



SECOND PARTY¹ OPINION ON SUSTAINABILITY OF BPCE'S "GREEN BOND"

Issued in November 2015

SCOPE

Vigeo was commissioned to provide an independent opinion on the sustainable credentials of the "Green Bond" to be issued by BPCE, related to Natixis Energeco projects, according to the Vigeo Environmental, Social and Governance (ESG) assessment methodology. The opinion is based on the review of the three components of a sustainable green bond, in line with the Green Bond Principles:

- Issuer: Analysis of the issuer ESG performance, controversies on ESG issues and capacity to mitigate these risks.
- Project framework: Review of the financed project purpose and expected environmental benefits (use of proceeds) and evaluation of the process for project evaluation and selection and its implementation regarding a project sample.
- Reporting framework: Assessment of reporting capacity and commitments for project fund allocation, environmental benefits and ESG project management.

Vigeo's sources of information are gathered from the issuer, press content providers and stakeholders. Vigeo reviewed documents supplied by the issuer and conducted interviews with people from across different Groupe BPCE departments.

VIGEO OPINION

Vigeo confirms that the bond to be issued by BPCE is a "Green Bond", aligned with the Green Bond Principles and Vigeo's level of assurance on the sustainability of the bond is reasonable²:

- The issuer displays an overall robust² ESG performance (see Part I.).
- The net proceeds of the issuance will be used to finance and refinance Renewable Energy Projects which contribute to fight against climate change and to energy transition, i.e. reduction of CO₂ emissions and production of renewable energy. In addition, eligible projects will meet a set of Environmental, Social and Governance (ESG) criteria to attest their sustainable value and responsible management (see Part II.).
- The reporting commitments cover the selection of eligible projects, the estimation of environmental benefits and other additional ESG factors, showing an overall consistent level of transparency and a capacity to report on the Green Bond (see Part III.).

Part I. ISSUER

Level of the issuer's ESG performance:

As of December 2014, Groupe BPCE displays an overall robust ESG performance and ranked 8th out of 33 in the "Diversified Bank" Vigeo sector. Groupe BPCE's performance is rather homogeneous among the three ESG pillars. The best performance is observed in the Social pillar, thanks to the contributions in terms of socio-economic development and financial inclusion. The performance in the Governance pillar is robust: noteworthy are the improvements on executive remuneration and the processes to prevent corruption and money laundering. The performance in the Environmental pillar has improved thanks to advanced initiatives to manage indirect environmental impacts, but remains limited also due to the absence of formalized group-wide commitments on the fight against climate change. Natixis, the Groupe BPCE's subsidiary in charge of Corporate Banking, Investment Management, Insurance and Financial Services, displays a proactive approach to responsible investment and to the integration of environmental consideration in project financing.

ESG risk mitigation:

Vigeo's level of assurance on Groupe BPCE management of the ESG risk factors of the company ranges from reasonable to moderate. In particular, our level of assurance regarding the management of risk relating to its human capital, reputation and operational efficiency is good, while our level of assurance regarding the management of CSR risks related to its legal security is moderate.

Stakeholder-related ESG controversies and disputable activities:

As of October 30th 2015, Groupe BPCE faced occasional controversies. The severity ranges from minor to high, only two cases are considered as high, based on the analysis of its impact on the company and its stakeholders. Groupe BPCE is reactive and announced remedial actions for impacted stakeholders in response to these controversies³.

Groupe BPCE is not involved in any of the 9 disputable activities⁴ analysed by Vigeo.

Part II. PROJECT FRAMEWORK

Use of proceeds:

According to Groupe BPCE's sustainability strategy, the issuer will indirectly finance and refinance **Renewable Energy Projects**, originated by entities within the Natixis' group, the subsidiaries belonging to Groupe BPCE. These projects include existing, on-going and/or future projects of conception, construction, operation and/or maintenance of renewable energy production units located in France, i.e. energy produced from wind (on-shore) and solar power and biomass (wood-energy).

Eligible projects are positive from a sustainability perspective, due to expected environmental benefits on climate change and energy transition.

Process for project evaluation and selection:

The process for evaluation and selection of eligible projects to be financed and refinanced is defined through 6 selection criteria, which are exhaustive, precise and publically available on the issuer website. We consider that ESG specific risks for Renewable Energy Projects, constructed and operated in France, are covered and the dedicated requirements to the client and to transactions are defined.

The selection of eligible projects will be validated by a dedicated Committee, with Natixis Energeco CEO and Natixis Treasury Teams. The list of eligible projects to be financed by the proceeds of the bond will be updated on an as-needed basis, according to the requirements of the green bond framework.

The evaluation and selection process is in line with Groupe BPCE commitments in terms of responsible finance, and efficient in identifying, assessing and integrating ESG issues in project selection and financing.

In case of controversy and / or additional information which may modify the Bank's assessment of an element coming under the application of the Equator Principles or would raise material issues regarding ESG risks, the project would no longer be qualified as 'Eligible Green Project' and would be replaced by another eligible project, as described in the Green Bond framework. In addition, a dedicated information will be addressed to investors.

Vigeo considers that the evaluation and selection process is clearly defined and is robust from a sustainability perspective.

Some existing projects have already been selected by the issuer, based on the described framework. We provide a **reasonable level of assurance on selected projects**, as green projects all located in France, contributing to climate change mitigation, with ESG-risk management well integrated and categorized by Natixis Energeco as low risk.

Part III. REPORTING FRAMEWORK

BPCE commits to report annually until the maturity date of the bond, in a dedicated Green Bond report publically available on its website, on:

- **Use of the Green Bond proceeds:** fund allocation and list of financed projects, in line with confidentiality practices
- **Environmental benefits:** based on ex-ante estimates of climate benefits of each project, and aggregated at bond level, using recognized methodologies
- **Responsible management:** additional indicators on ESG factors, for each project and aggregated at bond level, depending on the information availability and relevance of the ESG matters
- **External assurance:** the "Auditor's Report" on the compliance, in all material respects, of the Eligible Projects with the Selection Criteria and the pending cash allocation.

Projects will be added to the report once the issuer has approved and determined an asset as eligible. Selected reporting indicators are exhaustive and relevant regarding use of proceeds and GHG accounting, showing a consistent capacity to report transparently on fund allocation and on environmental benefits. Based on overall information, the reporting on responsible management is more partial, especially during the project life, showing a limited level of transparency on project management.

Vigeo provides a reasonable level of assurance on BPCE' reporting commitments.

INDEPENDENT ASSURANCE

BPCE's Green Bond issuance is supported by independent assurance provided by:

- **A Second Party**, the hereby opinion on sustainable credentials of the bond, before the issuance and covering all the bond dimensions, i.e. issuer commitments, project (use of proceeds and ESG integration) and reporting (purpose of this mission);
- **A Third Party**, an external ESG and/or financial auditor, on the annual verification of the tracking bond proceeds and the compliance of the selected projects with the above selection process, during the fund allocation process, until the maturity date of the bond

More detailed results are provided in the next pages for each component.

This opinion is valid as of the date of issuance limited to BPCE's Green Bond

Paris, November 9th 2015

Director of mission
Sophie Thiéry



CSR Consultant
Laurie Chesné



Disclaimer

Transparency on the relation between Vigeo and the issuer: Vigeo has executed 2 audit and consultancy missions for BPCE and its subsidiaries until so far. BPCE is shareholder of Vigeo, as a member of the board sub-group of Asset and Pension Fund Managers (33,4%). In addition, Philippe Zaouati, director of Mirova, a subsidiary of BPCE, was member of the Board of Directors of Vigeo (but is not anymore, he resigned in October 2014).

This opinion aims to explain for investors why the Green Bond is considered as sustainable and responsible, based on the information which has been made available to Vigeo and which has been analyzed by Vigeo. Providing this opinion does not mean that Vigeo certifies the materiality, the excellence or the irreversibility of the projects financed by the Green Bond. BPCE is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo neither focuses on financial performance of the Green Bond, nor on the effective allocation of funds' use of proceeds. Vigeo is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of BPCE or its financial obligations.

¹ **Second Party Opinion – Green Bond Principles:** This opinion is to be considered as the "Second Party Opinion" described in the Voluntary Process Guidelines for Issuing Green Bonds, issued by Green Bond Principles, March 27th 2015.

² **Vigeo's scales** are defined as page 11.

³ The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of BPCE or its financial obligations.

⁴ **Disputable activities analysed by Vigeo:** Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, GMOs in food & feed, Nuclear energy, Sex industry, Tobacco.

DETAILED RESULTS

Part I. ISSUER

Level of the issuer's ESG performance:

As of December 2014, Groupe BPCE displays an overall robust ESG performance.

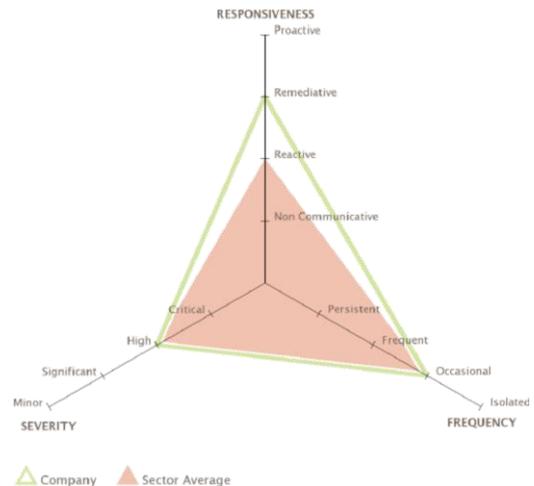
Domain	Comments	Opinion assessment level
Environment	Groupe BPCE's performance in the Environment domain is almost robust and in line with the sector average. The group has a comprehensive environmental strategy. Processes to apply the Equator Principles are now fully integrated and strong practices of responsible investment are observed, although still confined to high risk projects or specific funds. Groupe BPCE is active in the fight against climate change through dedicated financing in renewable energy projects, but no formalized policy on this issue is visible. Relevant initiatives to reduce direct impacts from business travels are disclosed, though without clear reduction targets. The group is criticized for the support to projects controversial in terms of environment and climate change, but it reports transparently on these cases.	Advanced
		Robust
		Limited
		Weak
Social	<p>Groupe BPCE's performance in the Human Resources domain is robust, above the sector average. The group has an advanced approach to labour relations and is very proactive on career management and training of its workforce. Relevant initiatives have been set up to manage occupational security and work-related stress. The overall performance in the domain can be further improved by the adoption of a group-wide framework on the fair management of restructurings.</p> <p>Groupe BPCE's performance in the Human Rights domain is advanced, above the sector average. Processes to integrate human rights considerations in banking activities have been reinforced, while the reporting on efforts to protect clients privacy can be improved. Groupe BPCE has adopted group-wide commitments on gender equality, diversity and employment of persons with disabilities.</p> <p>The performance of Groupe BPCE in the Community Involvement domain is advanced, well above the sector average. Groupe BPCE describes relevant initiatives to address social and economic development. Advanced practices are also observed in terms of financial inclusion: Groupe BPCE is founding member of initiatives to promote financial education and support people facing financial problems.</p>	Advanced
		Robust
		Limited
		Weak
Governance	<p>Groupe BPCE's performance in the Business Behaviour domain is limited, in line with the sector average. The performance is partially curbed by the absence of a formalized group-wide commitment on transparent and fair relations with clients, despite the relevant means actually in place. Groupe BPCE has in place a convincing framework on business ethics, and in 2013 it launched an anti-corruption initiative aimed at grouping all existing systems in a general group policy.</p> <p>As in the previous review, Groupe BPCE obtains a robust performance in the Corporate Governance domain. The internal control systems also covers CSR risks, but no stand-alone CSR Risk Committee has been set up at Board level. In 2013, the subsidiary Natixis was fined by French authorities for control deficiencies, but corrective actions have been implemented. Executive compensation is transparently disclosed and the group remuneration policy explicitly integrates CSR performance conditions.</p>	Advanced
		Robust
		Limited
		Weak

Natixis is included in the following Vigeo Indices (as of June 1st, 2015) :



Stakeholder-related ESG controversies and disputable activities:

- ESG Controversies
 - **Frequency:** as of October 30th 2015, Groupe BPCE faces occasional allegations: the group is involved in 7 stakeholder-related ESG controversies, in line with the sector average.
 - **Severity:** The level of severity ranges from minor to high (1/7 minor, 4/7 significant, 2/7 high and no critical case).
 - **Responsiveness:** Groupe BPCE is overall remediative: the group reports transparently on most of the cases, and remedial actions have been taken in all the cases, which is above the average sector responsiveness.



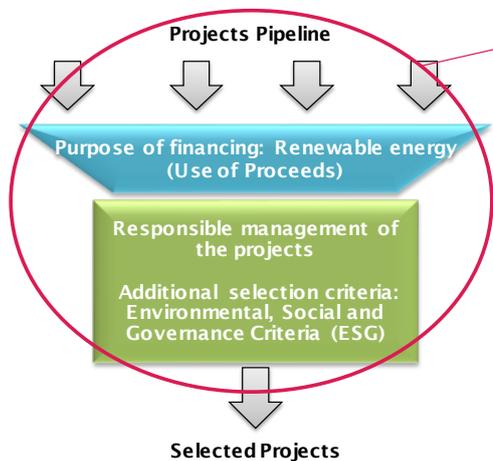
In particular, Groupe BPCE has been recently criticized by NGOs for its involvement in food speculation, for its presence in secrecy jurisdictions and for the financing of projects considered controversial in terms of social and environmental impacts, but it reported transparently on these cases. Natixis took a recent commitment to end its financing of coal-fired power plants and thermal coal mines worldwide.

Sources: Factiva research and Company's sources

- Involvement in disputable activities

Groupe BPCE is not involved in any of the 9 disputable activities analyzed by Vigeo: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, GMOs in food & feed, Nuclear energy, Sex industry, Tobacco.

Part II. PROJECT FRAMEWORK



Project Evaluation and Selection Framework

1. Ensure the Green Bond proceeds will finance **Eligible Projects** with the purpose of financing **renewable energy projects**
2. Attest the **Sustainable Value and responsible management of these projects**, through Environmental, Social and Governance (ESG) selection criteria, in line with the Equator Principles guidelines and ESG relevant drivers

The selection of eligible projects will be validated by a dedicated Committee, with Natixis Energieco CEO and Natixis Treasury Teams. The list of eligible projects to be financed by the proceeds of the bond will be updated on a quarterly basis, and according to the requirements of the Green Bond framework.

Use of proceeds:

The net proceeds of the Green Bond issuance will be used to indirectly finance and refinance, in whole or in part, the debt capital of eligible projects, defined as **Renewable Energy projects***, managed by Natixis Energieco, and which contribute to fight against climate change. Eligible projects will meet a set of Environmental, Social and Governance (ESG) Selection Criteria developed by Natixis Energieco and approved by Vigeo, and which are available on the Issuer's website.

*Renewable Energy projects include existing, on-going and/or future projects of conception, construction, operation and/or maintenance of renewable energy production units, i.e. energy produced from wind (on-shore), solar power and biomass, which are located in France.

Expected environmental benefits of these projects **on climate change and energy transition** have been described and will be assessed annually, using recognized methodologies (see Part III.). The associated objectives and expected benefits are visible, precise, measurable and relevant.

Process for project evaluation and selection

BPCE has committed to attest the responsible management and sustainable value of the financed projects, through 6 Environmental, Social and Governance (ESG) Selection Criteria, which have been developed by Natixis Energenco and evaluated by Vigeo, using its ESG methodology (detailed evaluation framework in Methodology appendix) and taking into account the existing Groupe BPCE's Sustainable Development commitments.

Selection Criteria	Supporting elements and assessment documents
Environmental impact mitigation : biodiversity, local disturbances from construction and exploitation phases, landscape	<ul style="list-style-type: none"> - ICPE* file (when applicable) - Construction and exploitation permits - Impact assessment studies - Tender offers' specifications (when applicable)
Local impact mitigation, Stakeholders' engagement and consultation	<ul style="list-style-type: none"> - Permitting (public meeting / inquiry results) - Legal audits - ICPE File (when applicable)
ESG due diligence process	<ul style="list-style-type: none"> - E&S risk-management procedure, based on Equator Principles (EP) guidelines, embedded in Natixis Energenco's Internal Loan approval process - Contractual clause demanding from sponsor to report any major change to operating conditions (notably legal proceedings from local communities) - Internal loan process (focus on biomass supply plan and contribution to local economic development) - Risk mapping on project shareholders (SPV members) - ICPE File and permits (when applicable)
Business practices' review: money laundering, corruption, human rights, conflict of interest	<ul style="list-style-type: none"> - Know Your Customer (KYC) procedure - Compliance with anti-money laundering procedure (LAB) - Long-term commitment
Supplier's audit: financial stability and product quality	<ul style="list-style-type: none"> - Natixis Energenco referenced list of suppliers
Labour rights conformity and social requirements	<ul style="list-style-type: none"> - Within Energy Transition French law - Legal review of contractual clause on respect of labour rights and social legal requirements (SPV contracts)

*ICPE : Installation Classified for the Protection of the Environment. In France, any industrial installations which can cause damages or hazards to persons or environments are subject to authorisations. Authorisations are defined by the law (livre V du Code de l'Environnement - Article L.511-1 à L.517-2). Main objectives of the ICPE are to assess the protection of:

- Neighbourhood convenience
- Security and hygiene of public health
- Agriculture
- Protection of nature and the environment
- Preservation of monuments and archaeological heritages and sites

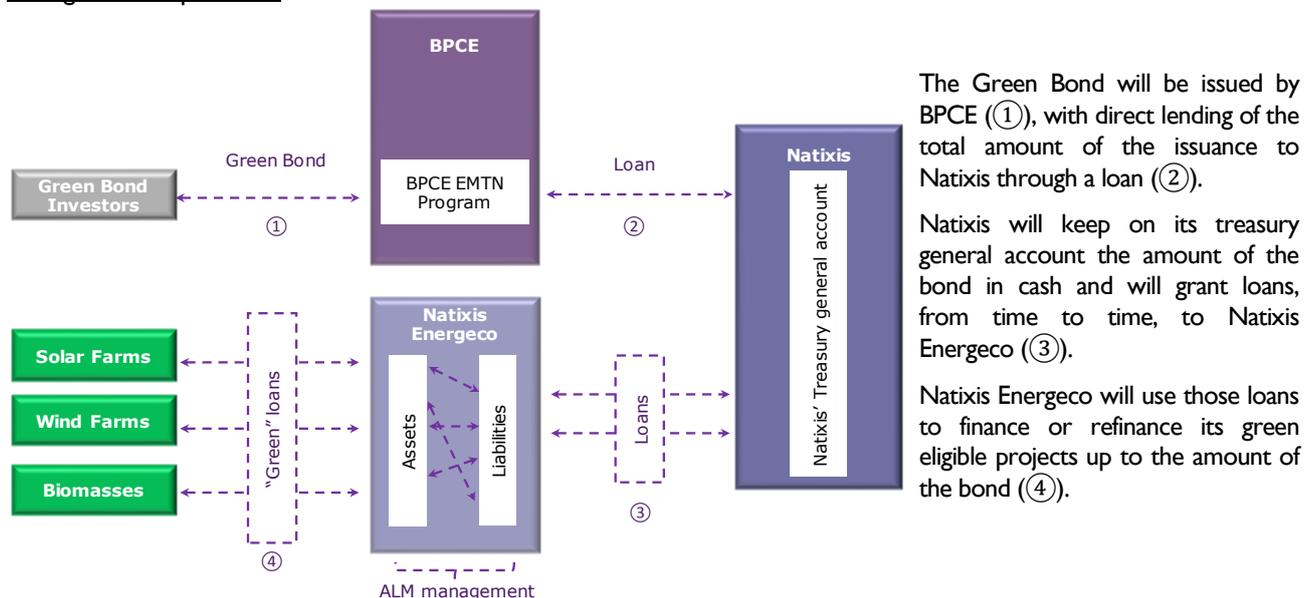
The ESG Selection Criteria are exhaustive, regarding international standards in terms of sustainability (OECD Guidelines, ILO Conventions, Equator Principles...) and key Environmental, Social and Governance (ESG) issues of eligible projects' sector, and precise regarding the detailed supporting elements used for the evaluation and selection. These ESG Selection Criteria are publically available on the issuer website.

The ESG assessment process implemented by Natixis Energeco is robust and coherent with Groupe BPCE's commitments:

- The assessment process is formalized in dedicated procedures, with a precise definition of the ESG principles and the different steps in the evaluation depending on the risk categorization both at project level (based on EP risk categories A, B or C) and at client level (based on KYC definitions).
- Internal responsibilities are well-defined and involved people (Natixis Energeco project managers, Risk and Compliance departments) received a dedicated training on Equator Principles methodology by the ESR team and regular training on KYC is implemented.
- The ESG evaluation is systematically verified internally by the Natixis Energeco Executive Director, with an in-depth analysis by the Environmental and Social Responsibility (ESR) team in case of project categorized as medium (B) and high risk (A).
- The consultation of local project stakeholders and the research of ESG controversies (sector, client, project) are systematically part of the evaluation process
- The Categorization grid and the E&S Appendix ensure the justification and the traceability of the evaluation
- After the closing, the annual review of the project, made by the dedicated Natixis Energeco Portfolio Management team, is systematically validated by the Natixis Energeco Risk Department.

The selection of existing eligible projects has already been made by Natixis Energeco, according to the requirements of the framework. The selected projects are categorized by Natixis Energeco as **low risk**, i.e. with minimal or no environmental or social impacts. The ESG-risk assessment process has been correctly implemented on the sample of projects reviewed.

Management of proceeds



The Green Bond will be issued by BPCE (①), with direct lending of the total amount of the issuance to Natixis through a loan (②).

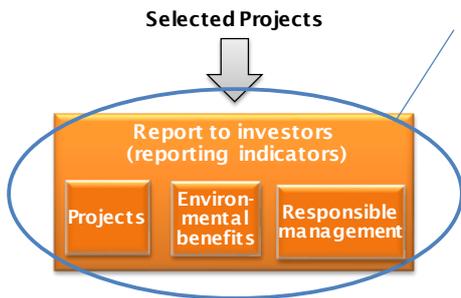
Natixis will keep on its treasury general account the amount of the bond in cash and will grant loans, from time to time, to Natixis Energeco (③).

Natixis Energeco will use those loans to finance or refinance its green eligible projects up to the amount of the bond (④).

By the end of the investment period, around 4 years, the total amount of the bond will be allocated to Energeco, on the basis of the green portfolio established during the period. The Issuer will take specific measures as part of the annual financial audit process to track investments of the proceeds allocated to Eligible Green Projects.

A list of Eligible Projects will be set up and updated from time to time to include any Eligible Projects newly financed or refinanced by Natixis on-lending all or part of the Natixis Loan, and to remove any Eligible Projects that are no longer financed or refinanced by this means due to their repayment or prepayment or if any such project ceases to be an Eligible Project. However, the list of Eligible Projects will be annually updated if no new Eligible Projects are financed or refinanced by the Natixis Loan.

Part III. REPORTING FRAMEWORK



Reporting Framework

3. Report to investors on **financed projects, environmental benefits and responsible management**, via reporting indicators

BPCE is committed to report annually and until the maturity date of the bond on:

- **Use of the Green Bond proceeds:** fund allocation and list of financed projects, with related description of each project, in line with confidentiality practices
- **Environmental benefits:** based on ex-ante estimates of climate benefits of each project, and aggregated at the bond level, assessed and quantified by Natixis Energieco team according to recognized methodologies
- **Responsible management:** additional indicators on ESG factors aggregated at bond level, depending on the information availability and relevance of the ESG matters
- **External assurance :** the "Auditor's Report" on the compliance, in all material respects, of the Eligible Projects with the Selection Criteria and the pending cash allocation.

In order to report on the benefits or on the ESG issues of the projects, the Issuer could substitute any of the proposed indicators when convenient and appropriate to facilitate the reporting on the performance and on the management of the use of proceeds in the selected projects.

Until maturity of the bond, BPCE will make available on its website: the annual update of the list of projects and their corresponding environmental benefits and responsible management indicators and the annual Auditor's report. Reporting indicators on environmental benefits and responsible management are not included in the Auditor verification scope.

Fund allocation:

Criteria	Reporting indicators
Use of the Green Bond proceeds	List of projects financed by the green bond proceeds (anonymization, in line with confidentiality practices*) with <ul style="list-style-type: none"> - Related description of each project (technology, stage of the project, location, type of turbines and equipment provider) - Financial data and proceeds allocation: loan (in k€), contractual maturity, date of initial funding, total cost of the project, Natixis Energieco's share in total project debt in (%) - Detailed example of financed projects
	Total outstanding amount of selected loans and percentage of allocated Green Bond proceeds
	Overall refunding vs. new funding (In % of allocated amount, and in % of total amount)

*Due to French bank laws, BPCE, Natixis and Natixis Energieco can not disclose the name of the underlying projects or sponsors.

Environmental benefits:

Categories	Reporting indicator
Reduction of GHG emissions	<ul style="list-style-type: none"> - Ex-ante estimates of annual GHG emissions avoided in tCO2e (according to the methodology developed by European Investment Bank – Version 10.1*) or Ex-ante expected avoidance before operation phase (based on EIA results) - Annual renewable energy production in MWh or Ex-ante estimation of expected production before operation phase) - Capacity of renewable energy plant(s) installed in MW

*EIB methodology - http://www.eib.org/attachments/strategies/eib_project_carbon_footprint_methodologies_en.pdf

Responsible management:

BPCE is committed to use other ESG indicators to report on the responsible management of the projects, for each project and aggregated at bond level, depending on the information availability and relevance of the ESG matters.

At least, the additional ESG reporting will cover following issues:

- Environmental management : % project with environmental impact assessment through ICPE procedure
- Environmental and social risk management : % project with internal E&S procedure*, based on EP guidelines
- KYC & LAB Compliance

**By signing the Equator Principles in December 2010, Natixis recognized the importance of evaluating environmental and social (E&S) risks related to projects being financed and adopted a methodology recognized by many financial institutions, leading its customers to manage, minimize and resolve impacts generated as much as possible. From 2012 Natixis began applying the Equator Principles in its various businesses offering project finance services in any cases where the funds are predominantly allocated to an identified project.*

<http://www.natixis.com>

METHODOLOGY

In Vigeo's view, environmental, social and governance factors are intertwined and complementary and cannot be separated when assessing the management of ESG in any organization or in any activity, including the issuance of bonds.

In this sense, Vigeo writes an opinion on the issuer's corporate responsibility as an organization, and on the objectives, the management and the reporting of the projects financed by this bond.

Vigeo's methodology to define and to assess corporate ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behavior and Corporate Governance. The evaluation framework has been customized regarding material issues, based on the Bank and the Electric & gaz assessment frameworks and specificities inherent to the worldwide markets and emerging issues.

Part I. ISSUER

Level of the issuer's ESG performance:

Groupe BPCE has been evaluated by Vigeo during December 2014 on its social responsibility performance, based on 21 relevant ESG drivers organized in the 6 sustainability domains. Groupe BPCE's ESG performance has been assessed by Vigeo on the basis of three "items":

- **Leadership:** relevance of the commitments (content, visibility and ownership)
- **Implementation:** coherence of the implementation (process, means, control/reporting)
- **Results:** indicators, stakeholders feedbacks and controversies

▪ Scale for assessment of ESG performance: Advanced, Robust, Limited, Weak.

Vigeo's review uses publicly available information from the company, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or NGOs). Information gathered from these sources will be considered as long as they are public, documented and traceable.

Stakeholder-related ESG controversies and disputable activities:

A controversy is information, a flow of information, or contradictory opinions that are public, documented and traceable, allegation against an issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation on unproven facts.

Vigeo provides an opinion on companies' controversies risks mitigation based on the analysis of three factors :

- **Severity:** the more a controversy will relate to stakeholder's fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the Company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the Company (scale: Minor, Significant, High, Critical);
- **Responsiveness:** ability demonstrated by an issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Company for all cases faced (scale: Proactive, Remediate, Reactive, Non Communicative);
- **Frequency:** reflects for each ESG challenge the number of controversies faced. At Corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).

▪ Scale for assessment of ability to mitigate stakeholder-related ESG controversies: Advanced, Robust, Limited, Weak.

In addition, 9 disputable activities have been analysed following 30 parameters to verify if the company is involved in one of them: Alcohol, Animal maltreatment, Armament, Hazardous chemicals, Gambling, GMOs in food & feed, Nuclear energy, Sex industry, Tobacco.

Part II. PROJECT FRAMEWORK

Use of proceeds

The use-of-proceeds requirements are defined to ensure that the funds raised are used to finance and/or refinance an eligible project and are traceable within the issuing organization, and include the management of proceeds. Each project endorsed shall comply with all of the eligible project criteria in order to be eligible. The environmental purpose of the bond's associated eligible projects has been precisely defined, with regard to Groupe BPCE's commitments, and assessed regarding described and estimated benefits of the eligible projects.

Process for project evaluation and selection

The evaluation and selection process has been assessed by Vigeo regarding the exhaustiveness and relevance of ESG selection criteria and associated supporting elements integrated in the Green Bond framework, and the coherence of the process. The analysis was conducted focusing on the most relevant drivers regarding projects issues - based on 14 relevant ESG drivers, aligned with public international standards - and on the evaluation methodology.

- Scale for assessment of ESG integration in the selection process: Advanced, Robust, Limited, Weak.

In addition, the implementation of the project evaluation and selection process have been assessed regarding documentation for a sample of projects, formed by the issuer:

- Solar farm Castellet
- Ground-based solar farm La T ronde
- Biomass Cogeneration Estr ees-Mons
- Wind farm Fontaine Macon II
- Wind farm Petit Jesus

- Scale of level of assurance on implementation of the evaluation and selection process: Reasonable, Limited, Weak.

Vigeo's review uses information provided by Groupe BPCE, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference Financial newspapers to sector-focused magazines or local publications). Information gathered from these sources will be considered as long as they are public, documented and traceable. In total, Vigeo has reviewed around 40 documents (Groupe BPCE and Natixis Annual Report, EP Procedure, Internal loan approval procedure, Natixis Categorisation grid, Project documents and characteristics,...) and online information and conducted interviews with 5 people from across different Groupe BPCE departments.

Part III. REPORTING FRAMEWORK

Reporting indicators are selected from existing indicators to enable annual reporting on fund allocation, environmental benefits and on responsible management of the project financed by the Green Bond proceeds, collected at project level and aggregated at bond level. Vigeo has evaluated the relevance of these indicators according to three principles: transparency, exhaustiveness and effectiveness.

- Scale of level of assurance on reporting on the project: Reasonable, Moderate, Weak

VIGEO'S ASSESSMENT SCALES

Performance evaluation	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.

Level of assurance	
Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework

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