GREEN BOND PRESENTATION
Introduction to Bpifrance’s Green Bond
April 2021
**Bpifrance’s Climate Plan to support Green Tech, renewable energies and business transition**

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 9th 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**

- Increase our direct financings in renewable energies (already € 2 bn / y)
- Measurements of Bpifrance portfolio carbon footprint
- Implementation of portfolio transition strategies
- Integration of climate factors in risk analysis

...in response to climate emergency

**Establish a volumetric plan for Environmental & Energy Transition actions**

**Publish & Monitor Bpifrance global portfolio carbon footprint**

**Integrate a decarbonized approach for portfolio strategy**

**Integrate climate stakes into Bpifrance internal operation**

**Integrate climate factors in risk analysis**

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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.

Renewable Energies support
€10 bn
On 2020-2023
€3.2 bn in 2023

Financing the transition
€3.3 bn
On 2020-2023

Business support
1 000+ companies
On 2020-2023

Investment in transition
€720 m / y
By 2023

Innovation aids
€300 m / y
By 2023

Export financing
€75 m / y
By 2023

1 - including investments made by partner funds
Bpifrance’s Inaugural Green Bond issuance
Overview of Bpifrance’s Green Bond Framework

- 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

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- Second Party Opinion provided by Cicero with an assessment of the alignment with the EU Taxonomy draft on the technical Climate Mitigation Criteria

- 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.

1 – See Bpifrance’s Green Bond framework: [https://www.bpifrance.fr/Espace-Investisseurs](https://www.bpifrance.fr/Espace-Investisseurs)
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 100gCO2e/kWh, declining to 0gCO2e/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

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<th>Project evaluation and selection</th>
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<tr>
<td>➢ The evaluation and selection of these loans are conducted with a <strong>focus on improving energy efficiency and promoting developments in renewable energy (solar and wind)</strong>.</td>
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<td>➢ All Eligible Green Loans will be submitted to <strong>Bpifrance’s regular underwriting process</strong>:</td>
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<td>• <strong>Risk division</strong> : Bpifrance’s credit risk policy(^1) is closely monitored and is established by its risk division;</td>
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<td>• <strong>Credit Committees</strong> : the riskiest and the most sensitive credit files are reviewed by Bpifrance’s Credit Committees</td>
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<tr>
<td>• <strong>Green Bond Committee</strong> : In addition, Bpifrance has set-up a Green Bond Committee which is composed of members of the FinanceDepartment, 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.</td>
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<th>Management of proceeds</th>
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<td>➢ 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;</td>
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<td>➢ An amount equal to the net proceeds of the Green Bond portfolio will be matched with a portfolio of Eligible Green Loans;</td>
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<td>➢ 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.</td>
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<td>➢ Bpifrance will publish an allocation and impact report on an annual basis until the full allocation of the proceeds;</td>
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<td>➢ 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;</td>
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<td>➢ This report will be published on Bpifrance’s website following the release of the Annual Reports(^2)</td>
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<th>Second Party Opinion</th>
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<td>➢ Independent Second Party Opinion for Bpifrance’s Green Bond Framework is issued by CICERO;</td>
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<td>➢ CICERO has rated Bpifrance’s Green Bond Framework with a <strong>dark green shade</strong>. 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”.</td>
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\(^1\) As a credit establishment approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), Bpifrance is subject to the provisions of the French Code Monétaire et Financier and the decree of 3 November 2014, relating to the internal control of banking sector companies, of the Consultative Committee on Legislation and Financial Regulation regarding internal control. |

\(^2\) [https://www.bpifrance.fr/Espace-Investisseurs](https://www.bpifrance.fr/Espace-Investisseurs)