

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Funding Framework

Groupe BPCE

10 April 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Funding instruments

Relevant standards

- Green Bond Principles, as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

Scope of verification

- Groupe BPCE's Green Funding Framework (as of April 10, 2024)
- Groupe BPCE Selection Criteria (as of April 10, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Green Funding Framework remains unchanged

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SCOPE OF WORK

Groupe BPCE (“the Issuer”, “the Bank”) commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Green Funding Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Groupe BPCE’s Green Funding Framework (as of April 10, 2024) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
2. The selection criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Consistency of Green Funding Framework with Groupe BPCE’s Sustainability Strategy – drawing on the key sustainability objectives and priorities defined by the Issuer.

GRUPE BPCE OVERVIEW

Groupe BPCE is the second-largest banking group in France and finances over 20% of the French economy. Through its 100,000 staff, the group serves 35 million customers – individuals, professionals, companies, investors, and local government bodies – around the world. It operates in the retail banking and insurance fields in France via its two major networks, Banque Populaire and Caisse d’Epargne, along with Banque Palatine and Oney. It also pursues its activities worldwide in over 40 countries with the asset & wealth management services provided by Natixis Investment Managers and the wholesale banking expertise of Natixis Corporate & Investment Banking.

Groupe BPCE was established in 2009 through the merger of Groupe Banque Populaire and Groupe Caisse d’Epargne. This marked the combination of two leading cooperative banks, created in 1878 and 1818 respectively, sharing common values rooted in solidarity, a local presence, democratic governance and a long-term vision.



ESG risks associated with the Issuer

Groupe BPCE is classified in the Commercial Banks & Capital Market industry, as per ISS ESG’s sector classification. Key sustainability issues faced by companies¹ in this industry are: Business Ethics, Labor Standards and working conditions, Sustainability impact of lending and other financial services/products, customer and product responsibility, and sustainable investment criteria.

This report focuses on the sustainability credentials of the issuance. Part III. of this report assesses the consistency between the issuance and the Issuer’s overall sustainability strategy.

¹ Please note, that this is not a company specific assessment but areas that are of relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
<p>Part I:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its Green Funding Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA’s Green Bond Principles.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the Selection Criteria</p>	<p>The Green Funding Instruments will (re)finance eligible asset categories which include: Renewable Energy, Transmission and Distribution of Energy, Green Buildings, Storage of Energy, Manufacturing activities connected to Renewable Energy, Energy efficiency, Sustainable Agriculture, Sustainable Forestry, Sustainable Mobility, Manufacturing activities connected to sustainable mobility, Clean Transport Infrastructure.</p> <p>Product and/or service-related use of proceeds categories individually contribute to one or more of the following SDGs:</p>  <p>Process-related use of proceeds categories³ individually improve (i) the Issuer’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s sector on one or more of the following SDGs:</p>  <p>The environmental and social risks associated with those use of proceeds categories and the financial institution are managed.</p>	<p>Positive</p>

² The evaluation is based on the BPCE’s Green Funding Framework (April 10, 2024 version).

³ Energy efficiency

<p>Part III:</p> <p>Consistency of Green Funding Instruments with Groupe BPCE's Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing Green Funding Instruments are clearly described by the Issuer. All the project categories considered are in line with the sustainability objectives of the Issuer.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p>Consistent with Issuer's sustainability strategy</p>
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SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES

This section evaluates the alignment of the Groupe BPCE’s Green Funding Framework (as of April 10, 2024) with the Green Bond Principles.

GREEN BOND PRINCIPLES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by Groupe BPCE’s Green Funding Framework is aligned with the Green Bond Principles.</p> <p>The Issuer’s green project categories align with the project categories as proposed by the Green Bond Principles. Criteria are defined in a clear and transparent manner. The environmental benefits of green project categories are described and the disclosure of contemplated distribution of proceeds by green project category will be provided pre-issuance.</p> <p>The Issuer defines exclusion criteria for harmful project categories in line with best market practice.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Groupe BPCE’s Green Funding Framework is aligned with the Green Bond Principles.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>Groupe BPCE involves various stakeholders in this process and, identifies alignment of their Green Funding Framework and their green projects categories with official or market-wide taxonomies such as the E.U. Taxonomy and</p>

		<p>references any green standards or certifications used, in line with best market practices.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by Groupe BPCE’s Green Funding Framework is aligned with the Green Bond Principles.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible green projects, with no exceptions. The net proceeds are tracked in an appropriate manner and attested in a formal internal process. The net proceeds are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Groupe BPCE’s Green Funding Framework is aligned with the Green Bond Principles.</p> <p>Groupe BPCE commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. The reporting will be publicly available on the Issuer’s website. Groupe BPCE explains that the level of expected reporting will be at project category level and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the bond matures.</p> <p>Furthermore, Groupe BPCE is transparent on the information reported, in the impact report, and further defines the duration and the frequency of the impact reporting, in line with best market practice.</p> <p>Additionally, the Issuer discloses the location and link of the report(s) and commits to get the allocation report audited by an external party, in line with best market practices.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN FUNDING INSTRUMENTS TO THE UN SDGs⁴

Banks can contribute to the achievement of the SDGs by financing specific services/products which help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance



1. Products and services

The assessment of UoP categories for financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the E.U. Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for investing in specific products and services is displayed on a 3-point scale:



Each of the Green Funding Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Renewable Energy</p> <p><i>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:</i></p> <ul style="list-style-type: none"> ▪ <i>Electricity generation using photovoltaic technology</i> 	Contribution	 

⁴ The impact of the UoP categories on UN Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

- *Electricity generation using concentrated solar power (CSP) technology*
- *Cogeneration of heat/cool and power from solar energy*
- *Production of heat/cool from solar thermal heating*
- *Electricity generation from wind power*
- *Electricity generation from ocean energy technologies*
- *Electricity generation from hydropower⁵*
- *Electricity generation from geothermal energy*
- *Cogeneration of heat/cool and power from geothermal energy*

Renewable Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:

- *Electricity generation from bioenergy*
- *Cogeneration of heat/cool and power from bioenergy*
- *Production of heat/cool from bioenergy*
- *Anaerobic digestion of sewage sludge*
- *Anaerobic digestion of bio-waste*

Selected according to the following criteria:

- *First generation and third generation biofuels are excluded.*
- *Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraph 6 and 7 of the E.U. Directive 2018/2001.*

And,

- *Solid biomass powered heat production plants located in France and eligible to ADEME's (Agence de la Transition Ecologique) "Fonds Chaleur" financing for renewable heat production.⁶*

Or,



⁵ Large hydropower plants (>1000MW) are excluded.

⁶ Available at

<https://agirpoulatransition.ademe.fr/entreprises/sites/default/files/Installation%20biomasse%20%C3%A9nergie%20%20Conditions%20Eligibilit%C3%A9%20Financement%20-%202023.pdf>

- Anaerobic digestion of organic matter plants (methanisation) located in France and eligible to regulated biomethane rates⁷ with no more than 15% of total organic matter sourced from intermediate energy crops (CIVES).

Or,

- Natixis CIB Green Weighting Factor minimum rating Dark Green

Renewable Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:

- Installation and operation of electric heat pumps⁸

Renewable Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:

- Manufacture of hydrogen

Selected according to the following criteria:

- Hydrogen manufactured according to renewable hydrogen definition in EU Delegated Act on Renewable Hydrogen⁹

Or,

- Hydrogen manufactured compliant with CertifHyTM Green Hydrogen label¹⁰

Or,

- Natixis CIB Green Weighting Factor minimum rating Medium Green for Hydrogen produced by electrolysis

Or,







⁷ Eligibility of biomethane produced by methanisation plant to regulated biomethane rates injected into natural gas networks implies compliance with French Code de l’Energie which transposes into national law Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (RED II)

⁸ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of E.U. Taxonomy for the activity 4.16

⁹ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of E.U. Taxonomy for the activity 3.10.

¹⁰ Available at <https://www.certifyhy.eu/go-labels/>

<ul style="list-style-type: none"> Natixis CIB Green Weighting Factor minimum rating Dark Green and Carbon Capture and Storage in place 		
<p>Renewable Energy</p> <p>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:</p> <ul style="list-style-type: none"> Manufacture of biogas and biofuels for use in transport and of bioliquids¹¹ 	<p>Contribution</p>	
<p>Transmission & Distribution of Energy</p> <p>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy generation assets including:</p> <ul style="list-style-type: none"> Transmission and distribution of electricity¹² <p>Selected according to one of the following criteria:</p> <ul style="list-style-type: none"> Natixis CIB Green Weighting Factor minimum rating Medium Green 	<p>Contribution</p>	
<p>Transmission & Distribution of Energy</p> <p>Design, construction, repurposing, retrofit, modernization, operation, acquisition, installation, and maintenance of Transmission & Distribution assets including:</p> <ul style="list-style-type: none"> Transmission and distribution networks for renewable and low-carbon gases¹³ 	<p>Contribution</p>	
<p>Transmission & Distribution of Energy</p> <p>Design, construction, repurposing, retrofit, modernization, operation, acquisition, installation, and maintenance of Transmission & Distribution assets including:</p> <ul style="list-style-type: none"> District heating/cooling distribution 	<p>Contribution</p>	

¹¹ The Issuer confirms that manufacture of biofuels from food crops are excluded and that the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 4.13.

¹² The Issuer confirms that Transmission & Distribution of electricity infrastructure dedicated to non-renewable energy sources is excluded.

¹³ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 4.14.

Selected according to one of the following criteria:

- *District heating network with Natixis CIB Green Weighting Factor minimum rating Medium Green and with at least 50% heat source(s) coming from geothermal, solar or other renewables, heat recovery from final waste of industrial activities, biogas, cogeneration, wood biomass or heat-recovery from non-sorted waste*
Or,
- *District cooling network with Natixis CIB Green Weighting Factor minimum rating Medium Green and with cooling source exclusively coming from free cooling or cogeneration or at least 50% of cooling source(s) coming from biomass cogeneration, biomass boiler/furnace, biogas cogeneration, biogas boiler/furnace (absorption-based cooling) or solar photovoltaic, wind, nuclear, hydropower or geothermal energy (compression-based cooling)*
Or,
- *District heating and cooling network located in France and having obtained/targeting to obtain French label "Ecoréseau de Chaleur" or "Ecoréseau +"*

Storage of Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy storage assets including:

- *Storage of electricity¹⁴*

Storage of Energy

Design, construction, modernization, operation, acquisition, installation,

Contribution



Contribution



¹⁴ Electricity generated by renewable energy as defined under the Energy Generation section of this document or aligned with Substantial Contribution Criteria to Climate change Mitigation of E.U. Taxonomy for economic activity 7.6. Installation, maintenance, and repair of renewable energy technologies.

repurposing, retrofit and maintenance of energy storage assets including:

- *Storage of thermal energy¹⁵*

Storage of Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of energy storage assets including:

- *Storage of hydrogen¹⁶*

Manufacturing activities connected to Renewable Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of equipment and technologies connected to renewable energy projects including:

- *Manufacture of renewable energy technologies*

Manufacturing activities connected to Renewable Energy

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of equipment and technologies connected to renewable energy projects including:

- *Manufacture of equipment for the production and use of hydrogen¹⁷*

Green Buildings

Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented¹⁸ and meeting at least one of the following applicable eligibility criteria for

Contribution



Contribution



Contribution



Contribution



¹⁵ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 4.11.

¹⁶ Hydrogen manufactured according to eligibility criteria defined under the manufacture of hydrogen and hydrogen-based synthetic fuels section.

¹⁷ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 4.12.

¹⁸ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities

the Primary Energy Demand (PED)¹⁹ defining the energy performance of the building resulting from the construction:

- *Buildings built before 31 December 2020²⁰ having at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational PED. Additional information on methodology for evaluation of the top 15% of the national or regional building stock is provided in Appendix V.*

Or,

- *Buildings built after 31 December 2020²¹ with PED at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU²². Additional information on methodology for evaluation of the NZEB-10% threshold is provided in Appendix V.*

Or,

- *Residential buildings located in France built in accordance with the 2012 Thermal Regulation (RT 2012)²³, which correspond to the threshold set for the requirements relating to Near Zero Energy Buildings (NZEB), for which the building permit was submitted on or after 1 January 2017²⁴*

¹⁹ PED: calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC)

²⁰ Date of submission of building permit

²¹ Date of submission of building permit

²² In countries where there is no definition of NZEB or there is no practical solution to collect necessary data to date (notably to confirm alignment to NZEB-10% threshold as NZEB definition may not be expressed as a quantified Primary/Final Energy Demand threshold), Groupe BPCE may choose to rely on the top 15% most energy-efficient buildings approach for buildings built after 31 December 2020, or to consider alignment to local market NZEB definition (instead of NZEB-10%) sufficient. Additional information on evaluation of NZEB-10% is provided in Appendix V of this document.

²³ Under RT 2012, the national average Cepmax (primary energy demand) is set at 50kWh/m².year for residential and logistics, 70kWh/m².year for offices, 100kWh/m².year for hospitality and 320kWh/m².year for retail

²⁴ Although in France the RT 2012 was enforced in 2013, between 1st January 2013 and end of 2016, a building could be built with a building permit not compliant with the RT 2012 regulation.

Green Buildings

Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented²⁵ and meeting at least one of the following applicable eligibility criteria:

Environmental Certifications

- *Buildings having achieved or targeting to achieve upon delivery at least one of the following environmental certification(s) with minimum level (In-Use, New Construction or Refurbishment environmental certification, as applicable), for existing buildings and new construction:*
 - *LEED²⁶ ≥ Gold*
 - *DGNB ≥ Gold*
 - *HQE, HQE-B and HQE-BT ≥ Excellent*
 - *HQE-BD ≥ Très Performant*
 - *NF Habitat HQE*
 - *BREEAM²⁷ ≥ Very Good²⁸*
 - *NABERS 5 stars*
 - *Green Star 5 stars*
 - *Green Globes Platinum*

Energy efficiency labels

- *Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented²⁹ and having achieved or targeting to achieve at least one of the following energy-efficiency or low-carbon label(s) with minimum level (In-Use,*



Contribution



²⁵ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

²⁶ LEED v4 or more recent

²⁷ For BREEAM In-use certification the minimum level is observed at least on the Asset Performance part of the certificate

²⁸ BREEAM In-Use v6.0 or more recent with minimum level Very Good, other BREEAM certifications with minimum level Very Good and with minimum 70% on energy score or with minimum level Excellent

²⁹ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

New Construction or Refurbishment, as applicable):

- *BBCA (Bâtiment Bas Carbone)*

Green Buildings

Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented³⁰ and meeting at the following applicable eligibility criteria:

Carbon Risk Real Estate Monitor (CRREM)

- *Buildings having achieved or targeting to achieve upon completion carbon intensity threshold at any time of the financing maturity, in kgCO₂e/m².year, as defined by the Carbon Risk Real Estate Monitor (CRREM)³¹ applicable building type pathway and for the applicable geography (1.5°C pathway)³²*

Green Buildings

Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented³³ and having achieved or targeting to achieve at least one of the following energy-efficiency or low-carbon label(s) with minimum level (In-Use, New Construction or Refurbishment, as applicable):

- *E+C- (≥ E2C1, Energie Positive et Reduction Carbone)*
- *HPE (RT 2012-10%, Haute Performance Energétique)*
- *THPE (RT 2012 -20%, Très Haute Performance Energétique)*
- *Effinergie, BBC Effinergie, BBC Effinergie Rénovation, Effinergie +, BePOS Effinergie,*



³⁰ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities

³¹ Available at <https://www.crrem.eu/tool/>

³² The definition of threshold would apply to buildings that have a decarbonization pathways that is aligned with the requirements of the Paris Agreement to limit global warming to a maximum of 1.5°C.

³³ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

BePOS+ Effinergie, Effinergie Patrimoine, Effinergie Rénovation, Effinergie RE2020, Effinergie E+C-

- *Passive House (Maison Passive)*
- *Minergie, Minergie-A, Minergie-P*
- *Verde*

Green Buildings

- *Acquisition and ownership of existing buildings or construction of new buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented³⁴ and having achieved or targeting to achieve at least a minimum rating of Medium Green below the Natixis CIB Green Weighting Factor.*

Contribution



Energy efficiency

- *Installation, replacement, maintenance, and repair of energy efficiency and renewable energy equipment eligible for the Eco-prêt à taux zero (Eco-PTZ) in France³⁵*

Contribution



Energy efficiency

- *Professional services related to energy performance of buildings³⁶*

Contribution



Energy Efficiency

- *Manufacture of energy efficiency equipment for buildings³⁷*

Contribution



Sustainable Agriculture

- *Farms certified in compliance with EU and/or national organic farming regulation, such as the "Agriculture biologique" "BioCohérence" and "Demeter" labels³⁸*

Contribution







³⁴ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

³⁵ Available at https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000023380703/

³⁶ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 9.3.

³⁷ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 3.5.

³⁸ As further described under Appendix VI of Groupe BPCE Green Funding Framework.

<ul style="list-style-type: none"> Investments dedicated to specific equipment and/or Research & Development to support the development of organic agriculture and related inputs Pure player corporates in organic agribusiness activities. 		
<p>Sustainable Forestry</p> <ul style="list-style-type: none"> Sustainable forestry - included afforestation or reforestation – FSC³⁹ or PEFC⁴⁰ certified or equivalent Protected areas operators (such as natural parks' operators) Preservation or restoration of natural landscapes, soil remediation and coastal, marine and water environment 	<p>Contribution</p>	
<p>Sustainable Mobility</p> <p>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon means of transportation and related infrastructures including:</p> <ul style="list-style-type: none"> Freight rail transport Urban and suburban transport, road passenger transport⁴¹ 		
<p>Sustainable Mobility</p> <p>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon means of transportation and related infrastructures including:</p> <ul style="list-style-type: none"> Operation of personal mobility devices, cycle logistics Passenger interurban rail transport 		
<p>Sustainable Mobility</p> <p>Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low</p>		

³⁹ Forest Stewardship Council

⁴⁰ Programme for the Endorsement of Forest Certification

⁴¹ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 6.3

carbon means of transportation and related infrastructures including:

- *Transport by motorbikes, passenger cars and light commercial vehicles*

Selected according to the following criteria:

- *Zero tailpipe emissions vehicles (such as Battery Electric vehicles (BEV), Fuel-Cell Electric vehicles (FCEV) and hydrogen powered vehicles)*

Sustainable Mobility

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon means of transportation and related infrastructures including:

- *Freight transport services by road⁴²*

Manufacturing activities connected to sustainable mobility

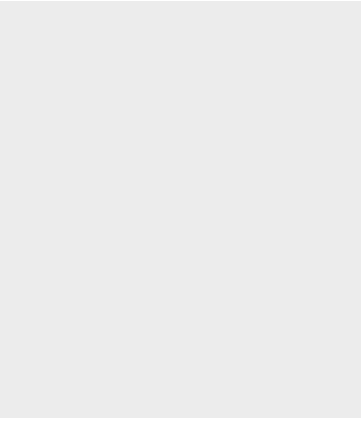
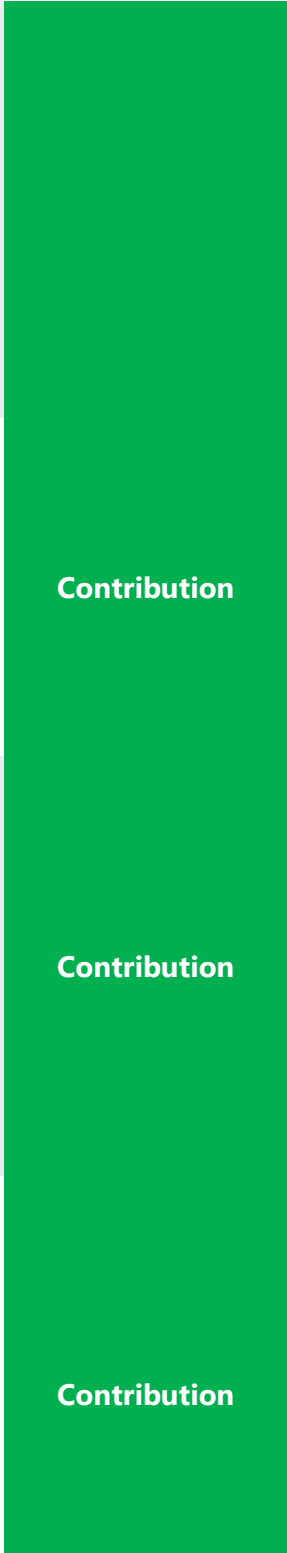
Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of equipment and technologies connected to sustainable mobility including:

- *Manufacturing of batteries including a recycling policy*

Clean Transport Infrastructure

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon transportation infrastructures including:

- *Infrastructure for personal mobility, cycle logistics⁴³*



⁴² The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 6.6.

⁴³ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 6.13.

Clean Transport Infrastructure

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon transportation infrastructures including:

- *Infrastructure for rail transport*

Clean Transport Infrastructure

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon transportation infrastructures including:

- *Infrastructure enabling road transport and public transport⁴⁴*
- *Infrastructure enabling low carbon water transport⁴⁵*

Clean Transport Infrastructure

Design, construction, modernization, operation, acquisition, installation, repurposing, retrofit and maintenance of low carbon transportation infrastructures including:

- *Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)⁴⁶*



⁴⁴ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 6.15.

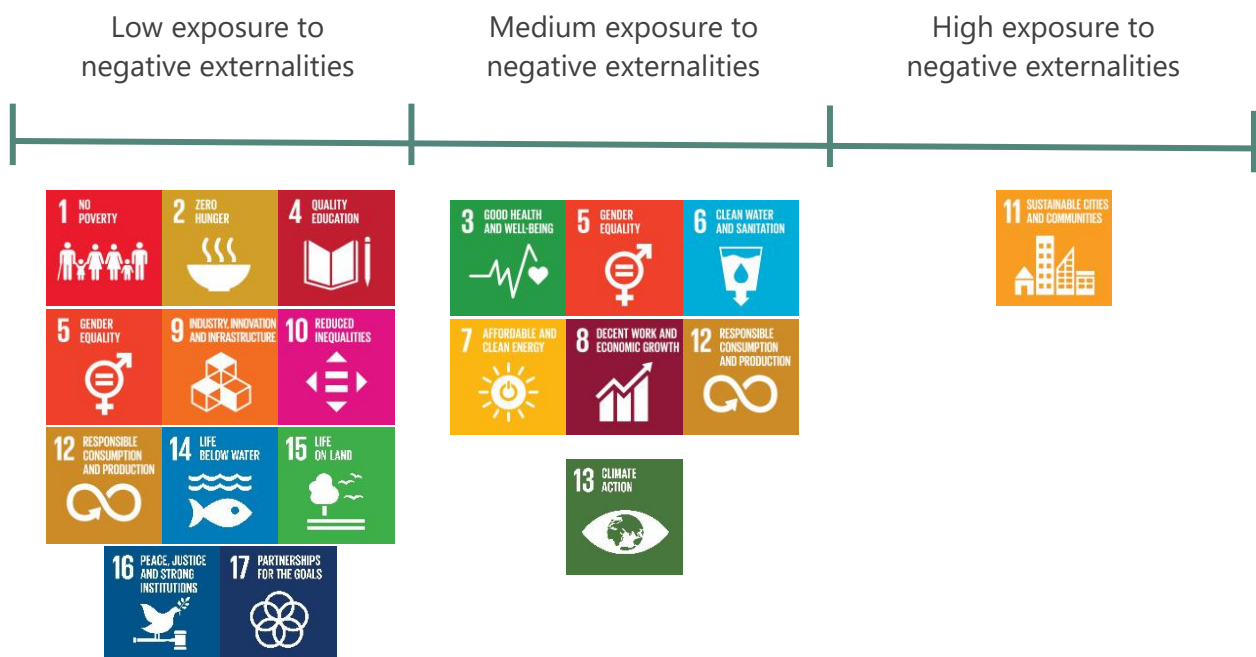
⁴⁵ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 6.16.

⁴⁶ The Issuer confirms the category aligns with the Substantial Contribution Criteria to Climate Change Mitigation of the E.U. Taxonomy for the activity 7.4.

2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer’s clients.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities⁴⁷ in the Real Estate eligible category (which Groupe BPCE finances) are the following:



The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

⁴⁷ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 3.B of the SPO.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT	SUSTAINABLE DEVELOPMENT GOALS
<p>Energy efficiency</p> <p><i>Renovation of existing buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented⁴⁸ and meeting either of the following applicable eligibility criteria:</i></p> <p>Primary Energy Demand (PED)</p> <ul style="list-style-type: none"> ▪ <i>The building renovation complies with the applicable requirements for major renovations⁴⁹ as set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU, alternatively it leads to a reduction of primary energy demand (PED) of at least 30 %⁵⁰ in comparison to the baseline performance of the building before the renovation (in kWh/m²/year).</i> ▪ <i>The building renovation aims to achieve an energy label of at least level C as defined by the Diagnostic de Performance Energétique (DPE) in France and representing an improvement in the energy label of at least 2 letters (corresponding to a reduction in post-renovation primary energy demand of at least 30%).</i> ▪ <i>The building post-renovation has an Energy Performance Certificate (EPC) class A or better. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational PED or the building’s PED post-renovation is at</i> 		

⁴⁸ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

⁴⁹ In France the RT Globale is the applicable national building regulation for ‘major renovation’ which is defined as a renovation where either the cost of the thermal renovation work decided by the project owner is greater than 25% of the value of the building excluding land or more than 25 % of the surface of the building envelope undergoes renovation.

⁵⁰ The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU.

Energy Efficiency

Renovation of existing buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented⁵¹ and having achieved or targeting to achieve post-retrofit at least one of the following environmental certification(s) with minimum level (In-Use or Refurbishment, as applicable):

- LEED⁵² ≥ Gold
- DGNB ≥ Gold
- HQE, HQE-B and HQE-BT ≥ Excellent
- HQE-BD ≥ Très Performant
- NF Habitat HQE
- BREEAM⁵³ ≥ Excellent
- NABERS 5 stars
- Green Star 5 stars
- Green Globes Platinum
- BBCA (Bâtiment Bas Carbone)



Energy efficiency

Renovation of existing buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented⁵⁴ and having achieved or targeting to achieve at least one of the following energy-efficiency or low-carbon label(s) with minimum level (In-Use, New Construction or Refurbishment, as applicable):

- E+C- (≥ E2C1, Energie Positive et Reduction Carbone)
- HPE (RT 2012-10%, Haute Performance Energétique)
- THPE (RT 2012 -20%, Très Haute Performance Energétique)
- Effinergie, BBC Effinergie, BBC Effinergie Rénovation, Effinergie +, BePOS Effinergie,



⁵¹ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities

⁵² LEED v4 or more recent.

⁵³ For BREEAM In-use certification the minimum level is observed at least on the Asset Performance part of the certificate.

⁵⁴ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

BePOS+ Effinergie, Effinergie Patrimoine, Effinergie Rénovation, Effinergie RE2020, Effinergie E+C-

- *Passive House (Maison Passive)*
- *Minergie, Minergie-A, Minergie-P*
- *Verde*

Energy efficiency

Renovation of existing buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented⁵⁵ and having achieved or targeting to achieve at least the following criteria:

Carbon Risk Real Estate Monitor (CRREM)

Buildings having achieved or targeting to achieve upon completion carbon intensity threshold at any time of the financing maturity, in kgCO₂e/m².year, as defined by the Carbon Risk Real Estate Monitor (CRREM)⁵⁶ applicable building type pathway and for the applicable geography (1.5°C pathway)



Energy efficiency

Renovation of existing buildings (residential or non-residential), primarily located in France or in other geographic areas where Groupe BPCE is implemented⁵⁷ and having achieved or targeting to achieve at least a minimum rating of Medium Green below the Natixis CIB Green Weighting Factor



⁵⁵ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities.

⁵⁶ Available at <https://www.crrem.eu/tool/>

⁵⁷ Notably including, but not limited to, Spain, Italy, Germany, Benelux, U.K. and U.S.A. as part of Natixis CIB activities

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE SELECTION CRITERIA

The table below evaluates the selection type against issuance-specific KPIs. The assets financed under this framework will be located in Europe, in Equator Principles (EP) Designated countries and some outside of European or EP Designated countries, notably by Natixis Corporate and Investment Banking (CIB), which will be project finance. The location of earmarked Eligible Green Assets and/ or split of earmarked Eligible Green Assets by entities of Groupe BPCE will be disclosed in the allocation report, which will be published annually until maturity of outstanding Sustainable Funding instruments.

ASSESSMENT AGAINST KPIs

ESG guidelines into financing process

Groupe BPCE has Environmental & Social risks screening processes in place to identify, categorize, and evaluate ESG risks for its financing and investing activities (retail banking, corporate & investment banking, and insurance).

Within the scope of retail banking, Groupe BPCE has included environmental and social criteria in the group's sectoral credit policies.⁵⁸ The non-financial risks committee (climate risk, credit analysis, and CSR teams) has been meeting every month since March 2020 to conduct ESG reviews of all business sectors and by type of customer. Within the framework of these reviews, each sector of activity is assessed on the basis of criteria related to physical climate risks, transition risks and other environmental objectives, in consistency with the European Taxonomy Regulation, as well as social and societal issues (i.e., human rights, labor rights, health and safety, gender equality) and sustainable governance consideration.

Regarding Corporate & Investment Banking, as a signatory of the Equator Principles, Natixis CIB applies the Equator Principles when assessing the environmental and social risks related to the dedicated-purpose financings.⁵⁹ The Groupe BPCE has included an appendix in the Green Funding Framework (Appendix IV), highlighting the processes for applying the Equator Principles for Eligible Assets located in France and outside of France. In addition, Groupe BPCE has a credit approval process in place, used as part of the client onboarding process (Know Your Client), in order to identify environmental and social risks related to a client's/investee's operations.⁶⁰ It covers four areas: 1) controversies to which the client may be exposed, 2) sectors in which the client operates, 3) maturity of the risk management framework, and 4) type of business relationship with Natixis. The credit approval processes permit to identify clients as most at risk, which are then subjected to in-depth analysis (based on 16 risk dimensions covering ESG factors).⁶¹ Finally, Natixis CIB has developed a proprietary

⁵⁸ Groupe BPCE's sector policies, available at: <https://natixis.groupebpce.com/articles/sector-policies/>

⁵⁹ Groupe BPCE Equator Principles, Project finance and dedicated funding available at: <https://natixis.groupebpce.com/articles/project-finance-and-dedicated-funding/>

⁶⁰ Groupe BPCE, Enhanced screening of corporate clients, available at: <https://natixis.groupebpce.com/articles/enhanced-screening-of-corporate-clients/>

⁶¹ Ibid.

methodology - the Green Weighting Factor - which aims to categorize the level of impact of each corporate & investment banking transactions. It results in a rating and color code assigned to each transaction, on a scale of seven levels ranging from dark brown (activities having harmful effect on the climate and the environment) to dark green (activities having a positive impact).⁶²

Eligible Green Assets bearing material and severe ESG controversies based on reliable sources will not be financed and/or re-financed by Groupe BPCE Sustainable Funding Instruments. When ESG risks and severe ESG controversies associated with a specific project/ client/ financing already earmarked to a Sustainable Funding Instrument are identified, the information is brought up to the various credit committees & decision instances. It can then be decided to put forward mitigation plans for project that are identified as medium or high risk, which may include measures such as conducting additional due diligence, engaging with stakeholders, and incorporating specific ESG criteria for project evaluation and monitoring. In case the mitigation plans fail to address the relevant E&S risks related to those projects, escalation measures can take place including potential withdrawing from particular financings/ clients/ projects.

ESG guidelines into financing process for most sensitive sectors⁶³ financed under this Framework

Groupe BPCE does not have sector guidelines specific for the forestry and agriculture industry. Yet, Groupe BPCE considers deterioration of natural capital as a topic of highest priority in its banking, asset management, and insurance activities. All financing, asset management and insurance business lines have been involved in a cross-functional discussion on biodiversity issues since 2018, resulting in eight concrete commitments targeted 100% on its direct and indirect biodiversity impacts. The commitments are part of Natixis' participation in the Act4Nature international initiative, and their objective SMART (specific, measurable, additional, relevant, time bound) were validated by a multi-stakeholder committee made up of 16 partners including several NGOs.⁶⁴

Moreover, the Issuer confirms that all the transactions financed under this framework that are related to forestry and agriculture activities, will be located in France. Thus, the borrowers are obliged to mitigate and reduce their environmental impacts as they need to comply with strict European Union standards in terms of Environmental and Social Impact Assessment. In addition, France has ratified all core International Labor Association's (ILO) core convention, therefore, all borrowers are obliged to comply with ILO requirement.

⁶² For more details regarding the thresholds and meaning of the color system of Natixis, please refer to Groupe BPCE's TCFD Report, 2023, available at: <https://groupebpce.com/en/the-group/publications>.

⁶³ The categorization of a sector as 'most sensitive' follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.

⁶⁴ Natixis' individual commitments to act4nature international, available at: https://www.act4nature.com/wp-content/uploads/2020/06/NATIXIS_VA_2020.pdf

ESG guidelines into financing process for Forestry

The Issuer requests for all the forestry projects financed under this framework to be compliant with the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest certification (PEFC), which ensures that assets financed under this framework provide for measure to protect habitat and wildlife. In addition, the FSC Principles and criteria for Forest Stewardship cover client-related sustainable forest management aspects such as responsible use of fertilizers and pesticides; alternatives to pesticides and herbicides; hazardous materials management; soil erosion; compaction and productivity; fire management; reforestation with native species; and multi-age and multi-species instead of monocultures.

ESG guidelines into financing process for Agriculture and Agriculture (with animals involved)

The Issuer requests for all agriculture projects financed under this framework to be compliant with the following eligibility criteria: financing farms certified in compliance with EU and/ or national organic farm regulation, such as the "Agriculture Biologique", "BioCohérence", and "Demeter" labels. In addition, the Bank has adopted the Equator Principles, a voluntary statement of commitment by Banks to observe certain environmental and social minimum standards in project finance. The principles cover (almost), all of the most relevant client-related sustainable management aspects for crop cultivation, such as water resources; water contamination and eutrophication; soil erosion and fertility; atmospheric emissions; responsible use of pesticides, herbicides, and fertilizers; alternatives to pesticides; herbicides, and fertilizers; crop rotation; polyculture farming instead of monoculture farming (crop diversity); and crop residues and solid waste.

Labor, Health, and Safety

The Issuer has measures in place systematically ensuring that assets financed under this framework provide for high health and safety and labor standards.



The French law on the duty of vigilance requires Natixis to prepare, publish and implement a duty of vigilance action plan containing reasonable vigilance measures that can identify and prevent the risks of violating human rights and basic freedoms, harming the environment, and endangering occupational health and safety, that are associated with the activities conducted by Natixis as well as its subsidiaries, subcontractors and suppliers with which an established commercial relationship is maintained, when these activities are concerned by this relationship. This vigilance plan launched in 2017 covers Natixis employees in its own locations, as well as suppliers during purchases of products and services made by Groupe BPCE purchases on behalf of Natixis.

In addition, for project finance, when eligible green assets are identified in non-designated countries, they will be assessed against a complete E&S process according to the Equator Principles which is based on the IFC Performance

standards. It ensures that the projects they choose to finance are developed in a socially responsible manner and reflect sound environmental management practices.

All financing goes through Groupe BPCE's ESG Due Diligence Plan, and Natixis standard credit and investment processes, which have been designed to ensure compliance with the standards defined by the ten principles of the United Nations Global Compact, the UN's Guiding Principles on Humans Rights, the standards defined by the International Labor Organization (ILO), and Equator Principles.

Biodiversity

The Issuer has policies and measures in place systematically ensuring that assets financed under this framework feature the respect of biodiversity as an integral part of the planning process.



For project finance, when eligible green assets are identified in non-designated countries, they will be assessed against a complete E&S process according to the Equator Principles, which ensures that the projects they choose to finance are developed in a socially responsible manner and reflect sound environmental management practices.

All financing goes through Groupe BPCE's ESG due diligence plan which is integrated in the financing granting process. Biodiversity is part of the 16 risk dimensions proposed for study in in-depth analyses by the analysts of the E&S ("Environmental & Social") Risk team. In addition, as integral part of the planning process, Natixis assesses for all assets under the Green Weighting Factor biodiversity aspects for assets in relevant sectors as well as the impact of dedicated financing solutions (project or asset financing) on Key Biodiversity Areas⁶⁵. When a biodiversity risk is identified as material via the ESG due diligence process, the Front-Office and/or Credit Risk must perform a biodiversity risk analysis. The analysis can be escalated to the ESG Risks team which will perform an in-depth analysis.

Community Dialogue

The Issuer has policies and measures in place systematically ensuring that assets financed under this framework feature community dialogue as an integral part of the planning process.



For project finance, when eligible green assets are identified in non-designated countries, they will be assessed against a complete E&S process according to

⁶⁵ Key Biodiversity Area (KBA) are defined with the following tool: <https://www.keybiodiversityareas.org/sites/search>.

the Equator Principles, which ensures that the projects they choose to finance are developed in a socially responsible manner and reflect sound environmental management practices.

All financing goes through Groupe BPCE's ESG due diligence plan which is integrated in the financing granting process. Community Dialogue is part of the 16 risk dimensions proposed for study in in-depth analyses by the analysts of the E&S ("Environmental & Social") Risk team.

Inclusion



The Issuer has policies in place ensuring that borrowers are not discriminated on the basis of age, disability, ethnic origin, family status, race, religion, gender, sexual orientation, nationality, and social origin in the access to credit.⁶⁶ To manage the risk of financial exclusion, Groupe BPCE has put in place systems that enable low-income customers to access financing and customers in vulnerable economic situations to effectively manage their bank accounts. The Banque Populaire and Caisse d'Épargne networks develop various inclusive finance mechanisms, such as basic banking services (account entitlement), specific offers for financially vulnerable customers (OCF), customer interviews, following the detection of a situation of weakness or to prevent the risk of over-indebtedness, personal or professional micro-loans, banking services adapted to disabled or protected persons.

Data protection and information security



Groupe BPCE has an internal Information System Security in place for systematically ensuring that data collection processes on borrowers meet minimum requirements for data and information security, and data security in outsourced data processing.

Groupe BPCE has an information security management system, which runs risk assessments, audits, incident management system, physical and technical safeguards, trainings and awareness raising (i.e., phishing awareness campaign and training programs with particular attention on cybersecurity risks).⁶⁷ In addition, the Groupe BPCE agrees to ensure that its use of personal data complies with the EU's General Data Protection Regulation (GPRD) and the French data protection act.⁶⁸ Groupe BPCE's entities comply with current legal provisions, notably those governing the use of algorithms whose employment

⁶⁶ Groupe BPCE's Code of conduct, available at: <https://natixis.groupebpce.com/wp-content/uploads/2019/02/Code-of-conduct-2022-EN.pdf>.

⁶⁷ Groupe BPCE's Universal Registration Document, 2023, p.139-141, available at: <https://groupebpce.com/en/the-group/publications>

⁶⁸ Personal data policy BPCE lease, available at: <https://www.lease.bpce.fr/en-fr/personal-data-policy-bpce-lease/#:~:text=The%20Groupe%20BPCE%20agrees%20to,the%20French%20data%20protection%20act.>

is regulated by a benchmark charter created at Group level. This ensures that their implementation respects the goals of the EU's GDPR on data protection and, in particular, the principles of loyalty, vigilance, ethics and traceability.

When outsourcing data, a dedicated outsourcing policy is applied by the Issuer to ensure the control of essential outsourced services, including the monitoring of critical or important services.⁶⁹ The suppliers must validate the responsible purchasing practices of Groupe BPCE,⁷⁰ including the compliance with the responsible purchasing charter and the compliance with reporting obligations with the "Devoir de Vigilance".⁷¹

Responsible treatment of customers with debt repayment problems



The Issuer has measures and policies in place to deal responsibly with clients having debt repayment problems. The Issuer has taken pre-emptive actions to prevent client debt repayment problems, including educational programs for clients in financial difficulties by partnering with non-profit organization (i.e., Finances & Pédagogie), which offer educational program for young people, for people in financial difficulty, and social aid professionals. In addition, Groupe BPCE has processes in place to allow the early identification of customers at risk of incurring excessive debt.⁷² Moreover, the Issuer offers internal debt counselling and debt management options as a separate service to clients with debt repayment problems in order to maintain the commercial relationship. Groupe BPCE also offers some debt restructuring measures (i.e., lower interest rates) to their clients under non-detrimental conditions. Each of Groupe BPCE's regional banks has an amicable debt collection department whose aim is to maintain the commercial relationship with the over-indebted customer by providing support and advice and implementing a gradual debt repayment plan. When this department takes charge of the customer, bank charges and agios are suspended. Finally, the Issuer has measures in place to ensure that the Bank sells mortgages under conditions that are not detrimental to clients and guarantee that all alternative options are examined before undertaking foreclosure as a last resort.

Sales practices



The Issuer has measures and policies in place systematically ensuring that assets financed under this framework provide for responsible sales practices. Groupe BPCE has dedicated trainings and educational sessions for its employees,

⁶⁹ Groupe BPCE's Universal Registration Document, 2023, available at: <https://groupebpce.com/en/the-group/publications>

⁷⁰ Groupe BPCE's Supplier policies, available at: <https://groupebpce.com/en/suppliers>

⁷¹ Groupe BPCE's Responsible Purchasing Charter, available at: <https://groupebpce.com/en/content/download/35805/file/Charte%20Achats%20Responsables.pdf>

⁷² Groupe BPCE's Universal Registration Document, 2023, p.61 and 76, available at: <https://groupebpce.com/en/the-group/publications>

covering the main topics of responsible sales practices such as product transparency, fair and honest treatment to a client.⁷³ In addition, the Bank runs customer surveys focusing on their post-sale understanding of product and services. Groupe BPCE also regularly conducts client assessment to determine risk profiles against the risk profile of the investment. Finally, ethical considerations are included in the calculation of bonus payment at Groupe BPCE. Groupe BPCE must comply with the SFRD regulation 2019 2088, which obliges the Bank to have a remuneration policy that includes qualitative criteria reflecting applicable regulations, fair treatment of clients, and the quality of the services.⁷⁴

Responsible marketing



The Issuer has measures and policies in place ensuring that assets financed under this framework followed responsible marketing practices. The Issuer is committed to being transparent in its marketing activities and product risk. It has guidelines in place on clear and correct pricing, and the provision of complete and understandable information.⁷⁵ Sales personnel are obliged to undergo training in view of their decisive role in customer protection. They are responsible for conveying offers in a transparent and proper manner, by effectively providing clients with information on products risk.⁷⁶

Exclusion criteria

The Issuer ensures that assets in the following sectors may not be financed and/or re-financed by Groupe BPCE Sustainable Funding Instruments: Oil, Defense, Tobacco, Coal, Gambling.⁷⁷

Furthermore, the following activities are excluded for each Eligible Green Project Category:

- Renewable Energy & Energy Efficiency: large hydropower plants (>1000MW), methanisation plants with quantity of treated matter greater than 100t per day subject to ICPE authorisation⁷⁸ and third generation biofuels (e.g. algae) are excluded. For avoidance of doubt, fossil-fuel related energy generation, including projects with waste heat from fossil-fuel production and operations, are also excluded.
- Green Buildings & Energy-efficient urban development: buildings dedicated to the storage of fossil fuels are excluded.

⁷³ Ibid.

⁷⁴ Caisse D'Epargne and Banque Populaire SFRD regulation, available at: <https://www.caisse-epargne.fr/votre-banque/reglementation/reglementation-sfdr/> and <https://www.banquepopulaire.fr/votre-banque/reglementation/reglementation-sfdr/>

⁷⁵ Groupe BPCE's Code of Conduct, p.13, available at: <https://natixis.groupebpce.com/wp-content/uploads/2019/02/Code-of-conduct-2022-EN.pdf>

⁷⁶ Groupe BPCE's protection of customers policy, available at: <https://groupebpce.com/en/the-group/compliance>

⁷⁷ Groupe BPCE's sector policies, available at: <https://natixis.groupebpce.com/articles/sector-policies/>

⁷⁸ Available at <https://atee.fr/energies-renouvelables/club-biogaz/rubrique-2781-installations-de-methanisation>

- Sustainable Agriculture: specific agricultural activities are excluded including cultivation of sugar cane (NACE Code 0114Z), tobacco growing (NACE Code 0115Z), other non-permanent crops (NACE Code 0119Z), winegrowing (NACE Code 0121Z), tropical and subtropical fruit growing (NACE Code 0122Z), other permanent crops (NACE Code 0129Z).
- Clean Transportation Infrastructure & Sustainable Mobility: vehicles and/or infrastructure dedicated to the transport or storage of fossil fuels are excluded.

PART III: CONSISTENCY OF GREEN FUNDING INSTRUMENTS WITH BPCE’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Topics	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer's sustainability strategy is guided by a commitment to business ethics and the effective management of legal, regulatory, and ethical risks for its stakeholders, including customers, employees, and partners. Aligned with the United Nations' Sustainable Development Goals (SDGs), the strategy is structured around three core pillars: meeting civil society expectations, contributing to the environmental transition, and shaping the future of work.</p> <p>This strategy is implemented through 12 key commitments:</p> <ul style="list-style-type: none"> ▪ Fostering cooperative values ▪ Driving economic development in the region ▪ Supporting vulnerable customers ▪ Implementing a responsible purchasing policy ▪ Aligning portfolios with a Net Zero trajectory ▪ Advancing green refinancing initiatives ▪ Assisting customers in their environmental transition ▪ Developing a comprehensive ESG offering ▪ Decreasing the group's environmental impact ▪ Enhancing employability opportunities ▪ Championing gender equality ▪ Supporting youth employment
<p>ESG goals/ Targets</p>	<p>To achieve its strategic ESG topics, the Issuer announced interim alignment targets for two sectors with high emissions for the year 2022, revised upwards in December 2023:</p> <ul style="list-style-type: none"> ▪ In the power generation sector, the Issuer has revised its ambition to reduce carbon intensity to below 90 g CO₂e/kWh by 2030 (vs 138 g CO₂e/kWh in the interim alignment target published in 2022); ▪ For the oil and gas sector, the Issuer plans to reduce carbon emissions related to the end use of financed oil or gas

	<p>production by 70% by 2030 (against an initial target of a 30% reduction).</p> <p>Furthermore, in December 2023, the Issuer set new 2030 targets for three sectors – automotive, steel, and cement, covering corporate and investment banking activities (Natixis CIB):</p> <ul style="list-style-type: none"> ▪ In the automotive sector, the Issuer aims to reduce its financed carbon intensity by about 40% compared to 2022 and achieve a carbon intensity of less than 100 gCO₂e/km by 2030, focusing on financings for automobile manufacturers associated with light vehicles. ▪ For the cement sector, the goal is to achieve a carbon intensity of less than 525 kgCO₂e/ton of cement by 2030, targeting cement and clinker producers. ▪ In the steel sector, the aim is to achieve a carbon intensity of 1.4 tCO₂e/ton of steel by 2030, focusing on steel producers. <p>These targets are publicly disclosed in the annual universal registration document⁷⁹ and the Task Force on Climate-related Financial Disclosure report⁸⁰. Moreover, the Issuer currently does not intend to have Net-Zero Banking Alliance (NZBA) targets SBTi verified.</p>
<p>Action Plan</p>	<p>The Issuer's action plan to achieve its ESG targets includes:</p> <ul style="list-style-type: none"> ▪ Anticipating a decline in financed emissions by leveraging decarbonization commitments from current customers. ▪ Implementing exclusion policies to gradually reduce exposure to harmful activities, thereby lowering financed carbon emissions. ▪ Expanding low-carbon financing to grow business activities and decrease carbon intensity. ▪ Establishing the Sustainable Finance Center within the group's CSR department in 2022 to align portfolios with a carbon neutrality target by 2050 and develop methodologies for measuring carbon footprint and portfolio trajectory. ▪ Implementing the Green Weighting Factor tool to analyze climate performance and guide decision-making for CIB activities and financing portfolios.

⁷⁹ Groupe BPCE's Universal Registration Document, 2023, <https://groupebpce.com/en/the-group/publications>

⁸⁰ Groupe BPCE's TCFD report, 2023, <https://groupebpce.com/en/the-group/publications>

	<ul style="list-style-type: none"> ▪ Integrating climate criteria into capital allocation optimization within the Investment Banking business unit, potentially reallocating exposures between sectors. ▪ Continuously improving methodologies, tools, and data quality to better assess customer emissions and commitments during transformation.
<p>Climate Transition Strategy</p>	<p>In the 2024 strategic plan, the Issuer has outlined four key climate-related objectives:</p> <ul style="list-style-type: none"> ▪ Assess the climate impact of its financing, investment, and insurance activities, managing them within the Paris Agreement framework to aim for the 1.5°C target. Priority will be given to portfolios with the highest proportion of greenhouse gas-intensive sectors. ▪ Assist customers in navigating their environmental transition by providing financing, savings, insurance, advisory services, and strategic dialogue, offering expertise, solutions, and long-term vision. ▪ Expand its sustainable funding strategy through the issuance of environmental and social-themed bonds. ▪ Accelerate the reduction of its direct environmental footprint with a goal of reducing carbon emissions (Scope 1, 2 and 3) by 15% by 2024 compared to 2019 levels.⁸¹ <p>Moreover, to align with the Paris Climate Agreement and pursue a trajectory towards carbon neutrality by 2050, the Issuer is:</p> <ul style="list-style-type: none"> ▪ Continuing the climate assessment of its financing portfolios by developing the Green Evaluation Methodology. ▪ Experimenting with the color mix of its investment banking portfolios and assessing the temperature of investment portfolios in its insurance activities at an operational level. ▪ Focusing alignment efforts on the most carbon-intensive sectors by setting its first intermediate targets for the energy sector by 2030 within the framework of the Net-Zero Banking Alliance (NZBA).

⁸¹ Groupe BPCE TCFD report, p.34, available at : <https://groupebpce.com/content/download/37594/file/240326-TCFD%20-Version%20FR.pdf>

<p>Top three areas of breaches of international norms and ESG controversies in the industry⁸²</p>	<p>Financial market irregularities, Failure to mitigate climate change impacts and Failure to prevent money laundering.</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p>Sustainability Reporting</p>	<p>The Issuer follows the Global Reporting Initiative (GRI) guidelines to complete non-financial performance statement.</p>
<p>Industry associations, Collective commitments</p>	<p>The Issuer has committed to several collective initiatives, including:</p> <ul style="list-style-type: none"> ▪ Net Zero Banking Alliance and GFANZ ▪ The United Nations Global Compact ▪ The United Nations Principles for Responsible Investment (UN-PRI) ▪ The Principles for a Responsible Banking Sector (PRB) ▪ The Equator Principles ▪ The OECD Guidelines for Multinational Enterprises ▪ The Green Bond Principles and the Social Bond Principles (ICMA) ▪ The Climate Bonds Initiative ▪ The Carbon Disclosure Project (CDP)
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>Groupe BPCE entered the sustainable bond market in 2015 with its first green issue dedicated to refinancing renewable energy assets of its specialized subsidiary, BPCE Energieco. Groupe BPCE used for the first time in 2018, its flagship “Local Economic Development” methodology to refinance social assets following a principle of “geo-scoring” French municipalities.</p> <p>Since then, Groupe BPCE expanded the scope of its sustainable bonds across all eligible asset classes. As part of the execution of its BPCE 2024 strategic plan, the group committed to at least three sustainable development issues per year, contribute to the development of sustainable finance.</p>

⁸² Based on a review of controversies identified by ISS ESG over a 2-year period, the top three issues that have been reported against companies within the Commercial Banks & Capital Market industry are displayed above. Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry

In 2023, Groupe BPCE issued four green and social bonds for €2.25 billion for environmentally and socially responsible investors, bringing the amount of sustainable development public issues to €11.3 billion. Taking into account network issues, structured private placements and savings products subscribed by its individual and corporate customers, the total amount of sustainable development refinancing reached €25.1 billion.

Rationale for issuance

Groupe BPCE has established a Green Funding Framework to provide sustainable solutions to its customers and transparency and sustainability-focused products to investors. Green Funding Instruments within the Framework are utilized to finance or refinance Eligible Green Assets, such as Renewable Energy, Transmission and Distribution of Energy, Green Buildings, Storage of Energy, Manufacturing activities connected to Renewable Energy, Sustainable Agriculture, Sustainable Forestry, Sustainable Mobility, Manufacturing activities connected to sustainable mobility, Clean Transport Infrastructure, which are defined by their environmental benefits.

Opinion: *The key sustainability objectives and the rationale for issuing Green Funding Instruments are clearly described by the Issuer. All of the project categories financed are in line with the sustainability objectives of the Issuer.*

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

BPCE commissioned ISS-Corporate to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Funding Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Bond, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- Green Bond Principles

ISSUER'S RESPONSIBILITY

BPCE's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risks management at the Framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a 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 Second Party Opinion of the Green Debt Instruments to be issued by BPCE has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles.

The engagement with BPCE took place in February and April 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has 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 SPO

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.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

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