Groupe BPCE

Sustainable Development Bond Programme:
Framework

Dated April 29, 2020
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1. Introduction

Groupe BPCE’s history has been shaped by its cooperative values and its commitment to economic and social progress. At the core of its mission is a concern for how its decisions impact a variety of stakeholders: customers, cooperative shareholders, employees and the wider civil society. A key part of this mission includes the potential impact of each of its activities on human communities and the natural environment. This is why Groupe BPCE has put sustainable development at the heart of its work.

This commitment is given concrete expression within the Group in two different ways:

- In the everyday life of its different companies (human resources, organization, logistics, purchasing, etc.)
- In the course of its business activities as a banker: green and responsible growth and focus on the local, social and solidarity-based economy.

The banks belonging to Groupe BPCE are signatories to the United Nations Global Compact and have undertaken to comply with its ten principles, all derived from major international agreements. The Group supports and takes part in the principal initiatives and working groups in the French financial market devoted to socially responsible investment (SRI). Groupe BPCE is a member of the Observatory of Corporate Social Responsibility (ORSE); of Avise, an association set up to support the development of initiatives designed to create new jobs and promote social cohesion; and holder of the Finansol label used to identify solidarity-based investments.

These commitments enable BPCE to share ideas and experiences with other socially committed groups.

Table : Groupe BPCE ESG Commitments

<table>
<thead>
<tr>
<th>Since</th>
<th>Initiative</th>
<th>Signatories</th>
<th>Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Global Compact « Advanced »</td>
<td>Groupe BPCE &amp; Natixis</td>
<td>Respect human rights, conform to labor international norms, protect the environment, comply with rules preventing corruption</td>
</tr>
<tr>
<td>2010</td>
<td>Principles for Responsible Investment</td>
<td>Natixis</td>
<td>Include environmental, social and governance issues within the investment decision process</td>
</tr>
<tr>
<td>2010</td>
<td>Equator Principles</td>
<td>Natixis</td>
<td>Assess environmental and social risks and impacts of the financed projects thanks to a methodology shared by a great number of financial institutions in order to allow clients to manage, reduce and remedy the impacts associated with their projects</td>
</tr>
<tr>
<td>Year</td>
<td>Organization</td>
<td>Groupe BPCE &amp; Natixis</td>
<td>Commitment</td>
</tr>
<tr>
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<tr>
<td>2019</td>
<td>UNEP FI</td>
<td>Align the strategy of the financial institutions with the Sustainable Developments Goals (SDG) designed by the United Nations and the Climate Paris Agreement. Shift financial activities towards inclusive finance and sustainable economy. Commit to transparency regarding positive and negative outcomes to people and earth.</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Business for Inclusive Growth (B4IG)</td>
<td>Groupe BPCE</td>
<td>Commit to intensify actions dedicated to promote human rights within the value chains, to put in place inclusive work environments and to strengthen inclusion within their internal and external ecosystems.</td>
</tr>
</tbody>
</table>

Becoming a benchmark for sustainable growth in the banking industry is the clearly stated ambition of Groupe BPCE. Indeed, the Group shares the conviction that only sustainable economic performance – i.e. the pursuit of activities that take full account of risks and social and environmental opportunities – can guarantee the long-term development of our regional economies and our society as a whole.

Fully occupying the role of a banking institution close to its customers, one that possesses a deep understanding of the local economy, is of prime importance in achieving these goals.

Groupe BPCE takes active part in the initiatives launched by the financial sector in France, Europe and worldwide:

- **at international level: normative works**
  
  Groupe BPCE takes part in international normalization works within the International Organization for Standardization (ISO) dedicated to environmental finance. It aims at ensuring the compatibility between international accounting standards and specific local norms of accounting.

  Groupe BPCE chairs since 2018 the expert group dedicated to climate and environment finance of AFNOR and the implementation of the ISO 14100 standard. This initiative is part of the bilateral agreements between China and France concluded at the fifth High Level Economic and Financial Dialogue (HED) at the end of 2017.

  - **At European level: sustainable finance**

  Natixis joined the Technical Expert Group on Sustainable Finance (TEG) appointed by the European Commission. The TEG’s mission is to build the European action plan on financing sustainable growth and to propose a European taxonomy of environmentally sustainable economic activities. BPCE participates in the various specific working groups that the European banking organizations have set up to contribute to the progress of the TEG. These include in particular the European Savings Banks Group (ESBG), the European Association of Cooperative Banks (EACB) and the FBE (European Banking Federation);

  - **at the national level: work in favour of the fight against global warming**

  On July 2, 2019, during the meeting held with the Minister of Economy and Finance, Bruno Le Maire, the main organizations and professional federations representing the Paris financial center announced, in a joint declaration, new commitments to fight climate change and to contribute to the objective of carbon neutrality by 2050:
- to encourage their members to adopt a coal strategy, with a global timetable for disengagement, and to report on this in their extra-financial reporting starting in 2020.
- to continue methodological work in collaboration with the supervisory authorities on assessing portfolio exposure to climate risks and on aligning investment portfolios with a 2°C scenario. The Paris financial centre will promote the dissemination and open source standardization of these methodologies.
- to monitor commitments through the creation of an observatory of the achievements and actions of Paris financial market players in the area of green and sustainable finance. Equipped with a scientific committee, the observatory will be under the joint governance of the main professional federations (AFG, FBF, FFA, France Invest) and Finance For Tomorrow.

To this end, the ACPR and the AMF have each created a Climate and Sustainable Finance Commission in which Groupe BPCE is represented. The FBF has set up a Climate Commission chaired by Laurent Mignon and bringing together representatives of the Risk and CSR departments of each of the French banking groups.

The FBF has been involved in the development of the climate stress test:

Groupe BPCE participates in the working group convened by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) on Article 173, provision V of the law on the energy transition for green growth of 17 August 2015, with a view to developing stress test scenarios. During 2019, the working group began to examine the sectors most exposed to physical risk and transition risk and to study existing methodologies in order to propose approaches that can be mobilized in climate stress testing exercises.

2. Rationale for Issuance

Sustainable Development is usually defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs1.

Social progress and equity, environmental protection, and economic advancement are essential and interconnected components of sustainable development.

An international consensus (via inter alia, the Paris Agreement on Climate Change2 and the UN Sustainable Development Goals3) has developed on the need for private capital to help finance sustainable development objectives.

Directing capital to sustainable investments, developing and deploying robust impact measurements and establishing a baseline for continuous improvement will contribute to challenges (for instance, climate change, poverty, access to health and housing).

This Framework of Groupe BPCE’s Sustainable Development Bond Program enables the issuance of Green Bonds and Social Bonds that align finance-raising activities with the sustainable development imperatives and missions of our organization.

The validity of this framework is for a period of one year starting April, 29th 2020. Unless updated, the validity will be extended by one year by tacit agreement.

The Group also anticipates opportunities to broaden its current investor base by creating a mechanism for investors that seek opportunities to invest in sustainable developments.

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2 https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
3 https://sustainabledevelopment.un.org/?menu=1300
### 3. Goals and applicable principles

The Green Bond Principles “GBP” and the Social Bond Principles “SBP”, collectively “The Principles”, enable capital-raising and investment for new and existing projects with environmental and/or social benefits.

The GBP and SBP, published by the Principles’ secretariat ICMA⁴ (International Capital Markets Association), are voluntary process guidelines that encourage transparency and disclosure and promote integrity in the development of the Green Bond and Social Bond markets by clarifying the approach for issuance of these Bonds.

The principles intend to allow broad use by the market. They provide issuers’ guidance on the key components involved in launching a credible Green Bond or Social Bond; they help investors by ensuring availability of information necessary to evaluate the environmental or social impacts of their Green Bond and Social Bond investments; and they assist underwriters by moving the market towards expected disclosures that will facilitate transactions.

In addition to Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines, Groupe BPCE closely monitors any potential regulatory developments in the sustainable finance market in view of continuously strive to meet best market practices. BPCE intends to align this framework document to the extent feasible with the European Union Green Bond Standard, in order to be aligned with the European Commission’s recommendations⁵.

Lastly, Groupe BPCE is aware of the preparation by some market association of green standards that will apply to specific financial products. This is especially the case for ECBC that intends to define energy-efficiency credentials that will apply to mortgages included within the cover pool of covered bonds and define the scope of assets to be associated with a Green Cover Bond⁶.

Groupe BPCE has developed three types of bonds programs; one Green Bond and two Social Bonds; that are issued under this Framework:

1. **Green Bonds** address environmental sustainability. Loans refinanced should constitute a positive contribution to reduction of climate change effect (CO2 emissions) or other environmental challenges (eg sustainable agriculture, biodiversity, waste, water) through clean energy production, energy savings, or other type of actions

2A. **Social Bonds - Human Development** address social sustainability challenges through contributions to economic systems key to human development (education, healthcare, social inclusion, social housing) and that could potentially seek to benefit people who live and work in economically and/or socially disadvantaged areas or communities

2B. **Social Bonds - Local Economic Development** support regional and community development and resilience through financing of small businesses, SMEs, local authorities and non-profit organizations that seek to benefit people who live and work in economically and/or socially disadvantaged areas or communities.

Groupe BPCE’s Framework of Sustainable Development Bond Program aligns with the four core components of the GBP and SBP and is underpinned by a formal policy as described below:

Groupe BPCE’s Sustainable Development Bond Approach is comprised of three pillars:

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⁶ [https://energyefficientmortgages.eu/](https://energyefficientmortgages.eu/)
- **Pillar 1 – Taxonomy**: Based on external research and generally-accepted principles ensuring transparency and common understanding of concepts such as the GBP and SBP, EU Taxonomy, March 2018 Globalizing Capital for Sustainable Finance, Multilateral development organization guidance (SDGs, Paris Agreement), Climate Bonds Initiative, and Academic research
- **Pillar 2 – Issuance Policy**: Commitment to regular issuance of Green Bonds and Social Bonds in a variety of formats and currencies.
- **Pillar 3 – Governance**: The governance of the Sustainable Development Bond Program will be overseen by a Sustainable Bonds Governance Committee “the Committee”

### 3.1 Use of Proceeds

BPCE’s Sustainable Development Bond Framework encompasses the main entities of the group and all issuing signatures, for defined types of assets. The chart hereafter details the various Originating and Issuing entities within Groupe BPCE as well as the potential Eligible Assets:

![Diagram of Originating, Issuing, and Eligible Assets entities]

Green Bonds and/or Social Bonds can be issued Publicly (Public Issuances) or Privately (Private Placements) and in various formats including but not limited to:

- Senior Preferred & Senior Non-Preferred Bonds
- Covered Bonds
- Securitization
- Capital Instruments

Green Bonds and Social Bonds will be used to finance or refinance, in whole or in part, loans that fall into Eligible Loan Categories (as defined below) (“Eligible Loans”) of an entity or entities within Groupe BPCE.
The loan will be accounted for the outstanding capital. In case of partial or complete redemption of a loan, the eligible value will decline similarly.

Eligible Loans are located in the geographic scope of Groupe BPCE activities, with a strong focus on France.

A list of generally defined Eligible Loan Categories to be financed by the Program has been defined, including the mapping of SDGs general alignment (please see sections 3.1.2, 3.1.3 and 3.1.4). The detailed definitions of each Eligible Loan Category, associated eligibility criteria and environmental and/or social objectives, as well as the contribution to specific SDGs' targets, will be specified on a case-by-case basis in ad hoc Methodology Notes established for each new Eligible Loan Category or in case of a substantial change in the use of proceeds for an existing Eligible Loan Category and made available on the Issuer’s website.

The content of these Methodology Notes will be reviewed by an external reviewer, leading to Second Party Opinion made also publicly available.

For each bond issued under this framework, a list of Eligible Loans will be set up and updated from time to time to include any Eligible Loans newly (re)financed, and to remove any Eligible Loans that are no longer (re)financed by this means due to their normal or early repayment or if any such loan falls in the list of exclusions.

A loan which meets the eligibility criteria of a given bond issue under this framework and is earmarked as Eligible Loan will remain eligible for its entire life, unless it is clearly indicated that the eligibility test has to be satisfied permanently in the methodology note of a given bond issue. A loan or a borrower which falls in the list of exclusions will become non-eligible.

**Exclusions**

Groupe BPCE explicitly excludes mining (including coal), oil & gas, defense, tobacco and nuclear activities for allocation to any of its Green Bonds or Social Bonds.

These exclusions may be amended over time to reflect the evolution of the strategic ESG goals of the group.

Loans or assets are also partially or totally excluded from eligible loans:

- If any material and critical controversies emerge, in relation to a specific asset, the company commits to substitute that asset with an alternative eligible asset.
- if they have been flagged as partially or totally as pledged assets for other funding sources such as European Investment Bank, Council of Europe Development Bank or Caisse des Dépôts et Consignations for instance.
### 3.1.2 Green Bonds

<table>
<thead>
<tr>
<th>Type of Sustainable Development Bonds</th>
<th>Eligible Loan Categories / related Sustainable Development Goals</th>
<th>Definition / Use of Proceeds</th>
<th>Goals / Expected Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Green Bonds</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>loans in the renewable energy sector and for the development, construction, operation and maintenance of renewable energy projects, including but not limited to solar and wind projects</td>
<td>Contribute to climate change mitigation</td>
<td>--</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>loans for the development, construction, operation and maintenance of energy efficiency projects</td>
<td>Contribute to climate change mitigation</td>
<td>--</td>
</tr>
<tr>
<td>Green Buildings</td>
<td>loans or investments for the construction and retrofit of new, existing or refurbished green buildings</td>
<td>Contribute to climate change mitigation</td>
<td>--</td>
</tr>
<tr>
<td>Sustainable Water Management</td>
<td>loans for the development, construction, operation and maintenance of sustainable water management projects</td>
<td>Contribute to access to safe and affordable drinking water</td>
<td>--</td>
</tr>
<tr>
<td>Clean transportation</td>
<td>loans for clean transport vehicles, equipment and infrastructure, including public and private transportation projects</td>
<td>Contribute to climate change mitigation</td>
<td>--</td>
</tr>
<tr>
<td>Type of Sustainable Development Bonds</td>
<td>Eligible Loan Categories / related Sustainable Development Goals</td>
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<tr>
<td>Sustainable Waste Management</td>
<td>loans for the development, construction, operation and maintenance of sustainable waste management projects</td>
<td>Contribute to hygiene and access to adequate and equitable sanitation -- Recycling of waste and pollution prevention and control</td>
<td></td>
</tr>
<tr>
<td>Sustainable agriculture and fishery</td>
<td>loans for the development, construction, operation and maintenance of Sustainable agriculture and fishery projects</td>
<td>Contribute to conservation of life below water and on land -- Conservation of terrestrial and aquatic biodiversity</td>
<td></td>
</tr>
<tr>
<td>Biodiversity conservation</td>
<td>Refinancing of loans for the development, construction, operation and maintenance of biodiversity conservation projects</td>
<td>Contribute to conservation of life below water and on land -- Conservation of terrestrial and aquatic biodiversity</td>
<td></td>
</tr>
</tbody>
</table>
## 3.1.3 Social Bonds - Human Development

<table>
<thead>
<tr>
<th>Type of Sustainable Development Bonds</th>
<th>Eligible Loan Categories / related Sustainable Development Goals</th>
<th>Definition / Use of Proceeds</th>
<th>Goals / Expected Benefits</th>
</tr>
</thead>
</table>
| **Healthcare**                        | Loans to customers with sectoral activity codes related to healthcare, with potential geo-scoring, including but not limited to hospitals and healthcare facilities | Contribute to access to good healthcare  
--- | Improvement of healthcare facilities/services and healthcare coverage |
| **Education**                         | Loans to customers or projects with sectoral activity codes related to education, with potential geo-scoring, including but not limited to primary and secondary education, adult learning and continuing education | Contribute to access to quality education  
--- | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for more people |
| **Social Housing**                    | Loans to customers or projects with sectoral activity codes related to social housing and loans promoting social ownership | Contribute to access to affordable housing  
--- | Ensure access for more people to adequate, safe and affordable housing |
| **Social Inclusion**                  | Loans to customers or projects with sectoral activity codes related to social inclusion (activities with a social purpose but excluding healthcare, education and social housing), with potential geo-scoring  
Including, but not limited to, loans to customers or projects with sectoral activity codes related to sport (coaching, teaching) or financing sport infrastructures providing Social inclusion benefits | Contribute to positive inclusion into society  
Contribute to access to other good social services  
--- | Ensure access for more people to other basic social services |
### 3.1.4 Social Bonds - Local Economic Development

<table>
<thead>
<tr>
<th>Type of Sustainable Development Bonds</th>
<th>Eligible Loan Categories / related Sustainable Development Goals</th>
<th>Definition / Use of Proceeds</th>
<th>Goals / Expected Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2B. Social Bonds / Local Economic Development</td>
<td>Employment conservation and creation</td>
<td>loans to customers or projects with geo-scoring of areas with high unemployment/low income/low job creation, with potential targeting of specific sectoral activity codes</td>
<td>Contribute to access to decent work and economic growth -- Facilitate job conservation or creation, revitalize economically depressed areas and reduce poverty</td>
</tr>
<tr>
<td></td>
<td>Affordable Basic Infrastructure</td>
<td>loans to customers or projects aiming at the improvement of community infrastructure (public transportation, etc.)</td>
<td>Contribute to provide access to safe, affordable, accessible and sustainable systems and basic infrastructure -- Improve quality of life in particular in densely populated urban areas and local communities</td>
</tr>
</tbody>
</table>
3.2 Process for Loan Evaluation and Selection

The governance of the Sustainable Development Bond Program is overseen by a Sustainable Development Bond Governance Committee “the Committee” under the joint sponsorship of Groupe BPCE’s CFO and Head of Environmental, Social, and Governance (ESG) with participation from ESG, business development and finance teams of the Group regional banks and Natixis, Head of MLT Funding & Investor relations, Head of Asset and Liability Management (ALM), Head of Portfolio Management & Financial Engineering (PMIF) and external ESG experts. The Committee is expected to meet quarterly.

The Committee is in charge of:

1. Definition and Supervision of the Sustainable Development Bond issuance policy, including:
   a. Issuance targets of sustainable development bonds and follow up of deliveries,
   b. Framework, methodology notes and reporting review and approval,
   c. Supervision of the governance and process for eligible asset pool evaluation and selection of the green and social bonds issued under this framework,
   d. Deal reviews and enforcement of lessons learnt
2. Innovation:
   a. Steer BPCE group’s entities sustainable product (loans) innovation process, including how to embed impact and eligibility criteria in products characteristics
   b. Define and / or update new issuance types
3. Stakeholders’ dialogue and engagement:
   a. Market practice review and dialogue with external stakeholders (non-financial rating agencies, experts)
   b. Sponsorship of initiatives with a focus on impact metrics and training
4. Definition and update of the framework and methodology notes
5. Eligible asset pool identification, selection & allocation, monitoring, data collection and reporting, respect of selection criteria and exclusions
6. Mandate and coordination of external reviews (SPO and audit)
7. Coordinate internal stakeholders

Ad-hoc dedicated committees may be created within the financing entities to identify eligible assets, apply exclusion criteria, monitor the eligible asset pool and produce ad-hoc reporting (it may involve teams such as Group PMIF Department, ALM Department or Funding Department). These ad-hoc dedicated committees will also be in charge of making sure that the selection criteria and the exclusions are duly applied.

Selection criteria mean the list (established for a specific bond issue of this type under this framework) of environmental, social and governance (ESG) criteria which any loan should comply with, in accordance with the Methodology Note of a given bond issue under this framework, in order to be considered as an Eligible Loan, as such list may be modified from time to time subject to the prior verification by the provider of a second party opinion.

Selection criteria will be established on a case-by-case basis, subject to the prior review by the provider of a second party opinion, for each new Eligible Loan Category or in case of a substantial change in the use of proceeds for an existing Eligible Loan Category.
3.2.1 Green Bond Process for Loan Evaluation and Selection:

Eligible Loans mean green loans that are:

(i) originated by entities within Groupe BPCE (Banque Populaire banks and their subsidiaries, Caisse d’Epargne banks and their subsidiaries, direct and /or indirect subsidiaries of BPCE),
(ii) which meet the selection criteria defined for a specific Green Bond issue and the ad-hoc Methodology Notes and approved by an independent provider of a second party opinion (as necessary) and have been selected according to the governance and process for loan evaluation and selection of that specific Green Bond.

3.2.2 Social Bond Process for Loan Evaluation and Selection:

3.2.2.1 Social Bonds - Human Development

Groupe BPCE has established a dedicated eligibility IT engine that defines the selection of a virtual asset pool by using official codes of sectors of economic activity, with potential geo-scoring. The asset pool consist in loans granted to customers whose activities are dedicated to Education, Healthcare, Social Housing, and Social Inclusion or projects in these activities.

3.2.2.2 Social Bonds - Local Economic Development

Groupe BPCE has established a dedicated Sustainable Development eligibility IT engine that defines the selection of a virtual pool of loans by using an external open data source (INSEE\(^7\)) supplemented by Groupe BPCE internal data. An overview of the Social Bonds - Local Economic Development Methodology can be found here.

3.3 Management of Proceeds

The funds are managed within the Central Treasury function of BPCE in a dedicated way without fungibility with other sources of wholesale funding. Specific arrangements are set in case the issuer consists in a Special Purpose Vehicle or a Covered Bond.

An amount equal to the net proceeds of the Green/Social Bond issues, swapped into the currency in which the eligible loans are denominated if the bonds are not issued in that currency, will be granted to an entity or entities within Groupe BPCE (Banque Populaire banks and their subsidiaries, Caisse d’Epargne banks and their subsidiaries, direct and /or indirect subsidiaries of BPCE) by way of intra-group loans in the currency in which the eligible loans are denominated and will be earmarked to eligible loans. The look-back period for refinancing of eligible loans will be specified in accordance with each dedicated Methodology Note for specific Green/Social Bond issues.

Pending allocation (within a maximum of 2 years after the issuance the specific green or social bond) or reallocation to eligible loans (due to normal early repayment), the unallocated amount (if any) will be invested in cash or cash equivalents.

The selection and replenishment of initial assets within this virtual pool will occur within Groupe BPCE core banking system according to initial criteria for the life of the bonds. At least once a year, the virtual asset pool of eligible assets and the earmarked eligible assets will be updated/screened for normal or early repayment as well as sectoral exclusions and any other exclusions. Eligible assets from the updated virtual pool will be added to the pool of earmarked eligible assets if needed. For all such outstanding bond issue, the list of eligible official codes of sectors of economic activity is or will be published on a dedicated section of Groupe BPCE’s website:

Link to Social Bond section on BPCE’s website
Link to Green Bond section on BPCE’s website

3.4 Reporting

Key performance indicators will be established on a case by case basis in line with the Methodology Note specific to each Eligible Project Category under this framework and BPCE undertakes to publish these key performance indicators at a defined frequency for each Eligible Loan Category.

The monitoring and reporting process and methodology of calculation will be described in the Methodology Note of each bond issue under the framework.

Once a year, as long as we have Green Bonds or Social Bonds outstanding, Groupe BPCE will report for each Methodology Note with outstanding Green Bonds or Social Bonds on a dedicated page of our website (www.bpce.fr) which will include:

1._allocations by eligible project category;
2. share of proceeds allocated to financing or refinancing;
3. yet to be allocated amount of cash or cash equivalents;
4. relevant environmental and/or social key performance indicators (outputs and/or impacts).

Reports already available on BPCE’s website:

Green Bonds: https://www.groupebpce.fr/en/Investors/Funding/Green-bonds
Social Bonds: https://www.groupebpce.fr/en/Investors/Funding/Social-bonds
External Review

4.1 Second Party Opinion

Vigeo Eiris has been engaged to provide a second party opinion on Groupe BPCE’s Framework of Sustainable Development Bond Program. The second party opinion will be published on Groupe BPCE’s website (www.bpce.fr) in a new section dedicated to the Framework.

A second party opinion will be provided also for every new Methodology note targeting a new Eligible Loan Category or in case of a substantial change in the use of proceeds for an existing Eligible Loan Category.

4.2 Verification

Groupe BPCE’s reporting will also be subject to verification by an external auditor yearly and in case of any material changes to the allocation. The auditor will verify:

- The compliance of Eligible Loans (re)financed under each Methodology Note with eligibility criteria defined in the use of proceeds section of each relevant Methodology Note;
- Allocated amount related to the Eligible Loans (re)financed by Green Bonds or Social Bonds; and
- The management of proceeds and unallocated proceeds amount.

The external auditor’s assurance reports will be available on BPCE’s website:

Green Bonds: https://www.groupebpce.fr/en/Investors/Funding/Green-bonds

Social Bonds: https://www.groupebpce.fr/en/Investors/Funding/Social-bonds