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Award Conditions for the Finansol Label

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Applicable from 28 March 2024

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Preamble

The Finansol and iiLab associations – one a historic player in social finance and the other an associative platform dedicated to the experimentation and development of social impact investments – merged on 17 June 2021 to forge the community of Social Impact Finance players. The objective of FAIR is to promote inclusive finance with a greater social and environmental impact, by drawing together social and solidarity economy (SSE) funders and enterprises firstly as partners in innovation and secondly as a centre of expertise in this field on the international level.

The Finansol association created the Finansol Label in 1997 in order to enable the general public and institutional investors to easily distinguish solidarity-based savings products from other savings products. FAIR, which has retained ownership, has delegated the award of the Label to a committee of experts, separate from the association [Article 17 of the FAIR Articles of Association].

The Finansol Label is awarded to the financial products – savings or investment – and not to the issuing structures themselves (association, enterprise or financial entity). The Label is renewed annually once all Labelled Products have been controlled and checked for compliance with the criteria set out in these Award Conditions.

The Finansol Label is founded on the values of solidarity and transparency for inclusive finance with a greater social and environmental impact:

- It ensures that savings actually contribute to financing activities with a social mandate (access to employment, housing, education and culture, health and food, and other basic needs of groups or in territories that are deprived of them, etc.) as defined in Article 2 of the Law of 31 July 2014 on the social and solidarity economy.
- It also attests to the financial intermediary's commitment to providing clear and reliable information on the Labelled Products and the activities they support.

These Award Conditions, drawn up by the Label Committee in application of Articles 8 and 9 of its Rules of Procedure, set out the conditions for granting, controlling and withdrawing the Finansol Label.

They were approved after deliberation by the FAIR Board on 30 March 2023.

Definitions

For the purpose of these Award Conditions, the following terms or expressions shall have the following meaning and scope:

"Social Impact Activity(ies)" mean(s) a **solidarity-based activity (project or unlisted company) with a major social and environmental impact.**

- **"Achievement Indicator"** means an indicator that measures the product of the actions (what has been done with the resources that have been used).
- **"Additionality"** means the investor's specific and direct action or contribution enabling the invested company or financed project to increase the net positive impact generated by its activities.
- **"Applicant"** means any entity that manages or promotes a Product or a Product with an Option that wishes to apply for and use the FINANSOL Label.
- **"Beneficiary"** means a legal entity or a natural person receiving financial resources via a "Product".
- **"Equity Crowdfunding Platform"** means structures accredited by the French Financial Markets Authority (AMF) as providers of crowdfunding services.
- **"ESUS-Accredited Enterprise"** means accreditation for specific social enterprises under French law (*Entreprise Solidaire d'Utilité Sociale*), enterprises accredited "automatically" and an ESUS-accredited financing body mentioned in I, II and III of Article L.3332-17-1 of the French Labour Code.
- **"FAIR"** means the FAIR association - an association governed by the Law of 1901 whose head office is located at 34 bis rue Vignon - 75009 Paris.
- **"FINANSOL Label"** or **"Label"** means the semi-figurative trademark Finansol Label of social finance registered by FAIR with the National Institute of Industrial Property (INPI) under national number: 10 3 750 603 for Products and services in classes 35, 36 and 41, excluding the semi-figurative FINANSOL trademark registered by FAIR with the INPI under the national number: 11 3 844 761 reserved for the exclusive use of the FAIR association. Each User must utilise the Label in accordance with the Charter attached as Annex 2.
- **"Innovation Lab"** refers to the department within the FAIR association responsible for the Secretariat of the Label Committee.
- **"Intentionality"** means the investor's or funder's intentional desire to help generate a measurable social and environmental impact. It manifests itself in investment or financing choices, but also in the support provided to the Beneficiaries.
- **"Interest-Sharing Rate"** means, for an Interest-Sharing Product, the percentage of interest or fees donated to Social Impact Activities, as defined in Article 5.1.2.

- **"Investment Company"** means an enterprise whose usual and principal occupation is the financing of Social Impact Activities.
- **"Label Committee"** means the independent standing committee, referred to in Article 3.1 of the FAIR Rules of Procedures which authorises the use of the "Label" for a given Product subject to the criteria defined in these Award Conditions. The Committee's Rules of Procedure define its composition, missions and operating procedures.
- **"Labelled Product"** means a Financing Product or an Interest-Sharing Product distributed or managed by a User for which the Label has been awarded by the Label Committee.
- **"Non-Professional Clients"** mean clients, mainly natural persons, whose level of exposure to financial markets or knowledge of financial matters is limited and who, therefore, warrant a higher level of protection as a particularly vulnerable category of investors.
- **"Observatory"** means the department within the FAIR association in charge of producing studies on the impact finance sector.
- **"Outcome Indicator"** means an indicator that measures the immediate benefit for the target groups generated by the financed action, or the changes in the situation of Beneficiaries, partners, clients, etc.
- **"Product"** means a savings and/or an investment vehicle and/or a financial instrument that can be labelled by the Label Committee, the nature of which is defined in Article 2:
 - **"Financing Product"** means a Product in which all or part of the savings collected finance a Social Impact Activity;
 - **"Interest-Sharing Product"** means
 - A financial Product in which all or part of the income from savings or fees is donated to entities carrying out a Social Impact Activity;
 - **"Option"** means a solidarity mechanism attached to several financial Products distributed or managed by an Applicant or User. There are two forms:
 - Interest-sharing options: all or part of the income or performance of the Product is donated to entities engaged in Social Impact Activities;
 - Financing options: all or part of the volume of the Product finances a Social Impact Activity.
- **"Professional Clients"** mean clients who have the experience, knowledge and expertise needed to make their own investment decisions and to properly assess the risks incurred. It regroups professional clients by nature, size or the Option mentioned in Articles D.533-11 et seq. of the French Monetary and Financial Code.
- **"Saver"** means a natural person and/or a legal entity that subscribes to a Product.
- **"Social Entrepreneurship In Developing Countries"** means solidarity-based activities (projects or unlisted companies) with a strong social and

environmental mandate carried out in developing countries.

- **"Social Impact Enterprise"** means an Applicant or User engaged in a Social Impact Activity.
- **"Social Impact Finance"** means investments or financing within impact finance where priority is intentionally given to a social and environmental benefit, and whose impact is measurable through an ongoing evaluation process. All this, while seeking to preserve the invested capital and achieve a return greater than or equal to zero that is compatible with the nature of the financed project. This type of finance promotes sustainable and inclusive development in France and abroad, by mobilising financial resources that are committed primarily to having a positive societal impact. It forges a link between investors in the context of their civic engagement and projects with a strong social and environmental mandate implemented by associations, enterprises or natural persons. This link can be established directly through funding bodies or through socially responsible funders.
- **"Social Impact Funder"** means any intermediary – Applicant or User:
 - Whose activity consists of proposing and implementing financing tools designed to generate a social and environmental impact;
 - All or part of whose resources are used primarily to finance Social Impact Activities;
 - Who ensures the fair establishment and distribution of the economic and financial value among the various stakeholders;
 - Whose financing arrangements are adapted to the needs of Beneficiaries with a Social Impact Activity, as defined in Article 5.1;
 - Whose financing arrangements, list of Beneficiaries and social and environmental impact are transparent.
- **"Social Impact Indicator"** means an indicator that measures the indirect effects of social and environmental actions beyond the results for the target groups, or what is attributable to the action compared with a "control" situation in which the action did not take place.
- **"Social Impact Mechanism"** means the two ways, envisaged in Article 5.1 of these Award Conditions (financing mechanism and interest-sharing mechanism), in which a Product can generate a Social Impact Activity.
- **"Social Impact Measurement"** means the measurement of social and environmental impact, and is based on the establishment of priority social and environmental objectives, the monitoring of results and an ongoing evaluation process. This evaluation enables support to be given to Beneficiaries in their quest to improve their impact.
- **"Social Impact Rate"** means, for a Financing Product, the percentage of the Product's assets invested in Social Impact Activities, as defined in Article 5.1.1.
- **"User"** means any entity managing or promoting a Labelled Product that has been authorised to use the Label.

Section I: Scope of the Label

Article 1: The Applicant

A member of the FAIR association's first category can be a financial or banking entity, a Social Impact Funder or a Social Impact Enterprise.

Article 2: Eligible Product Categories

The Finansol Label can be awarded to Products that fall into one of the following categories:

- **Shares in collective investment funds (CIFs) or collective placements** for Non-Professional or Professional Clients;
- **Life insurance or endowment contract** (euro funds, units of account, whole contract);
- **Banking product** (savings account, fixed-term account, current account, etc.);
- **Debt or quasi-equity securities** (bonds, association bonds, commercial papers, equity securities, association securities, etc.);
- Other or similar security of a Social Impact Enterprise (capital share, social share, partner's current account, share of joint ownership, etc.);
- Investment proposed by an Equity Crowdfunding Platform.

Article 3: Social Impact Mechanism

The Product must be a **Financing Product** and/or an **Interest-Sharing Product**.

Article 4: Geographical Scope of the Label

Under French or foreign law, the Product must be marketed in at least **one of the Member States of the European Union**, i.e. it must have been marketed to at least one Saver resident in one of the Member States of the **European Union** (natural person and/or legal entity).

Section II: Criteria for the award of the Label

Article 5: The Product

To be eligible for the Label:

1. The Product must finance **Social Impact Activity/ies** as defined in these Award Conditions.
2. The Product must meet the following **four criteria**:
 - Social and environmental impact criterion (Article 5.1)
 - Coherent sustainable management criterion (Article 5.2)
 - Transparency criterion (Article 5.3)
 - Distribution criterion (Article 5.4)
3. The Product must correspond to the definition of social impact investment:
 - The **Intentionality** (or the impact strategy) of the Product must be clearly defined.
 - The **Additionality** of the Product must be an objective.
 - The Social Impact **Measurement** of the Product must be

Article 5.1: Social and environmental impact criterion

When assessing a **Social Impact Activity**, whether it be a Financing Product or an Interest-Sharing Product, the Label Committee evaluates the extent to which:

- It targets people, particularly the most vulnerable, whose basic needs are scarcely or poorly met.
- It targets areas where basic needs are scarcely or poorly met and the objective is to strengthen social ties and territorial cohesion;
- The intention to generate a social and environmental impact is at the heart of its business model and is clearly defined;
- Its economic and financial value is fairly established and distributed among the stakeholders;
- Its social and environmental impact is evaluated and monitored.

To this end, the Label Committee refers more particularly to the conditions for obtaining ESUS accreditation, mentioned in Article L. 3332-17-1 of the French Labour Code (see Annex

1), which refers to Article 2 of the Law of 31 July 2014 on the Social and Solidarity Economy (see Annex 2) and to the European definition of social enterprises¹.

The Committee reserves the right to determine whether these conditions have been met.

For example, Social Impact Activities may be carried out in the following areas:

- Access to dedicated social housing, social property;
- Access to employment for people who are far removed from it or who live in vulnerable areas;
- Health and social activities (health, dependency, etc.)
- Social microcredit, and social tourism;
- Access to transport, facilitating mobility, access to culture, access to education;
- Access to other basic needs (water, energy, etc.)
- Environmental activities with a social mandate (preservation of biodiversity, renewable energies, energy efficiency, circular economy, waste management, support for agricultural sectors – organic, short supply chains, eco-construction);
- Reducing social and cultural inequalities;
- Social Entrepreneurship In Developing Countries, microcredits, humanitarian emergencies, fair trade, women's entrepreneurship;
- National and international solidarity organisations working in the humanitarian field or for the common good.

If the Product directly finances natural persons, it can also target people or territories whose basic needs are not or only poorly met.

For example, the Product can support:

- Senior citizens;
- People with disabilities;
- People with illnesses (mental and physical);
- Migrants, asylum seekers, refugees;
- People who are unemployed or in precarious jobs;
- People living in extreme poverty;
- People who have been victims of crime or abuse;
- Homeless people;
- etc.

¹ Definition of social enterprise in the European Social Fund (ESF) Regulation for which a political agreement was reached in January 2022 with the European Parliament and Council: "social enterprise": an enterprise, regardless of its legal form or a natural person that:

- a. Has as its main social objective – pursuant to its Articles of Association or any other constitutive document of the enterprise which may give rise to a responsibility pursuant to the regulations of the Member State in which it is established – to produce positive and measurable social impact, rather than to generate profit for other purposes, and to provide services or goods which generate a social benefit and/or to use methods of production of goods or services which are the manifestation of social objectives;
- b. Uses its profits primarily to achieve its main social objective and has predefined procedures and rules covering any distribution of profits, which ensure that said distribution does not undermine its main social objective;
- c. Is managed in an entrepreneurial, responsible and transparent manner, in particular by involving its employees, clients and stakeholders in its economic activities.

5.1.1. Financing Products

All or part of the savings collected must finance a Social Impact Activity, as defined in Article 5.1.

The Label Committee verifies in this respect that the Product's Social Impact Rate is greater than or equal to the rate specified in these Award Conditions, depending on the type of Product.

Provided that the main activity is the financing of Social Impact Activities, the assets invested in Social Impact Activities through an intermediary (such as an FPS (specialist professional fund), FCPR (mutual investment fund in innovation), SCR (venture capital company), SAS (joint stock company), etc.) must take into account the dilution effect induced by the intermediary in order to maintain a Social Impact Rate greater than or equal to the rates specified below.

1. Social Impact Rate

Life insurance or endowment contracts	
Euro fund, "croissance" fund and "eurocroissance" fund:	At least 2.5% of its volume in assets must be invested in Social Impact Activities, including at least 1% in ESUS-accredited activities.
Unit of account (UA):	For a unit of account to be eligible for the Label, 5% to 10% must be invested in accredited enterprises, ESUS-like entities, SCRs or FCPRs themselves composed of at least 40% of securities issued by ESUS-Accredited Enterprises.
Whole contract (euro fund + UA):	For a multi-product contract (euro fund and UA) to be eligible for the Label, the euro fund and all the UAs (excluding UAs for socially responsible investment and Greenfin) must bear the Finansol Label.

Employee savings and retirement savings
FCPE (mutual company investment fund) or SICAVAS (employee-owned variable capital investment company type "Fund 90-10": 5% to 10% must be invested in accredited enterprises, ESUS-like entities, SCRs or FCPRs which are themselves composed of at least 40% of securities issued by ESUS-Accredited Enterprises.

CIFs and collective placements (excluding life insurance, employee savings and retirement savings)

Undertakings for collective investments in transferable securities (UCITS) "90-10 type"

At least 5% of its volume must be invested in assets financing Social Impact Activities.

Alternative investment funds (AIFs) and other AIFs (accredited, declared or non-declared)

For Professional Clients (FPS including SLP, FPCI, OFS, FPVG, etc.)²:

- If the fund invests in financial securities, at least 50% of its volume must be invested in assets financing Social Impact Activities, including at least 25% in securities issued by ESUS-Accredited Enterprises.

For Non-Professional Clients (FCPR, FCPI, LIP, SICAF, FIVG, FFA, etc.)³:

- If the fund invests in financial securities, at least 50% of its volume must be invested in assets financing Social Impact Activities, including at least 40% in securities issued by ESUS-Accredited Enterprises.

CIFs, AIFs (accredited, declared or other AIFs), real estate, land or forestry securities or assets

If the fund has invested in real estate, land or forestry securities (OPCI, SCPI, SEF, GFI, OPPCI, SPICAV, SIIC, etc.)⁴, 50% of its volume must be invested in assets financing Social Impact Activities.

CIFs or collective placements under foreign law distributed in France

If the fund has invested in financial securities, 50% of its volume must be invested in assets financing Social Impact Activities.

Securities or the like issued by a Social Impact Enterprise

Capital share, social share, partner's current account, joint ownership share, equity security, association security, association bond, etc. issued by a Social Impact Enterprise: 100% of the resources collected must be dedicated to its core business as defined, for example, in its Articles of Association.

² Legal acronyms under French law clarified in the glossary in Annex 4.

³ Legal acronyms under French law clarified in the glossary in Annex 4.

⁴ Legal acronyms under French law clarified in the glossary in Annex 4.

The Social Impact Enterprise is an **Investment Company**

governed by French law

- If the fund has invested in financial securities, at least 50% of its volume must be invested in assets financing Social Impact Activities, including at least 25% in securities issued by ESUS-Accredited Enterprises

governed by foreign law

- If the fund has invested in financial securities, 50% of its volume must be invested in assets financing Social Impact Activities.

If the Social Impact Enterprise's securities or the like are offered on an **Equity Crowdfunding Platform**, then the above rates shall apply in the same way.

Savings accounts and fixed-term bank accounts

At least 10% of the volume of the Product shall finance Social Impact Activities. The investment shall be made the year after the savings have been collected.

2. Additionality of financing

The Product must demonstrate that "Additionality" is sought through its financing:

- Adaptation to the needs and repayment capacities of the Beneficiary.
- Beneficiary's financial return objective compatible with the nature of the Social Impact Activity and the environmental impact activity.
- Limited personal guarantee requirements for borrowers.
- Financing of enterprises or projects whose access to finance would have been difficult or impossible without the intervention of the Funder.

The "Product" must also demonstrate that support is offered to the Beneficiary. This support must be free of charge and tailored to the needs of the Beneficiary. It may cover social performance and its evaluation, the business model, the financing strategy or organisational and operational aspects.

3. Impact measurement

The Applicant shall indicate whether it refers to an evaluation or impact measurement methodology, and whether it uses a third-party certifier. It shall propose Achievement and Outcome Indicators and Social and environmental Impact Indicators to describe the Product's Social Impact Activity. These indicators shall enable the Label Committee to verify the depth of the social impact and the Additionality of financing. They shall be validated by the Label Committee when examining the application, and then monitored during the annual control specified in Article 18.

The Label Committee shall examine the information and indicators relating to the financing provided, which shall be detailed in the application form.

5.1.2. Interest-Sharing Products

All or part of the income generated by the savings or management of the Product shall be given to entities engaged in Social Impact Activities. The Label Committee shall verify the Interest-Sharing Rate, the Social Impact Activity of the Beneficiary of the donation and the origin of the donation: management company or individual Saver, in this case the Beneficiary of the tax advantage.

1. Interest-Sharing Rate

- In the **case of donations from savings**, at least 25% of the income or performance of the savings shall be paid by the Saver as a donation to these entities.
 - This donation shall be made on a regular basis, at least annual, and shall be made by the Saver; in the case of life insurance, the donation shall be made by the fund custodian.
- **In the case of the "interest-sharing options"**, the Product shall meet the solidarity criterion, as defined above.
- **In the case of donations linked to the management of the Product** (management and/or entry fees), the legal entity managing the Product shall pay 25% of these costs as a donation to these entities.

If the donation cannot be distributed, the Saver or the management company, as appropriate, shall inform the Label Committee as soon as possible and state the reason.

2. The Social Impact Activity of the Beneficiaries

In their application form, the Applicant shall detail:

- The interest-sharing arrangements: (i) the minimum percentage of the Product's fixed or variable management fees, (ii) the range or fixed proportion of the Product's management fees, (iii) the proportionate share of distributable amounts (gains) or (iv) the percentage of net assets deducted from the management fees that are paid out to Beneficiaries as donations;
- The complete list of Beneficiaries carrying out a Social Impact Activity;
- The criteria taken into account when selecting the Beneficiary or the Beneficiaries;
- The procedure put in place to monitor the Beneficiary(ies) to ensure compliance with the criteria set out above and the methodology for calculating precise and sustainable payments to Beneficiaries (base, rate, proportion, percentage);
- The sharing of information with Savers about the interest-sharing mechanism and the Beneficiaries, and
- The existence of a tax advantage attached to the donations made, the Beneficiary of this tax advantage, and in the case of a management company, the foregoing of this advantage.

3. Modifications after obtaining the Label

If one or more Beneficiaries are added to the list submitted with the application form, the Label Committee shall examine:

- The reasons for this modification;
- The transparency of communication to Savers following this change; and
- If the incoming Beneficiaries are engaged in a Social Impact Activity.

On the basis of this information, the Label Committee shall decide whether to maintain or withdraw the Label, in accordance with the requirements set out in these Award Conditions. However, the lack of a response on the part of the Label Committee for a period of one month from the date of receipt of the modification shall constitute an implicit decision to accept the modification and maintain the Label.

In the event of a change in the interest-sharing arrangements and, more particularly, the Interest-Sharing Rate (minimum percentage, range or fixed proportion of management fees, proportionate share of gains, percentage of the Product's net assets), the Label Committee shall examine:

- The reasons for the change; and
- The transparency of communication to Savers, to follow up on this change.

On the basis of this information, the Label Committee shall decide whether to maintain or withdraw the Label as specified in these Award Conditions. However, the lack of a response on the part of the Label Committee, for a period of one month from the date of receipt of the application, shall constitute an implicit decision to accept the modification and maintain the Label.

Article 5.2: Consistent sustainable management criterion

Excluding social impact assets, cash and cash equivalents, 100% of a Product's assets shall be managed according to a sustainable finance approach (SRI – socially responsible investment, ESG – environmental, social and governance (criteria) integration, impact investment, etc.). The Label Committee shall assess the correct application of the ESG selection procedure for the kind of Product and the assets managed, in conformity with the current regulatory framework: AMF doctrine⁵, classification Article 8 or 9 according to SFDR⁶, French or European sustainable finance labels, etc.

The Applicant shall indicate whether or not they have signed the French Financial Management Association – Forum for Responsible Investment's (AFG-FIR) Transparency Code for the Product.

When submitting their application form, the Applicant and then the User, during the annual control, undertake to uphold the following principles for managing a Product with a social and environmental impact: "Savers who choose to invest expect global coherence in the management of all their assets that make up their investment. The manager shall, therefore, ensure that the assets finance the economy and exclude speculative Products such as hedge funds, synthetic ETFs, non-hedged derivatives, etc."

⁵ AMF Position Recommendation DOC-2020-03

⁶ European Regulation (EU) 2019/2088 known as the Sustainable Finance Disclosure Regulation (SFDR)

Article 5.3: Transparency criterion

1. Prior to subscription:

Prior to subscription, the Applicant shall provide the Saver with the regulatory information documents, as well as the specific information relating to the Product's Social Impact Activity.

In the case of an Interest-Sharing Product, it shall specify more particularly the percentage of income or performance transferred, the methods used to determine the donation and the Social Impact Activity of the Product's Beneficiaries.

In the case of a Financing Product, the Applicant shall specify the Social Impact Activity of the Beneficiaries and the Product.

2. Information for Savers after subscription:

The Applicant, and/or the Beneficiary(ies) of the Labelled Product undertake(s) to inform Savers regularly and at least once a year, by any means at their convenience (information letter by post or Internet, management report, message, etc.) about:

- the return and financial aspects of these savings;
- their social and environmental character, i.e. how the donation is determined for "Interest-Sharing Products" and how the financing is undertaken for "Financing Products".

The Label Committee shall ensure the quality and clarity of the information disseminated, both in terms of regulatory information (notably on the risk incurred by the Saver) and information relating to the use of the volume or donations via the Product. These information elements shall be assessed according to the nature of the Saver (natural person or legal entity).

Article 5.4: Distribution criterion

1. Commercial action

To ensure that the Label is not awarded to Products whose distribution would be confidential or very limited, the Applicant undertakes to develop and promote their Product by their own means, with or without an Option, once said Product has been awarded the Finansol Label.

In their application form, the Applicant shall specify:

- Their commercial development objectives over the long term and, more particularly, the collection objective for the Product with or without an Option;
- Promotional activities planned by their own means to develop the collection of the Product with or without an Option.

The Label Committee shall monitor the progress of the collection of the Labelled Product, as well as the Applicant's compliance with the promotional undertaking they have entered into.

For Products open to subscription for a fixed period, the Label Committee shall verify that marketing is effective no later than one year from the date of labelling.

In the case of closed products collecting only during limited subscription periods, the Label Committee checks when the application is submitted and during the annual inspection that the marketing campaign for this period has actually been carried out. When the Product enters a liquidation phase, the Label shall be withdrawn.

2. Financing criterion (management, subscription, exit fees, etc.)

Management fees for a "Product" must, in the investor's interest, be reasonable. The Label Committee shall assess them on the basis of the type of Product and/or by comparison (benchmarking) with similar Products.

Section III: Undertakings of the User

By applying for and obtaining the Label for one or more Products, the User undertakes to comply with the following six obligations.

Article 6: Compliance with the Conditions for the Award of the Label

The User shall ensure that they and the Labelled Product meet the award criteria defined in these Award Conditions, throughout the period of use of the Finansol Label.

Article 7: Compliance with the Control Procedure for the Labelled Product

The User undertakes to return the completed control file to the Label Committee secretariat by the specified deadline each year. This file shall contain, for the attention of the Label Committee, all the information enabling it to exercise its control over the Labelled Product, in line with the criteria laid down in these Award Conditions.

Article 8: Transmission of Statistics to the Observatory for Social Impact Finance

The User undertakes to transmit within the specified period, whilst ensuring the reliability of the transmission, the statistical information relating to the Labelled Product, either spontaneously or at FAIR's request, using the information system set up for this purpose. The User shall accept that this information may be used in anonymised form by FAIR for any research work or studies, to help members compare themselves with the market average and, in general, to promote Social Impact Finance to the general public and, where applicable, to institutional investors.

Article 9: Designation of a Finansol Label "Correspondent"

The Applicant, then the User, shall designate a "Finansol Label correspondent" from among their ranks. The latter shall be the main contact for the Label secretariat, and undertakes to respond to the Innovation Lab and Observatory's requests concerning the Product.

The correspondent shall also be responsible for making the following accessible to the distribution networks, Savers and potential Savers:

- Regulatory information on the Labelled Product;
- An up-to-date list of Beneficiaries carrying out a Social Impact Activity and information on the social and environmental nature of the Product.

The Applicant, then the User, shall demonstrate that they are able to provide this service.

Article 10: Promotion of the Labelled Product and Social Impact Finance

The User undertakes to:

- Insert the logo and the relative information about the Finansol Label in all its communication documents for the Labelled Product, in accordance with the Charter defined by FAIR and attached as Annex 1;
- Relay the FAIR action by highlighting the existence of the Label. Prior to publication, FAIR shall be informed, for the purpose of seeking its opinion, of articles and reports on Social Impact Finance, initiated by the User;
- Update information materials on Social Impact Finance, in particular at FAIR's request;
- Avoid any ambiguity about the scope of the Label. As the Label is attributed to a specific Product and not to the User, the latter shall take care to avoid any confusion in their communications.

Article 11: Professional Obligations

The Applicant undertakes to uphold their professional obligations and, more particularly and where applicable, the French Monetary and Financial Code, the General Regulations of the French Financial Markets Authority as well as the professional rules issued by that Authority and European regulations.

Section IV: Procedure for the award of the Label

Article 12: Application for the Label

The Applicant shall contact the Committee's secretariat to obtain the labelling application form corresponding to the Product they wish to have labelled.

The Applicant shall return the completed application form, along with all documents that might be helpful for the Label Committee's processing of their application.

By submitting the application to the secretariat, the Applicant acknowledges that they have fully understood and accepted the Label Award Conditions.

Article 13: Application Fees

The Applicant shall contribute to the costs of processing their application on the basis of the scale set by the FAIR General Meeting. As these fees shall be payable when the application form is submitted; their payment shall not depend on the Label Committee's decision for or against awarding the Label.

Article 14: Processing the Application

The Applicant shall submit their application form at least one month before the next Label Committee meeting. The Applicant may obtain a schedule of Committee meetings from the secretariat.

If the application file is deemed to be incomplete by the secretariat, the Applicant shall provide the additional information by the set deadline. The application shall be presented by the secretariat at a meeting of the Label Committee, or directly by the Applicant at a hearing.

Article 15: The Decision on Labelling

The decision shall be taken by the Label Committee under the conditions set out in its Rules of Procedure.

After examining the application, the Label Committee may:

- Refuse to label the Product. The Applicant may then lodge an appeal, under the conditions set out in Article 16;
- Label the Product;
- Label the Product subject to special conditions;
- Postpone its decision because of the lack of sufficient information to decide on the application. The Applicant shall provide the additional information requested to allow the Label Committee to re-examine their application.

The Label Committee shall notify the Applicant of its written decision, in accordance with Article 29, within 20 days of the meeting at which the Label Committee examined the application.

Article 16: Appeal

Within 15 days of receipt of the Label Committee's notification of refusal to grant the Label or of conditional acceptance of the application, the Applicant may submit a written appeal to the Label Committee and present, if they so wish, their oral observations and, where appropriate, the steps taken to ensure that the criteria for awarding the Label have been met.

Article 17: Duration and Validity of the Decision

From receipt of the letter from the Label Committee notifying them of the award of the Label to the Product, the Applicant shall be entitled to use, on a non-exclusive and

revocable basis, the Finansol Label for the Labelled Product under the conditions specified in Annex 1, up to the first control.

The Labelled Products shall then be controlled annually by the Label Committee in accordance with the criteria set out in these Award Conditions.

Section IV: Annual Control by the Label Committee

Article 18: Annual Product Control Process

The User undertakes to verify, within the framework of their internal procedures, compliance with the criteria set out in the Label Award Conditions.

The "Finansol Label Correspondent" referred to in Article 9 shall complete the control file sent by the Label Committee secretariat each year. The purpose of this file is to provide the Label Committee with all the information it needs to exercise its control over:

- Compliance with the Label criteria;
- Compliance with the User's undertakings.

The User undertakes to provide the Label Committee with the information and indicators relating to the Product's Social Impact Activity, such as the list of Beneficiaries of financing, the characteristics of the financing arrangements and the Achievement and Outcome Indicators and Social and environmental Impact Indicators mentioned in Article 5.1.

The User also undertakes to respond to any request for additional detailed information about the Labelled Product. If the file is deemed to be incomplete, the secretariat shall request additional information from the User.

The User undertakes to accept, if necessary, an external control by the Label Committee to verify compliance with the criteria for awarding the Label and the User's undertakings. The Label Committee may also, if necessary, interview the correspondent or any other person designated by the User.

At the end of the annual control procedure, the Label Committee shall decide on the renewal of the right to use the Label, in accordance with the arrangements set out in Article 19. Its decision shall be notified to each User under the conditions set out in Article 28. If renewal is refused, an appeal may be lodged with the Label Committee under the conditions set out in Article 21.

Article 19: The Decision of the Label Committee

The Label Committee shall take its decision in accordance with the conditions laid down in its Rules of Procedure.

It may decide:

- To uphold the labelling decision, if necessary by modifying the related conditions or undertakings ("decision to uphold");

- To uphold the labelling decision by granting a period of time to enable the User to comply with the undertakings it has entered into or which have been required of them by the Label Committee ("decision to uphold under observation");
- To withdraw authorisation to use the Label under the conditions defined in Article 20 ("withdrawal decision").

Article 20: Withdrawal of the Label

Subject to the provisions of Article 25, in the event of a decision to withdraw the Label, the Label Committee shall notify the User, under the conditions set out in Article 28, of the breach(es) of these rules justifying the withdrawal of the right to use the Finansol Label.

The User has a maximum of one month from notification of this decision to remove any reference to the Finansol Label from its communications and to take any other steps stipulated by the Label Committee.

However, withdrawal shall be effective immediately in the event of a serious breach duly notified to the User.

Any penalties imposed by the Label Committee, regardless of the nature or reason, shall not under any circumstances give rise to compensation for the User.

Article 21: Appeal

Within 15 days of receiving notification that the Label has been upheld under observation or withdrawn, the User concerned may submit a written appeal to the Label Committee and present, if they so wish, their oral observations and, where appropriate, the steps taken to ensure that the undertakings entered into will be respected as quickly as possible.

After analysis of the documents by the secretariat, the Label Committee shall examine the information provided by the User at its next meeting. It shall rule again and notify the User of its new decision, which is no longer eligible for appeal, in accordance with the conditions set out in Article 28.

Section VI: FAIR Undertakings

By granting the label to a Product, the FAIR Association, owner of the Label, undertakes to respect the following three obligations towards Users.

Article 22: Handling Complaints from Savers

FAIR undertakes to deal with any complaints sent to it from Savers relating to the characteristics of the Finansol Label, in liaison with each User.

In the event of an irregularity being discovered or reported, FAIR undertakes to help the User rectify the situation and, where appropriate, take a public stance.

Article 23: Information for Savers

FAIR shall make available to potential Savers and subscribers the Label Award Conditions, the list of Labelled Products and a summary sheet presenting each of the Labelled Products, the list of Users and the links to their websites.

Article 24: Information for Users

By way of consideration for the obligation set out in Article 8, FAIR undertakes to make available to all Users, free of charge, aggregated statistical data on Social Impact Finance, as well as any study based in whole or in part on the anonymised processing of statistical information relating to Labelled Products transmitted in accordance with Article 8.

Section VII: Final Miscellaneous Provisions

Article 25: Modification of the Award Conditions and Evolution of Standards

The Label Committee shall update these Award Conditions, either at the request of the FAIR Board when the latter has decided to modify the scope of the Label, or on its own initiative. To this end, it shall submit all pertinent modifications to the Board which may approve or reject them or request a new proposal.

As these Award Conditions are subject to change, in particular as a result of standards in force both nationally and internationally that are binding for the FAIR association and/or the Label Committee, any change in the conditions of use or the conditions for granting the right to use the Label resulting from changes in the said standards shall be immediately applicable to and mandatory for Users.

In the event of withdrawal of the right to use the Label resulting from said changes in standards, the provisions of Articles 20 and 21 shall not apply.

The Label Committee shall notify Users of any changes to these Award Conditions in accordance with Article 28.

Article 26: Legal Action

FAIR reserves the right to take action against any person or entity who uses the Label in an improper manner or in violation of these Award Conditions.

Article 27: Interpretation of the Contract

For all questions relating to the interpretation of these Award Conditions, please contact the Innovation Lab directly, in any written form, at the following email address label@finance-fair.org or at the following postal address: Comité du Label Finansol, 34 rue Vignon, 75009 Paris

Article 28: Notification

Any notification envisaged in these Award Conditions shall be valid if made in writing, either by registered letter with acknowledgement of receipt to the registered office of the Applicant, the User or the FAIR association or by electronic means with acknowledgement of receipt by the addressee.

Article 29: Entry into Force and Transitional Provisions

These Award Conditions shall apply from 1 October 2023.

Products (i) for which an official application for the Label has been submitted prior to 1 October 2023 or (ii) which have been awarded the Label prior to 1 October 2023 and no longer meet the eligibility criteria defined in these Award Conditions, shall have a period of two years (1 October 2023 - 1 October 2025) in which to comply.

By way of derogation, the Label Committee may, on a case-by-case basis, extend this period if it considers that the Product meets the objectives of the Label Award Conditions.

Annex 1: ESUS Accreditation Criteria

The ESUS accreditation criteria laid down in Article L3332-17-1 of the French Labour Code, are as follows:

- Is an **unlisted enterprise**;
- Is a **social and solidarity economy (SSE) enterprise** (social economy status – cooperatives, mutual insurance companies, foundations and associations – or governed by commercial law) that upholds the following principles: pursuit of a purpose other than profit sharing, democratic governance defined and organised by the Articles of Association, profits mainly devoted to maintaining or developing the Activity, mandatory non-shareable reserves and, in the event of liquidation, allocation of the liquidating dividend to another SSE enterprise; finally prohibition for enterprises governed by commercial law to amortise or reduce capital except to ensure the continuity of the Activity (Article 1 of the Law of 31 July 2014);
- Pursues a **social mandate**:
 - Provides, through their activities, support for people in vulnerable situations (economic, social or personal) or helps to combat their exclusion.
 - Contributes to the preservation and development of social ties or to the maintenance and strengthening of territorial cohesion;
 - Contributes to citizenship education, notably through public education. In this way, the enterprises help to dismantle social and cultural inequalities, particularly between men and women;
 - Contributes to sustainable development, the energy transition, cultural promotion or international solidarity, when their activity also contributes to producing an impact either by supporting vulnerable groups, by maintaining or recreating territorial solidarity or by participating in citizenship education
- Establishes **that the expenses generated by its social mandate objective have a significant impact** on the income statement;
- Complies with **the pay scale** stipulated in the aforementioned Article of the French Labour Code.

Annex 2: Definition of "social mandate" in Article 2 of the Law of 31 July 2014 on the Social and Solidarity Economy

Enterprises whose social objective meets at least one of the four following conditions are deemed to pursue a social mandate within the meaning of that Law:

1. Their objective is to provide support, through their activities, for people in vulnerable situations, either because of their economic, social or personal situation and, more particularly, their need for social, medico-social or healthcare support, or to help combat their exclusion. These persons may be employees, Users, clients, members or Beneficiaries of that enterprise;
2. Their objective is to contribute to the preservation and development of social ties or to the maintenance and strengthening of territorial cohesion;
3. Their objective is to contribute to citizenship education, notably through public education and the implementation of participatory methods involving the local Beneficiaries of these activities. In this way, they help to dismantle social and cultural inequalities, particularly between men and women;
4. Their objective is to contribute to sustainable development, energy transition, cultural promotion or international solidarity, as long as their activity also contributes to producing an impact either by supporting vulnerable groups, by maintaining or by recreating territorial solidarity or by participating in citizenship education.

Annex 3: Charter for the Use of the Finansol Label Logo



The Label may be used in all commercial documents, whatever the format (hardcopy, electronic, digital, etc.), in conjunction with the Product(s) submitted to the Finansol Label Committee, to the exclusion of all other products.

The right to use the Finansol Label logo shall be granted to the User identified in the application form, who may assign this right, free of charge, to any legal entity under its control within the meaning of Article L 233-3 of the French Commercial Code, which will be responsible for marketing the Labelled Product, to the exclusion of any other person or entity.

If, for the purposes of marketing the Labelled Product, the User wishes that another person or entity may use the Finansol Label logo, they must notify the Finansol Label team, specifying the conditions of use. The FAIR association shall notify its agreement or refusal within 20 days of receipt of the request.

The Finansol Label consists of a logo protected by intellectual property law. This logo is mandatory in all communications about Labelled Products. The User must respect the principles governing the use of this logo:

- This logo is two-tone. It must be used in green and white. The hex code for green is #044632;
- The minimum reproduction size of 2.5 cm x 2.5 cm (see below) for hardcopy communication media and 95 pixels x 112 pixels for use on electronic media, particularly the Internet. If you wish to enlarge the logo, care must be taken not to distort it; to do this, you can change the size by homothetic transformation.
- This logo must be systematically integrated into all communication materials that mention the existence of the Labelled Product distributed directly or indirectly by the User;
- The Finansol Label logo must appear in all communication tools about the Labelled Product;
- The logo must be given prominence in your communication materials to ensure that potential subscribers understand its role;
- The logo must be accompanied by an explanatory sentence that clearly indicates what it represents: "The Finansol Label guarantees the solidarity and transparency of savings product X. The capital invested is not guaranteed." as well as a link to the website www.finance-fair.org or its mention in hardcopy for the purpose of obtaining more information on its operation and its reliability. Before publishing the logo, please have your documents validated by the FAIR Communication Department: Lenaig Naudais (lenaig.naudais@finance-fair.org) et communication@finance-fair.org.

The Finansol Label logo is provided to you in three formats: PNG image / JPEG image / AI file

PNG files are preferable for your web media.

Please use the JPEG file format to incorporate the Finansol Label logo, created without the help of a graphic designer or printer, into your traditional publications.

The AI file must be given to your graphic designer or printer and can only be used by specific DTP software.

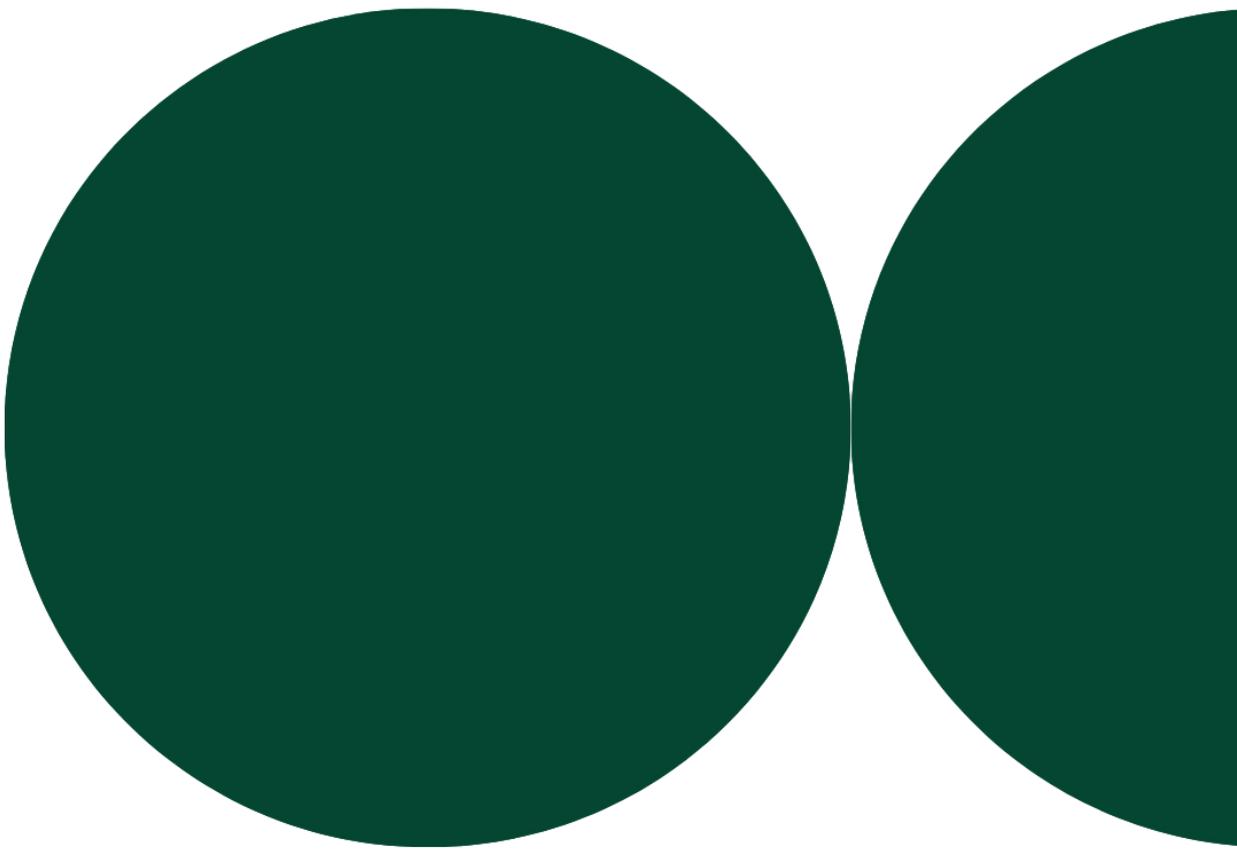
For further information, please contact FAIR.

Annex 4: Glossary

AFG-FIR	Association française de la Gestion Financière - Forum pour l'Investissement Responsable
AIF	Alternative investment fund
AMF	Autorité des Marchés Financiers
CIF	Collective investment fund
ESG	Environmental, social and governance (criteria)
ESUS	Entreprise Solidaire d'Utilité Sociale
ETF	Exchange Traded Funds
FCPE	Fonds Commun de Placement d'Entreprise
FCPI	Fonds Commun de Placement dans l'Innovation
FFA	Fonds de Fonds Alternative
FIVG	Fonds d'Investissement à vocation Générale
FPS	Fonds Professionnel Spécialisé
FPVG	Fonds Professionnel à vocation Générale
GFI	Groupement Forestier d'Investissement
LIF	Local investment fund
OFS	Organisme de Financement Spécialisé
OPCI	Organisme de Placement Collectif Immobilier
OPPCI	Organisme Professionnel de Placement Collectif Immobilier
SCPI	Société Civile de Placement Immobilier
SCR	Société à Capital-Risque
SEF	Société d'Epargne Forestière
SFDR	Sustainable Finance Disclosure Regulation
SICAF	Société d'Investissement à Capital Fixe
SICAVAS	Sociétés d'Investissement à Capital Variable d'Actionnariat Salarié
SIIC	Société d'Investissement Immobilier Cotée
SLP	Société de Libre Partenariat
SPICAV	Société à prépondérance immobilière à capital variable
SRI	Socially responsible investment
SSE	Social and solidarity economy
UC	Unit of Account
UCITS	Undertakings for collective investments in transferable securities

fair.

- ⌘ Financer
- ii Accompagner
- Impacter
- ⋮ Rassembler



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