

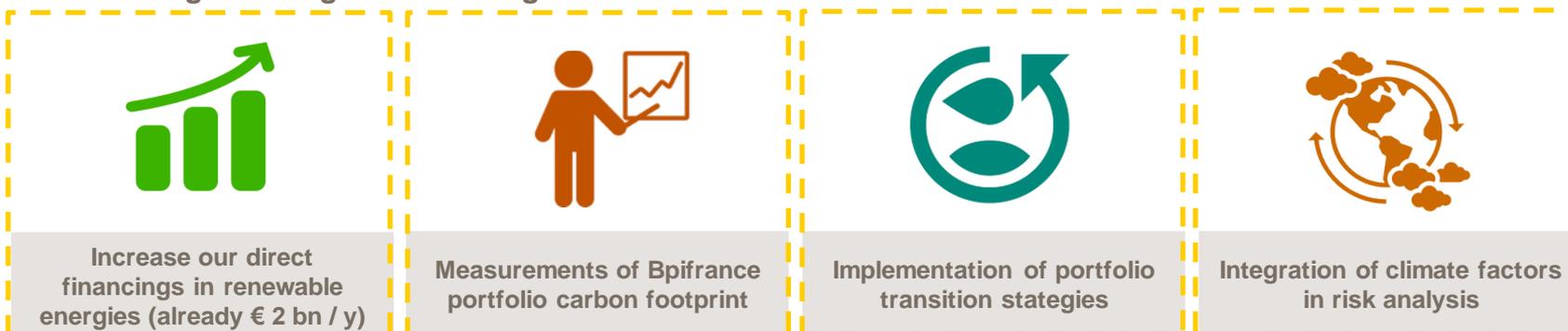
**GREEN BOND PRESENTATION**  
**Introduction to Bpifrance's Green Bond**  
**April 2021**

# Bpifrance's Climate Plan to support Green Tech, renewable energies and business transition<sup>1</sup>

In light of the increasing need for transition to a greener economy, **Bpifrance and La Banque des Territoires** (Bpifrance's sister company in Caisse des Dépôts) **launched a €40 billion Climate Plan for ecological transition on 9<sup>th</sup> September, 2020**, becoming together *la Banque du Climat*. The complementarity between those two entities is essential to the plan implementation which will benefit to companies and to territories' local authorities: Bpifrance will focus on SMEs and innovative start-ups of the greentech sector while *La Banque des Territoires* will target energy renovation projects of social housing and thermal renovation of public buildings.

The Climate Plan highlights the willingness of Bpifrance to support the ecological and energy transition towards the decarbonisation of the French economy. Acting as the French national promotional bank, Bpifrance is not only aiming at decarbonising its own balance sheet, but also helping French companies to transform themselves and to successfully achieve their transition. In order to achieve this goal, Bpifrance will use all the tools at its disposal by providing equity, loans, guarantees, subsidies, advisory missions and training.

Also, an ambitious strategic plan has been implemented since 2019 through **4 axes to support flourishing stakes towards mitigation of global warming**



...in response to climate emergency



# Bpifrance 's Inaugural Green Bond issuance

## Bpifrance 's Climate Plan : Strategy and Ambitions

### Bpifrance's Climate Strategy

- AXES**
- 1** Alignment of all Bpifrance's clients activities with the carbon neutrality goal of Paris Agreement
  - 2** Amplification of the group's action in supporting projects and companies in favour of ecological and energy transition.

#### 3 KEY PILLARS

Accelerating business transition and transformation

Support for the emergence and growth of Greentech

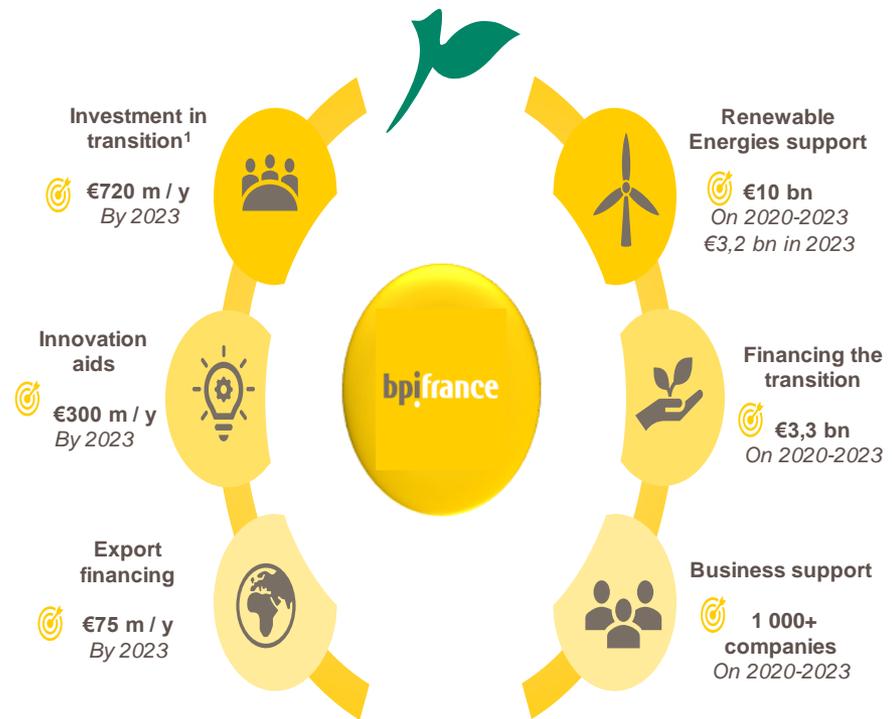
Amplification of funding toward renewable energy

« The outstanding funding of the Climate Plan will enable Bpifrance to be an agent of transformation and mobilization for companies towards ecological and environmental transition technologies »

Nicolas Dufourcq, Bpifrance CEO



### Bpifrance's Climate Ambitions



Through this Green Bond Framework and the issue of Green Bonds, Bpifrance aims to reinforce its commitment to sustainability as it believes that Green Bonds are key financial instruments to achieve a low carbon economy

# Bpifrance 's Inaugural Green Bond issuance

## Overview of Bpifrance's Green Bond Framework<sup>1</sup>

- The new Green Bond Framework will serve as basis for Bpifrance's **Green Bond** issuances with a specific focus on **Renewable Energy**
- Aligned to the 4 pillars of the **ICMA Green Bond Principles**

1. Use of Proceeds

2. Process for Project Evaluation and Selection

3. Management of Proceeds

4. Reporting

- **Second Party Opinion** provided by Cicero

with an assessment of the **alignment with the EU Taxonomy draft on the technical Climate Mitigation Criteria**



CICERO  
Shades of  
Green

- The Eligible Green Loans are aiming to contribute to the following **UN Sustainable Development Goals**:



### SDG #7 – Affordable and Clean Energy :

- ✓ Ensure access to affordable, reliable, sustainable and modern energy for all.
- ✓ Targets for 2030 include access to affordable and reliable energy while increasing the share of renewable energy in the global energy mix.



### SDG #13 – Climate Action

- ✓ Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.
- ✓ Targets for 2030 are: strengthen resilience and adaptive capacity to climate-related disasters; integrate climate change measures into policies and planning; and build knowledge and capacity to meet the challenge of climate change.

# Bpifrance 's Inaugural Green Bond issuance

## Use of Proceeds – A focus on Renewable Energy

- The net proceeds of Bpifrance's Green Bonds will be used to finance and/or refinance, in whole or in part, new or existing medium and long-term loans aiming at financing **solar and wind projects**

### Renewable Energy



Loans for construction and operation of electricity generation facilities dedicated to wind and solar power projects

- **Eligibility Criteria:** Facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by 2050
- **Location:** Projects in **France**
- **Exclusion List:**
  - ✓ Mining and quarrying
  - ✓ Distilling, rectifying and blending of spirits
  - ✓ Manufacture of tobacco products
  - ✓ Manufacture of coke and refined petroleum products
  - ✓ Processing of nuclear fuel
  - ✓ Manufacture of weapons and ammunition
  - ✓ Manufacture of military fighting vehicles
  - ✓ Gambling and betting activities
  - ✓ Defense activities



The Eligible Green Loans must be consolidated in Bpifrance's balance sheet under the IFRS accounting standards.

Eligible Green  
Loans

In line with Bpifrance Climate Plan and aim at contributing to significant progress on Climate Change Mitigation and GHG emissions reduction.

# Bpifrance 's Inaugural Green Bond issuance

## Project selection, management of proceeds and reporting

### Project evaluation and selection

- The evaluation and selection of these loans are conducted with a **focus on improving energy efficiency and promoting developments in renewable energy (solar and wind)**.
- All Eligible Green Loans will be submitted to **Bpifrance's regular underwriting process** :
  - **Risk division** : Bpifrance's credit risk policy<sup>1</sup> is closely monitored and is established by its risk division ;
  - **Credit Committees** : the riskiest and the most sensitive credit files are reviewed by Bpifrance's Credit Committees
  - **Green Bond Committee** : In addition, Bpifrance has set-up a Green Bond Committee which is composed of members of the Finance Department, Accounting Department and CSR Department. This committee is responsible for (i) Verifying the traceability of the Eligible Green Loans and their compliance with the Eligibility Criteria and (ii) Monitoring the satisfactory allocation of the net proceeds raised through Bpifrance's Green Bond issuance to the Eligible Green Loans Category.

### Management of proceeds

- Bpifrance's treasury team will be responsible for the management of the net proceeds of Green Bonds, to ensure that an amount equal to such proceeds are effectively invested in the financing and/or re-financing of Eligible Green Loans ;
- An amount equal to the net proceeds of the Green Bond portfolio will be matched with a portfolio of Eligible Green Loans ;
- The total outstanding amount of Bpifrance's Green Bonds will not be higher than the total outstanding amount of Eligible Green Loans in the portfolio. Bpifrance may consider a security buffer to ensure that the global amount of Green Bonds issued under this Framework, including the amount of the Green Bonds to be issued, will not be higher than 80% of the global amount of its Eligible Green Loans portfolio.

### Reporting

- Bpifrance will publish an allocation and impact report on an annual basis until the full allocation of the proceeds;
- An independent third party will verify on an annual basis the allocation of the Green Bond net proceeds, as well as the compliance of loans financed by the Green Bond proceeds with the Eligibility Criteria ;
- This report will be published on Bpifrance's website following the release of the Annual Reports<sup>2</sup>

### Second Party Opinion

- Independent Second Party Opinion for Bpifrance's Green Bond Framework is issued by CICERO ;
- CICERO has rated Bpifrance's Green Bond Framework with a **dark green shade**. According to CICERO Shades of Green methodology, "Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future".



CICERO  
Dark Green