

REPORT REVIEW

Unédic Social Allocation and Impact Reporting

25 February 2025

VERIFICATION PARAMETERS

Type(s) of reporting

- Social Bond Allocation and Impact Reporting

Relevant standard(s)

- Harmonised Framework for Impact Reporting for Social Bonds, ICMA, September 2024
- Unédic's Allocation and Impact Reporting (as of Jan. 20, 2025)
- Unédic's Social Bond Framework (as of June 30, 2020)

Scope of verification

- Bond identification:

Issue date	ISIN	Maturity date	Amount raised
Apr 26, 2023	FR001400HQB8	10 years	EUR 1 billion

Lifecycle

- Post-issuance verification

Validity

- As long as no changes are undertaken by the Issuer to its Allocation and Impact Reporting (as of Jan. 20, 2025)

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SCOPE OF WORK

Unédic (“the Issuer”) commissioned ISS-Corporate to provide a Report Review¹ on its Allocation and Impact Reporting by assessing:

1. The alignment of Unédic’s Allocation and Impact Reporting (as of Jan. 20, 2025) with the commitments set forth in Unédic’s Social Bond Framework (as of June 30, 2020).²
2. Unédic’s Allocation and Impact Reporting, benchmarked against the Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB), as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the social bond issued.

UNÉDIC OVERVIEW

Unédic provides information services to understand the rules of unemployment insurance.

¹ A limited or reasonable assurance is not provided on the information presented in Unédic’s Allocation and Impact Reporting. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA’s standards (Social Bond Principles) where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

² The Framework was assessed as aligned with the Social Bond Principles as of June 30, 2020.

ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
Part I Alignment with the Issuer's commitments set forth in the Framework	<p>Unédic's Allocation and Impact Reporting meets the commitments set forth in its Social Bond Framework.</p>	Aligned
Part II Alignment with the HFIRSB	<p>The Allocation and Impact Reporting is in line with the HFIRSB. The Issuer follows some core principles and, where applicable, recommendations.</p> <p>The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, aligned with best market practices. Unédic adhered to the key recommendations by reporting at the project category level, disclosing a detailed description of the projects and reporting on the overall impact and prorated share. The Issuer is transparent on the level and period of reporting, as well as on the disbursement timing and the methodology for impact reporting.</p>	Aligned
Part III Disclosure of proceeds allocation and soundness of reporting indicators	<p>The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework.³</p> <p>Unédic's Allocation and Impact Reporting has adopted an appropriate methodology to report the outcome and output generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	Positive

³ The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

REPORT REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN UNÉDIC'S SOCIAL BOND FRAMEWORK⁴

The following table evaluates the Allocation and Impact Reporting against the commitments set forth in Unédic's Framework, which are based on the core requirements of the Social Bond Principles and best market practices.

SOCIAL BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<p>Process for project evaluation and selection</p>	<p>Unédic confirms to follow the process for project evaluation and selection described in its Social Bond Framework. The Issuer applied the eligibility criteria set in the Framework to determine whether projects fit within the defined categories.</p> <p>ESG risks associated with the project categories are identified and managed appropriately, as defined in the Framework.</p>	<p>✓</p>
<p>Management of proceeds</p>	<p>Unédic confirms to follow the management of proceeds described in its Social Bond Framework.</p> <p>The proceeds collected equal the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process.</p>	<p>✓</p>
<p>Reporting</p>	<p>The report is in line with the initial commitments set in Unédic's Social Bond Framework.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	<p>✓</p>

⁴ Unédic's Social Bond Framework was assessed as aligned with the Social Bond Principles (as of June 2020) as of June 30, 2020.

PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

Reporting is a core component of the Social Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Social bond issuers are required to report on both the use of social bond proceeds and the social impacts at least annually until full allocation. The HFIRSB has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Unédic’s Allocation and Impact Reporting against the HFIRSB.

CORE PRINCIPLES		
HFIRSB	ALLOCATION AND IMPACT REPORTING	ASSESSMENT
Reporting on an annual basis	<p>Unédic has reported within one year of issuance. The report will be available on Unédic’s website.</p> <p>To illustrate the social impact of projects, the report includes quantitative performance measures, where feasible.</p>	✓
Formal internal process to allocate proceeds	The proceeds that have been allocated to social projects as of the date of the Allocation and Impact Reporting have only been allocated to social projects that meet the eligibility criteria stated in the Framework.	✓
Allocation of the proceeds to social project categories	<p>In accordance with the criteria established within the Framework and in compliance with the Social Bond Principles, Unédic allocated the net proceeds of the bond issued under its Framework to existing eligible assets within the following category:</p> <ul style="list-style-type: none"> Socioeconomic Development <p>The Issuer identifies alignment of the project category with market-wide social or development objectives.</p>	✓
Target population(s) identified	<p>The Issuer defined targeted populations for the Socioeconomic Development project category.</p> <p>The Issuer explains why the target groups were selected and refers to thresholds for targeted populations in its report.</p>	✓

<p>Output, outcome and/or impact of projects at project or portfolio level</p>	<p>The Issuer referred to the existing indicator list from Annex III of the HFIRSB and clearly displays which of the metrics used refer to outputs and outcomes (i.e., number of Career Safeguarding Contract entrants and the overall satisfaction rate of Career Safeguarding Contract beneficiaries). The chosen metrics capture the social changes and are supplemented with qualitative information.</p> <p>A detailed analysis of reporting indicators is available in Part III of this report.</p>	<p>✓</p>
<p>Illustrating of the social impacts or outcomes</p>	<p>The Issuer displays the expected social outcome enabled by the projects using quantitative indicators.</p> <p>The Career Safeguarding Contract (CSP) is designed to help employees laid off for economic reasons transition to a new career. It offers a combination of financial compensation and enhanced support to speed up their return to work while securing their income.</p> <p>The Issuer reports annual actual impacts (ex-post).</p> <p>The Issuer also discloses the method used for estimating the outcomes. More information can be found in Part III.</p>	<p>✓</p>
<p>Prorated share of the overall impact results of the projects or portfolio of projects</p>	<p>The Issuer reports the prorated share of the overall impact results of the projects or portfolio of projects.</p>	<p>✓</p>
<p>ESG risk management</p>	<p>The Issuer has a system in place to identify and manage ESG risks related to the projects financed.</p>	<p>✓</p>

RECOMMENDATIONS

HFIRSB	ALLOCATION AND IMPACT REPORTING	ASSESSMENT
Report at project or portfolio level	The reporting was done on a bond-by-bond basis, in which one social bond issuance is linked to one or more specific projects. Unédic provided the project to which social bond proceeds have been allocated.	✓
Reporting period	All proceeds have been allocated to social projects. Only project financing disbursed and confirmed as eligible by the Social Bond Committee up to Dec. 31, 2020, is included in the Allocation and Impact Reporting.	✓
Disclose a detailed description of the projects	The Issuer provides details of the projects (e.g., context, region, target population, applicable regulations, baseline situation and circumstances in the respective country and region where the projects are located).	✓
Disbursement reporting	<p>The proceeds from the social bond issuance were used to finance an existing project.</p> <p>The Issuer displays a table indicating the year when the disbursements were made to the reported eligible projects.</p>	✓
Indicate the total signed amount and the amount of social bond proceeds allocated to eligible disbursements	<p>Unédic indicates the total signed amount and the amount of social bond proceeds allocated to eligible disbursements.</p> <p>Signed amount: EUR 1.2 billion.</p> <p>Allocated amount: EUR 1 billion.</p>	✓
Report on relevant sector-specific core indicators	The HFIRSB currently only defines core indicators for affordable housing. For the other categories, the Issuer refers to the output and outcome indicators in Annex III of the HFIRSB.	N/A
Disclose the methodology and the assumptions used for the calculation of impact indicators	The number of CSP entrants is obtained by the Study and Analysis Department, which accessed the data provided by the National File of Beneficiaries (i.e., Fichier National des Allocataires), a historical relational database consisting of elements related to compensation and various aids granted to job seekers.	✓

For the overall satisfaction rate of CSP beneficiaries, Unédic sources data from France Travail. The CSP satisfaction survey is carried out by IPSOS on behalf of France Travail.

Both indicators are absolute numbers.

Reporting on the overall impact and the prorated share of the overall results	The Issuer reports on the overall impact of each project and the prorated share of the overall impact results of the projects.	✓
Projects with partial eligibility	All projects are 100% eligible for financing.	N/A
Reporting on the estimated lifetime impacts and/or project economic life in years	The Issuer reports on the estimated project economic life in years.	✓

OPINION

Unédic follows some of the HFIRSB's core principles and key recommendations. The Issuer provides transparency on the level of expected reporting and on the frequency, scope and duration, aligned with best market practices. Unédic adhered to the key recommendations by reporting at the project category level, disclosing a detailed description of the projects and reporting on the overall impact and prorated share. The Issuer is transparent on the level and period of reporting, as well as on the disbursement timing and the methodology for impact reporting.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE OUTPUT AND OUTCOME REPORTING INDICATORS

Use of proceeds allocation

Use of proceeds allocation reporting puts the impacts into perspective with the number of investments allocated to the respective use of proceeds projects.

The use of proceeds allocation reporting occurred within one year of issuance, after full allocation of proceeds.

Proceeds allocated to eligible projects

The proceeds' allocation is broken down at the project category level. The Issuer has provided details about the type of projects included in the portfolio.

The allocation reporting section of Unédic's Allocation and Impact Reporting aligns with best market practices by providing information on:

- The number of projects (re-)financed.
- The total amount of proceeds in billion euros (1 billion).
- The number of entrants per project category.
- The annual expenditures per project category.
- The profile of the beneficiaries divided by gender, qualification, age and socio-professional category.
- The profile of investors divided by type and geographic area.

Output and outcome reporting indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output and outcome of projects using indicators.

ELEMENT	ASSESSMENT
Relevance	<p>The output and outcome indicators chosen by the Issuer for this bond are the following:</p> <ul style="list-style-type: none"> a) The number of CSP entrants b) The overall satisfaction rate of CSP beneficiaries <p>These indicators are quantitative and material to the use of proceeds categories financed through this bond. The number of CSP entrants indicator is in line with the HFIRSB’s suggested impact reporting metrics for Socioeconomic Development projects and therefore in line with best market practice. The overall satisfaction rate is not included in the HFIRSB’s suggested impact reporting metrics for Socioeconomic Development projects.</p>
Data sourcing and methodologies of quantitative assessment	<p>The number of CSP entrants is obtained by the Study and Analysis Department, which accessed the data provided by the National File of Beneficiaries (i.e., Fichier National des Allocataires), a historical relational database consisting of elements related to compensation and various aids granted to job seekers.</p> <p>For the overall satisfaction rate of CSP beneficiaries, Unédic sources data from France Travail. The CSP satisfaction survey is carried out by IPSOS on behalf of France Travail.</p>
Baseline selection	<p>The Issuer reported absolute figures without considering a baseline.</p>
Scale and granularity	<p>The impact data is presented at the use of proceeds category level for the indicators.</p>

High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds, as disclosed in the Issuer’s Allocation and Impact Reporting, the impact indicator(s) adopted by Unédic for its social bond can be mapped to the following SDGs, according to ISS ESG’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p>Socioeconomic Development:</p> <ul style="list-style-type: none"> ▪ The number of CSP entrants ▪ The overall satisfaction rate of CSP beneficiaries 	 

OPINION

The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework. The Allocation and Impact Reporting has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices using the HFIRSB’s recommended metrics.

DISCLAIMER

1. Validity of the External Review (“External Review”): As long as no changes are undertaken by the Issuer to its Allocation and Impact Reporting (as of Jan. 20, 2025).
2. ISS Corporate Solutions, Inc. (“ISS-Corporate”), a wholly owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate’s proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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ANNEX 1: Methodology

Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary [methodology](#).

High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

ANNEX 2: Quality management processes

ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Allocation and Impact Reporting
- Unédic's Social Bond Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Unédic took place from January to February 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

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