans from credit institutions at ALI consolidation level;
- €34.5 billion in shareholder equity, including €18.5 billion at ALI consolidation level, and €12.0 billion at Issuer's level;
- €8.3 billion in cash and cash-equivalents, including €2.9 billion at ALI consolidation level, and €4.5 billion at Issuer's level;
- €284 million in net loss (group share), for a net income group share of ALI of €1,111 million and a net income group share of the Issuer of €1,906 million, mainly due to the accelerated deployment of the PIV.

1.2 Presentation of the Issuer

The Issuer is the body of the group Action Logement in charge of implementing the Five-Year Agreement. The Issuer's articles of association and its responsibilities are defined by law and in particular by the Code.

The Code and the articles of association of the Issuer provide in particular that:

- ALG holds 100% of the Issuer's share capital, and cannot sell its share;
- The Issuer's governance is a joint body. Its Board of Directors is made up of representatives of the employer and employee organisations. Three government commissioners represent the State on its Board of Directors;
- The Issuer is a player in the social and solidarity-based economy; and
- The Issuer does not pay any dividends to ALG.

The Issuer's role is to ensure the financing of actions and public policies in favour of housing in France. Its activities aim to facilitate access to housing for employees, thus promoting their access to employment. The Issuer contributes to the economic dynamics of the French territories by granting loans, guarantees, financial aid, and services to employees, businesses, and social landlords. These missions are carried out by approximately 2,450 employees in 13 regional delegations and over 160 locations.

(a) Activities of the Issuer

To fulfil its missions, the Issuer focuses on five main activities:

(i) Collection of the Participation in the Construction Effort ("**PEC**")

The Issuer collects the PEC from private-sector companies that includes payments made under the PEEC, PSEEC, and PEAEC. The PEEC represents 98% of the funds collected by the Issuer. For these reasons, reference is made to the PEEC to explain the Issuer's resources in this Information Memorandum.

The Issuer manages this recurring and specific annual resource for the benefit of companies, employees, and territories. In relation to companies, the Issuer strengthens the link between employment and housing but also reports on its actions to the companies that finance it.

In 2020, the total PEC collection, net of amounts reimbursed to companies, reached €1,572 million.

(ii) Financing of social and intermediate housing

The Issuer provides financial support, notably in the form of loans, subsidies, or equity allocations to social housing and intermediate housing landlords (the "legal persons" in this Information Document). Based on the public information published by the *Banque des Territoires* and the Social Union for Housing (Union Sociale pour l'Habitat, "**USH**"), the Issuer estimates that it is the second largest provider of social housing in France⁶.

Outstanding loans to legal entities amounted to €12,204 million net as at 31 December 2020.

⁶ Source USH, HLM with figures 2020- <https://www.union-habitat.org/union-data/les-moyens-financiers> – Outstanding debt of HLM organisations

(iii) The allocation of housing in the social and intermediate housing stock

In return for the financing of social and intermediate housing, the Issuer benefits from housing reservation rights. These rights entitle the Issuer to allocate social, intermediate, or open-market housing to employed tenants. This service directly contributes to strengthening the link with companies providing the PEEC.

85,805 households accessed housing through the Issuer in 2020, including 30.0% in the Greater Paris Region.

(iv) The distribution of aid and services to individuals

The Issuer mainly assists employees with their residential projects. It offers them services and financial aid, especially in the form of loans, grants, and security deposits that facilitate access to housing, and therefore to employment. The Issuer focuses its efforts on actions related to professional advancement, with energy optimisation of housing or its adaptation to senior citizens and dependent populations. It assists priority groups such as employees with modest resources or reduced mobility, as well as helping young people access employment and training.

The number of beneficiaries of the Issuer's aid and services reached 560,986 in 2020 (excluding housing allocations) representing €1,199 million of financial commitments granted over the year. The portfolio of loans to individuals amounted to €3,436 million net in total (€3,420 million excluding receivables from the guarantee fund) as at 31 December 2020.

(v) Participation in public housing and city policies

The Issuer participates in the financing of public housing and city policies. Under the commitments of the Five-Year Agreement, the PIV and the Recovery Addendum, the Issuer contributes to the budgets of the National Agency for Urban Renovation (Agence Nationale de Rénovation Urbaine, "ANRU"), the National Fund of Construction Aid (Fonds National des Aides à la Pierre, "FNAP") and the National Agency for Housing Information (Agence Nationale pour l'Information sur le Logement or "ANIL"). In addition, the Issuer initiates and implements social utility policies in coordination with the State and its agencies, such as, the revitalisation programme for the centres of medium-sized cities, "Heart of the City Action" (Action Cœur de Ville, "ACV").

The finance acts for 2020 and 2021 also scheduled exceptional contributions by the Issuer to the FNAL, the national fund that centralises the expenditure and income of housing benefit.

(b) Issuer's Resources and Uses

To carry out its activities, the Issuer notably has the resources from the annual collection of the PEEC, PEAEC, and PSEEC. It also obtains the loan repayments (hereinafter the "**Loan Repayments**") that it previously made to individuals and legal entities. The projected amounts of PEEC resources are provided for in the Five-Year Agreement as amended:

<i>In M€</i>	Forecasts for 2021-2022
PEEC collection net of collection	2.966

reimbursements to businesses	
Loan Repayments on PEEC funds	2.608

The amounts recorded in the Five-Year Agreement as compensation by the State for the PACTE measure for 2021 and 2022 were removed pursuant to Article 88 of the 2021 finance act.

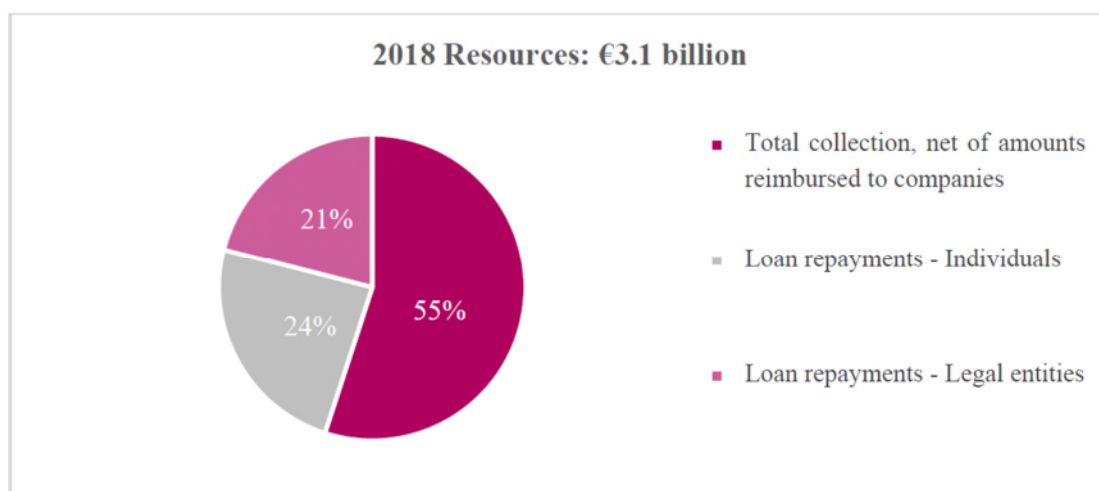
These resources were supplemented by government-guaranteed loans from the *Caisse des Dépôts et Consignations* ("CDC"). They will be reinforced by bond market borrowings in accordance with the Voluntary Investment Plan.

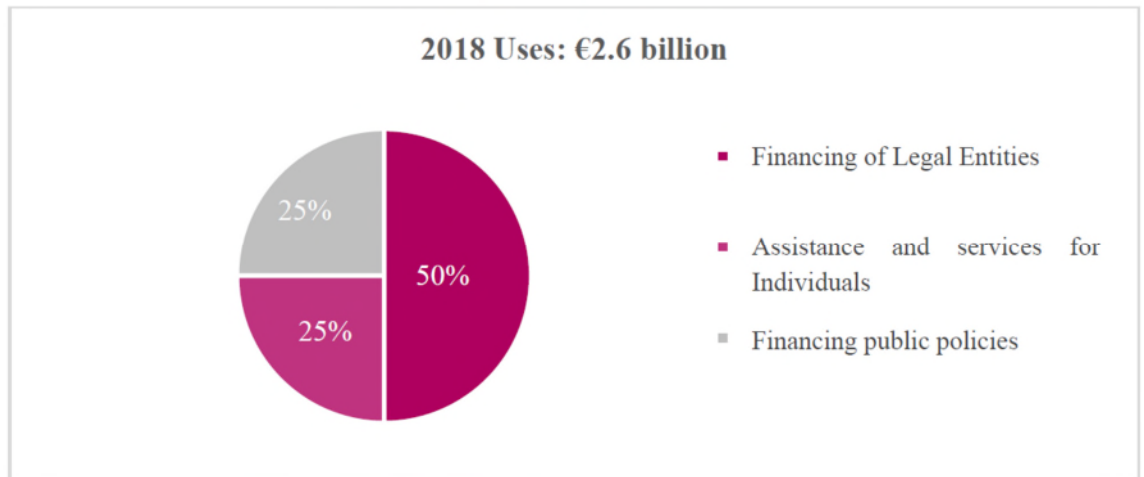
In the financial year 2020, the Issuer's resources amounted to €3,023 million. These resources include a payment of €238 million from the State to offset the impact of the increase in the threshold for PEEC collection from companies with more than 50 employees, as scheduled in the PACTE legislation. This offsetting, scheduled in the agreement relating to the Voluntary Investment Plan amending the Five-Year Agreement for an initial amount of €290 million for 2020, was reduced to €238 million by the fourth draft amending finance bill for 2020.

Thus, in 2020, 60% of the resources come from PEEC collection (including State compensation), 19% from loan repayments by individuals and 21% from loan repayments by legal entities.

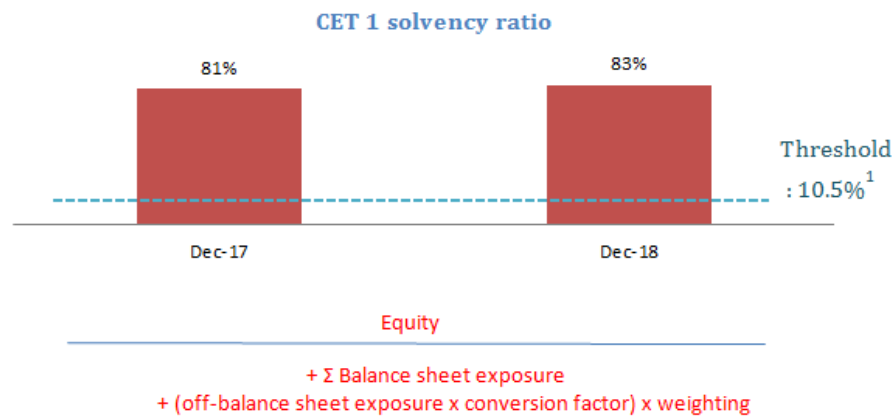
The Issuer also has reserves stemming from its business income.

The Issuer's resources are allocated to the various Uses. In FY 2020, these Uses represented €5,836 million: 55% were allocated to financing social and intermediate housing, 21% to providing aid to individuals, and 24% to public policies.





Historically based on a balance between uses and resources minimising debt financing, the Issuer's economic model resulted in equity of €12,034 million and a CET 1 (Core Equity Tier 1) solvency ratio of 72.9% as at 31 December 2020. The Issuer aims to increase its level of indebtedness, in particular by issuing bonds on the market. This will change its sources and uses of funds model. The Issuer plans to maintain its CET 1 ratio above 30% at the end of 2022, significantly above the regulatory threshold of 10.50% applicable to it since 1 April 2020.



Note 1: Aggregation of PEEC, PEAEC, PSEEC, other operating and guarantee funds.

(c) Supervision of the Issuer by the supervisory authorities

The Issuer is deemed to be approved by the ACPR (Autorité de contrôle prudentiel et de résolution – French Prudential Supervisory and Resolution Authority) as a finance company from its creation based on the Government's Decree of 20 October 2016 ratified by Parliament creating the group Action Logement. Due to its status as a finance company, the Issuer is regulated by the said authority.

The Issuer is also subject to the control of ANCOLS as a body of the group Action Logement and to the control of the Court of Auditors pursuant to Article L.111-12 of the French Financial Jurisdiction Code.

(d) Key figures

The financial information below, prepared under French GAAP, is extracted from or based on the Issuer's consolidated financial statements.

Main consolidated financial data of the Issuer and its subsidiaries

Consolidated income statement

<i>In M€</i>	2019	2020
Net Non-Banking Income	580	(1,676)
<i>Employer participation</i>	<i>1,536</i>	<i>1,600</i>
<i>Grants paid out net of receipts</i>	<i>(955)</i>	<i>(3,276)</i>
Net Banking Income	134	126
Net Operating Income	715	(1,550)
Gross Operating Income	358	(1,845)
Operating Income	368	(1,906)
Pretax Current Income	411	(1,905)
Net Income	398	(1,906)

Consolidated balance sheet

<i>In M€</i>	2019	2020
Receivables from credit institution and similar entities	5,961	4,529
Customer transactions	15,951	15,640
<i>Loans to individuals</i>	<i>3,757</i>	<i>3,436</i>
<i>Loans to legal entities</i>	<i>12,193</i>	<i>12,204</i>
Investments and other long-term securities held	1	1
Intangible assets	11	14
Tangible assets	644	610
Other assets	132	458
Total Assets	22,700	21,252

<i>In M€</i>	2019	2020
Debts due to credit institutions and similar entities*	1,372	1,314
Customer transactions	5,935	6,479
<i>Debts to the State, local authorities, or state agencies</i>	<i>221</i>	<i>216</i>
<i>Debts to individuals</i>	<i>91</i>	<i>386</i>
<i>Debts to legal entities</i>	<i>5,623</i>	<i>5,877</i>
Debts represented by a security	1,001	1,001

Other liabilities	257	245
Provisions	194	180
Shareholders' equity	13,940	12,034
<i>Subscribed share capital</i>	20	20
<i>Reserves</i>	13,522	13,920
<i>Profit or loss for the financial year (±)</i>	398	(1,906)
Total Liabilities	22,700	21,252

* The amount of debts to credit institutions and similar entities is €1,316 million as at 31 March 2021

Net external debt

Debts due to credit institutions and similar entities, debts due to customers and debts evidenced by certificates, net of receivables from credit institutions and similar entities and customer transactions, net of cash:

<i>In M€</i>	2019	2020
Net external debt	2,347	4,265

Loans outstanding in 2020

<i>In M€</i>	Legal entities	Individuals*
Gross amount of loans	12,250	3,508
Amortisation and Depreciation	-46	-88
Net outstanding amounts	12,204	3,420
Amount of outstanding payments over 90 days	33	51
Non-Performing Loans (NPL)	183	90
NPL rate	1.50%	2.62%
Provision rate	23.25%	69.19%
Cost of risk in basis points**	11 bp	64 bp

* excluding receivables from the guarantee fund

** Cost of risk (provisions and write-backs net of losses) / Gross outstanding - the cost of risk is in net provision in 2020 on legal entities and individuals

2 DETAILED PRESENTATION OF THE ISSUER'S BUSINESS

To fulfil its duties, the Issuer carries out five main activities. These are (i) the collection of the Participation in the Construction Effort, (ii) the financing of social and intermediate housing, (iii) the allocation of housing from the social and intermediate housing stock, in return for this funding to landlords, (iv) distribution of financial support and services to individuals, and (v) participation in public housing and city policies.

The Issuer is the only player offering the comprehensive management of issues related to employment and housing. It is one of the leading operators of non-profit housing services. It was the third largest contributor⁷ to housing aid in France in 2019.

All of the Issuer's activities are regulated. In particular, the PEEC Uses are defined by the Five-Year Agreement, the Voluntary Investment Plan, and the Recovery Addendum.

Summary table of PEEC Uses over the period 2018-2022 before the Recovery Addendum and the 2020 and 2021 finance acts

<i>In M€</i>	Five-Year Agreement* (2018-2022)	Voluntary Investment Plan (2019-2022)	2018-2022 Total
Social housing financing	5,697	4,965	10,662
Shareholders' equity	1,350	2,235	3,585
Loans	3,540	1,500	5,040
Subsidies	500	330	830
PHB 2.0 ⁸	57	-	57
FNAP	250	900	1,150
Intermediate housing financing	1,374	1,000	2,374
Shareholders' equity	524	500	1,024
Loans	600	500	1,100
Subsidies	250	-	250
Total Financing Operators	7,071	5,965	13,036
PNRU and NPNRU	3,380	-	3,380
Loans	1,170	-	1,170
Subsidies	2,210	-	2,210
Total Public Policy Funding	3,380	-	3,380
Assistance to employees for access and employment	2,269	3,000	5,269
Loans	2,269	1,500	3,769
Subsidies	-	1,500	1,500
Mobility financial support (subsidies)	611	100	711
Secured rentals	735	-	735
Employees in difficulty and social engineering (subsidies, loans, financing, and ANIL)	193	-	193

⁷ Source : General Commission for Sustainable Development - 2019 Housing Account Report (p.36)
https://www.statistiques.developpement-durable.gouv.fr/sites/default/files/2021-02/datalab_83_comptes_logement_2019_decembre_2020_2.pdf

⁸ Grant paid to the CDC over 2018-2022, out of a total commitment of €812.5 million. Payments are staggered until 2043 and guaranteed by the government.

Total Financing Employees	3,808	3,100	6,908
Engineering and experimentation	26	-	26
Total Uses	14,285	9,065	23,350

() Five-Year Agreement amended by the PIV*

On 15 February 2021, the Ministry of Housing, the Ministry of the Economy, Finance and Recovery, the Ministry of Public Accounts and the social partners of Action Logement signed the Recovery Addendum (Avenant Reprise) to the Five-Year Agreement and the Voluntary Investment Plan. The measures scheduled in the Recovery Addendum serve to amplify the interventions of the Action Logement group. The common objective is firstly to redeploy funding to speed up the production of affordable housing, to respond to the new housing needs arising from the Covid-19 health crisis, and to support young working people and low-income households on their housing pathway and secondly, to strengthen the momentum of urban renewal in the city's priority districts.

The Recovery Addendum amends the forecast table of PEEC uses over the period 2021–2022, both in terms of the budgets allocated to the Five-Year Agreement of 18 January 2018 and those of the PIV of 25 April 2019. Following this addendum and the FNAL contributions contained in the 2020 and 2021 finance acts, the Issuer's total forecast investment for 2018–2022 increased from €23,350 million to a range between €25,071 million and €25,418 million.

At 31 December 2020, the Issuer's cumulative commitments under the PIV amounted to €2,702 million, broken down as follows:

- €1,865 million for legal entities;
- €537 million for individuals; and
- €300 million for public policies (contribution to FNAL paid in 2020).

Summary table of PEEC Uses for 2021 and 2022 taking into account the provisions of the Recovery Addendum to the Five-Year Agreement and the PIV, and the 2021 finance act, after consideration of the PIV commitments for 2019 and 2020

<i>In M€</i>	Five-Year Agreement incl. Recovery Addendum (2021–2022)	Voluntary Investment Plan incl. Recovery Addendum (2021–2022)	Total 2021–2022
Social housing financing incl. ACV	2,406	3,024	5,430
Shareholders' equity	140	862	1,002
Loans in the portfolio ACV and ONV	1,746	1,060	2,806
DROM-specific loans	40	376	416
Grants including ACV & DROM	430	726	1,155
PHB2.0 CDC Grant	51		51
Intermediate housing financing incl. ACV / AFL	1,050	634	1,684
Shareholders' equity	424	316	740
Loans	411	318	729
ACV & AFL Grants	215		215
TOTAL Financing Operators	3,457	3,658	7,115
PNRU and NPNRU	1,743		1,743
Loans	919		919
Subsidies	824		824
ANIL	18		18
FNAP	100	600	700
FNAVDL*	20		20
Total Public Policy Funding	1,881	600	2,481
Assistance to employees for ownership and works**	1,224	2,225	3,449
Loans	1,224	763	1,987
Subsidies		1,115 to 1,462	1,115 to 1,462
Mobility support	246	81	327
Subsidies	246	81	327
Secured rentals	424		424
Loan and Guarantee advances	100		100
Rent guarantees	324		324
Employees in difficulty and social engineering	176		176
Subsidies	136		136
Loans	40		40
TOTAL Financing to individuals	2,070	1,959 to 2,306	4,029 to 4,376
Engineering and experimentation	12		12
TOTAL Five-Yr. Agreem. + PIV + Recovery Addendum	7,419	6,217 to 6,564	13,636 to 13,983
FNAL (Finance Law 2021)			1,000
TOTAL Forecast investment for 2021–2022			14,636 to 14,983

(*) National Fund for Support Towards and In Housing (Fonds National d'Accompagnement Vers et Dans le Logement).
(**) including energy renovation and ageing adaptation.

2.1 The collection of the PEEC: principal financial resource of the group Action Logement

(a) Presentation of the PEEC and other participations in the construction effort

Formerly known as the "1% housing scheme", the PEEC is a compulsory employer payment made towards employee housing. This required financing applies regardless of the business activity, the legal form of the business, the income tax scheme, and the operating results.

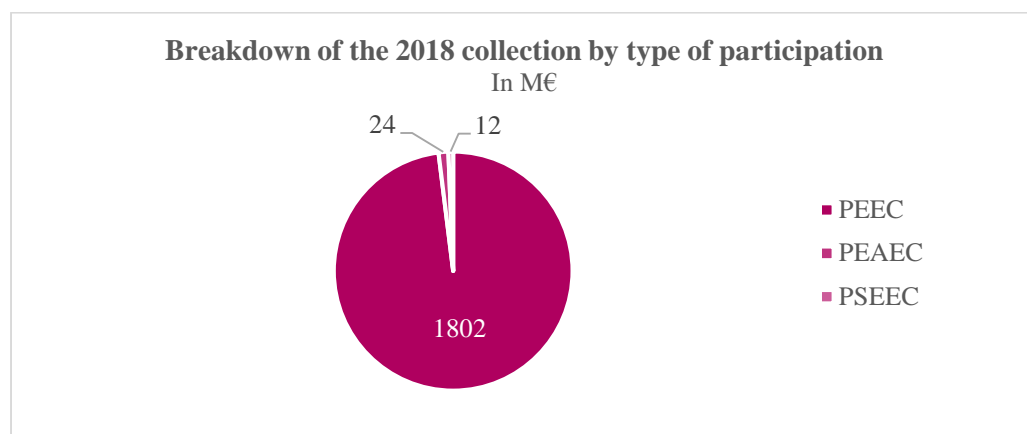
Non-agricultural private sector employers with at least 50 employees, all companies combined, are liable for the PEEC. This threshold increases from 20 to 50 employees from 1 January 2020 pursuant to the PACTE legislation. This increase in the tax threshold was offset in 2020 by a payment from the State of €238 million.

Article L. 313-3 of the French Code on the participation of employers in the construction effort was amended by Law No. 2020-1721 of 29 December 2020 on the finances for 2021, which abolished compensation by the State to the Issuer to cover the impact of the increase in the threshold for corporate collections under the PACTE Law. The Issuer shall not benefit from the €620 million scheduled pursuant to this compensation in 2021–2022 in the Five-Year Agreement as amended by the PIV.

Furthermore, agricultural employers with 50 or more employees are liable for the PEAEC.

In addition, all private-sector employers have the option of making additional voluntary PSEEC contributions. These PSEEC payments, in particular, are made by companies that include public and private status employees. They thus enable employees with public status to benefit from the Issuer's aid and services in the same way as those having a private status.

In 2020, the Issuer's overall collection, excluding amounts repaid to companies, amounted to €1,701 million, of which €1,666 million for the PEEC (98.0%), €5 million for the PSEEC (0.3%) and €30 million for the PEAEC (1.8%). These proportions have been historically stable.



Each year, a company falling within the scope of the PEEC must devote at least 0.45% of its payroll of the previous year to investments in housing construction. The 0.45% rate applies

gradually to a company during the first years following its entry into the PEEC scope. The 0.45% rate has not changed since 1992. As of the date of this Information Memorandum, no change is foreseen on the application criteria of the PEEC, on its methods of calculation, nor on its collection mechanism.

(b) PEEC payment terms

The employer's payment can be made:

- either in the form of direct investments for the housing of its employees. For example, the construction of rental housing or improvements to old buildings belonging to it, rented or intended to be rented to its employees;
- or in the form of reduced-rate loans granted to its employees for the financing of the construction of their main residence, that of their spouse or civil partner (PACS, French civil partnership), or of their ascendants or descendants;
- or in the form of a payment to a collector approved by the State. It is specified that since the reform of the PEEC, the Issuer is the only collector approved alongside the railways real estate company (Société Immobilière des Chemins de Fer, "SICF") (see paragraph below).

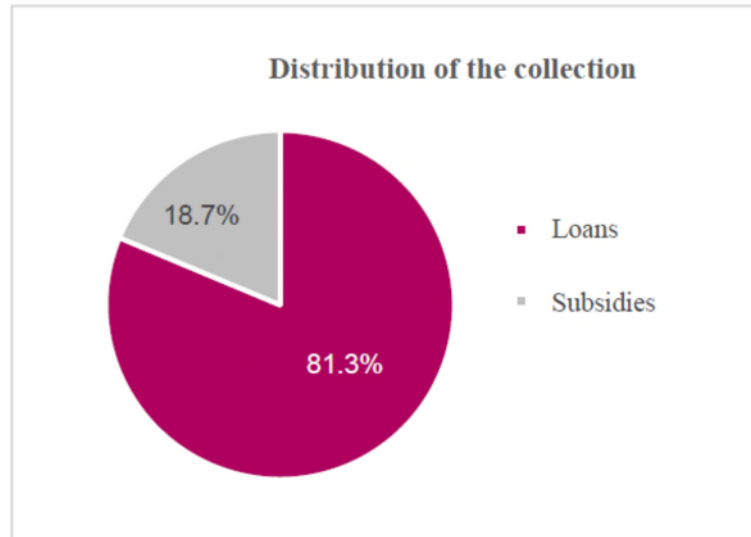
The payment to a collection agency is the method largely used by companies to fulfil this obligation⁹. Payment of the PEEC to the Issuer can be made at the option of the company in the form of a subsidy or a 20 years interest-free bullet loan.

Collection received in the form of a grant constitutes a definitively acquired resource for the Issuer. While the collection received in the form of a loan is, by nature, a long-term but temporary resource.

There is a significant difference in tax treatment between the two methods of payment. The PEEC is a deductible expense for the business that pays it as a subsidy, whereas it is not deductible if it is paid as a loan. Therefore, it is a strong incentive for companies.

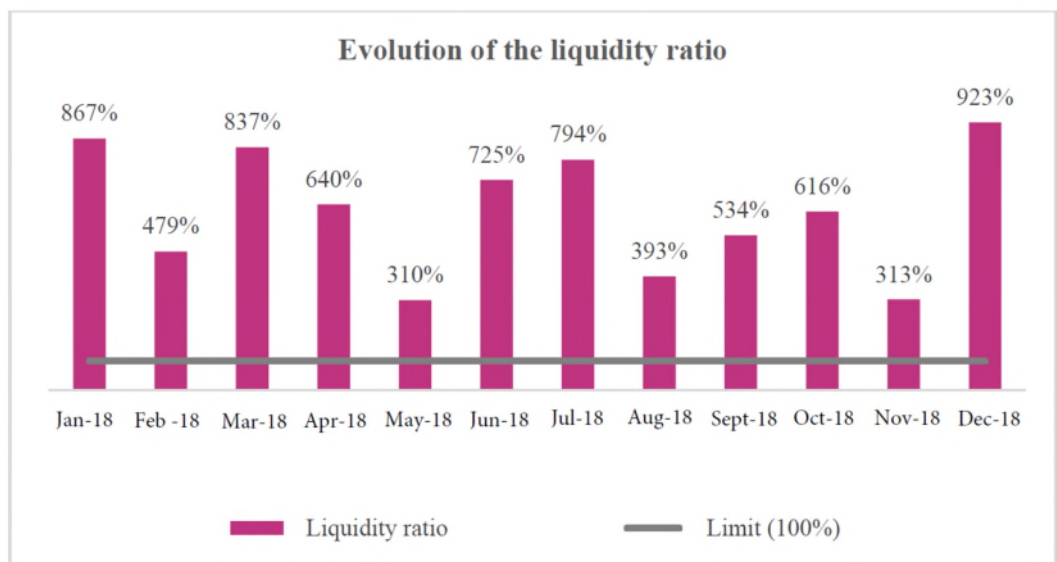
Thus, 78.5% of the 2020 collection was in the form of a subsidy, with 21.5% in the form of a loan. This proportion remains stable at: 79.7% in 2019 and 81.3% in 2018. The main reasons for choosing the loan payment mentioned by companies are: historical, choice of headquarters or that of management, and being able to recover the funds after several years. On 31 December 2020, outstanding corporate debt resulting from the PEEC collection in the form of a loan was €5,877 million.

⁹ Source: Key points of the ANCOLS Annual Public Monitoring Report 2019, (p.9) – <http://digital.ancols.fr/rpac2019e.html>



In practice, employers who are liable for the PEEC or PEAEAC must complete an online statement on a dedicated section of the Issuer's website. They may then send a payment slip and settle with the Issuer before 31 December of each year. As part of this settlement, the paying company indicates whether its payment takes the form of a grant or a loan. The Issuer then sends the company a tax receipt for each payment made. In 2020, the Issuer found that 95% of the payments were being made in December of each year.

As a result, the Issuer's liquidity ratio is subject to a certain annual seasonality. There is a high point at the end of December, as shown in the chart below. The liquidity ratio of the Issuer was 406% as at 31 December 2020, for a regulatory threshold at 100% that is monitored by the ACPR.



The monitoring of the PEEC payments is carried out by the officers of the Public Finances General Directorate or the services of the Ministry of Housing, as well as the ANCOLS staff. In

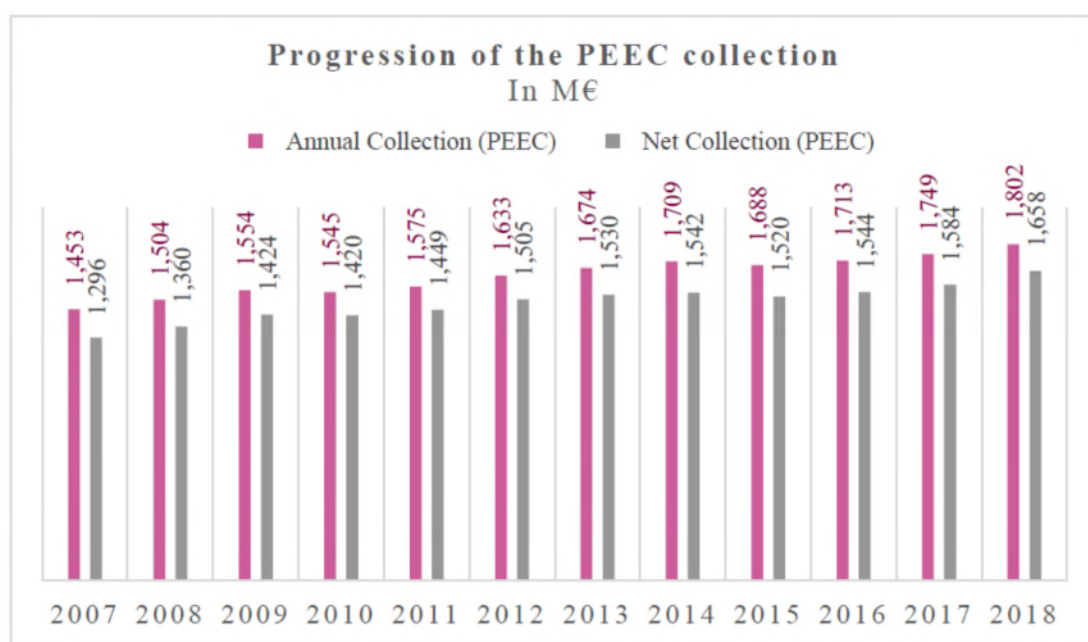
the event of non-compliance with their obligations, employers shall pay a contribution of 2% of the payroll and further penalties¹⁰.

The payment of the PSEEC is subject to a special agreement between the Issuer and the company choosing to make this payment.

(c) Progression of the PEEC collection

The gross collection, in the form of grants and in the form of loans, corresponds to all the funds received from employers by the Issuer under the PEEC. The net collection is equal to the gross collection less the repayments of the collection to the companies.

The regular progression of the collection over the last few years is illustrated on the following chart¹¹:



In 2020, excluding repayment of loans made by companies in payment of their PEEC, the gross collection of the PEEC represented €1,666 million against €1,867 million in 2019. This fall is a result of the increase in the liability threshold from 20 to 50 employees as of 1 January 2020 pursuant to the PACTE Law. Over a long period and with an unchanged scope, the shift in PEEC collection reflects the macroeconomic trends linked to changes in the payroll of private sector companies.

In 2020, the total collection of the PEC (PEEC + PSEEC + PEAEC), net of amounts reimbursed to companies, reached €1,572 million. In 2019, this stood at €1,742 million.

(d) Other PEEC Resources: Loan Repayments

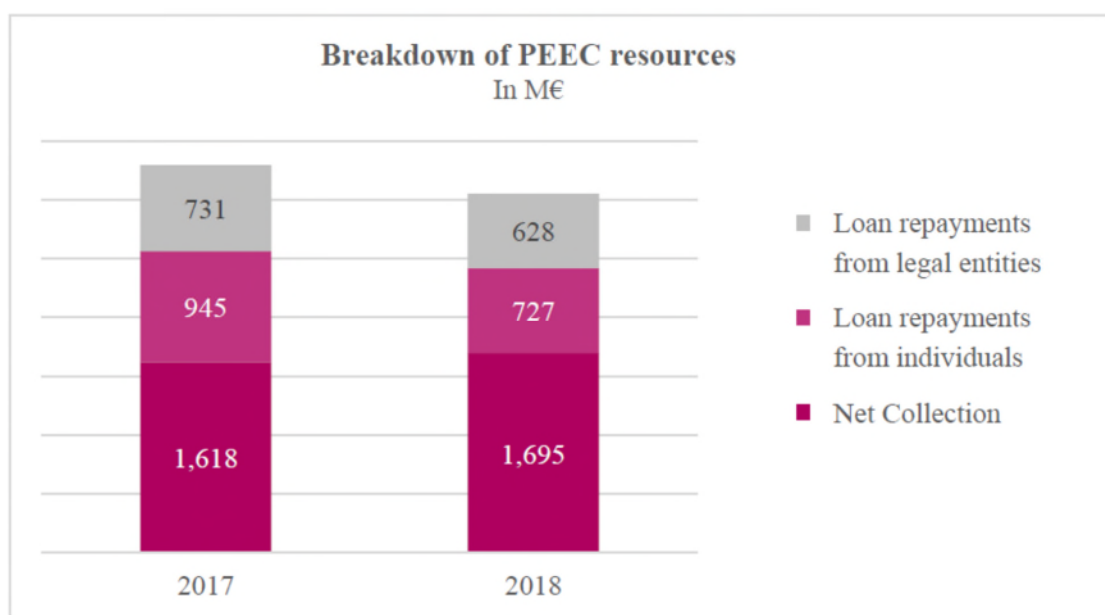
These include all Loan Repayments previously made by the Issuer using resources from the PEEC. These loans were issued to legal entities, mainly social and intermediate landlords, and to individuals, regardless of the nature and duration of the loan.

¹⁰ Source: Official Bulletin of Public Finances, 18/12/2014 - BOI-TPS-PEEC-40-20141218

¹¹ Source: The 2015-2019 Five-Year Agreement of 2 December 2014, Issuer's Management Reports, Voluntary Investment Plan Agreement of 24 April 2019, and reprocessing by the Issuer

The total annual amount of Loan Repayments amounted to €1,213 million for the last financial year ended 31 December 2020. This is a decrease of 4.9% compared to the 2019 financial year. Loan repayments to legal entities were up by 2.6% compared to 2019, reflecting the sound momentum of business over several years. Loan repayments to individuals were down 11.7% compared to 2019. This shift was the result of the steady fall in outstanding assets since 2017, against a backdrop of low rates experienced by all property financing players.

In 2020, the Issuer's total resources, including net collections and Loan Repayments, were €3,023 million compared to €3,017 million in 2019, broken down as follows:



(e) Financing policy of the Issuer and its consolidated subsidiaries

In addition to the resources described above, the Issuer benefits from loans granted by the CDC.

On 12 November 2012, the Social Economy Union for Housing (UESL) entered into a letter of mutual commitment with the government, under which it committed to allow the UESL to access the resources of the CDC's Saving Fund Division. This was limited to €1 billion per year over the 2013-2015 period. These resources must contribute to the goal of producing 150,000 social housing units a year. This commitment resulted in two loan agreements with the CDC, all of which totalled €1,564 million. These loans were taken over by the Issuer when the group Action Logement was formed. The outstanding principal owed as at 31 December 2020 was €1,157 million. The initial term of these loans is 25 years. The variable interest rate is indexed to that of the Livret A passbook increased by 90 basis points. These loans are government guaranteed, in accordance with Article 79 of the amending Finance Law for 2013.

The Issuer will also issue bonds on the financial markets in order to finance the Uses of the PIV. This will be for a total amount over the period 2019-2022 estimated at €6,200 million. The Issuer completed its first bond fund-raising of €1,000 million in October 2019. The Issuer plans to use the capital markets to obtain approximately €5,000 million over the period 2021-2022.

(f) A non-competitive business

Prior to the reform that led to the formation of the group Action Logement and the Issuer, more than 99% of the PEEC collection was paid to the associated collecting bodies of the UESL (the CILs) merged to create the Issuer.

Since Decree no. 2016-1408 of 20 October 2016 relating to the reorganisation of PEEC collection came into force, the SICF (a subsidiary and collector of the Public Rail Group comprising SNCF, SNCF Réseau and SNCF Mobilités) is the only authorised PEEC collector to retain its role. It is thus the only other organisation approved to collect the PEEC besides the Issuer.

2.2 Financing of social and intermediate housing

The main task of the Issuer is to help finance the construction and renovation of mainly social and intermediate housing. This financing is in particular in the form of subsidised loans, capital increase, and grants. They are provided under very favourable conditions in return for the granting of rental reservation rights for the benefit of the Issuer. In addition, the Issuer manages the national operator dedicated to the sale of low-cost housing ("HLM", for *habitation à loyer modéré*), the National Sales Operator ("ONV"), whose purpose is to promote the sale of housing by social landlords to tenants in social housing.

The development of the Issuer's financing activities is closely linked to that of the social housing and intermediate housing sectors.

(a) Overview of the social housing sector

Social landlords offer eligible households (as defined by decree) leases that are on average 40% below market rents defined by decree¹². The number of applications for access to social housing, counted and centralised in the National Registration System ("SNE") is steadily rising; from 1.7 million in 2014 to over 2 million in 2019¹³.

To meet this significant demand, the French social housing model is based on an existing stock of nearly 5.1 million social housing units as at 1 January 2020, spread across the whole of mainland France and its overseas territories¹⁴. This social housing stock is managed by social housing organisations ("OLS"), split into several families, the two main ones being public housing offices ("OPH") and social housing companies ("ESH"). The other types of HLM organisations are the HLM cooperatives ("Coop'HLM"), the semi-public companies ("SEM", *sociétés d'économie mixte*), and the approved organisations for housing project placement ("MOI", *maîtrise d'ouvrage d'insertion*).

Social housing is granted to applicants as soon as existing housing is available or new or rehabilitated housing is delivered. The annual mobility rate of the social housing stock was 9.0% in 2019 (9.3% in 2018 and 9.4% in 2017)¹⁵. In 2019, 76,000 housing units were brought into service in the social housing stock, 9% of which were new and 7% were existing units

¹² Source: Source USH - The Great National Debate: HLMs, a chance for France, https://www.union-habitat.org/sites/default/files/articles/pdf/2019-02/le_grand_debat_national_-_les_hlm_une_chance_pour_la_france_0.pdf

¹³ Source: Annual public report 2020 – The digitisation of the demand for social housing – <https://www.ccomptes.fr/system/files/2020-02/20200225-05-TomeII-numerisation-demande-logement-social.pdf>

¹⁴ Source: CGEDD The social housing stock on 1 January 2020 – https://www.statistiques.developpement-durable.gouv.fr/sites/default/files/2020-11/datalab_essentiel_231_parc_locatif_social_2020_novembre2020.pdf

¹⁵ Same

acquired outside the social housing stock. At the same time, 9,500 housing units were demolished, 13,100 were sold and 700 changed use or were restructured¹⁶. Demand is still high despite the increase in stock and, at the end of 2019, there were an estimated 2.1 million unmet HLM housing applications, including 700,000 applications from households already renting an HLM¹⁷.

In order to support the production of new offers and rehabilitations, the State issues financing approvals to OLS for each of their operations. These approvals give rise to specific funding, in particular, to the CDC's very long-term loans and to subsidies from certain local authorities. They also carry various tax benefits reserved for the social housing sector:

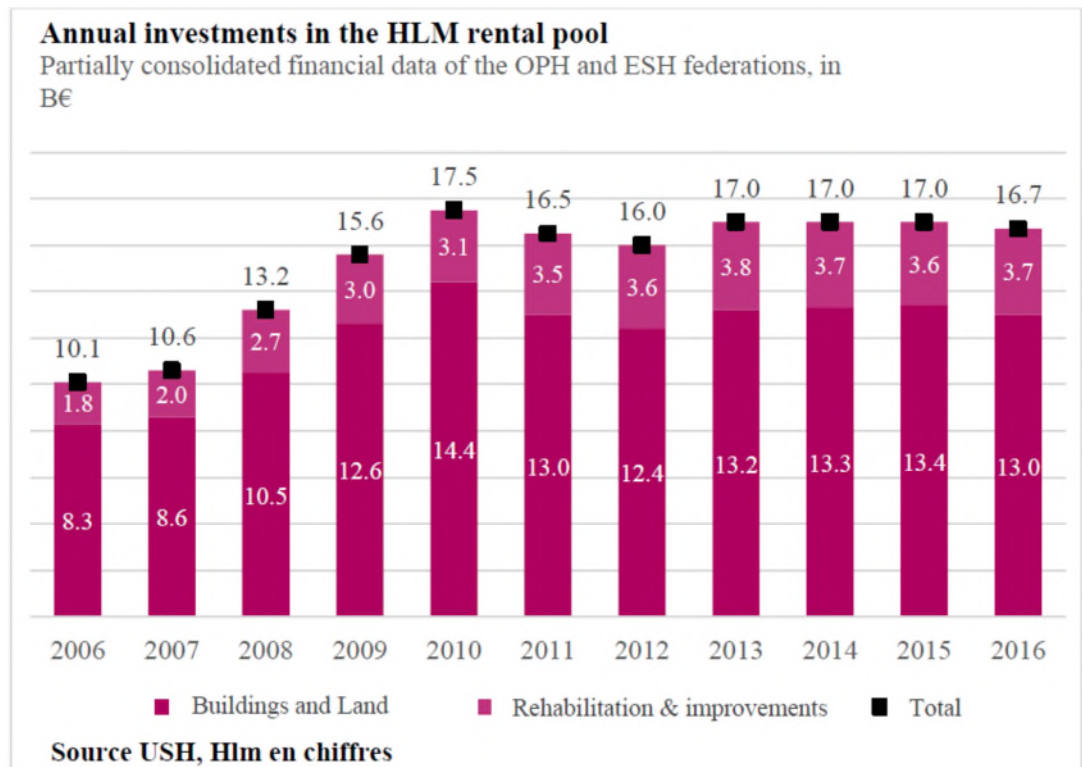
- VAT at a reduced rate of 5.5% for the production of certain social housing units, such as social housing financed by an assisted rental investment loan ("**PLAI**"), social housing acquisition-improvement financed by a rental loan for social use ("**PLUS**"), those located in neighbourhoods subject to an urban renewal agreement signed with the ANRU, and for carrying out energy renovation works;
- instead of the usual 20% VAT rate, a reduced rate of 10% for other social housing and for intermediate housing as well as for rehabilitation work;
- exemption from the property tax on existing built properties ("**TFPB**", *taxe foncière sur les propriétés bâties*) for the production of new housing and for certain works such as housing adaptation for senior citizens and energy-saving renovations;
- very low fixed transfer fees for the sale of assets between HLM players;
- possibility of exemption from stamp duty for the sale of HLMs to individuals;
- exemption from the corporation tax for services of general economic interest ("**SGEI**") HLM; and
- favourable taxation on capital gains upon sale.

The regulatory and fiscal framework provides OLSs with security and momentum, which is reflected in the significant amounts of investment they make: almost €17 billion in investment was made in 2018, for the benefit of the construction sector and with local businesses¹⁸.

¹⁶ Same

¹⁷ Source: USH – <https://www.union-habitat.org/sites/default/files/articles/pdf/2020-09/ush-plaquette-chiffrescles-20-page.pdf>

¹⁸ Source: USH, HLM with figures 2020 – <https://www.union-habitat.org/union-data/les-moyens-financiers> – Outstanding debt of HLM organisations



In 2019, the State issued 109,050 social housing licences¹⁹, which was stable compared to 2018. In a multifaceted environment marked by the health crisis and the postponement of the second round of the French municipal elections, 2020 resulted in a 17% reduction in the number of social rental housing units approved in mainland France compared to 2019, representing 80% of the target set (i.e. 87,500 approved units for a target of 110,000). The State, the Social Union for Housing ("USH") and on 19 March 2021, several of its federations, Action Logement and the Caisse des Dépôts signed a protocol "to help boost social housing production", aiming to produce 250,000 social housing units between 2021 and 2022²⁰.

The financing needs for these investments are significant since social landlords take on average 79% of debt for the financing of new constructions and 73% for rehabilitation work²¹.

(b) Overview of the intermediate housing market

The intermediate housing market corresponds to the portion of dwellings whose rents are between those of the social housing stock and those on the open market. It targets households with specific incomes. This market is developing in areas of tension between housing supply and demand (zones A bis, A and B1, i.e. barely 10% of the territory). In these areas there is a significant gap between social and private rents.

The law stipulates that intermediate rents must be lower than open market rents, generally between 15% and 20% lower. In return, the intermediate housing managers benefit from a

¹⁹ Source: Ministry of Territorial Cohesion, 2019 Assessment of Assisted Housing – http://www.financement-logement-social.logement.gouv.fr/IMG/pdf/bilan_2019_des_logements_aides_v13_pdf_cle5c3a11.pdf

²⁰ Source: Protocol to help boost the production of social housing in 2021 and 2022 – https://www.union-habitat.org/sites/default/files/articles/pdf/2021-03/protocolerelancelogementssociaux_signe.pdf (union-habitat.org)

²¹ Source CDC Banque des Territoires - Outlook The Social Housing Study, 2020 Edition - https://www.banquedesterritoires.fr/sites/default/files/2020-09/BDT_PERPECTIVES%202020_0920_WEB.pdf (page 37)

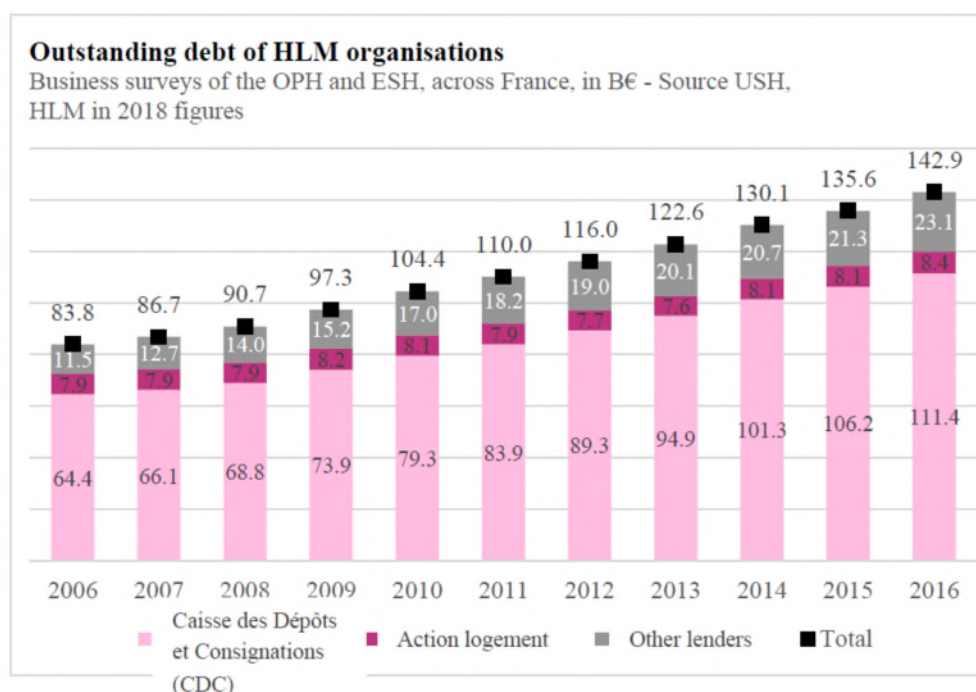
favourable tax regime. They pay a 10% VAT and obtain a property tax exemption on properties built for 20 years for new housing produced since 2014 (exemption for a maximum of 20 years, which ends if the property is sold). For occupants, intermediate housing is means-tested.

Most of the intermediate housing stock is located in Île-de-France. Over the 2014-2019 period, some 22,000 new intermediate housing units were approved in Île-de-France, with a significant ramp-up from 2,714 approvals in 2015 to 6,566 in 2019²².

Thus, the financing solutions proposed by the Issuer to social and intermediate landlords are highly promising.

(c) Market environment

Based on the public information published by the *Banque des Territoires* and the USH, the Issuer estimates that it is the second largest provider of social housing in France. The main player in this market is the CDC²³. The remaining debt is contributed by the Issuer and other credit institutions as shown in the chart below:



With the *Banque des Territoires*, the CDC advises and funds the OLS. 11.35 billion new loans for social housing and city policy were signed by the CDC's savings funds in 2020. Outstanding loans reached €191.9 billion as at 31 December 2020²⁴.

The Issuer is a partner of the CDC on certain mechanisms intended to support the investments of the OLS. Thus, the CDC grants social landlords 30 or 40 year loans with a zero-interest differed amortisation period of 20 years ("**Subsidised Equity Loans**"). A first generation of

²² Source: L'Institut Paris Région, Quick Note No. 876 – https://www.institutparisregion.fr/fileadmin/NewEtudes/000pack2/Etude_2459/NR_876_web.pdf

²³ Source: USH, HLM with figures 2020 - <https://www.union-habitat.org/union-data/les-moyens-financiers> - Outstanding debt of HLM organisations

²⁴ Source: 2020 Annual Report CDC Savings Fund – https://www.caissedesdepots.fr/sites/default/files/2021-05/0518_2103075_CDC_RAPE_A4_EXE_MEL2.pdf

EUR 2 billion of Subsidised Equity Loans began in 2017 to finance mainly rehabilitation operations (the "PHBB"). The highly favourable financing conditions of these PHBBs were made possible thanks to the subsidy paid equally by the CDC and the Issuer. An agreement between the State, the CDC, and the Issuer covers a new generation of two billion Subsidised Equity Loans (the "PHB2.0"). They are fully subsidised by the Issuer through a grant to the CDC. It was signed in June 2018 for the period 2018-2020. This subsidy commitment for the PHB2.0 represents as of 31 December 2020 an amount of €806 million, of which the payment by the Issuer to the CDC will be spread between 2021 and 2043.

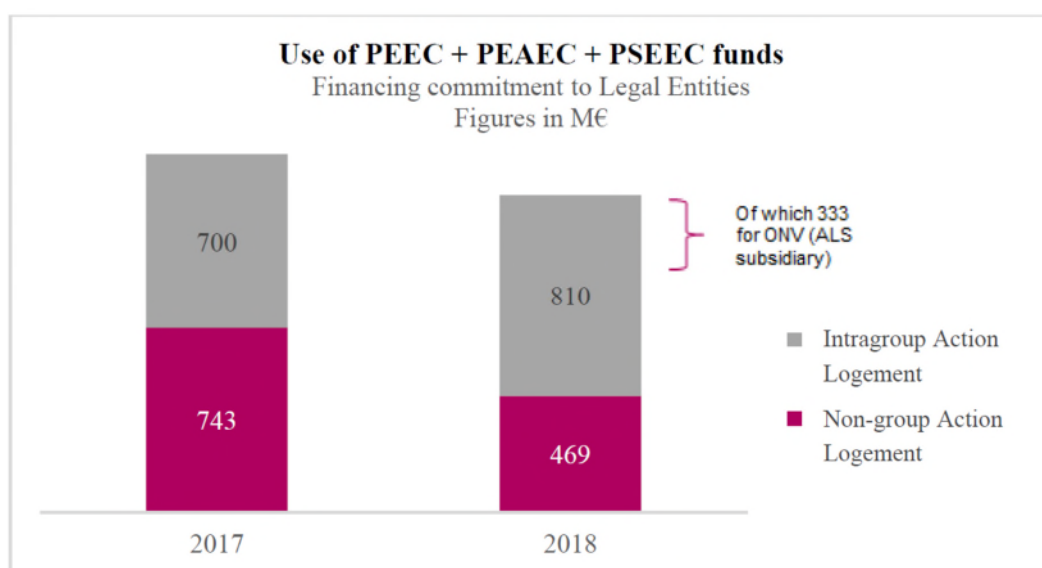
French commercial banks also offer financing solutions adapted to the characteristics of social and intermediate markets.

(d) Presentation of the corporate finance activity

In 2020, the amount of new commitments to legal entities (loans, grants, capital allocations and credit reservations with local authorities) amounted to €3,233 million, of which €1,564 million of new loans commitments.

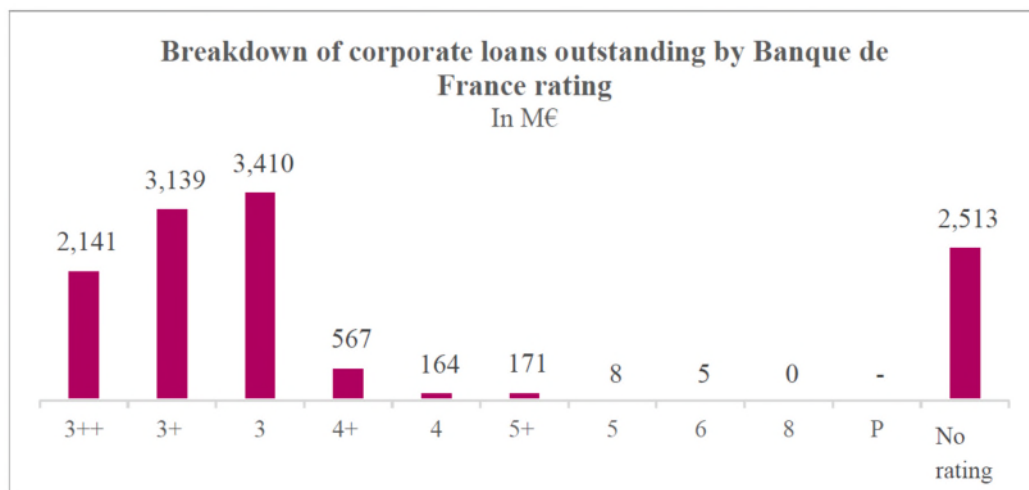
The Issuer distributes its financing to legal entities through equity or quasi-equity allocations, subsidised loans, and grants in order to better support the needs of landlords in their various activities. These various offers are distributed in accordance with the principle of non-discrimination as to whether the landlord belongs to the group Action Logement. This is subject to waivers relating to the payment of grants to ALI to provide its subsidiaries with capital and the payment of subsidies or the granting of loans to the *Association Foncière Logement* ("AFL"). ALI's subsidiaries play an important role in the production of social and intermediate housing. They are significant beneficiaries of the Issuer's financing. In 2020, 47% of the new loans granted by the Issuer to HLM operators benefited ALI's subsidiaries.

The breakdown of these financings to legal entities is shown in the chart below.

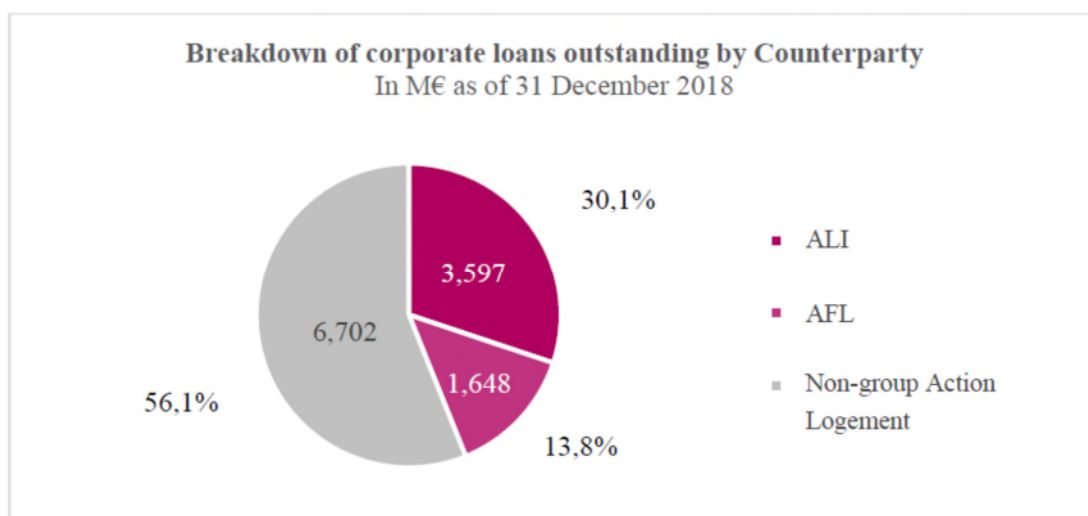


The structure of the Issuer's corporate finance business is based in particular on a portfolio of loans to social and intermediate landlords of €12,204 million as at 31 December 2020. The amount of bad debt in this loan portfolio is €183 million, representing an NPL (*Non Performing Loan*) rate of 1.50%. The cost of risk of the corporate loan portfolio is €13.3 million, or 0.11% of the outstanding loans. The reasonable provisioning rate amounted to 23.25%.

As at the date of the Information Memorandum, loans are granted at the *Livret A* passbook rate less 225 basis points with a 0.25% floor for PLUS and PLAI transactions. The average quality of the portfolio is good, nearly 80% of the outstanding loans have *Banque de France* ratings of 3++, 3+ and 3 corresponding to a capacity to honour financial commitments from "excellent" to "strong"²⁵, as illustrated below:

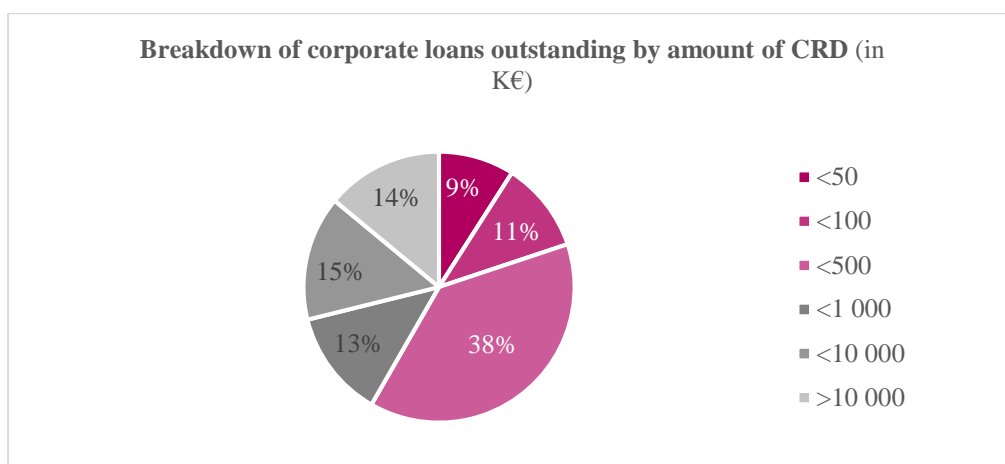


As at 31 December 2020, the Issuer held €5,485 million net in intragroup loans, €3,837 million with ALI subsidiaries and €1,648 million with AFL. This is a 31.4% exposure to ALI subsidiaries and 13.5% to AFL.

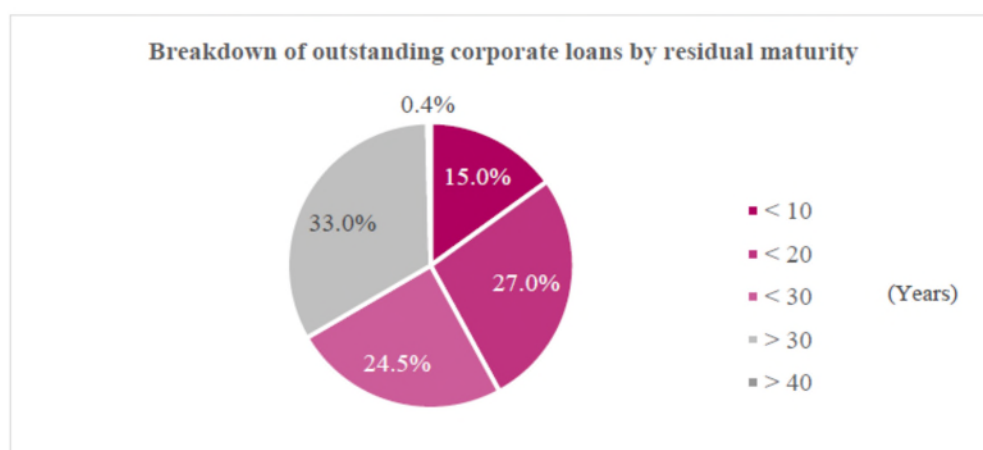


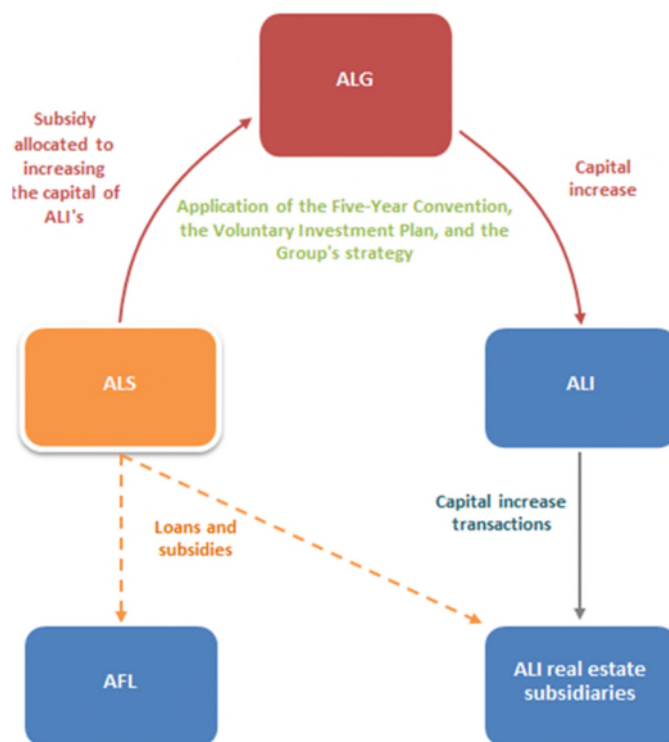
²⁵ <https://entreprises.banque-france.fr/cotation-des-entreprises/comprendre-la-cotation-banque-de-france/comprendre-la-cote-de-credit>

The composition of the corporate credit portfolio by balance sheet exposure amount for loans shows a very granular distribution. As of 31 December 2020, it was as follows:



In addition, almost 15% of outstanding loans have a residual maturity of less than 10 years and 36% of more than 30 years:





The Issuer also contributes to the production of social and intermediate housing by granting a subsidy envelope to ALI, which allocates this to its subsidiaries in the form of a capital allocation.

In 2020, €1,238 million was committed in the form of capital allocations, of which €140 million under the Five-Year Agreement of 18 January 2018 and €1,098 million under PIV Employment. These PIV allocations were granted as part of the implementation by ALI and the AFL of schemes relating to the following areas:

- Renovation of medical-social establishments.
In 2020, ALI transformed its subsidiary Logévie, a social housing company based in Nouvelle-Aquitaine and specialising in the medical-social sector, to create the medical-social property company of the Action Logement group, renamed Enéal. Enéal's ambition is to offer a new high-quality care and accommodation offering for dependent elderly people with modest incomes;
- The purchase of obsolete business premises for conversion into offices.
Launched in 2020, Foncière de Transformation Immobilière, a wholly-owned subsidiary of ALI, aims to acquire buildings for conversion into housing and to ensure long-term property development support to facilitate the production of social and intermediate housing;
- Production of social and intermediate housing.
- Social landlord restructuring.
In 2019 and 2020, ALI and its social housing subsidiaries supported the restructuring of the low-cost housing (HLM) sector targeted by the ELAN law by taking or

strengthening shareholdings in social housing organisations or by constituting social housing coordinating entities with public housing offices (OPH);

- The fight against substandard housing as part of the Digneo initiative launched by the AFL.

(e) Prospects for the development of the corporate finance activity

Each of the areas of development of corporate finance aims to strengthen the social utility of the group Action Logement. This is within a market driven by the growing need for affordable housing solutions for low-income households.

(i) Social housing

The Five-Year Agreement and the PIV set the Issuer an investment objective of €10.2 billion in the field of social housing. It applies over five years between 2018 and 2022, across several major areas of development affecting corporate finance activity:

- supporting the production of social housing, through capital subsidised loans and subsidies for social landlords, particularly the financing of housing for young people.

To this end, the Recovery Addendum allocated €1,170 million in additional support for the production of 250,000 social and affordable homes over two years in the 2021–2022 period, including:

- €250 million in loans and €450 million in subsidies for the production of affordable housing;
- €145 million in loans and €65 million in subsidies to finance 14,000 places in residences and housing for working young people and students, in addition to €10 million in subsidies to finance shared housing; and
- €250 million in loans or subsidies, to finance 2,000 homes and promote, via AFL initiatives, social diversity in low-demand areas²⁶ in priority urban neighbourhoods and in old centres with substandard housing.

- revitalising the centres of medium-sized cities, with the ACV programme;
- combating substandard housing and the tackling of dilapidated co-ownership properties;
- supporting the restructuring of the social housing sector;
- renovation and restructuring of non-profit medical-social institutions;
- developing social home ownership, through the development of the sale of HLMs and community land trust-like organisations;
- financing the demolition and reconstruction by social landlords adapted to the needs of the territories; and

²⁶ Within the meaning of the Scellier zone classification grid.

– assistance to overseas territories social landlords.

(ii) Intermediate housing and affordable housing

The Five-Year Agreement and the PIV also devote €2.7 billion over the five years 2018-2022 for intermediate housing.

(f) The HLM National Sales Operator

Subsidiary of the Issuer established under Act no. 2018-1021 of 23 November 2018 on the evolution of housing, development, and digital ("**ELAN Act**"), the ONV aims to boost the sale of HLM housing, primarily to occupying tenants. It is a global operator, available to all social lessors, regardless of their status, responsible for developing social home ownership and enabling operators to reconstitute their equity. The aim to acquire a block of 40,000 HLM homes in order to resell them to the occupants is one of the major objectives of the Action Logement group.

Officially launched in February 2019, the ONV benefited from an initial capital allocation fully subscribed by the Issuer of €333 million in 2019 and a second capital allocation also fully subscribed by the Issuer of €333 million in 2020. A third tranche of €333 million will subsequently be provided by the Issuer in the form of loans in a shareholder current account, depending on requirements.

2020 is the second financial year of the ONV. As at 31 December 2020, the assets acquired since the creation of the company comprised 3,249 homes for 89 buildings. In 2020, the ONV recorded its first revenues, consolidating the implementation of its model based on income from rental management and housing sales.

(g) Loans guarantee

The Issuer guaranteed loans from credit institutions subscribed by the AFL, which belongs to the group Action Logement. Commitments amounted to €876 million as at 31 December 2020.

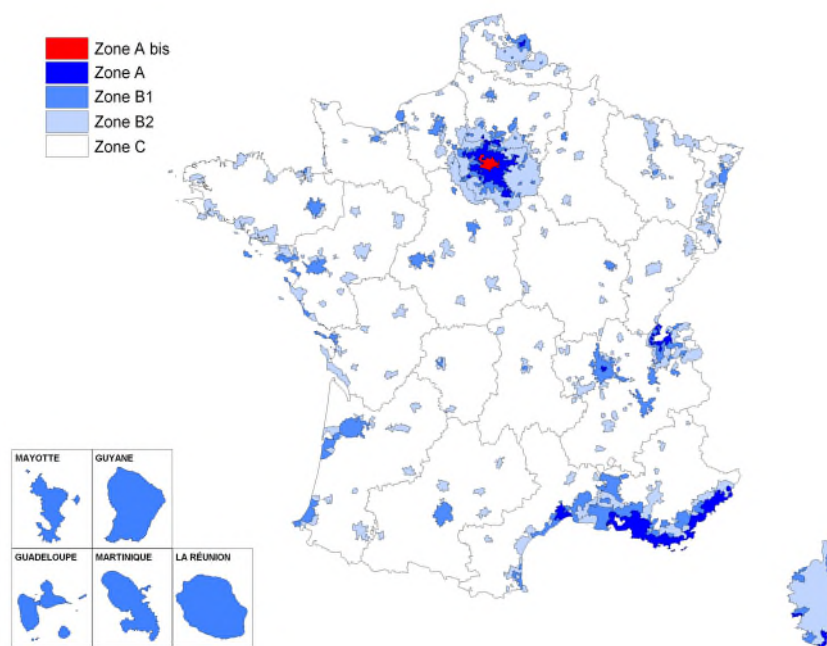
(h) Social impact of the corporate finance activity

The loans to legal entities granted by the Issuer contribute to the production of a new offer of affordable housing as a result of the highly favourable credit terms. The distribution of 2020 new loans commitments for a total amount of €1,564 million shows that these loans were oriented to the benefit of the most social housing-focused operations:

- 29.1% were amortising loans for transactions approved as PLUS;
- 20.1% for PLAI transactions;
- 8.0% for Social Rental Loan ("**PLS**") transactions;
- 19.1% for intermediate housing;
- 17.0% for housing in the overseas departments and regions.
- 4.2% for housing improvement operations, and
- the remaining 2.6% for other operations.

The geographic distribution of loans also follows a strategic orientation. It favours the production of a new supply in the most marginalized areas, where imbalances between supply and demand, often driven by employment dynamics, are the strongest. Namely: 39% of the

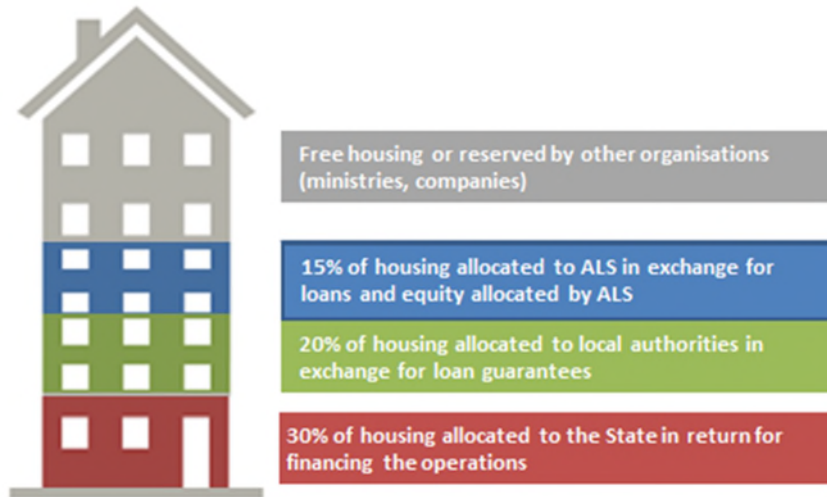
financing concerns operations in zones A bis and A, 45% in zone B1, and 16% in the unstressed zones B2 and C.



2.3 Housing allocations

The Issuer's social and intermediate housing financing activity is closely linked to its employee assistance and services activities. Indeed, the credit conditions granted by the Issuer to social and intermediate landlords for the production and rehabilitation of social and intermediate housing are very favourable. They present very attractive rates, a lack of demand for guarantees or of mortgage taken by the Issuer. In return, the Issuer receives rental reservation rights from them that allow it to nominate tenants who are employees for the allocation of social, intermediate, or free housing.

This rental counterparty mechanism for the benefit of the Issuer is usual practice for financing social housing. The State, local authorities, and some direct organisations can negotiate this type of mechanism with the operators. Schematically, on a conventional social housing operation, the Issuer estimates that the dwellings are reserved for the benefit of these various reserving parties according to the following distribution:



This rental allocation service for employees directly contributes to strengthening the link with companies providing the PEEC.

(a) Overview of needs covered and existing solutions

Since the "ALUR" Act no. 2014-366 of 24 March 2014, applications for social housing must be integrated into the SNE. In 2019, the SNE recorded more than 2 million requests for access to social housing²⁷. Applicants can register directly online in this system. Registration can also be made via application filed in person or, if the applicant is eligible for the Issuer's allocation criteria, from the Issuer's regional offices. In the latter case, if an available housing offer is compatible with the request made, it can be transmitted to the allocation commissions of the social and intermediate landlords to be taken into account on the quota of housing reserved by the Issuer. This arrangement generally makes it possible to obtain social housing within a shorter period of time than the common law processes outside the reservation quota.

The second largest provider of social housing after the State²⁸, the Issuer thus contributes to public policies of social diversity. It does so while strengthening the capacity of social landlords to produce a new supply of quality affordable housing through improved financing conditions.

(b) Impact of the ELAN law on the management of the rental reservation rights acquired by the Issuer in return for the financing granted

The ELAN law no. 2018-1021 published on 24 November 2018 (the "**ELAN Law**") provides for a series of amendments and easing of regulations intended to increase housing production capacity. Article 114 of the ELAN law and its implementing decree no. 2020-145 of 20 February 2020 set out the principle of flow-based management of housing quotas assigned in return for the financing provided by the reserving parties to lessors and no longer by housing

²⁷ Source: Annual public report 2020 – The digitisation of the demand for social housing – <https://www.ccomptes.fr/system/files/2020-02/20200225-05-TomeII-numerisation-demande-logement-social.pdf>

²⁸ Estimate made on the basis of data available in the Directory of Social Housing provided by the Ministry of Ecological and Solidarity Transition - <https://www.statistiques.developpement-durable.gouv.fr/repertoire-des-logements-locatifs-des-bailleurs-sociaux-rpls>

stock. The decree determines the conditions for implementing this flow-based management. It sets out the procedures for calculating the annual flow, stipulates that a single agreement must be concluded by the lessor and reserving party at the department level, and determines the conditions under which the lessor sends an annual report on the homes offered and allocated to the reserving parties. The ELAN law provides for a three-year transition period to ensure compliance with existing agreements, expiring no later than 24 November 2021. Accordingly, negotiations have been initiated with all of the Issuer's lessor organisation clients in order to convert the rights acquired into annual flows.

The draft law on "differentiation, decentralisation, deconcentration and covering various measures to simplify local public action" (known as "4D"), which is scheduled to be reviewed in the Senate in July 2021, could push the compliance deadline back to 2023.

(c) Launch of the AL'in digital rental solutions platform

In order to facilitate access to social rental housing, in June 2020 the Issuer launched creation of a fully digitised rental platform, AL'in. This solution brings together all the parties involved in the customer journey (lessors, companies and employees) and provides each applicant with access to a personal space through which they can submit their housing application in full online, view offers and monitor their application. This new tool for managing demand and reserved stock provides housing applicants with a digital pathway based on the principle of "active rental".

(d) Social impact of the rental allocation activity

In France, 86,000 households accessed housing through the Issuer in 2020, including 30.0% in the Greater Paris Region. Housing allocation, impacted by the lockdown between March and May 2020, fell by 20% year on year. The significant restrictions imposed slowed down the regular activity of lessors, particularly in terms of visits to homes, whether empty or occupied, and the signing of leases. The prohibition on moving house, except in exceptional cases, froze the turnover in social housing as no homes could be vacated and reallocated.

In addition, the Issuer is active in certain allocation categories like priority applicants and applicants with an enforceable right to housing ("**DALO**"). Act no. 2007-290 of 5 March 2007 allows people who are poorly housed, or who have waited in vain for social housing for an abnormally long period of time, to assert their right to decent housing or accommodation (as the case may be), if they cannot obtain it by their own means.

The Citizenship Equality law of 27 January 2017 amended Article L. 313-26-2 of the Code to extend the list of priority groups for accessing social housing. The so-called "priority" groups as regards the allocation of social housing includes those persons for whom justification is based on recognition of a priority right to (re)housing established by the DALO law of 5 March 2007.

Every year, several thousand households recognised as DALO are relocated by prefectures and reserving parties such as local authorities, Action Logement, and landlords.

In 2020, 6,351 households were placed in accommodation by the Issuer under the DALO scheme, the majority of which were in the Greater Paris Region.

2.4 The distribution of financial support and services to individuals

The distribution of financial aid and services to employees adapted to their residential needs and professional career is one of the Issuer's essential missions. The Issuer aims to facilitate access and maintenance in housing and thus promote employment. Indeed, the existence of the group Action

Logement is based on a consensus recognised for several decades by the Social Partners and by the State: Housing is a powerful driver towards supporting access to and maintenance of jobs and the economic dynamism of the regions. Although having a home does not mechanically guarantee access to a job, conversely, not having a home is an absolute barrier to inclusion in the working world.

In response to the issue of securing career paths, the Issuer offers companies a range of products and services for employees. These covers a wide number of solutions sought for employees' residential requirements.

This assistance can take several forms: grants, advances, loans, guarantees, security deposits, and social support services.

They meet various needs:

- facilitate access to rental housing in the private housing stock as well as in the social or intermediate pool;
- provide assistance for home ownership;
- financing works to improve housing, and to adapt housing for senior citizens or for energy renovation;
- facilitate professional and geographical mobility, recruitment; and
- to confront life's difficulties.

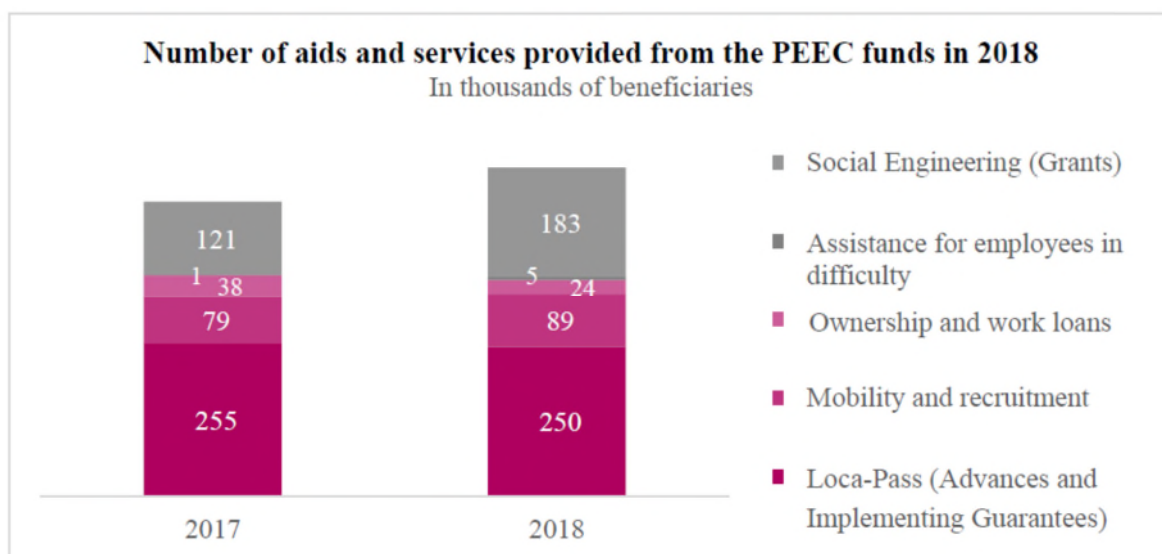
In response to the Covid-19 health crisis and as part of the Recovery Addendum, the Issuer has provided additional support designed to protect the career paths and support young people and employees left in a fragile situation due to short-time working measures and economic difficulties, by:

- providing exceptional support to prevent non-payment of rent and mortgage loans due;
- increasing the amount of the package designed to support employees in difficulty;
- extending the €1,000 mobility support benefit to all young people under the age of 25 with a rental lease, entering employment and earning between 0.3 and 1.1 times the national minimum wage (SMIC); and
- extending the VISALE guarantee to all employees in the private and agricultural sector over 30 years of age, earning less than €1,500 net per month in order to promote their access to rental housing in the private sector.

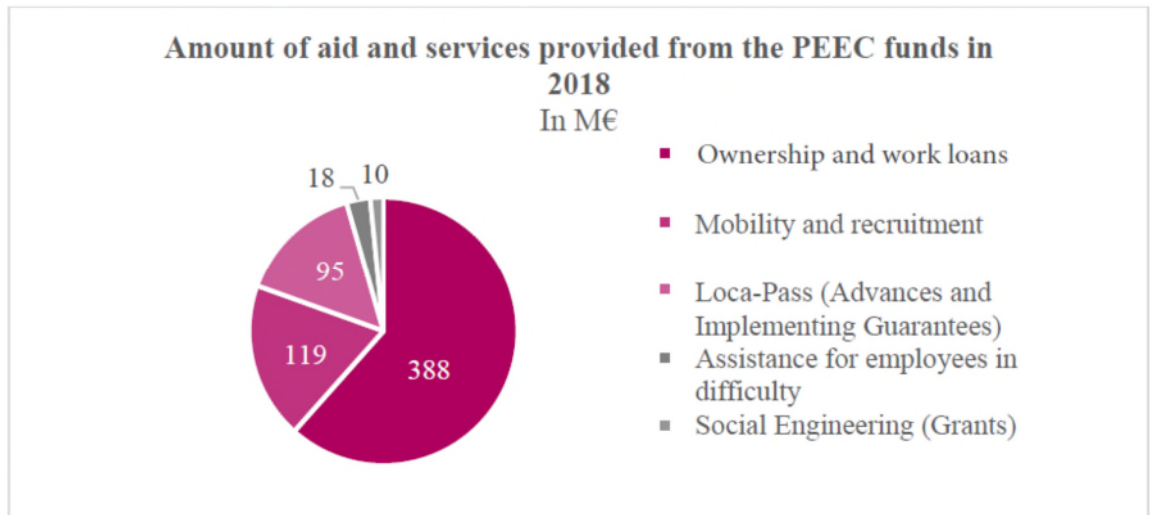
The Issuer focuses its efforts on supporting priority cases such as precarious workers or mobile employees, and young people with access to employment and training.

Regarding PEEC funds, the number of support grants and services allocated by the Issuer reached 557,912 in 2020, in the amount of €1,187 million in financial commitments granted over the year, as

follows:



	2019		2020	
	Number <i>In thousands</i>	Amount <i>In M€</i>	Number <i>In thousands</i>	Amount <i>In M€</i>
Housing support (works, ownership)	20	301	59	843
Mobility support	102	136	177	208
Secure rental support	258	104	210	80
Support for employees in difficulty	22	29	30	32
Exceptional support related to the health crisis	-	-	81	24
TOTAL	402	569	558	1,187



The number of support grants rose sharply between 2019 and 2020 (38.7%), due in particular to the provision of exceptional support in the context of the health crisis and the implementation of Voluntary Investment Plan measures. Mobility support, primarily aimed at young people, and support for employees in situations of vulnerability, rose by 72.7% and 40.7% respectively in 2020. Rent protection schemes fell 18.7% overall, reflecting the end of the Loca-Pass guarantees in 2019 (-58.9%) partially offset by the increase in the VISALE rent guarantee scheme (+21.4% contracts signed).

- (a) Overview of the context of the Issuer's services and financial assistance related to individuals and housing

The Issuer's activities for individuals ranges between home financing and non-profit services.

The Issuer's services are positioned more precisely as follows:

- credit solutions for the financing of home-ownership and works target a population under a certain means threshold. At least 80% of the beneficiary households must have a reference tax income lower than the intermediate housing resource ceilings defined in Article R.302-27 of the Code.

The Issuer's Ownership and Works loans are generally granted without collateral at a rate of 1%. They are in addition to a principal real estate loan granted by a commercial bank.

In September 2020, in order to enable more employees to make their acquisition or construction projects a reality, the Issuer changed its home ownership loan offering: the interest rate was reduced from 1% to 0.5%, the maximum amount of the loan was doubled from €20,000 to €40,000 and the maximum term increased to 25 years.

- In order to facilitate social home ownership, support the sale of HLM housing and adapt the home ownership loan offering to the environment, the Issuer has chosen to prioritise households with a project to build or acquire new housing as their primary residence, including via social home ownership of the property, and via a joint and several ground lease (bail réel solidaire – BRS) or the acquisition of an old property with or without works sold by a social housing organisation as part of the sale of HLM housing (Articles L. 443-7 et seq. of the Code).

- The young professional segment is particularly targeted. The entry into working life is occurring under conditions of employment that have become more often hybrid and precarious. They are hired as interns, under professional contracts, apprenticeships, and fixed-term contracts. Young people under the age of 30 have long been at the heart of the Social Partners' concerns. Special solutions are designed for them, such as Mobili-Jeunes, Mobili-Pass, and the VISALE guarantee deposit.
- Workers in precarious situations are particularly targeted by the Issuer's general interest mission. Housing emergencies, managing over-indebtedness, and reducing rental charges or monthly mortgage payments require solutions and social support essential to social cohesion.

The group Action Logement's commitment is reflected in the deployment of the Issuer's service dedicated to helping employees in difficulty. It is in charge of establishing a social diagnosis of the situations of precarity encountered, of guiding towards internal social support systems or in partnership with local associations and organisations, and of distributing emergency aid. These services are also based on the Soli'AL association created by the group Action Logement in April 2019. The purpose is notably to grant financial aid and implement social support measures.

Furthermore, in order to meet the needs of groups left in a vulnerable situation by the health crisis, in 2020 the Issuer set up two types of exceptional support: support designed to meet housing costs (rent or mortgage repayments, so-called "partial unemployment support") and housing support for seasonal employees in the agricultural sector.

(b) Market environment

The Issuer is the only player offering the comprehensive management of issues related to employment and housing. It is one of the leading operators of non-profit housing services. The systems proposed by the Issuer make it possible to provide access to solutions proposed by commercial banks in competitive markets and to support employees who are weakened by certain employment situations, such as the need for job mobility, or by adverse events. The Issuer relies on partnerships established with certain banking or associative networks to strengthen its action.

(c) Deployment of the VISALE deposit guarantee system

As part of the group Action Logement, the Association for Access to Security Deposits ("**APAGL**") organises the distribution of the VISALE system in the form of security deposits to help young people under 30 years old and precarious contract employees who have been hired for less than six months without confirmed permanent contracts ("**CDI**"). This helps them to secure housing - an assistance that complements the range of services distributed by the Issuer.

Since 1 January 2016, the VISALE security deposit therefore offers a free and dematerialised guarantee covering unpaid rents for the entire period of occupancy in the dwelling, within the limit of 36 defaulted payments. For the private housing stock, VISALE also covers rental damage.

Designed to facilitate the housing of young people, precarious, or mobile employees, VISALE is aimed at an estimated 1.5 million households. Namely:

- young people up to 30 years of age entering a private dwelling or social residence;

- students and work/study candidates of up to 30 years of age accommodated in private housing, social housing, or student residences;
- employees over 30 years of age entering a non-permanent employment, or on a job transfer for permanent contracts (private and agricultural companies), and entering a private rental unit;
- households residing in private rentals via an approved rental intermediation organisation;
- employees and jobseekers over 30, facing an exceptional event undermining their access to employment and housing;
- households residing under a mobility lease.
- The Recovery Addendum to the Five-Year Agreement signed on 15 February 2021 provides for the extension of the VISALE guarantee to all employees in the private and agricultural sector over 30 years of age, earning less than €1,500 net per month in order to promote their access to rental housing in the private sector.

157,116 VISALE contracts were signed in 2020, of which 54,790 were related to the regional centres of student social services (CROUS), compared to 129,470 in 2019. The Issuer estimates that students represented 58% of beneficiaries in 2020. 94% of VISALE beneficiaries are under 30 years old.

The frequency with which the guarantee comes into play from the outset is 4.8%, for a €44 million outflow.

(d) Portfolio of loans to individuals

The portfolio of loans to individuals amounted to €3,420 million as at 31 December 2020 (excluding receivables from the guarantee fund).

14,390 home ownership and works loans were granted in 2020, down 26.8% compared to 2019, for an overall commitment of €356 million, up 18.4% compared to 2019. These changes reflected the successful revision of the financial conditions of the Action Logement home ownership loan, which strengthened the financing offer aimed at employees.

The average amount of "Ownership loans" was €30,000 in 2020. Raising the ceiling on home ownership loans to €40,000 in 2020 could cause this average to rise.

The outstanding amount of doubtful loans to individuals (excluding guarantee fund receivables) is €90 million, i.e. an NPL rate of the Issuer's loan portfolio of 2.62% as at 31 December 2020. The cost of risk of the loan portfolio for individuals (excluding receivables from the guarantee fund) is €23 million, or 0.66% of the outstanding loans. The reasonable provisioning rate amounted to 69.19%.

(e) Development of the financing activity for individuals

The PIV and the Recovery Addendum significantly strengthened the Uses forecasted in the Five-Year Agreement for individuals. In this context, the Issuer should allocate €6.9 billion over the period 2018-2022 for individuals, especially employees, by targeting several major axes:

- energy renovation of private housing;
- private housing adaptation for senior citizens and dependent persons;

- social home ownership, with support for 20,000 employees taking ownership of new homes through a €10,000 support payment, based on means testing and type of acquisition, established by the Recovery Addendum;
- occupational and residential mobility;
- securing access to private rental housing; and
- assistance to employees in difficulty.

This aid is primarily intended for people subject to a means test. The setting of these ceilings, the attention given by the Issuer to supporting beneficiaries by trusted service providers, and the geographical targeting of these mechanisms show its intention to have a significant social impact.

In 2020, support provided under the PIV represented a commitment of €529 million, with €370 million for private housing energy renovation, €118 million in support for adapting private housing for senior citizens and dependent persons, and €41 million for occupational and residential mobility (on top of the €8 million paid in 2019).

(f) Social impact of activities and services provided to individuals

30,260 support grants were provided to employees in difficulty in 2020. This support includes the signing of reciprocal commitments, a mechanism that enables a resolution process to be initiated for difficulties identified during the assessment.

2.5 Participation in public policies and national city housing programmes

The Issuer and, prior to its creation in 2016, the UESL, whose commitments it took over, have been involved for twenty years in the national policy of urban renewal. The ambition is to reduce development discrepancies between territories and to promote social cohesion. As such, the Issuer contributes to the budgets of the ANRU and FNAP. In addition, the Issuer initiates and implements housing-related social utility policies in coordination with the State and its agencies, such as the ACV programme.

In addition to these commitments set out in the Five-Year Agreement, the 2020 and 2021 finance acts added exceptional contributions from the Issuer to the FNAL operating budget, amounting to €500 million paid in March 2020 and €1 billion paid in March 2021 respectively.

The Issuer is also in charge of coordinating 13 regional committees in mainland France and five territorial committees in the overseas departments and regions (the "CRAL"). Their mission is to identify with housing stakeholders the specific needs of the territories and propose new constructions, renovations, and appropriate services.

Excluding financing commitments and subsidies to social housing operators and private investors under the ACV programme and the new urban renewal programme ("NPNRU"), €1,404 million was recognised as an expense in 2020 for the following organisations: €445 million for the ANRU, €500 million for the FNAL, €350 million for the FNAP, €100 million for the AFL and €9 million for the National Housing Information Agency ("ANIL") / the Departmental Housing Information Agencies ("ADIL").

(a) Contribution of the Issuer towards the financing of the National Programme for Urban Renovation and the New National Programme for Urban Renewal

(i) Presentation of the ANRU and urban renewal programmes²⁹

ANRU is a public industrial and commercial organisation ("**EPIC**") (Decree No. 2004-123 of 9 February 2004). It was created to finance and lead the National Urban Renewal Programme ("**PNRU**"). As part of this programme, it provides financial support to local authorities, public institutions, and private or public bodies contracting for urban restructuring operations. It provides support in terms of construction, demolition, rehabilitation of social housing, public facilities, and the development of priority neighbourhoods according to city policy.

Law No. 2014-173 of 21 February 2014 for the programming of city and urban cohesion sets the framework, the objectives, and means of the new urban renewal programme ("**NPNRU**") to transform priority neighbourhoods according to city policy ("**QPV**"). The projects financed are intended to improve the living conditions and the safety of the inhabitants, to participate in economic development, integrate isolated areas, and promote social mixing. The implementation is entrusted to the ANRU.

(ii) The Issuer's financing of urban renewal public policy

ANRU pools the financial contributions of the State, the Issuer, the CDC, the Social Housing Rental Guarantee Fund ("**CGLLS**"), and the social landlords.

Given the challenges of the urban renewal policy, since 2001 supporting this policy has become a major focus of PEEC Uses. The majority of ANRU's resources are provided by the Issuer by allocating a significant portion of the PEEC.

The first ANRU-led PNRU programme mobilised €11,451 million in funding for the city's neighbourhood policies. The Issuer contributed €9,214 million in subsidies. This programme is in the process of being completed.

The following NPNRU programme, under the Law of February 2014, provided for a €6.4 billion investment. The Finance Law for 2018 doubled the budget to €12.1 billion of financial support equivalent to €10 billion in grants, including €1 billion from state subsidies, €2 billion from social landlords, and the balance from the Issuer, partly as a grant and partly as low interest loans. The conditions of this contribution are defined by the State-ANRU-ALG Agreement dated 11 July 2018.

In addition, the Recovery Addendum mobilised an additional €1.4 billion financed by the Issuer for the NPNRU budget, in order to step up the urban renewal and social diversity initiatives carried out by the ANRU in priority urban neighbourhoods. Together with the contribution of the State and the so-called "HLM movement", this will raise the NPNRU amount from €10 billion to €12 billion in equivalent subsidies.

Over the term of the Five-Year Agreement, the Issuer's total financial support for the financing of ANRU's urban renewal programmes will be €3,380 million. Over the total term of these programmes, the Issuer will have financed 80% of the PNRU and 72% of the NPNRU.

(iii) Contributions granted by the ANRU to the group Action Logement

²⁹ Source: Annex to the Draft Finance Law for 2018, Report on the use programming of employers' participation in the construction effort

An agreement was signed on 1 October 2009 and renewed in 2012 between the ANRU and UESL. This agreement defines the contributions to the financing of the ANRU by the Issuer pursuant to Article L.313-3 (d) and (e) of the Code. The preamble to this agreement recalls that the State grants the shareholders of Action Logement (now the Issuer) a reservation quota of 10% of social rental housing rebuilt or rehabilitated under the PNRU taken from the prefectural quota.

The State-UESL-ANRU agreement of 2 October 2015 on the financing of the NPNRU set the contributions allocated to the group Action Logement under the NPNRU. In view of the doubling of the budget, a new tripartite agreement between the State, ANRU and ALG on the financing of the PNRU and the NPNRU was signed on 11 July 2018. It sets out the contributions allocated to the group Action Logement. They take the form of land or construction rights from the land development of QPV benefiting from a multi-year urban renewal agreement signed with the ANRU. These land and free construction rights for the benefit of AFL or ALI's real estate subsidiaries were increased with the doubling of the NPNRU to approximately 17,500 housing units. Contributions include reservation rights for social rental housing in and outside the QPVs that benefit from a multi-year agreement with the ANRU. The number of these reservation rights, benefiting the Issuer for the housing of employees, is estimated at 32,700.

(b) Heart of the City Action: loans and subsidies to fight territorial division

The national "Heart of the City Action" programme ("*Action Cœur de Ville*") enables 222 medium-sized cities across the country to develop ambitious plans to recover their city centre. This programme is formalised in a multi-year revitalisation agreement.

The fight against territorial divisions is a major concern of Social Partners. It led the latter to actively engage alongside the regional operators in support of this public policy and boosting economic dynamism in the regions. In this regard, the Issuer funds the housing component of the programme by offering financing intended to mobilise public and private operators in favour of developing a new supply of homes through the refurbishment of existing buildings. This qualitative offering, accessible to employees, should help attract new households and thus contribute to the commercial and economic dynamism of city centres.

In this programme, with a total of €5 billion from various players, the Issuer is committing €1.5 billion over 5 years in the form of loans and grants. They are paid directly to social housing operators and private investors to conduct identified transactions in connection with municipalities.

The programme's commitments were €194 million in 2020, €123 million in 2019. Added to these commitments is €217 million in credit reservations corresponding to the materialisation of package negotiations with local authorities regarding transactions that have been identified but the terms of which have not been established; these packages are intended to gradually form financing commitments for operators, as projects come to fruition.

(c) Public policy development prospects

In accordance with the Recovery Addendum, the Issuer will pay an additional contribution to the ANRU in the amount of €1.4 billion in subsidies, subject to (i) the sustainability of its economic and financial model, (ii) the commitment of the State and the social landlords to finance the NPNRU in the amount of €1 billion and €2 billion respectively in accordance with the tripartite agreement of 11 July 2018, and (iii) the condition that it does not lead to an

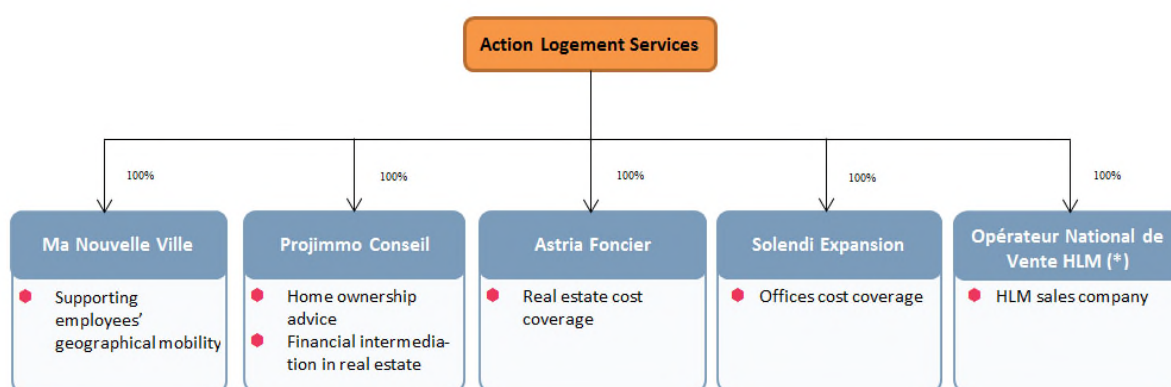
imbalance between funding for public policies and those intended for individuals and legal entities.

A tripartite protocol between the ANRU, the State and ALG will establish the terms of use of this package.

The Issuer's loan package, which was not granted during the 2018–2022 period due to delays in the programmes, will be carried forward beyond 2022.

3 ORGANISATIONAL CHART

As of 31 December 2020, the Issuer has five consolidated subsidiaries that appear in the following organisational chart:



4 INFORMATION CONCERNING TRENDS

By 2022, it is estimated that the Issuer's resources will decrease in comparison to the economic balance provided for in the Five-Year Agreement and the PIV due to (i) the pandemic, which drove a number of companies contributing to the PEEC to default or to resort to redundancies or the reduction of employees' hours, and (ii) the end of State compensation due to the reduction in PEEC collection in connection with the PACTE legislation for 2021 and 2022.

During the final quarter of 2020, the State and the Social Partners began talks to continue the modernisation of the Action Logement model as well as furthering relations between the State and the Action Logement group. As at the date of the Information Memorandum, the outcomes of this project are not yet known.

5 ADMINISTRATIVE AND MANAGEMENT BODIES

Description and composition of the Issuer's administrative and management bodies

The Issuer is a joint body with equal representation within its management bodies between representatives of national inter-professional organisations representing employers and representatives of national inter-professional organisations representing employees. The incumbent representatives, "**Incumbent Representatives**", and the alternate representatives, "**Alternate Representatives**", together the "**Representatives**". It is administered by a board of directors (the "**Board of Directors**"). The Issuer's Executive management is led by a Chief Executive Officer and Deputy Chief Executive Officer.

5.1 Composition of the Issuer's administrative and management bodies

- (a) Composition of the Issuer's Board of Directors

The composition of the Board of Directors as of the date of this Information Memorandum is detailed below:

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
1.	Representatives of employer organisations making up the Board of Directors				
1.1	Movement of French Companies (MEDEF)				
1.1.1	Incumbent Representatives				
	Joël Cheritel, born 18/02/1955	Chairman of the Board of Directors	First appointment: 29/11/2018 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Director of Caisse locale Haute Bretagne Crédit Agricole President of Estran Développement (Family holding company) Member of the Management Board of Fondation Université de Rennes 1 (University of Rennes 1 Foundation)

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
	Thierry Vidonne, born 17/12/1958	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Manager at Société civile immobilière de La Source
	André Her, born on 08/04/1963	Director	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Director of Social Welfare and Employee Savings Policy at Auchan Retail France
Following the resignation of a MEDEF Incumbent Representative from the Issuer's Board of Directors on 29 April 2021, a nomination procedure is in progress as at the date of the Information Memorandum; the role is carried out by the Alternate Representative in the meantime.					
1.1.2	Alternate Representatives				
	Anne Grunenwald-Neyer, born 27/05/1977	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending		Head of HR Development at EES Clemessy (Eiffage Group) Director of CFAI Alsace management association

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
			31/12/2022		
	Magali Munoz, born 21/05/1965	Director	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Director of Coordinated Services for Quality of Life at Work and Institutional Relations at ManpowerGroup France Director representing Prism'emploi at the FASTT (Fonds d'action sociale du travail temporaire) Association (support services for temporary/agency workers) Director of the Réseau Gesat Association
	Hafida Chahouri, born 04/10/1981	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		
	François Moerlen, born 18/10/1970	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Manager at LG Group (holding company of SAS MBM) Real estate – Locagestion Deputy Chair of the Fédération nationale de l'immobilier (French National Real Estate Federation – FNAIM)
1.2	Confederation of Small and Medium Enterprises (CPME)				
1.2.1	Incumbent Representative				
	Stéphane Malchow, born 05/06/1967	Director	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending		Chairman of SAS MOLLARD (master restaurateur) Chairman of SAS MURGA (rental of real-estate property)

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
			31/12/2022		
1.2.2	Alternate Representative				
	Jean-Louis Poinignon, born 02/03/1960	Director	First appointment: 26/09/2018 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022	Director of Action Logement Formation	Chairman, Acacia Conseil Invest Vice-President, ANIL (Action Logement Representative)
2	Representatives of employee organisations making up the Board of Directors				
2.1	French Democratic Confederation of Labour (CFDT)				
2.1.1	Incumbent Representative				
	Lahouari Boubekeur, born 04/07/1965	Director	First appointment: 11/02/2020 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		National Secretary in charge of services to housing companies, trade union training, health and quality of life at work, disability, ecological transition and sustainable development – Fédération des services CFDT
2.1.2	Alternate Representative				
	Muriel Scappini, born 16/02/1967	Director	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022	Director of Ma nouvelle ville	Deputy Secretary General CFDT Public Service Appointed as CFDT representative, Leader of the Housing Commission at the Interministerial Social Action Committee Appointed as CFDT representative at the Fonds pour l'insertion des personnes handicapées dans la fonction publique (Fund for the Inclusion of Persons with Disabilities in

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
					Public Service – FIPHFP)
2.2	Confédération Française de l'Encadrement/CGC (CFE-CGC)				
2.2.1	Incumbent Representative				
	Philippe Géry, born 14/10/1963	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022	Director ONV (Opérateur National de Vente – National Sales Operator) Director of Soli'AL	Head of Health, Safety and Environment Reporting (Corporate) – Ariane Group Central trade union delegate of the CFE-CGC Ariane Group
2.2.2	Alternate Representative				
	Yann Sévin, born 13/06/1973	Director	First appointment: 17/10/2017 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Study Engineer at Expleo Group Trade union delegate CFE-CGC, Expleo South West Regional Delegate (Midi-Pyrénées) to the CFE-CGC FIECI trade union activity CFE-CGC FIECI representative, CPREFP ATLAS Occitania
2.3	French Confederation of Christian Workers (CFTC)				
2.3.1	Incumbent Representative				
	Alain Kauffmann, born 24/04/1961	Vice-Chairman of the Board of Directors	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Alternate director of the French National Agency for Urban Renovation (ANRU) Director of Pôle Habitat, Colmar public housing office
2.3.2	Alternate Representative				
	Constance Adinsi, born 16/09/1966	Director	First appointment: 20/12/2017 First renewal: 30/09/2020 and until the decision	Director of Ma nouvelle ville	Labour advisor at Créteil Labour Council Negotiator of the neighbourhood association branch Trade union advocate,

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
			approving the financial statements for the year ending 31/12/2022		DIRECCTE Île de France
2.4	General Confederation of Labour (CGT)				
2.4.1	Incumbent Representative				
	Nathalie Simon, born 11/03/1967	Director	First appointment: 10/12/2016 First renewal: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022	Chairman of the Board of Soli'AL Director of Solendi Expansion	Board member of Union Departmental CGT 33 Sales representative at Carrefour Market Caudéran
2.4.2	Alternate Representative				
	Laurent François, born 06/05/1964	Director	First appointment: 30/09/2020 and until the decision approving the financial statements for the year ending 31/12/2022		Internal resources managers at Real Estate Client Department – EDF SA Elected member of CGT, CSEC EDF SA Elected member of CGT, CSE Operational Transformation and Efficiency Department, EDF SA
2.5	General Confederation of Labour Force Ouvrière (FO)				
2.5.1	Incumbent Representative				
	Jean-Yves Delagrangé, born 01/02/1954	Director	First appointment: 09/06/2021 and until the decision to approve the financial statements for the year ending 31/12/2022		Deputy National Secretary of the Section Fédérale des Employés et Cadres FO National administrator of the Caisse Prévoyance Agent Sécurité Sociale Assimilée.
2.5.2	Alternate Representative				
	Corinne Redjal, born 02/09/1966	Director	First appointment: 09/06/2021 and until the decision to approve the		

	First name, Surname	Duties performed, and if applicable specific responsibilities	Date of first appointment and expiry date of the mandate	Other mandates held and duties performed within the group Action Logement	Mandates held and duties performed outside the group Action Logement
			financial statements for the year ending 31/12/2022		

The professional address for service of the members of the Board of Directors of the Issuer is at the Issuer's registered office, 19/21 Quai d'Austerlitz, 75013 Paris, France.

(b) Executive management

The Issuer is headed by Mr Olivier Rico, Chief Executive Officer, and Mr David Delage, Deputy Chief Executive Officer. They were appointed to these positions by the Issuer's Board of Directors on 5 February 2021, for a term of six years.

The professional address for service of the Issuer's Executive management is at the Issuer's registered office, 19/21 Quai d'Austerlitz, 75013 Paris, France.

5.2 Conflicts of interest

To the best of the Issuer's knowledge, there are no actual or potential conflicts of interest between the duties, in respect of the company, of the persons referred to in paragraph 5.1 of this Section "Description of the Issuer", and their private interests and other duties.

6 ADMINISTRATIVE BODIES AND HOW THEY OPERATE

6.1 Board of Directors

(a) Composition of the Board of Directors

(i) Composition and terms of appointment (Article 10.1 of the Articles of Association)

Pursuant to Article L.313-19-3 of the Code, the Issuer is administered by a Board of Directors made up of Incumbent Representatives of employer organisations, members of ALG and the same number of Incumbent Representatives of employee organisations also members of the ALG association. The number of Incumbent Representatives for each of these categories of organisations is the same as that for the Board of Directors of ALG.

These Incumbent Representatives are appointed by ALG upon proposal of employee and employer organisations members of ALG. An Alternate Representative of each of these Incumbent Representatives is appointed under the same conditions. These appointments are notified to the ACPR which has the right to object.

(ii) Term of office of the members of the Board of Directors

The members of the Board of Directors are appointed for a period of three (3) years. Their mandate expires at the time of ALG's approval of the accounts of the past financial

year held in the year during which their mandate expires. Their mandates are renewable twice.

By way of exception, the mandates of the first Incumbent Representatives and Alternate Representatives will expire at the time of ALG's approval of the accounts for the 2019 financial year, in 2020.

(b) Powers of the Board of Directors (Article 10.6 of the Articles of Association)

The Board of Directors determines the orientations of the Issuer's activity and oversees their implementation, in accordance with the strategic guidelines defined by ALG, pursuant to Article L.313-18-1 of the Code. Subject to the powers expressly attributed to ALG and within the limits of the corporate purpose, it deals with all matters relating to the smooth running of the company and regulates by its deliberations such matters that concern it.

The Board of Directors performs the missions and duties incumbent upon it as a supervisory body within the meaning of the legislation applicable to finance companies.

6.2 Committees of the Board of Directors

The work and deliberations of the Board of Directors are prepared, in certain areas, by specialised committees composed of members of the Board of Directors. All committee members are appointed for the duration of their term as Representative. They deliberate on matters falling within their duties or, where appropriate, those assigned to them by the Board of Directors. They report regularly to the Board of Directors on their work and submit their observations, opinions, proposals, and recommendations.

The Board of Directors relies on work carried out by five specialised committees:

- the Audit and Accounts Committee;
- the Risk Committee;
- the Appointments Committee;
- the Remuneration Committee; and
- the Commitments Committee.

(a) Audit and Accounts Committee

(i) Presentation of the Audit and Accounts Committee

The Audit and Accounts Committee is composed of up to four members that are appointed by the Board of Directors among the Representatives while respecting parity principles. At least one of its members is appointed from among the incumbent representatives of employee organisations. Similarly, at least one of its members has special skills in finance or accounting.

The Chairman of the Audit and Accounts Committee is appointed by the Board of Directors from among its members who are Incumbent Representatives of ALG employee organisations.

If invited by the Chairman of the Audit and Accounts Committee or any other member of the Committee, the Chief Executive Officer and the Deputy Chief Executive Officer attend the meetings of the Audit and Accounts Committee.

As of the date of this Information Memorandum, the Audit and Accounts Committee is composed as follows:

- Mr Jean Yves Delagrangé, FO Representative and member of the Board of Directors, Chair of the Audit and Accounts Committee. He was appointed by the Board of Directors on 9 June 2021;
- Mr Laurent François, CGT Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020; and
- Mr Jean-Louis Poinçon, CPME Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020.

Following the resignation of a MEDEF Representative from the Issuer's Board of Directors on 29 April 2021, a nomination procedure is in progress as at the date of the Information Memorandum. The Issuer's Board of Directors will be asked to appoint a new member to the Audit and Accounts Committee.

The Audit and Accounts Committee meets as often as necessary, at the initiative of its chairman. It meets at least once every six months, in particular to comment on the individual and consolidated financial statements, as well as on internal procedures, prior to the Board of Directors' review of the individual and consolidated financial statements.

(ii) Duties of the Audit and Accounts Committee

The Audit and Accounts Committee is responsible for:

- examining the proposed consolidation scope, prior to submitting it to the Board of Directors;
- ensuring that the methods used to prepare the consolidated financial statements comply with the accounting standards of the Issuer and its consolidated subsidiaries;
- examining the draft individual and, where appropriate, consolidated accounts prior to submitting them to the Board of Directors, and reviewing any significant off-balance sheet commitments;
- ensuring the relevance of the accounting methods adopted for preparing the individual and consolidated accounts;
- reviewing the Issuer's business model and the balance of funds after ensuring compliance with ALG's defined guidelines;
- monitoring the process of preparing the financial information;
- reviewing the proposed budget of the Issuer and its subsidiaries, including their operating budget, and their progress;
- monitoring the choice and work of the statutory auditors and ensuring their independence;
- monitoring the reports of the permanent control and the audit reports; and

- rawing up the annual report of the Audit and Accounts Committee.

(b) The Risk Committee

The Risk Committee is governed by Articles L.511-92 *et seq.* of the French Monetary and Financial Code.

(i) Presentation of the Risk Committee

The Risk Committee is composed of up to four members that are appointed by the Board of Directors from among the Representatives, while respecting parity principles. At least one of the Risk Committee members is appointed from among the Incumbent Representatives of the employee organisations. Similarly, at least one of the Risk Committee members has specific skills in finance or accounting.

The Chairman of the Risk Committee is appointed by the Board of Directors from among its members who are Incumbent Representatives of employee organisations.

If invited by the Chairman of the Risk Committee or any other member of the Committee, the Chief Executive Officer and the Deputy Chief Executive Officer attend the meetings of the Risk Committee.

As of the date of this Information Memorandum, the Risk Committee is composed as follows:

- Mr Philippe Géry, CFE-CGC Representative and member of the Board of Directors, Chairman of the Risk Committee. He was appointed by the Board of Directors on 15 October 2020;
- Ms Constance Adinsi, CFTC Representative, member of the Board of Directors. She was appointed by the Board of Directors on 15 October 2020; and
- Ms Magali Munoz, MEDEF Representative, member of the Board of Directors. She was appointed by the Board of Directors on 15 October 2020; and
- Mr Stéphane Malchow, CPME Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020.

The Risk Committee meets whenever necessary at the behest of its chairman, and at least once a month.

(ii) Duties of the Risk Committee

The Risk Committee is responsible for:

- advising the Board of Directors on the Issuer's overall strategy in terms of risk, both current and future;
- assisting the Board of Directors in controlling the implementation of the strategy by the Chief Executive Officer and the Deputy Chief Executive Officer, assisted by the Head of Risk Management;
- examining:
 - the compatibility of the prices of products and services with the Issuer's risk strategy. If these prices do not correctly reflect the risks, it informs the Board of Directors and presents an action plan to remedy them;

- without prejudice to the tasks of the Remuneration Committee, ensure that any incentives provided by the Issuer's remuneration policy and practices are compatible with the Issuer's position with regard to the risks to which it is exposed, its capital, its liquidity, as well as the probability and timing of the expected benefits;
 - regularly assess the strategies, policies, procedures, and systems for detecting, managing, and monitoring the risks incurred by the Issuer;
- to monitor:
 - the ratios for measuring prudential risks and their impact, particularly in terms of capital requirements;
 - the assets and liabilities, alert procedures, business continuity plans, and stress tests;
 - the implementation of corrective action plans put in place following permanent controls and audits;
 - to review the measures taken to ensure the supervision of outsourced activities (Section 253);
 - to examine the reports to be sent to the ACPR;
 - the Committee ensures that the necessary resources are allocated to the functions of risk management, permanent control, periodic control, and compliance control to enable them to carry out their mission;
 - it examines and validates the plans of the periodic control missions of the company's audit and examines the results of the audit.

(c) The Appointments Committee

(i) Presentation of the Appointments Committee

The Appointments Committee is composed of up to four members that are appointed by the Board of Directors from among the Representatives, while respecting parity principles. At least one of the Appointments Committee members is appointed from among the Incumbent Representatives of the ALG employer organisations.

The Chairman of the Board of Directors and the Vice-Chairman are members of this Committee.

The Chairman of the Appointments Committee is appointed by the Board of Directors from among its members who are incumbent representatives of employer organisations.

The CEO and the Deputy CEO are invited to attend all meetings of the Appointments Committee, except for those that relate to matters concerning either of them.

As of the date of this Information Memorandum, the Appointments Committee is composed as follows:

- Mr Joël Cheritel, MEDEF Representative and member of the Board of Directors, Chairman of the Appointments Committee. He was appointed by the Board of Directors on 15 October 2020;

- Mr André Her, MEDEF Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020;
- Mr Alain Kauffmann, CFTC Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020; and
- Ms Nathalie Simon, CGT Representative, member of the Board of Directors. She was appointed by the Board of Directors on 15 October 2020.

The Risk Committee meets as often as necessary at the behest of its chairman, and at least once a quarter.

(ii) Duties of the Appointments Committee

The Appointments Committee is responsible for:

- identifying and recommending suitable candidates to serve as Representatives, with a view towards nominating them to ALG;
- specifying the missions and qualifications necessary for the duties performed by the Representatives and evaluating the time devoted to these duties;
- assessing the applications for the roles of members of the specialised committees;
- setting a goal to be achieved with regard to the balanced representation of women and men on the Board of Directors. Developing a policy aimed at achieving this objective to be made public in accordance with regulations;
- assessing the balance and diversity of the knowledge, skills, and experience of the Representatives individually and collectively;
- evaluating periodically and at least once a year the structure, size, composition, and efficiency of the Board of Directors, in light of the missions assigned to it and submit to it any useful recommendations;
- assessing periodically and at least annually the knowledge, skills, and experience of the Representatives. This will be done both individually and collectively, and reporting it to the Board of Directors;
- reviewing periodically the Board of Directors' policies for the selection and appointment of the Chief Executive Officer, the Deputy Chief Executive Officer, the Head of Risk Management, and make recommendations in this regard;
- preparing recommendations and opinions concerning the appointment or succession of the Chairman of the Board of Directors, the Chief Executive Officer, and the Deputy Chief Executive Officer;
- evaluating management's proposals for the appointment and replacement of the principal directors and the appointment of the Chief Executive Officer, Deputy Chief Executive Officer, members of the Executive Board, and the legal representatives of the entities over which the Issuer exercises control as defined by Article L.233-3 of the French Commercial Code;
- ensuring the Board of Directors is not dominated by one person or a small group of people creating conditions prejudicial to the interests of the Issuer; and

- preparing the decisions the Board of Directors have to make makes on appointments.

(d) The Remuneration Committee

(i) Presentation of the Remuneration Committee

The Remuneration Committee is composed of up to four members that are appointed by the Board of Directors from among the Representatives, while respecting parity principles. At least one of the Remuneration Committee members is appointed from among the incumbent representatives of ALG employer organisations.

The Chairman of the Board of Directors and the Vice-Chairman are members of this Committee.

The Chairman of the Remuneration Committee is appointed by the Board of Directors from among its members who are incumbent representatives of employer organisations.

The CEO and Deputy CEO are invited to attend all meetings of the Remuneration Committee, except for those that relate to matters concerning either of them.

As of the date of this Information Memorandum, the Remuneration Committee is composed as follows:

- Mr Joël Cheritel, MEDEF Representative and member of the Board of Directors, Chairman of the Remuneration Committee. He was appointed by the Board of Directors on 15 October 2020;
- Mr André Her, MEDEF Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020;
- Mr Alain Kauffmann, CFTC Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020; and
- Mrs Nathalie Simon, CGT Representative, member of the Board of Directors. She was appointed by the Board of Directors on 15 October 2020.

The Remuneration Committee meets as often as necessary at the behest of its chairman, and at least once a quarter.

(ii) Duties of the Remuneration Committee

The Remuneration Committee is responsible for:

- preparing the decisions the Board of Directors has to make as regards remuneration, in particular any remuneration having an impact on the company's risk and management of risks;
- conducting an annual review
 - of the principles of the company's remuneration policy in application of that adopted by ALG;
 - of the compensation, indemnities, and benefits of any kind granted to the Issuer's corporate officers;

- assessing the remuneration of the person responsible for the risk management function and, if applicable, the compliance officer;
- preparing the information relative to:
 - the total remuneration policy applying to the persons referred to in Article L.511-71 of the French Monetary and Financial Code;
 - the approval of this policy by the Board of Directors with an annual independent internal review;
 - consulting ALG on the overall remuneration of all kinds paid during the past financial year to the persons referred to in Article L.511-71 of the French Monetary and Financial Code.

(e) The Commitments Committee

(i) Presentation of the Commitments Committee

The Commitments Committee is composed of up to four members that are appointed by the Board of Directors from among the Representatives, while respecting parity principles. At least one of the Commitments Committee members is appointed from among the Incumbent Representatives of employee organisations.

The Chairman of the Commitments Committee is appointed by the Board of Directors from among its members who are Incumbent Representatives of the ALG employee organisations.

As of the date of this Information Memorandum, the Commitments Committee is composed as follows:

- Mr Lahouari Boubekour, CFE-CFDT Representative and member of the Board of Directors, Chairman of the Commitments Committee. He was appointed by the Board of Directors on 15 October 2020;
- Mr Jean-Yves Delagrangé, FO Representative and member of the Board of Directors. He was appointed by the Board of Directors on 9 June 2021;
- Mr Thierry Vidonne, MEDEF Representative, member of the Board of Directors. He was appointed by the Board of Directors on 15 October 2020; and
- Ms Anne Grunenwald Neyer, MEDEF Alternate Representative and member of the Board of Directors. She was appointed by the Board of Directors on 15 October 2020.

The Commitments Committee meets as often as necessary at the behest of its chairman, and at least once a quarter.

(ii) Duties of the Commitments Committee

The Commitments Committee is responsible for:

- establishing the 5-year strategic development plan and the financial trajectory of all its subsidiaries, in line with the strategy defined by ALG;

- examining the proposals of the Executive management for capital increases and restructurings of the Group's subsidiaries. Guiding the Board of Directors in validating these proposals;
- formulating an opinion on the target Use of the PEEC for each regional directorate of the Issuer;
- reviewing the achievement of these objectives by mid-year and advising on any necessary adjustments, priorities, or policy changes;
- formulating an opinion on the budgets of the regional directorates and the amounts to be allocated to them, as well as on the possible modifications of these amounts during the fiscal year;
- monitoring the Issuer's activity indicators;
- proposing for the company and its subsidiaries the procedures for the implementation of directives issued by ALG pursuant to subparagraph II of Article L.313-18-1 of the Code, and adopting, in particular, the characteristics of the products offered by the company;
- validating the interim report to ALG every six months; and
- reviewing the reports presented by the CRALs and proposing the annual summary to be handed to ALG.

6.3 The Chief Executive Officer and the Deputy Chief Executive Officer

The Chief Executive Officer and Deputy Chief Executive Officer of the Issuer, appointed by the Board of Directors after prior approval by ALG, are in charge of running the Issuer's services efficiently. They perform their duties and represent the Issuer within the framework of the delegations of powers entrusted to them by the Board of Directors.

7 JUDICIAL AND ARBITRATION PROCEEDINGS

In the twelve (12) months preceding the date of this Information Memorandum, the Issuer is not presently and has not been involved in any governmental, judicial, or arbitration proceedings. The Issuer is not aware of any such outstanding or threatened proceedings that may have or recently had a significant impact on its financial situation.

8 ADDITIONAL INFORMATION

8.1 Share capital

As of 31 December 2020, the share capital of the Issuer amounts to €20,000,000, divided into 2,000 shares with a par value of €10,000 each, fully paid up and held by its sole shareholder ALG.

8.2 Incorporation and Articles of Association

The Articles of Association of the Issuer were approved by Decree no. 2016-1769 of 19 December 2016 relating to the approval of the Articles of Association of the Issuer and published in the Official Journal of 20 December 2016. The Decree and the Articles of Association of the Issuer are freely available on the Légifrance website (https://www.legifrance.gouv.fr/jo_pdf.do?id=JORFTEXT000033652104).

8.3 Company name and trading name

The company name of the Issuer is "Action Logement Services".

8.4 Place and registration number

The Issuer is listed in the Paris Trade and Companies Register under number 824 541 148.

Legal Entity Identifier (LEI): 96950002QYH3YW92C551

8.5 Date of incorporation and duration of the Issuer

The Issuer was incorporated on 22 December 2016, after approval of its Articles of Association by Decree no. 2016-1769 of 19 December 2016, in the form of a simplified joint-stock company with a sole shareholder called ALG.

The creation of the Issuer was made possible by Decree no. 2016-1408 of 20 October 2016 empowering the government to adopt measures within the scope of the law to simplify and streamline the collection of the PEEC and the distribution of the Uses of this participation that created the group Action Logement.

The Issuer will exist for 99 years from its listing in the Trade and Companies Register, i.e. for a period until 21 December 2115, except in case of extension or early dissolution.

In accordance with the provisions of Article L.313-19 of the Code, the Issuer is a simplified joint-stock company subject to the provisions of the French Commercial Code and the Code.

The Issuer is a member of the group Action Logement as defined in Article L.313-17 of the Code.

8.6 Registered office

The address of the Issuer's registered office, telephone number and internet details are as follows:

Action Logement Services
19/21 Quai d'Austerlitz, 75013 Paris, France
Tel.: +33 (0) 1 87 02 10 00
Website: www.actionlogement.fr
Email: investisseurs@actionlogement.fr

8.7 Legal form

The Issuer is a French simplified joint-stock company. It is governed by the general provisions of the French Commercial Code, subject to the express provisions of the Code.

8.8 Applicable legislation

The Issuer is authorised by the ACPR as a finance company approved to carry out credit transactions. As such, the Issuer is subject to compliance with the provisions of the French Monetary and Financial Code applicable to its business activities and its status as a finance company. The Issuer is under the supervision and control of the ACPR. In particular, it is subject to the prudential and organisational rules specific to finance companies.

The Issuer's business is also governed by the provisions of the Code (Articles L.313-19 *et seq.* of the Code).

8.9 Rating assigned to the Issuer

The Issuer's long-term debt is rated Aa2, stable outlook, by Moody's and AA, negative outlook, by Fitch as at the date of this Information Memorandum. It could in the future be rated by other rating

agencies. A rating is not a recommendation to buy, sell, or hold securities. It may, at any time, be suspended, modified, or withdrawn by the rating agency concerned.

9 SIGNIFICANT CONTRACTS

The Code provides that the PEEC resources received by the Issuer and their Uses are set by the Five-Year Agreement.

The Five-Year Agreement was the subject of an amendment signed on 25 April 2019 concerning the PIV for the period 2019-2022. The PIV aims to mobilise additional resources to implement concrete measures to improve the energy performance of housing, access to and securing of housing, entry into employment, and ensure equality between different regions.

The Five-Year Agreement and the PIV were the subject of an amendment signed on 15 February 2021 aimed at consolidating the recovery and setting the terms of Action Logement's contribution to the production of housing, in particular social housing and very social housing, and providing support for employees affected by the health and social crisis, while complementing the State's recovery plan. In this context, the stipulations of this amendment redefine and adjust the objectives and budgets set out in the Five-Year Agreement and the PIV.

Pursuant to the Five-Year Agreement, an amendment to the tripartite agreement of 2 October 2015 on the financing of the PNRU and the NPNRU was signed on 11 July 2018 between the State, ALG, and ANRU.

Pursuant to the amendment to the Five-Year Agreement and the PIV signed on 15 February 2021, a tripartite agreement between the State, ALG and the ANRU will be signed in order to set out the terms of use and payment of the additional budget allocated to the ANRU by the amendment in question.

Pursuant to the Five-Year Agreement, a tripartite agreement between the State, Action Logement (ALG and the Issuer), and the CDC was signed on 5 June 2018 in order to specify the operational terms for the implementation of subsidised equity loans in the Five-Year Agreement, including those of the State's guarantee on the Issuer's payments to the CDC. The PHB2.0 are loans distributed by the CDC to social landlords over the period 2018-2020 for a total amount of €2 billion with a term of 30 years or 40 years with a zero-interest differed amortisation period of 20 years. The very advantageous financing conditions of these PHB2.0 were made possible thanks to the subsidy paid to the CDC by the Issuer. This commitment represents a cumulative amount of €812.5million, the payment of which is spread from 2020 to 2043.

This agreement on the PHB2.0 was accompanied by a tripartite financial guarantee agreement signed on 5 June 2018 between the State, the Issuer, and the CDC. Its purpose is to define the procedures for setting up, monitoring, and bringing into play the financial guarantee constituted in the form of receivable pledges granted by the Issuer to the CDC as a guarantee or the payment of the PHB2.0 subsidy. This financial guarantee comes as a counter-guarantee to the guarantee granted by the State.

10 STATUTORY AUDITORS AND OTHER CONTROLS

10.1 Statutory auditors and alternates

The incumbent statutory auditors of the Issuer are:

- KPMG SA, Tour Eqho, 2 Avenue Gambetta, 92066 Paris La Défense Cédex
- PricewaterhouseCoopers Audit, Grand Hôtel Dieu, 3, Cour du Midi, CS 30 259, 69287 Lyon Cedex 02

The alternate statutory auditors of the Issuer are:

- Salustro Reydel, Tour Eqho, 2 Avenue Gambetta, 92066 Paris La Défense Cédex
- Jean-Baptiste DESCHRYVER, 63 Rue de Villiers, 92200 Neuilly-sur-Seine

10.2 Control of the ACPR

The Issuer is authorised by the ACPR as a finance company approved to carry out credit transactions. As such, the Issuer is subject to compliance with the provisions of the Monetary and Financial Code applicable to its business activities and its status as a finance company. The Issuer is under the supervision of the ACPR. In particular, it is subject to the prudential and organisational rules specific to finance companies.

10.3 Control of the ANCOLS

Pursuant to Article L.342-1 of the Code, ANCOLS is a public state body of an administrative nature. It has a monitoring and evaluation mission relating to social housing and the PEEC. One of ANCOLS' missions is to evaluate the efficiency with which the Issuer performs the tasks resulting from the exercise of its duties recognised by law and carries out its missions on the entities of the group Action Logement of which the Issuer is a member.

10.4 Control by the Court of Auditors

Pursuant to Article L.111-12 of the French Code of Financial Jurisdictions, the Court of Auditors controls the member organisations of the group Action Logement to which the Issuer belongs.

10.5 Control by the General Finance Inspectorate

The Issuer is subject to the control of the General Finance Inspectorate. To date, a control mission is underway within the umbrella structure, ALG.

RECENT EVENTS

Paris, 9 June 2021

INVESTOR INFORMATION

Annual income 2020 for Action Logement Services

The Board of Directors for Action Logement Services, meeting under the joint chairmanship and vice-chairmanship of MEDEF (Movement of French Companies) and CFTC (French Confederation of Christian Workers) on 6th May 2021, approved the Company's annual financial statements.

1. Commercial activity and annual income 2020 for Action Logement Services

En millions d'euros	2019	2020	2020/2019	
			Montant	%
Collecte nette	1 742	1 572	- 170	-9,8%
Remboursement de prêts	1 275	1 213	- 62	-4,9%
Compensation Etat	-	238	238	na
Total des ressources hors appel aux marchés	3 018	3 023	6	0,2%
Aides aux salariés	569	1 188	619	108,8%
Aides aux bailleurs sociaux	1 450	3 233	1 783	123,0%
Politiques publiques de l'habitat	634	1 404	770	121,5%
Total des engagements	2 653	5 825	3 172	119,6%

The net inflow of repayments due in 20 years, mainly from the contribution of companies to the employer contributions to construction costs (PEEC), amounted to €1.6 billion in 2020, down 9.8% compared to 2019.

This decrease is due to the increase on 1st January 2020 of the threshold for companies to be subject to the PEEC from 20 to 50 employees, in application of the Law on the Action Plan for Growth and Transformation of Companies (PACTE Law).

The impact of this increase for the financial year 2020 is a decrease in gross inflows, offset by a payment from the State of €238m, in accordance with the provisions of the 2018-2022 Five-Year Agreement.

Loan repayments, the second component of Action Logement Services' resources, represent €1.2bn. They are down by 4.9%, as a result of the downward trend in outstanding customer loans.

Therefore, the resources, excluding the call for tenders, amount to €3 billion for the financial year 2020. These resources are stable compared to the previous year.

Following the launch of its inaugural €1bn bond issue in the second half of 2019, the Company's funding requirements did not lead to a call for tenders in 2020.

Activity in 2020 rose sharply to €5.8 billion in commitments in the form of grants and loans, due to the intensification of support for all beneficiaries in the current health crisis and the ramping up of all measures in the Voluntary Investment Plan (PIV) signed with the State on 25th April 2019 for a total amount of €9.1 billion.

- Grants for employees:
 - €1.2bn, a level which has been doubled compared to the financial year 2019, mainly with the distribution of Voluntary Investment Plan (PIV) grants to adapt ageing housing stock, residential mobility to move closer to the workplace and energy renovation work.
 - Action Logement Services supported nearly 644,000 families in 2020 alone, i.e. more than 134,000 beneficiaries than in 2019, in particular helping employees in difficulty. In this respect, in order to meet the needs of people made vulnerable by the health crisis, Action Logement Services has deployed special aid for unpaid rent and mortgage payments from June 2020.
- Funding from social housing landlords:
 - €3.2bn, up by €1.8bn compared to the financial year 2019, at the heart of which is the deployment of the voluntary investment plan (PIV) for an amount of €1.9bn.
- Contribution to public housing policies:
 - €1.4 billion in commitments, including the payment of an exceptional amount of €0.5 billion to the French National Housing Assistance Fund (FNAL), in accordance with the 2020 Finance Act.

In June 2020, Action Logement Services launched AL'in, a fully digitalised national rental solution platform that aims to facilitate the processing of housing applications. Thanks to this platform, which brings together all the players involved in the customer journey (landlords, companies and employees), each applicant now has a personalised space.

2. Social financial results

En millions d'euros	2019		2020		2020/2019	
	Montant	%	Montant	%	Montant	%
Produit net non bancaire	580	-	1 676	-	2 257	-389%
Produit net bancaire	138	-	127	-	12	-8%
Produit net d'exploitation	719	-	1 550	-	2 268	-316%
Frais de gestion	- 347	-	287	-	60	-17%
Résultat brut d'exploitation	371	-	1 837	-	2 208	-595%
Coût du risque	11	-	62	-	72	-682%
Résultat d'exploitation	382	-	1 899	-	2 280	-597%
Gains ou pertes sur actifs immobilisés	- 8	-	7	-	1	-9%
Résultat courant avant impôt	374	-	1 905	-	2 280	-609%
Résultat exceptionnel	- 0	-	-	-	0	na
Résultat net	374	-	1 905	-	2 280	-609%

The non-banking net income (PNNB) represents a net charge of €1.676m, made up of the employer contributions to construction costs (PEEC) and reduced by the aid distributed in the form of subsidies to the beneficiaries of Action Logement Services, both physical persons and legal entities.

Net banking income went down to €127m in 2020, mainly due to a decrease in the net interest margin.

Management costs decreased by 17% compared to the previous year, as 2019 was strongly impacted by the provisioning of the support agreement for external mobility (CMVE).

The cost of risk, a net allocation of €62 million, remains limited in relation to outstanding customer loans.

The net income is a deficit of €1.905m, mainly due to the acceleration in the deployment of the voluntary investment plan (PIV).

This mobilisation in favour of employees and employment was fuelled by the ALS' (Action Logement Services') historical resources, as had been anticipated when the amendment to the Five-Year Agreement on the Voluntary Investment Plan was signed.

3. Balance sheet information

Action Logement Services' balance sheet total is €20.9bn in 2020; down €1.4bn compared to 2019.

Customer loans represent €16.1 billion.

Off-balance sheet commitments given amounted to €19.5bn, which were up by €4.8bn on the year 2020.

The increase in these commitments reflects the activity of Action Logement Services as presented in the paragraph "*Business activity and annual income 2020 for Action*

Logement Services" plus the commitments made in favour of the financing of Public Housing Policies.

4. Prudential information

On a holistic view of all of Action Logement Services' activities, the solvency ratio was 72.9% on 31st December 2020, confirming Action Logement Services' financial strength.

5. Rating of Action Logement Services on 31st December 2020

ALS' rating is aligned with that of the French State.

Moody's confirmed the long-term rating at Aa2 in December 2020 with a stable outlook since February 2020, following the change from positive to stable in the perspective associated with France's Aa2 sovereign bond rating.

Based on its methodology for rating government-related entities, Fitch confirmed in December 2020 ALS' AA rating with a negative perspective since May 2020, reflecting the downgrade of France's perspective from stable to negative on the same date.

	Moody's Investors Service	Fitch Ratings
Note long terme senior unsecured	Aa2	AA
Note court terme		F1+
Perspective	Stable	Négative
Date du dernier rapport	23/12/2020	16/12/2020

6. Events since the end of the financial year

On 15th February 2021, Action Logement Groupe and the State signed an amendment to the Five-Year Agreement. This amendment, which aims to define the contribution of Action Logement Services to the France Relance plan in the context of the economic and social crisis, includes three major areas of intervention, around which the objectives and budgets of the Five-Year Agreement and the PIV (Voluntary Investment Plan) are specified, namely:

- support for 20,000 employees who are becoming first time buyers for a new property with the payment of a €10,000 grant
- securing career paths and support for young people and employees:
- the mobilisation of an additional €1.4 billion to intensify the urban renewal and social diversity operations carried out by the National Agency for Urban Renewal in the Priority City Districts.

7. Perspectives of Action Logement Services

Following on from the year 2020 and taking into account the measures adopted in the Recovery Plan of 15th February 2021, the activity of Action Logement Services, a player in benefiting society, will continue to develop in 2021.

In this perspective, the financing needs linked to the deployment of the announced measures could lead Action Logement Services to renew its call for tenders in 2021.

The audit procedures on the annual corporate accounts of Action Logement Services for the period from 1st January 2020 to 31st December 2020 have been carried out by the Statutory Auditors, whose audit report on the certification of the accounts is currently being issued.

The regulated information is available on the Action Logement website:

[Investor Relations | Action Logement Group](#)

This press release contains certain forward-looking statements concerning the prospects of Action Logement Services, which are based on reasonable assumptions at the date of publication of this press release, but are by their nature subject to uncertainties that could lead to a difference between the actual results and those projected.

ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance actions in the field of housing, in particular for employee housing, in order to promote employment and contribute to the economic dynamic throughout France. As such, Action Logement Services collects the employer contributions to construction costs (PEEC) and grants loans, financial aid and services for employees, companies and social and intermediary landlords.

CONTACT

Action Logement Services
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Head of Refinancing and Investor Relations

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+33 (0)1 87 02 20 10

INVESTOR INFORMATION

Consolidated annual result 2020 of Action Logement Services and its subsidiaries

The Board of Directors of Action Logement Services (ALS), meeting under the joint chairmanship and vice-chairmanship of MEDEF and CFTC on 9 June 2021, approved the Company's annual consolidated accounts.

8. Scope of consolidation

The scope of consolidation around the parent company ALS, the consolidating company, is unchanged from the previous year and includes the following companies: Projimmo Conseil, Ma Nouvelle Ville, Astria Foncier, Solendi Expansion and Opérateur National de Vente, with ALS's contribution representing 98% of the consolidated balance sheet total.

9. Business activity and consolidated annual results 2020 of Action Logement Services

In millions of euros	2019	2020	2020/2019	
			Amount	%
Net PEEC collection	1,742	1,572	-170	-10%
Loan repayments	1,275	1,213	-62	-5%
State compensation	-	238	238	na
Total resources excluding market calls	3,018	3,023	6	0%
Support for employees	569	1,188	619	109%
Support for social landlords	1,450	3,233	1,783	123%
Public housing policies	634	1,404	770	121%
Total commitments	2,653	5,825	3,172	120%

The net collection of repayments due in 20 years, mainly from the contribution of companies to the Participation des Employeurs à l'Effort de Construction (PEEC) [Employers' Contribution to Building and Construction Work], amounted to EUR 1.6 billion in 2020, down 9.8% compared to 2019.

This decrease is the consequence of the increase on 1 January 2020 of the threshold for companies to be subject to the PEEC from 20 to 50 employees, in application of the Law on the Action Plan for Growth and Transformation of Companies (PACTE Law).

The impact of this increase for the 2020 financial year is a decrease in gross collections, offset by a payment from the State of EUR 238m, in accordance with the provisions of the 2018-2022 Five-Year Agreement.

Loan repayments, the second component of Action Logement Services' resources, represent EUR 1.2 billion. They are down by 4.9%, as a result of the downward trend in customers' outstanding debts.

Thus, the resources, excluding the issue on the markets, amount to EUR 3 billion for the 2020 financial year. These resources are stable compared to the previous year.

After the launch in the second half of 2019 of its inaugural EUR 1 billion bond issue, its financing needs did not lead Action Logement Services to come on the markets in 2020.

Activity in 2020 rose sharply to EUR 5.8 billion in commitments in the form of grants and loans, due to the intensification of support for all beneficiaries in the current health crisis and the ramping up of all the measures in the Voluntary Investment Plan (PIV) signed with the State on 25 April 2019 for a total amount of EUR 9.1 billion.

- Aid to employees:
 - EUR 1.2 billion, an amount double that compared to fiscal 2019, with mainly the distribution of PIV aid for adapting housing to ageing residents, residential mobility to move closer to the workplace and energy renovation work.
 - Action Logement Services supported nearly 644,000 families in 2020 alone, i.e. 134,000 beneficiaries more than in 2019, helping in particular employees in difficulty. In this respect, in order to meet the needs of people made vulnerable by the health crisis, Action Logement Services has deployed exceptional assistance for unpaid rent and mortgage payments from June 2020.
- Funding for social landlords:
 - EUR 3.2 billion, up by EUR 1.8 billion compared to the 2019 financial year, at the heart of which is the deployment of the PIV for an amount of EUR 1.9 billion.
- Contribution to public housing policies:
 - EUR 1.4 billion in commitments, including the payment of an exceptional amount of EUR 0.5 billion to the National Housing Assistance Fund (FNAL), in accordance with the 2020 Finance Act.

In June 2020, Action Logement Services launched AL'in, a fully digitalised national rental solution platform that aims to facilitate the processing of housing applications. Thanks to this

platform, which brings together all the players in the customer process (landlords, companies and employees), each applicant now has a personalised space.

For the financial year 2020, the following highlights can be noted for the activity of the consolidated subsidiaries:

- While rental payments and tenant behaviour were not affected by the health crisis, the relocation projects carried out by Solendi Expansion were delayed during the containment period, resulting in a delayed start to some lettings;
- In order to diversify the activity of Ma Nouvelle Ville, its corporate purpose has been extended to include "*rental management*";
- Projimmo Conseil has been confronted with the evolution of the banking world's positioning in the context of intermediation but also in the distribution of real estate loans, leading to a decrease in the remuneration paid;
- For its second year of activity, ONV, a HLM sales company, has completed its first sales and put 308 housing units on the market, thus starting the resale cycle of its assets. In order to support its development, the subsidiary benefited in December 2020 from the payment by Action Logement Services of the second tranche of the increase in its share capital of EUR 333 million. The remaining EUR 333 million of ONV's equity will be paid out in the form of shareholder current account loans.

10. Consolidated financial results

In millions of euros	2019	2020	2020/2019	
			Amount	%
Net non-banking income	580	-1,676	-2,256	-389%
Net banking income	134	126	-9	-7%
Net operating income	715	-1,550	-2,265	-317%
Management costs	-357	-295	62	-17%
Gross operating profit	358	-1,845	-2,202	-616%
Risk cost	11	-62	-72	-685%
Operating profit	368	-1,906	-2,275	-618%
Gains or losses on fixed assets	43	1	-41	-97%
Profit before tax	411	-1,905	-2,316	-563%
Extraordinary profit	-2	-0	2	-86%
Income tax	-11	-1	10	-91%
Minority interests	0	0	0	75%
Net profit	398	-1,906	-2,304	-579%

The net non-banking income (PNNB) represents a net charge of EUR 1,676 million, made up of the Participation des Employeurs à l'Effort de Construction (PEEC) [Employers' Contribution to Building and Construction Work] and reduced by the aid distributed in the form of subsidies to the beneficiaries of Action Logement Services, both natural and legal persons.

Net banking income was down to EUR 126 million in 2020, mainly due to a decrease in the net interest margin.

Management costs decreased by 17% compared to the previous year, as 2019 was strongly impacted by the provisioning of the support agreement for external mobility (CMVE).

The cost of risk, a net allocation of EUR 62 million, remains limited in relation to customer outstanding debts.

The net result is a deficit of EUR 1,906 million, mainly due to the acceleration of the PIV deployment.

This mobilisation in favour of employees and employment was thus fuelled by the historical resources of ALS, as had been anticipated when the amendment to the Five-Year Agreement on the Voluntary Investment Plan was signed.

11. Consolidated balance sheet information

Action Logement Services' consolidated balance sheet total is EUR 21.2 billion in 2020, down EUR 1.4 billion compared to 2019.

Outstanding customer loans represent EUR 15.6 billion.

Off-balance sheet commitments recorded amounted to EUR 19.7 billion, an increase of EUR 4.7 billion over the year 2020.

The increase in these commitments reflects the activity of Action Logement Services and the group it forms with its consolidated subsidiaries, as presented in the paragraph "*Business activity and consolidated annual results 2020 of Action Logement Services*", plus the commitments made in favour of the financing of Public Housing Policies.

12. Prudential information

Taking a global view of all the activities of Action Logement Services, the solvency ratio was 72.9% at 31 December 2020, confirming the financial strength of Action Logement Services.

13. Events since the end of the financial year

On 15 February 2021, Action Logement Group and the State signed an amendment to the Five-Year Agreement. This amendment, which aims to define the contribution of Action Logement Services to the France Relance plan in the context of the economic and social crisis, includes three major areas of intervention, around which the objectives and budgets of the Five-Year Agreement and the PIV are specified, namely:

- supporting 20,000 employees who are becoming first-time buyers of a new property with the payment of a EUR 10,000 grant (subject to available funds and the nature of the acquisition).
- securing career paths and support for young people and employees,
- Deploying an additional EUR 1.4 billion to intensify the urban renewal and social mix operations carried out by the National Agency for Urban Renewal in the Priority City Districts.

14. Perspectives

Following on from 2020 and taking into account the measures adopted in the Recovery Plan of 15 February 2021, the activity of Action Logement Services and its subsidiaries, as social utility players, will continue to develop in 2021.

From this perspective, the financing needs linked to the deployment of the announced measures could lead Action Logement Services to renew its call for tenders in 2021.

The audit procedures on the annual consolidated accounts of Action Logement Services for the period from 1 January 2020 to 31 December 2020 were carried out by the Statutory Auditors, whose audit report on the certification of the accounts is available and published on the Action Logement website.

The regulated information is available on the Action Logement website:

[Investor Relations | Action Logement Group](#)

This press release contains certain forward-looking statements concerning the prospects of Action Logement Services, which are based on reasonable assumptions at the date of publication of this press release, but are by their nature subject to uncertainties that could lead to a difference between the actual results and those announced.

ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance activities in the housing sector, in particular for employee housing, in order to promote employment and

contribute to the economic dynamic throughout France. As such, Action Logement Services collects the Participation des Employeurs à l'Effort de Construction [Employers' Contribution to Building and Construction Work] and grants loans, financial aid and services for employees, companies and social and intermediary landlords.

CONTACT

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Head of Refinancing and Investor Relations

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FORM OF FINAL TERMS

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by European Securities and Markets Authority (“ESMA”) on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, (as amended, “MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.)³⁰

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA’s policy statement entitled “Brexit our approach to EU non-legislative materials”), has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.³¹)³²

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, “MiFID II”)]/[MiFID II]; (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the

³⁰ Legend to be included following completion of the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, in the event the target market is limited to professional investors and eligible counterparties only.

³¹ Legend to be included following completion of the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the UK Financial Conduct Authority’s policy statement “Brexit: our approach to EU non-legislative materials”), in the event the target market is limited to professional investors and eligible counterparties only.

³² The legend may not be necessary if the managers in relation to the Notes are not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - The Notes 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 United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Final Terms dated [●]

[Logo]

Action Logement Services SAS
Sustainable Euro Medium Term Note Programme
of €6,200,000,000

Legal Entity Identifier (LEI):
96950002QYH3YW92C551

[Short description and nominal amount of the Notes]

Series no.: [●]

Tranche no.: [●]

Issue Price: [●]%

[Names of the Dealers]

PART A - CONTRACTUAL TERMS

The terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 29 June 2021 [and the supplement to the Information Memorandum dated [●]] which [together] constitute an information memorandum.

This document constitutes the Final Terms relating to the issue of the Notes described below and must be read in conjunction with such Information Memorandum [as so supplemented]. Full information on the Issuer, the Issuer and its consolidated subsidiaries, and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum, [the supplement to the Information Memorandum,] and the Final Terms are available on the websites of (a) the Luxembourg Stock Exchange (<https://www.bourse.lu>) and (b) the Issuer (<https://www.actionlogement.fr>), [and] during normal business hours at the specified office of the Paying Agent(s) where copies may be obtained.

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)

[(When completing final terms, it must be determined whether (i) they may be directly added in the relevant Final Terms or if (ii) they are subject to a supplement to the Information Memorandum.)]

- | | | |
|-----------|--|---|
| 1 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | | <i>(If the Series is fungible with an existing Series, indicate the characteristics of that Series, including the date on which the Notes became fungible.)</i> |
| 2 | Specified Currency or Currencies: | [●] |
| 3 | Aggregate Nominal Amount: | |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |
| 4 | Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 5 | Specified Denomination: | [●] |
| 6 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Specify/Issue Date/Not Applicable] |
| 7 | Maturity Date: | [Specify date/Not Applicable] |
| 8 | Interest Basis: | [●] per cent. Fixed Rate
<i>(further particulars specified below)</i> |
| 9 | Redemption Basis: | [Subject to any early redemption or purchase and cancellation, the Notes will be redeemed on the Maturity Date at [100]% of their Specified Denomination.] |
| 10 | Call Option(s): | [Residual Maturity Call Option] |

[Clean-up Call Option]
[Make-Whole Redemption Option]
(further particulars specified below)
[Not Applicable]

- 11 Date of corporate authorisations for issuance of Notes:** Decision of the Issuer's Board of Directors dated [●]
- 12 Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST PAYABLE

13 Provisions relating to interest of the Notes:

- (i) Interest Rate: [●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [unadjusted/adjusted in accordance with *[Specify the Business Day Convention and any applicable Business Centres for the definition of "Business Day"]*]
- (iii) Fixed Coupon Amount(s): [●] per [●] in Specified Denomination
- (iv) Broken Amount(s): *[Insert information on initial or final long/short coupons that do not correspond to the Fixed Coupon Amount(s) and the Interest Payment Dates to which they refer / Not Applicable]*
- (v) Day Count Fraction: [Actual/Actual - ICMA]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[360/360]
[Bond Basis]
- (vi) Determination Date(s): [●] in each year *(Indicate the normal Interest Payment Dates, ignoring the Issue Date and the Maturity Date in the case of a long or short first or last coupon. NB: only applicable if the Day Count Fraction is Actual/Actual-ICMA)*

PROVISIONS RELATING TO REDEMPTION

- 14 Residual Maturity Call Option:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- Residual Maturity Redemption Date: [●]
- 15 Clean-up Call Option:** [Applicable/Not Applicable]

- 16 Make-Whole Redemption Option:** [Applicable/Not Applicable]
(If not applicable, delete the following subparagraphs)
- (i) Make-Whole Redemption Margin: [●]
- (ii) Make-Whole Redemption Rate: [Reference Dealers Quotation/ Reference Screen Rate]
- (iii) Reference Security: [●]
- (iv) Reference Screen Rate: [●]/[Not Applicable]
- (v) Reference Dealers: [Not applicable/As set out in the Conditions]
- (vi) If the Notes are redeemable in part:
- (a) Minimum Redemption Amount: [[●] per Note of [●] Specified Denomination / Not Applicable]
- (b) Maximum Redemption Amount: [[●] per Note of [●] Specified Denomination / Not Applicable]
- 17 Final Redemption Amount of each Note:** [●] per Note of [●] Specified Denomination
- 18 Early Redemption Amount:**
 Early Redemption Amount(s) of each Note payable on redemption provided for in paragraphs 14, 15, and 16 above and for taxation reasons:
 [●] per Note of [●] Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 19 Form of Notes:** Dematerialised bearer Notes
- 20 Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 7(d):** [Not Applicable/Specify]
- 21 Redenomination, renominalisation and conventioning provisions:** [Not Applicable / The provisions in [Condition 1 (d)] apply]
- 22 Consolidation provisions:** [Not Applicable / The provisions in [of Condition 12(b)] apply]
- 23 Masse (Condition 11):** Name and address of the Representative: [●]
 [Name and address of the alternate Representative: [●]]
 [The Representative will receive no remuneration / The Representative will receive a remuneration of EUR[●].
 [Fill in]]

GENERAL INFORMATION

The total nominal amount of the Notes issued has been converted into Euros at the rate of [●], i.e. an amount of (only for Notes not denominated in Euros): [●]

Signed on behalf of Action Logement Services SAS:

By: _____

Duly authorised

PART B - OTHER INFORMATION

1 [RISK FACTORS

[Not Applicable/*insert any risk factors relating to the Issuer and/or the Notes not be covered in the "Risk Factors" section of the Information Memorandum*]

2 LISTING AND ADMISSION TO TRADING:

(i) Listing: [Euro MTF market of the Luxembourg Stock Exchange] [and]

[Euronext Growth Market of Euronext Paris]

(ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange with effect from [●].]

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euronext Growth Market of Euronext Paris with effect from [●].]

(In case of a fungible issue, indicate that the original Notes are already admitted for trading.)

[Not applicable]

(iii) Estimate of total expenses related to admission to trading:

[●]/[Not Applicable]

3 RATINGS

Ratings:

[The Notes to be issued have been rated:

[[*names of rating agencies*]: [●]

[*names of rating agencies*]: [●]]

[[[●]/[Each of the above credit rating agencies] is a credit rating agency established in the European Union and registered under Regulation (EC) 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.]

4 THIRD PARTY INFORMATION, EXPERT STATEMENTS, AND DECLARATIONS OF ANY INTEREST

[Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

5 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "With the exception of the commissions payable to the Dealers in accordance with the "Subscription and Sale" section of the Information Memorandum, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

6 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

An amount equivalent to the net proceeds from the issue of the Notes will be used by the Issuer to finance or refinance, in whole or in part, a portfolio of social and/or environmental projects.

(To be completed if necessary)]

7 YIELD

Yield: per cent. per year
The yield is calculated on the [Issue Date] on the basis of the [Issue Price]. It is not an indication of future yield.]

8 OPERATIONAL INFORMATION

ISIN Code: FR

Common code:

Depositories:

(a) Euroclear France to act as Central Depository: [Yes/No]

(b) Common Depository for Euroclear Bank SA/NV and Clearstream Banking, S.A.: [Yes/No]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A., and corresponding identification numbers: [Not Applicable/specify names, numbers, and addresses]

Delivery: [Delivery [against/free of] payment]

Names and addresses of the initial Paying Agents appointed for the Notes (if different from the Programme):

Names and addresses of the additional
Paying Agents appointed for the Notes (if
any): [●]

9 DISTRIBUTION

Distribution method: [Syndicated/Non-syndicated]

(i) If syndicated, names of the
Managers: [Not Applicable / *Indicate names*]

(ii) Date of the subscription
agreement: [●]

(iii) Stabilising Manager(s) if any: [Not Applicable / *Indicate names*]

If non-syndicated, name of the Dealer: [Not Applicable / *Indicate names*]

Selling Restrictions: [Not Applicable/*Indicate any additional selling
restrictions not covered under the "Subscription and
Sale" section of the Information Memorandum*]

10 OTHER INFORMATION [●]

(Insert any additional information)

SUBSCRIPTION AND SALE

Subject to the terms of the amended and restated dealer agreement dated 29 June 2021 between the Issuer, the Permanent Dealers, and the Arrangers (as may be amended, the "**Amended and Restated Dealer Agreement**"), the Notes will be offered by the Issuer to the Permanent Dealers. The Issuer, however, reserves the right to sell Notes directly on its own behalf to Dealers who are not Permanent Dealers. The Notes may be resold at market price or at a similar price prevailing on the date of said resale which will be determined by the relevant Dealer. The Notes may also be sold by the Issuer through Dealers acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches jointly and severally subscribed by two or more Dealers.

The Issuer will pay each relevant Dealer a commission (if any) as agreed with the said Dealer in respect of the Notes subscribed by the latter. The Issuer has agreed to reimburse the Arrangers for the expenses incurred in connection with the update of the Programme, and the Dealers for some of the expenses associated with their intervention under this Programme.

The Issuer has agreed to indemnify the Dealers in respect of certain liabilities incurred in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

General

These selling restrictions may be supplemented by mutual agreement between the Issuer and the Dealers notably but not exclusively as a result of a change in the applicable legislation, regulation, or directive. Such a modification will be set out in a supplement to this Information Memorandum or in the Final Terms.

Each Dealer has agreed that it will, to the extent practicable, comply with all applicable laws, regulations, and directives in each country in which it purchases, offers, sells, or delivers the Notes or in which it holds or distributes the Information Memorandum, any other offering material, or any Final Terms and neither the Issuer nor any of the other Dealers will incur any liability in this respect.

Prohibition to offer and sell to retail investors established in the European Economic Area

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); and/or
- (b) a customer within the meaning of Directive 2016/97/EU on insurances distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United States

The Notes have not, and will not, be registered under the Securities Act and may not be offered or sold, directly or indirectly, in the United States other than in transactions exempt from registration requirements under the Securities Act. Terms used in this paragraph have the meanings given to them under Regulation S.

The Notes will be offered and sold outside the United States as part of offshore transactions in accordance with Regulation S.

In addition, until forty (40) days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer or sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to refuse the purchase of the Notes, in whole or in part, for any reason whatsoever. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum to any person in the United States by anyone is prohibited, as is disclosure of any of the materials contained therein to any person in the United States without the prior written consent of the Issuer.

United Kingdom

Prohibition to offer and sell to retail investors established in the United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); and/or
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

The expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and guaranteed, and each Dealer subsequently designated under the Programme shall represent and guarantee that:

- (a) for Notes with a maturity of less than one (1) year, (a) the Dealer is a person whose usual business is to intervene to acquire, hold, manage, or make investments (as principal or as agent) for the purposes of its activities and (b) the Dealer has not offered, sold, and will not offer or sell any Notes other than to persons whose ordinary business involves the acquisition, holding, management, or execution of investments (as principal or as agent) for the purposes of their activities or for which it is reasonable to assume that the acquisition or execution of an investment (as principal or as agent) for the purposes of their business does not constitute a contravention of the provisions of Section 19 of the FSMA;

- (b) the Dealer has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of the provisions of Section 21 of the FSMA) that the Dealer received, in relation with the issue or sale of Notes in circumstances where the provisions of Section 21 (1) of the FSMA do not apply or will not apply to the Issuer; and
- (c) the Dealer complies and will comply with all applicable provisions of the FSMA concerning everything that it has done in relation to the Notes in the United Kingdom, from the United Kingdom, or in any other way involving the United Kingdom.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in France and it has not distributed or caused to be distributed, and will not distribute or cause to be distributed in France, the Information Memorandum, the relevant Final Terms, or any other offering material relating to the Notes except to, qualified investors as defined in Article 2(e) of the Prospectus Regulation as well as the resulting rules in France.

This Information Memorandum has not been subject to an approval procedure of the French *Autorité des marchés financiers*.

GENERAL INFORMATION

- (1) The Legal Entity Identifier (LEI) of the Issuer is 969500O2QYH3YW92C551.
- (2) The Issuer's website is <https://www.actionlogement.fr>. The information found on <https://www.actionlogement.fr> does not form part of the Information Memorandum, except for the information contained in the Documents Incorporated by Reference.
- (3) The Issuer has obtained all necessary consents, approvals, and authorisations in France in connection with the update of the Programme.

Any issuance of Notes under the Programme requires the prior authorisation of the Board of Directors of the Action Logement Group and the Board of Directors of the Issuer which may delegate its authority to the *Directeur général*.

- (4) There has been no significant change in the financial or trading position and/or performance of the Issuer and its consolidated subsidiaries since 31 December 2020.
- (5) There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2020.
- (6) In the twelve (12) months preceding the date of this Information Memorandum, neither the Issuer nor any of its consolidated subsidiaries is or has been involved in any governmental, judicial, or arbitration proceedings and is not aware of any such outstanding or threatened proceedings that may have or recently had a significant impact on the financial position or profitability of the Issuer and its consolidated subsidiaries.
- (7) There is no material contract that was entered into outside the ordinary course of the Issuer's business and that could grant any of the members of the group composed of the Issuer and its consolidated subsidiaries a right or obligation that materially affects the Issuer's ability to meet its obligations to Noteholders under the Notes being issued.
- (8) Certain information contained in the "*Description of the Issuer*" Section comes from a third-party source. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain, no fact was omitted that would make the information reproduced inaccurate or misleading.
- (9) An application may be made for the admission of the Notes to the clearing systems Euroclear France (66 rue de la Victoire, 75009 Paris, France), Euroclear (boulevard du Roi Albert II, 1210 Brussels, Belgium), and Clearstream (42 Avenue JF Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg). The Common Code and the ISIN code (International Securities Identification Number) or the identification number of any other relevant clearing system for each Series of Notes will be indicated in the relevant Final Terms.
- (10) PricewaterhouseCoopers Audit, Grand Hôtel Dieu, 3, Cour du Midi, CS 30 259, 69287 Lyon Cedex 02, France and KPMG SA Tour EQHO, 2 avenue Gambetta CS 60055, 92066 Paris La Défense, France have audited and rendered audit reports that do not contain any reserves on the Issuer's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2020 and on the annual accounts of the Issuer for the years ended 31 December 2019 and 31 December 2020. The Issuer does not establish interim financial statements. PricewaterhouseCoopers Audit and KPMG SA are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

- (11) This Information Memorandum will be published on the websites of (i) the Luxembourg Stock Exchange (www.bourse.lu) and (ii) the Issuer (<https://www.actionlogement.fr>).
- (12) As long as the Notes are outstanding under the Programme, copies of the following documents will be available, as soon as they are published, during regular business hours, on any day of the week (except Saturdays, Sundays, and public holidays) at the Issuer's registered office and at the designated offices of the Paying Agents:
- (i) the *statuts* of the Issuer;
 - (ii) the audited financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020;
 - (iii) a copy of this Information Memorandum, any supplements to the Information Memorandum, as well as any new Information Memorandum; and
 - (iv) any reports, letters and other documents, historical financial information, valuations, and statements prepared by an expert at the request of the Issuer for which any part would be included or referred to in this Information Memorandum.

As long as Notes are outstanding under the Programme, the Amended and Restated Agency Agreement will be available during regular business hours, on any day of the week (except Saturdays, Sundays, and holidays) in the offices of the Issuer or of the Paying Agent(s).

- (13) The price and amount of the Notes issued under this Programme will be determined by the Issuer and each of the relevant Dealers at the time of issue in accordance with market conditions.
- (14) Some Dealers and their affiliates are engaged and may in the future engage in lending, investment banking and/or commercial banking business and may provide services to the Issuer and its affiliates in the ordinary course of business. As such, if there is a lender-to-borrower relationship between the Issuer and one or more Dealers, it cannot be excluded that all or part of the proceeds of any issue of Notes will be used to repay all or part of these loans. In addition, in the ordinary course of business, the Dealers and their affiliates may take or hold a wide range of investments and actively trade debt and equity securities (or derivative securities linked to them) and financial instruments (including bank loans) for their own account and on behalf of their clients. These investments and activities relating to these financial securities may relate to the financial securities and/or instruments of the Issuer. Some of the Dealers or their affiliates who have a credit relationship with the Issuer systematically hedge their credit exposure to the Issuer in accordance with their usual risk management policies.

The Issuer may appoint a Dealer as Calculation Agent in respect of an issue of Notes. In this case, the Calculation Agent may potentially be a member of an international financial group involved, in the normal course of the Issuer's business, in a wide range of banking activities in which conflicts of interest may arise. While having, where appropriate, set up information barriers and procedures for managing conflicts of interest, the Calculation Agent may, in its other banking activities, sometimes be involved in transactions involving an index or related derivatives which may have an effect on the holders' receivables during the holding period and at maturity of the Notes or on the market price, liquidity, or the value of the Notes and which may be adverse to the interests of the Noteholders.

- (15) In connection with the issue of any Tranche, the Dealer or one of the Dealers (as the case may be) may act as the entity responsible for stabilisation transactions (the "**Stabilising Manager**"). The identity of the Stabilising Manager will be indicated in the relevant Final Terms. For the purposes of any issue, the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or carry out transactions with a view to supporting the price of the Notes at a higher level than

that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or anyone acting on behalf of the Stabilising Manager) will undertake stabilisation action.

- (16) In this Information Memorandum, unless otherwise specified or the context otherwise requires, any reference to "**€**", "**Euro**", "**EUR**" and "**euro**" refers to the lawful currency of the Member States of the European Union that adopted the single currency introduced in accordance with the Treaty establishing the European Economic Community. Any reference to "**£**", "pound sterling", and "**Sterling**" refers to the lawful currency of the United Kingdom. Any reference to "**\$**", "**USD**", and "**US Dollar**" refers to the lawful currency in the United States. Any reference to "**¥**", "**JPY**", and "**yen**" refers to the lawful currency in Japan.
- (17) The Issuer assumes responsibility for the information contained or incorporated by reference in this Information Memorandum.

Issuer

Action Logement Services SAS

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Arrangers

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Germany

Natixis

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75013 Paris
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Dealers

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Fiscal Agent, Principal Paying Agent and Calculation Agent

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PricewaterhouseCoopers Audit

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To the Dealers

Linklaters LLP
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75008 Paris
France

GLOSSARY

ACPR	French Prudential Supervisory and Resolution Authority
ACV	Action Cœur de Ville
AFL	Association Foncière Logement
ALG	Action Logement Groupe
ALI	Action Logement Immobilier
ANCOLS	Agence Nationale de Contrôle du Logement Social (National Agency for the Control of Social Housing)
ANIL	Agence Nationale pour l'Information sur le Logement
ANRU	Agence Nationale pour la Rénovation Urbaine (National Agency for Urban Renovation)
APAGL	Association Pour l'Accès aux Garanties Locatives (Association for Access to Security Deposits)
CDC	Caisse des Dépôts et Consignations
CDI	Permanent contract
CET 1	<i>Core Equity Tier 1</i>
CFDT	Confédération Française Démocratique du Travail (French Democratic Confederation of Labour)
CFE-CGC	Confédération Française de l'Encadrement/CGC
CFTC	Confédération Française des Travailleurs Chrétiens (French Confederation of Christian Workers)
CGLLS	Caisse de Garantie du Logement Locatif Social (Social Housing Rental Guarantee Fund)
CGT	Confédération Générale du Travail (General Confederation of Labour)
CIL	Comités Interprofessionnels du Logement (Inter-professional Housing Committees)
Code	Code de la construction et de l'habitation
Coop'HLM	HLM cooperatives
CPME	Confédération des Petites et Moyennes Entreprises (Confederation of Small and Medium Enterprises)
CRAL	Comités Régionaux d'Action Logement (Regional Committee of Action Logement)
CROUS	Centre Régional des Œuvres Universitaires et Scolaires (Regional centres of student social services)
DALO	Droit au Logement Opposable (Opposable Housing Entitlement)
DROM	French Overseas Departments and Regions
EPIC	Etablissement Public à caractère Industriel et Commercial (Public industrial and commercial establishment)
ESH	Entreprises Sociales pour l'Habitat (Social Housing Companies)
FNAL	Fonds National d'Aide au Logement

FNAP	Fonds National des Aides à la Pierre (National Fund of Construction Aid)
FNAVDL	Fonds National d'Accompagnement Vers et Dans le Logement
FO	Confédération Générale du Travail Force Ouvrière (General Confederation of Labour Force Ouvrière)
HLM	Habitations à Loyers Modérés (Low-Rent Housing)
MEDEF	Mouvement des Entreprises de France (Movement of French Companies)
MOI	Maîtrise d'Ouvrage d'Insertion (Infill housing projects)
NPL	<i>Non-Performing Loans</i>
NPNRU	New National Programme for Urban Renewal
OLS	Organismes de Logement Social (Social Housing Organisations)
ONV	Opérateur National de Vente (National Sales Organisation)
OPH	Offices Publics de l'Habitat (Public Housing Offices)
PACS	Pacte Civil de Solidarité (French civil partnership)
PEAEC	(Participation des Employeurs Agricoles à l'Effort de Construction) Agricultural Employers' Participation in the Construction Effort
PEC	(Participation à l'Effort de Construction) Participation in the Construction Effort
PEEC	(Participation des Employeurs à l'Effort de Construction) Employers' Participation in the Construction Effort
PHB2.0	Prêts de Haut de Bilan (Subsidised Equity Loans through a grant to the CDC)
PHBB	Subsidised Equity Loans
PIV	Plan d'Investissement Volontaire (Voluntary Investment Plan)
PLAI	Prêt Locatif Aidé d'Intégration (Assisted Rental Investment Loan)
PLS	Prêt Locatif Social (Social Rental Loan)
PLUS	Prêt Locatif à Usage Social (Rental Loan for Social Use)
PNRU	Programme National de Rénovation Urbaine (National Urban Renewal Programme)
PSEEC	Participation Supplémentaire des Employeurs à l'Effort de Construction (Additional Employers' Participation in the Construction Effort)
QPV	Quartiers Prioritaires de la Politique de la Ville (Priority Neighbourhoods According to City Policy)
SEM	Sociétés d'Economie Mixte (Semi-Public Companies)
SICF	Société Immobilière des Chemins de Fer (Railways Real Estate Company)
SIEG	Services d'Intérêt Economique Général (Services of General Economic Interest)
SNCF	(Société Nationale des Chemins de Fer Français) French National Railway Company
SNE	Système National d'Enregistrement (National Registration System)
TFPB	Taxe Foncière sur les Propriétés Bâties (Property Tax on Existing Built Properties)
VAT	Value-Added Tax

UESL	Union des Entreprises et des Salariés pour le Logement (Housing Union of Employers and Employees)
USH	Union Sociale pour l'Habitat (Social Housing Union)
VISALE	Visa pour le Logement et l'Emploi (Visa for Housing and Employment)